2021 MID-YEAR

DALLAS-FORT WORTH TX

INSTITUTIONAL MULTIFAMILY REPORT

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DALLAS-FORT WORTH, TX

EMPLOYMENT

JOBS ADDED / LOST

LAST 12 MONTHS

329,500

9.5%

NEXT 12 MONTHS*

177,700

4.7%

UNEMPLOYMENT

MID-YEAR 2021

5.6%

600 BPS YOY

MID-YEAR 2022*

4.3%

120 BPS YOY

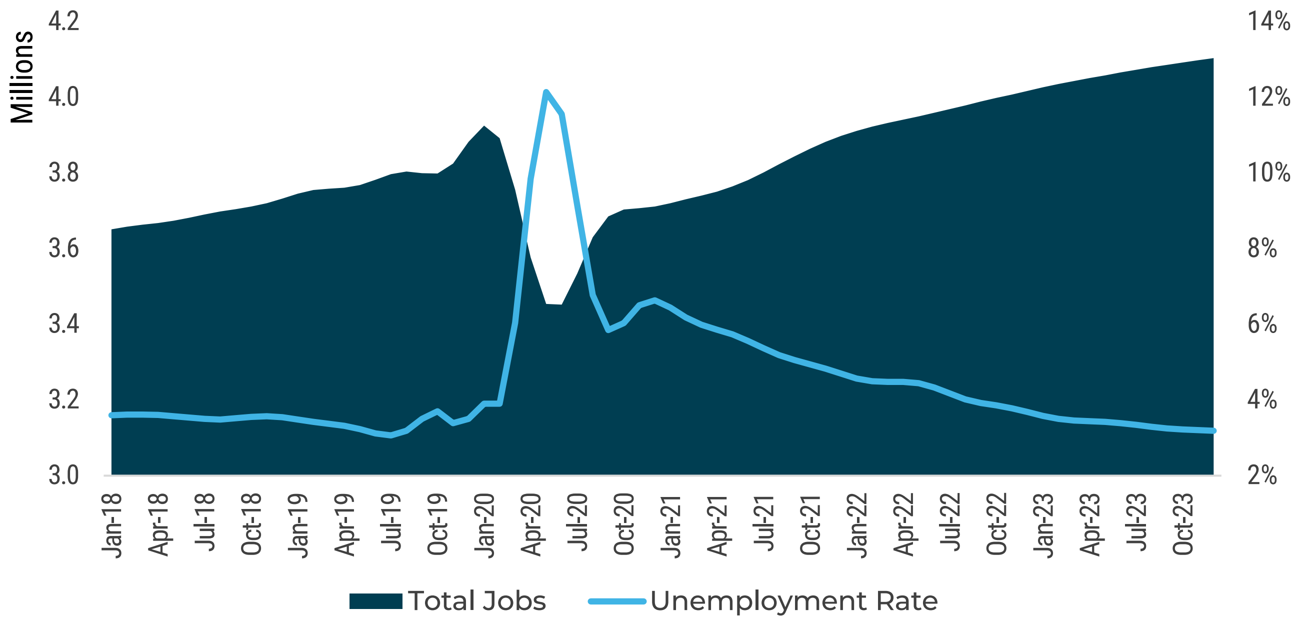
*PROJECTED

Following a pandemic-driven 12.1% drop in employment in the Dallas-Fort Worth metro area in the first half of 2020, the local job market rebounded significantly over the next 12 months. From June 2020 to June 2021, employers in the Metroplex created or restored 329,500 jobs, a 9.5% annual increase.

Since mid-2020, Texas has consistently had some of the least restrictive COVID-related mandates in the country, and this atmosphere has enabled rapid job recovery, particularly in service-related industries. In the leisure and hospitality sector, 103,900 workers were hired or reinstated in the last 12 months, equating to 40.1% year-over-year growth. In the higher-wage professional and business services segment, 58,000 newly created positions were filled, a 9.7% increase. The other two white-collar sectors had expanding payrolls, as well. In the financial activities sector, staffing levels grew 4.1% with 13,200 newly filled jobs, while 4,300 additional workers were hired in the information industry.

Continued economic recovery will be buttressed by corporate relocations and expansions. Two of these expansions are a 1.5 million-square-foot Home Depot Inc. distribution center in Dallas that will employ 1,500 workers by the end of this year and Charles Schwab Corporation's recent announcement to fill 1,000 well-compensated positions in the metro area.

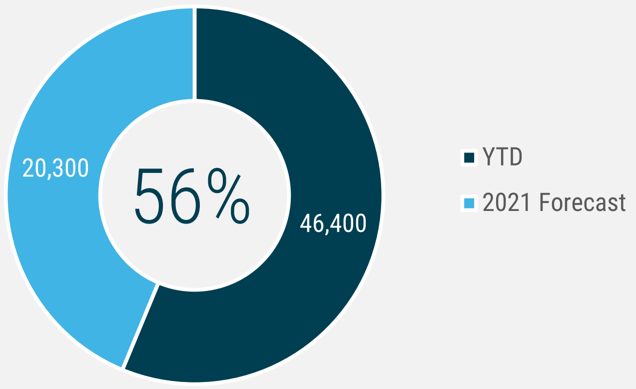
EMPLOYMENT TRENDS



SOURCE: MOODY'S ANALYTICS

WHO'S HIRING?

LEISURE & HOSPITALITY INDUSTRY



10%
OF ALL JOBS IN THE METRO

$23,770
AVERAGE ANNUAL SALARY

TOP LEISURE & HOSPITALITY EMPLOYERS

Marriott	3,580 JOBS
Hilton	2,650 JOBS
GAYLORD TEXAN®	2,000 JOBS

IN THE NEWS

- Lowe's to Hire 1,000+ Workers in Dallas-Fort Worth
- Home Depot to hire 1,500 people at new DFW dist. center
- Charles Schwab seeking 1,000 new employees in DFW
- Rubber glove maker bringing 800 jobs to Fort Worth
- Amazon to fill 500 FT positions at 6 facilities in DFW
- UPS to hire 450 employees in DFW area

2021 UNITS*

DELIVERED

29,559

ABSORBED

27,075

2022 UNITS*

DELIVERED

22,425

ABSORBED

26,234

*PROJECTED

DALLAS-FORT WORTH, TX

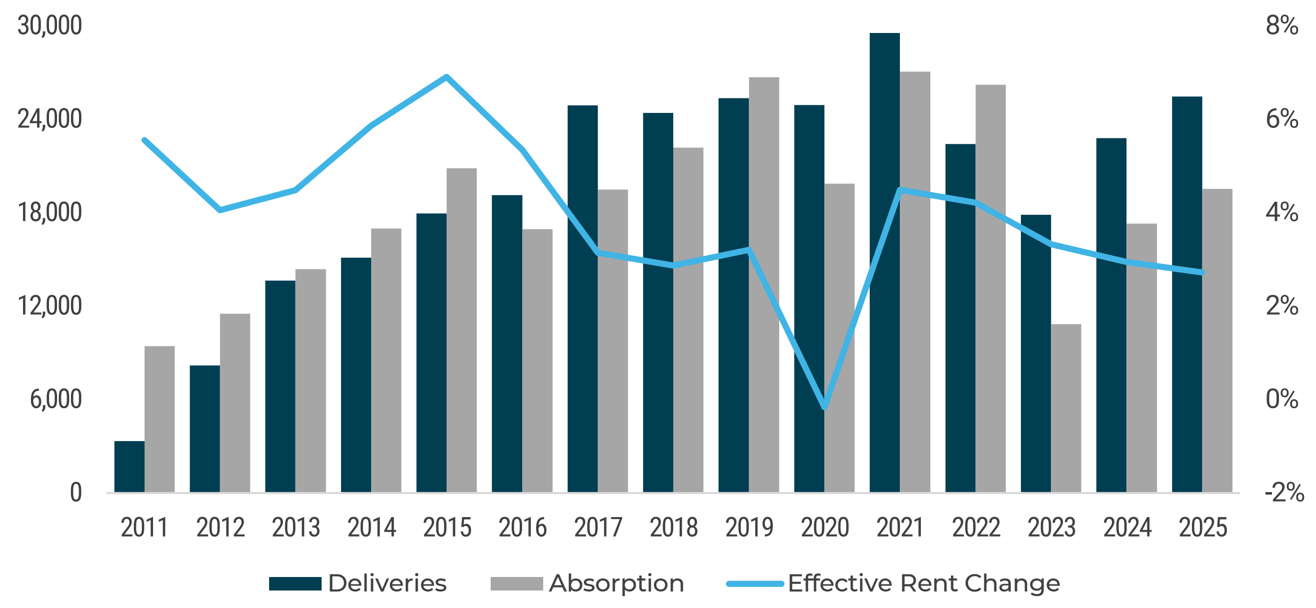
DELIVERIES & ABSORPTION

As of the second quarter of 2021, 75 apartment communities representing a total of 20,782 units were in lease-up in the metro area. Also in the second quarter, builders completed more than two dozen apartment developments in, contributing to a total of 7,898 units that were brought into service. This new stock was a 30.6% increase over robust deliveries in the second quarter of 2020.

Approximately 17% of the inventory delivered in the second quarter of this year emerged in the neighboring Allen/McKinney and Frisco submarkets, where a wave of corporate relocations and expansions have occurred in the last several years and are still underway. These two submarkets had the first- and third-highest net apartment absorption among the 48 submarkets in the metro area in the second quarter.

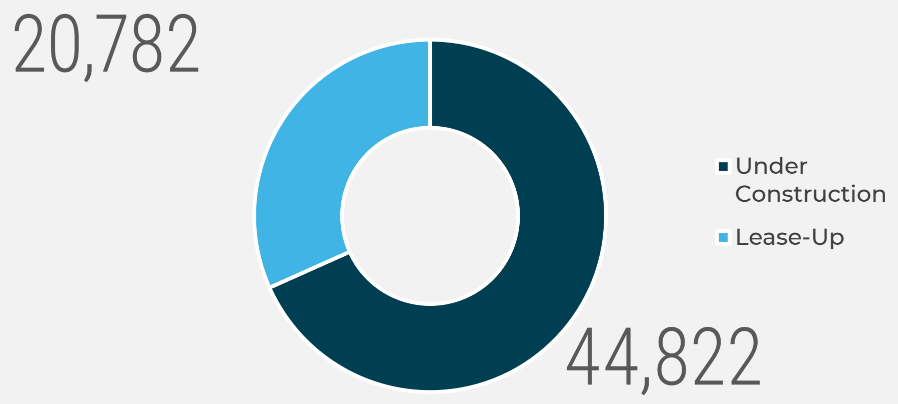
Over the next four quarters, nearly 4,300 new apartments are expected to come online among the Allen/McKinney and Frisco submarkets—a sizable portion of 23,355 new apartments anticipated in the metro area during that time. As of mid-2021, multifamily developers had 307 developments across the metro area in various stages of the planning process. Of those, 65 developments are expected to break ground by mid-2022. When completed, these multifamily communities will add more than 18,600 units to metro inventory.

DELIVERIES, ABSORPTION, & EFFECTIVE RENT CHANGE

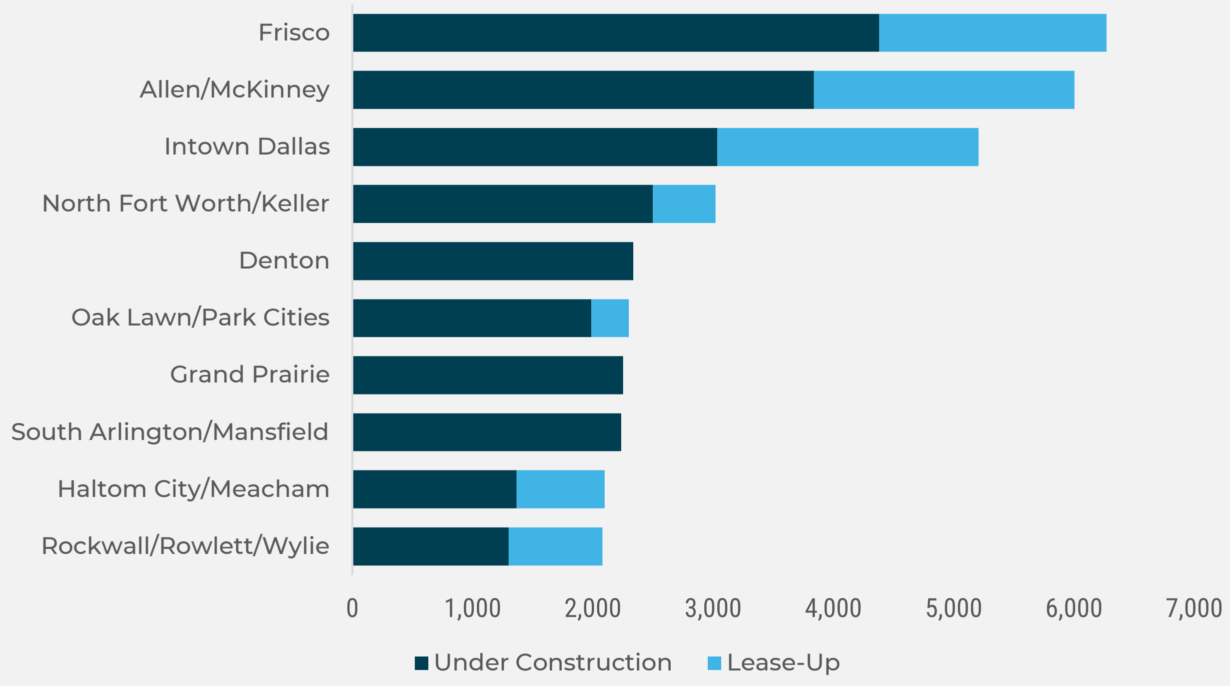


SOURCE: REALPAGE

MARKET PIPELINE



TOP 10 SUBMARKET PIPELINES



For a complete list of properties in the pipeline, CLICK HERE

EFFECTIVE RENT

2Q 2021

$1,243

5.1% YOY

OCCUPANCY

2Q 2021

94.9%

70 BPS YOY

DALLAS-FORT WORTH, TX

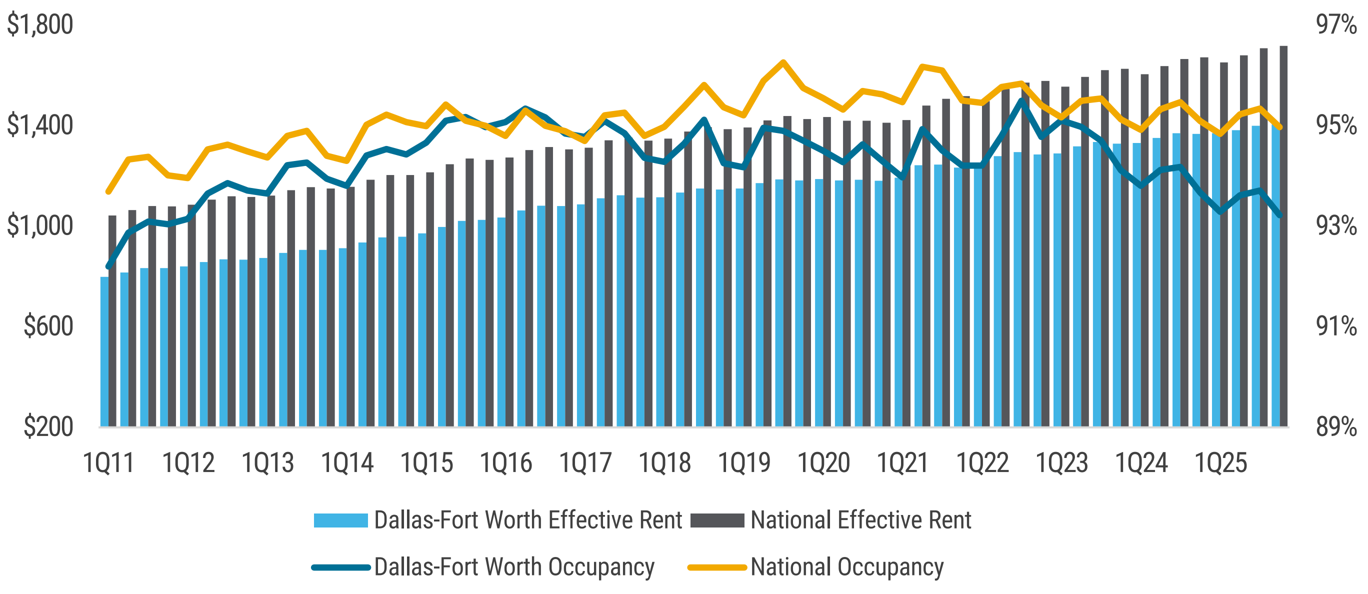
RENT & OCCUPANCY

The Texas economy opened fully in mid-March 2021, increasing the ability of residents to make changes to living arrangements they may have delayed during the height of the pandemic. This development set the stage for a surge of apartment demand in the Dallas-Fort Worth metro area in the second quarter of this year. The heightened demand propelled apartment occupancy to 94.9% in the second quarter, a 90-basis-point increase from the first quarter.

The expanding return to normalcy in the urban areas in the metro center fueled quarter-over-quarter increases in occupancy of 180 basis points in the Intown Dallas submarket and 110 basis points in the Intown Fort Worth/University submarket. Apartment occupancy rose significantly even where a flurry of new apartments emerged—submarkets like Frisco and Allen/McKinney—where the occupancy rate increased 200 and 130 basis points, respectively, from the first quarter to the second quarter.

Surging apartment demand across the metro enabled operators to boost rents. Average monthly effective rent in the metro area advanced 4.2% quarter over quarter to $1,243 in the second quarter, part of a 5.1% annual increase. Sustained leasing activity in the urban cores—the Intown Dallas and Intown Fort Worth/University submarkets—generated respective quarter-over-quarter rent gains of 4.7% and 3.3%.

DALLAS-FORT WORTH VS. NATIONAL EFFECTIVE RENT & OCCUPANCY



SOURCE: REALPAGE

SUBMARKET PERFORMANCE

SUBMARKET NAME	2Q21 OCCUPANCY	YOY (BPS)	2Q21 EFFECTIVE RENT	YOY
Addison/Bent Tree	95.5%	110	$1,266	4.7%
Allen/McKinney	96.3%	200	$1,364	8.9%
Burleson/Johnson County	96.5%	70	$1,181	5.4%
Carrollton/Farmers Branch	94.9%	90	$1,286	2.5%
Central Arlington	94.9%	-40	$1,075	6.9%
Central/East Plano	95.4%	170	$1,326	7.9%
Denton	94.8%	60	$1,126	5.0%
East Dallas	95.5%	100	$1,376	1.1%
East Fort Worth	94.0%	10	$962	4.7%
Ellis County	98.4%	230	$1,162	5.9%
Far East Dallas	93.7%	-20	$974	3.7%
Far North Dallas	94.7%	-20	$1,097	4.8%
Frisco	96.3%	220	$1,455	7.0%
Garland	95.0%	60	$1,131	4.7%
Grand Prairie	95.3%	-10	$1,223	7.6%
Grapevine/Southlake	95.7%	160	$1,443	6.8%
Haltom City/Meacham	94.9%	100	$1,041	5.1%
Hunt County	95.4%	80	$886	7.4%
Hurst/Euless/Bedford	96.3%	90	$1,151	5.4%
Intown Dallas	94.3%	150	$1,764	1.8%
Intown Fort Worth/University	94.3%	270	$1,395	3.4%
Kaufman County	96.3%	280	$1,147	6.5%
Las Colinas/Coppell	95.1%	140	$1,441	5.3%
Lewisville/Flower Mound	95.1%	50	$1,279	6.3%
Love Field/Medical District	94.3%	-10	$1,279	0.1%
Mesquite	96.0%	50	$1,030	4.5%
North Arlington	94.6%	-30	$1,086	6.9%
North Dallas	93.7%	80	$1,144	3.2%
North Fort Worth/Keller	95.7%	130	$1,396	8.5%
North Irving	93.6%	-70	$1,157	4.6%
North Oak Cliff/West Dallas	94.8%	-60	$1,259	2.5%
Northeast Dallas	92.0%	-160	$1,009	2.5%
Northeast Fort Worth/North Richland Hills	95.4%	110	$1,249	9.2%
Northwest Dallas	95.1%	-20	$958	1.8%
Oak Lawn/Park Cities	94.7%	160	$1,868	1.6%
Richardson	94.6%	100	$1,409	6.3%
Rockwall/Rowlett/Wylie	95.1%	150	$1,379	7.5%
South Arlington/Mansfield	96.3%	130	$1,278	9.4%
South Fort Worth	95.1%	40	$981	8.0%
South Irving	94.9%	-80	$1,036	3.2%
Southeast Dallas	93.7%	-30	$905	2.7%
Southern Dallas County	95.7%	70	$1,154	6.7%
Southwest Dallas	94.7%	-10	$987	3.4%
Southwest Fort Worth	94.1%	0	$1,027	6.2%
The Colony/Far North Carrollton	95.2%	110	$1,499	6.4%
West Fort Worth/Parker County	95.2%	100	$1,067	5.7%
West Plano	95.5%	140	$1,462	6.8%
Zang Triangle/Cedars/Fair Park	96.3%	130	$1,198	2.3%

DALLAS-FORT WORTH, TX

POPULATION & MIGRATION

2021 RESIDENTS*

7,939,100

1.5% YOY

2022 RESIDENTS*

8,056,800

1.5% YOY

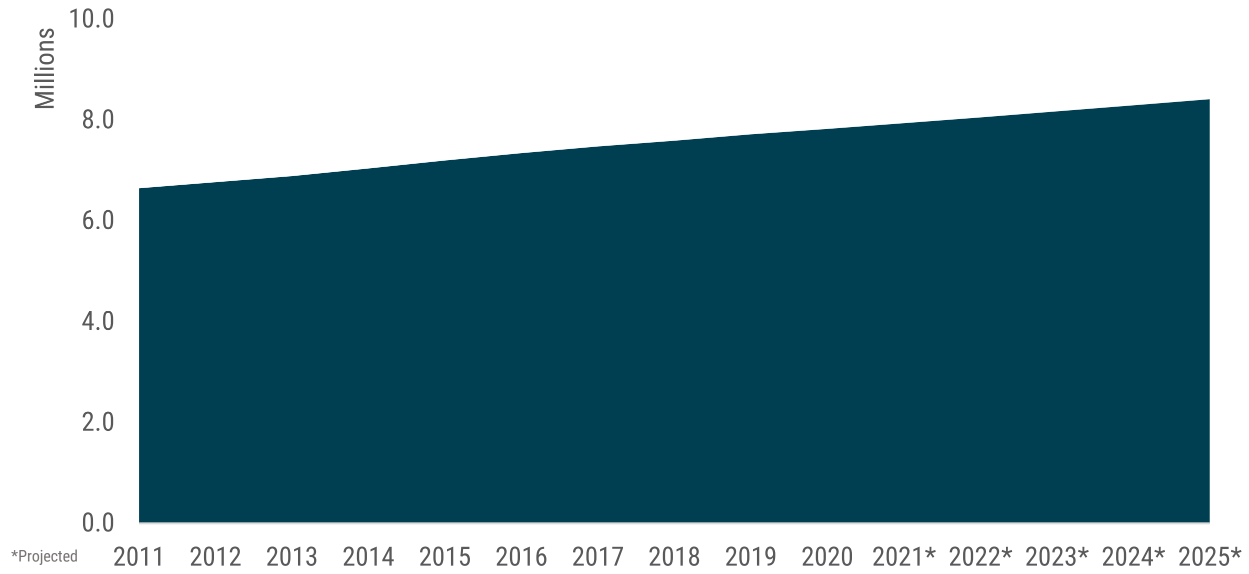
*PROJECTED

The population of the 11-county Dallas-Fort Worth metro area was just over 7.8 million persons in 2020, a 1.4% gain over 2019. Some shifting of households within the metro did occur during the pandemic. Nearly 93,800 residents left urban centers in the metro area in 2020 for various reasons, including for more affordable rents, for career changes requiring relocation, or to purchase a home in one of the many area suburbs.

Fewer residents departed urban centers in the Metroplex compared to some other similar-sized metros, like Boston, Los Angeles, San Francisco, and Washington, D.C., where urban outmigration ranged from 140,000 to over 420,000 people. And of the 93,800 people who migrated out of urban cores in the Metroplex, 76% of them stayed in the metro area. Fewer than 12% of those who left urban areas in the metro area moved on to other large metro areas in the country.

The local median price for existing single-family homes is about 19% lower than the national average. This factor plus the metro's business-friendly climate will continue to attract new residents: Moody's projects a net inflow of 337,100 people over the next five years. This influx will be a key contributor to the formation of 290,800 households that Moody's forecasts during the same period.

DALLAS-FORT WORTH POPULATION



SOURCE: MOODY'S ANALYTICS

URBAN MIGRATION DURING THE PANDEMIC

2Q 2020 - 1Q 2021

71,680 → TO THE SUBURBS

4,940 → TO A HIGH-COST, LARGE METRO (>2M)

6,100 → TO A LOW-COST, LARGE METROS (>2M)

4,720 → TO A MID-SIZED METRO (500K-2M)

6,340 → TO A SMALL METRO (<500K)

SOURCE: FEDERAL RESERVE BANK OF CLEVELAND

DALLAS-FORT WORTH, TX

SALES

2021 YEAR TO DATE*

VOLUME
Nondisclosure

PRICE PER AVERAGE (AVG)
Nondisclosure

TRANSACTIONS
34

CAP RATE (AVG)
Nondisclosure

WHAT'S TRADING?*

UNITS (AVG)
395

YEAR BUILT (AVG)
2010's

BUILDINGS (AVG)
9

ACRES (AVG)
12.74

*$50M+
SOURCE: REAL CAPITAL ANALYTICS

TOP BUYERS**

BUYER	LOCATION
Lone Star	Dallas, TX
Cortland	Atlanta, GA
Blackstone	New York, NY
Berkshire Group	Boston, MA
CAF Capital Partners	Frisco, TX

TOP SELLERS**

SELLER	LOCATION
JPI Multifamily	Irving, TX
Pure Multi-Family REIT	Vancouver, CAN
Cortland	Atlanta, GA
Crow Holdings	Dallas, TX
Western Rim Properties	Irvine, CA

**Past 24 Months

DALLAS-FORT WORTH, TX

SALES

$50+ MILLION TRANSACTIONS

ALESIO URBAN CENTER
Irving, TX

UNITS	YEAR BUILT
908	1990
PRICE / UNIT	**SALES PRICE**
Nondisclosure	Nondisclosure

LAKE VILLAGE NORTH
Garland, TX

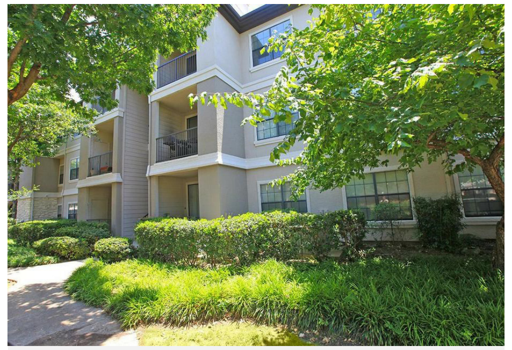
UNITS	YEAR BUILT
848	1983
PRICE / UNIT	**SALES PRICE**
Nondisclosure	Nondisclosure

SIERRA PARK
Dallas, TX

UNITS	YEAR BUILT
656	1984
PRICE / UNIT	**SALES PRICE**
Nondisclosure	Nondisclosure

THE CANAL
Farmers Branch, TX

UNITS	YEAR BUILT
636	2017
PRICE / UNIT	**SALES PRICE**
Nondisclosure	Nondisclosure



VERANDAS AT TIMBERGLEN
Dallas, TX

UNITS	YEAR BUILT
522	1999
PRICE / UNIT	**SALES PRICE**
Nondisclosure	Nondisclosure

THE MANDOLIN
Euless, TX

UNITS	YEAR BUILT
486	2001
PRICE / UNIT	**SALES PRICE**
Nondisclosure	Nondisclosure

CORTLAND ALLEN STATION
Allen, TX

UNITS	YEAR BUILT
445	2019
PRICE / UNIT	**SALES PRICE**
Nondisclosure	Nondisclosure

HEBRON 121 STATION
Lewisville, TX

UNITS	YEAR BUILT
444	2014
PRICE / UNIT	**SALES PRICE**
Nondisclosure	Nondisclosure

MARBLETREE
Irving, TX

UNITS	YEAR BUILT
416	1982
PRICE / UNIT	**SALES PRICE**
Nondisclosure	Nondisclosure

STEWART CREEK*
Frisco, TX

UNITS	YEAR BUILT
414	1999
PRICE / UNIT	**SALES PRICE**
Nondisclosure	Nondisclosure

*BERKADIA TRANSACTION

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Sources: RealPage; Moody's Analytics; Real Capital Analytics; Federal Reserve Bank of Cleveland