

DALLAS-FORT WORTH, TX

2023 MARKET AT A GLANCE

Occupancy Rate

94.5%



DOWN 40 BPS YOY

Effective Rent

\$1,575



UP 3.4% YOY

Rent Share of Wallet

21.5%



DOWN 10 BPS YOY

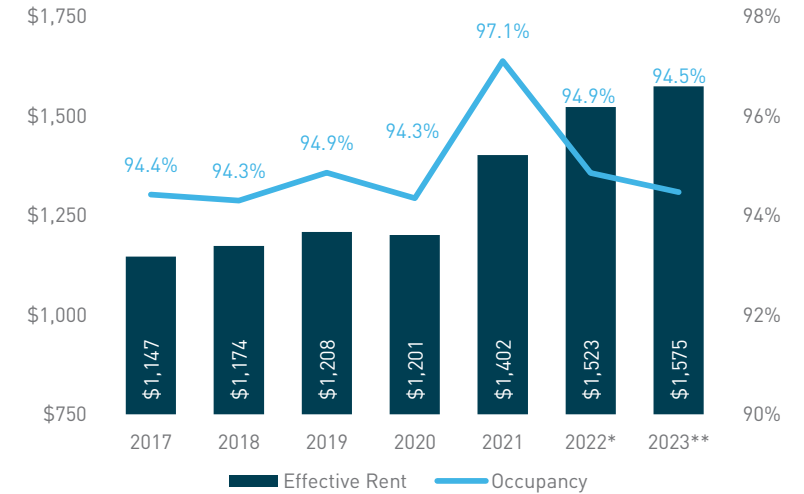
Healthy Apartment Fundamentals Expected with DFW Economy Outperforming the U.S.

The elevated cost of homeownership combined with a strong regional economy will fortify the Dallas-Fort Worth multifamily market in 2023. Since the onset of the pandemic, the median home price increased 38% through the end of last year. With the median price projected to remain higher than \$350,000 amid high mortgage rates this year, the apartment market will meet residents' housing needs. Builders are scheduled to add up to 35,910 units this year, surpassing the high from 2021 by approximately 28%. Additional housing options are essential as net migration into Dallas-Fort Worth from 2023 to 2025 is forecast to exceed 2020 to 2022 by 33.4%. As a result, apartment absorption is projected to be near record levels this year with 30,471 anticipated net move-ins. Contributing to the appeal of the metro for new residents is local employment expansion projected to more than double the nation growth this year. Hiring will also contribute to the median household income elevating a projected 4.0% over the next 12 months, giving apartment operators leeway to keep raising rent at a healthy clip. Effective rent advanced 8.6% in the last year, an indication that operators traded occupancy for large rent increases. Even so, occupancy remained near 95% by year-end due to positive net absorption. That trend is expected to continue in 2023 as the average effective rent is forecast to increase 3.4%. Occupancy is projected to end the year in the mid-94% range, and slightly above the average in the 10 years leading up to the pandemic.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

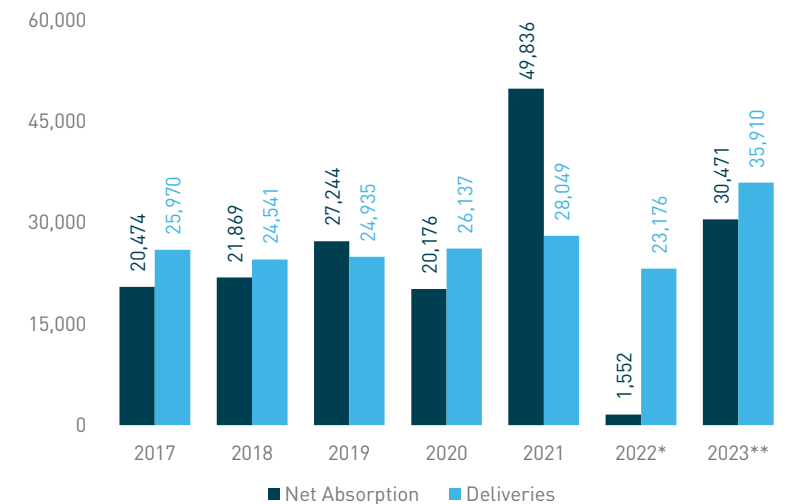
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

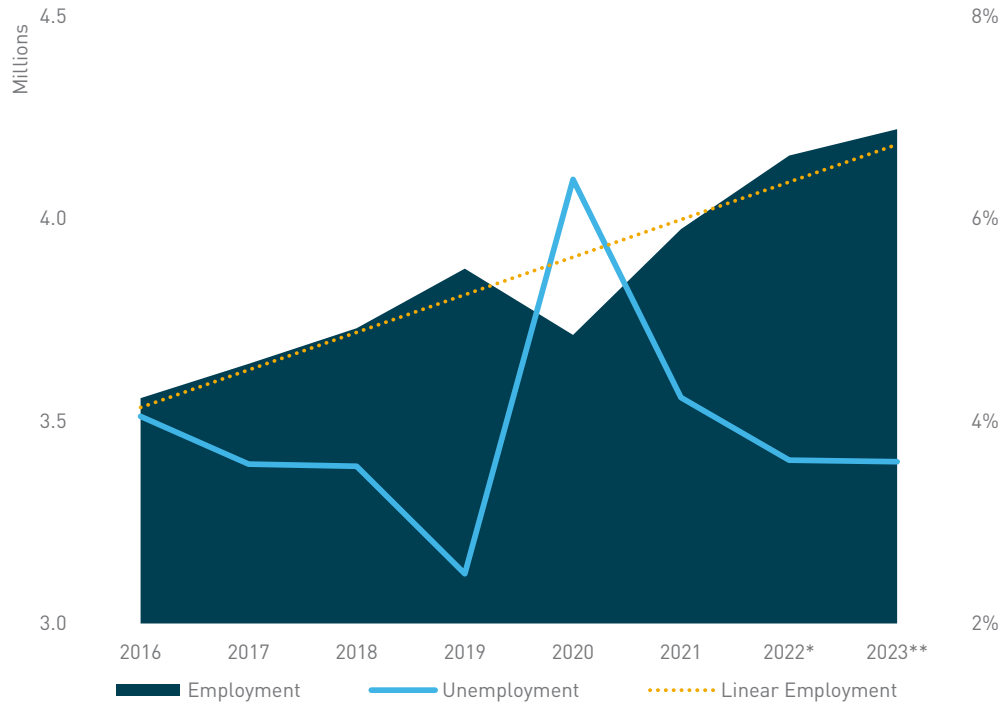


*Projected **Forecast

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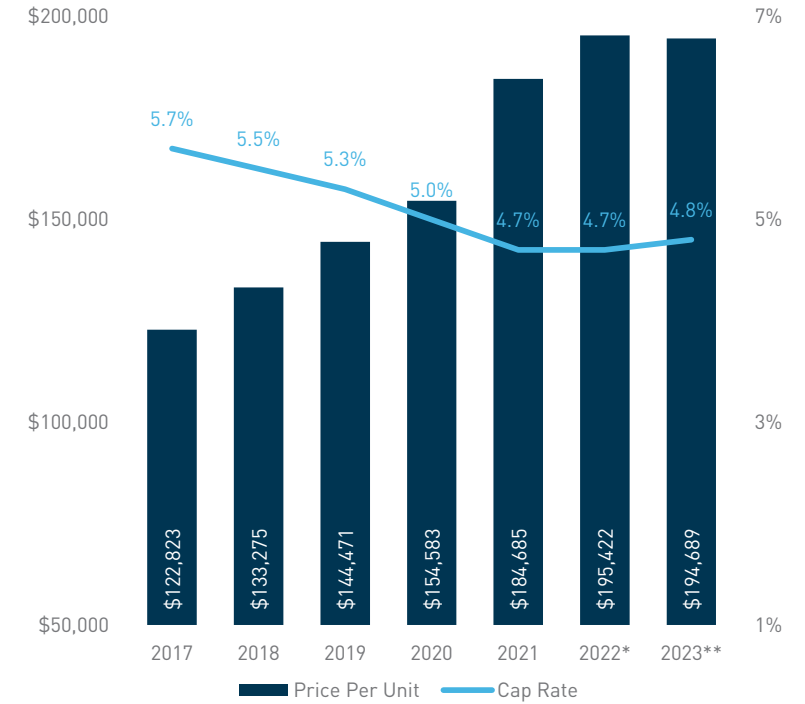
Employment Trends

Market Employment Trends



Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p>4,221,300</p> <p>↑</p> <p>UP 1.6% YOY</p>	<p>Unemployment</p> <p>3.6%</p> <p>=</p> <p>UNCHANGED YOY</p>	<p>Median Household Income</p> <p>\$87,861</p> <p>↑</p> <p>UP 4.0% YOY</p>
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<p>Price Per Unit</p> <p>\$194,689</p> <p>↓</p> <p>DOWN 0.4% YOY</p>	<p>Cap Rate</p> <p>4.8%</p> <p>↑</p> <p>UP 10 BPS YOY</p>
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