

2022 MID-YEAR

# DALLAS-FORT WORTH TX

## Multifamily Report

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**BERKADIA**<sup>®</sup>  
INSTITUTIONAL SOLUTIONS

a Berkshire Hathaway and Jefferies Financial Group company





## Jobs Added / Lost

### LAST 12 MONTHS

248,400

↑ 6.5%

### NEXT 12 MONTHS\*

88,500

↑ 2.2%

## Unemployment

### MID-YEAR 2022

3.5%

↓ 170 BPS YOY

### MID-YEAR 2023\*

3.1%

↓ 40 BPS YOY

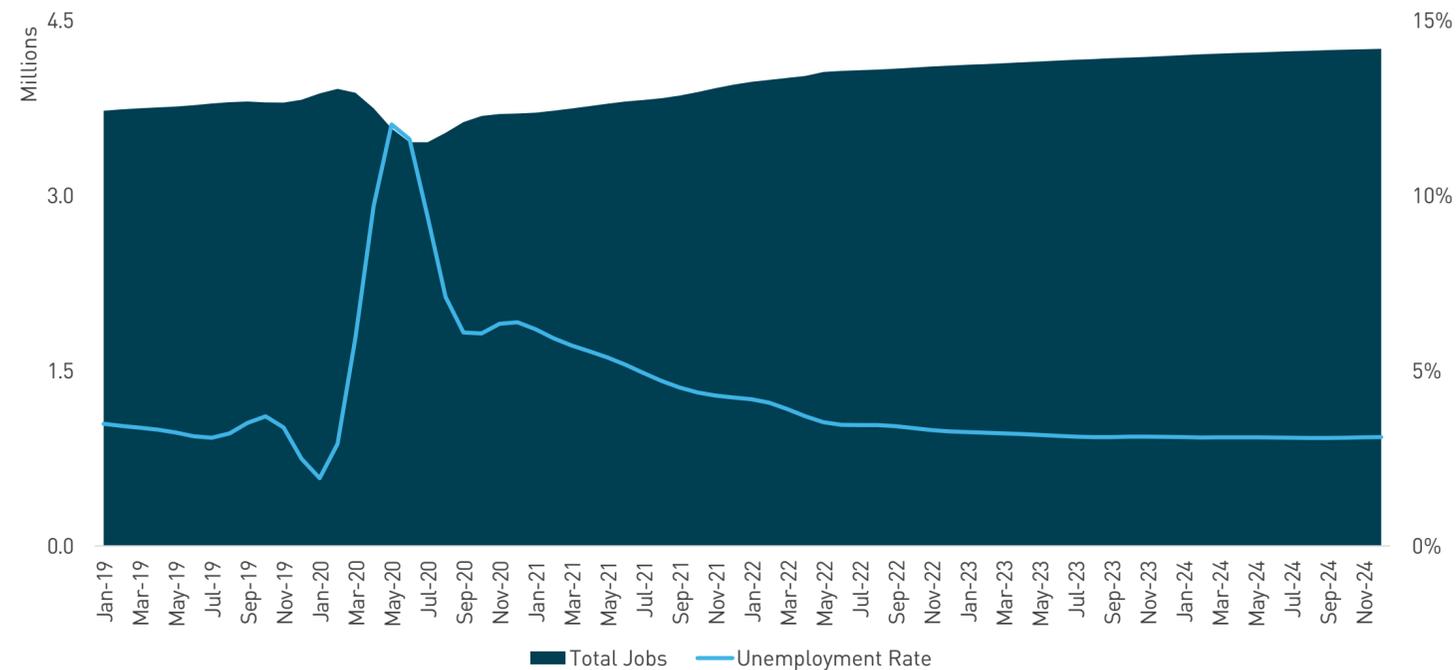
\*Projected

# DALLAS-FORT WORTH, TX EMPLOYMENT

The Dallas–Fort Worth job market has recovered well from the pandemic-induced economic downturn. Overall employment fully recovered in October 2021 and has increased each successive month through June 2022. Year to date, employment is up 2.4%. In fact, the 94,000 new jobs in the first half of this year are almost twice as high as the 49,700 average January-through-June job gains in the five years preceding the pandemic. The white-collar segments—professional and business services, financial activities, and information—have performed particularly well so far this year. Combined employment among these sectors has grown with 26,800 net new jobs since the beginning of 2022. These job sectors have been supported

by ongoing hiring at large corporate and regional offices in Collin County, eastern Denton County, and northern Dallas County. In the metro’s largest job sector—trade, transportation, and utilities—16,900 net jobs were added since year-end 2021, a 1.9% increase. The sector has been boosted by the new thredUP Inc. distribution center in Lancaster that will support 2,000 jobs at full capacity. Additionally, HomeGoods will open a 1 million-square-foot distribution center in Fort Worth late this year with approximately 1,000 workers. And by year-end 2024, Walmart Inc. plans to open two distribution facilities in the Metroplex that employ a total of 1,000 workers.

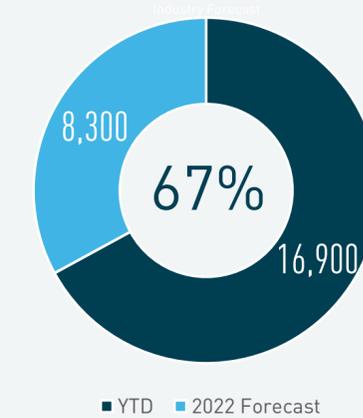
## Employment Trends



SOURCE: Moody's Analytics

## Who's Hiring?

### TRADE, TRANSPORTATION, & UTILITIES INDUSTRY



22%  
OF ALL JOBS IN THE METRO

\$42,900  
AVERAGE ANNUAL SALARY

## Top Trade, Transportation, & Utilities Employers



## In The News

- Goldman Sachs to bring 5,000 jobs to Dallas by 2028
- TIAA filling 2,000 new jobs in Frisco by 2029
- Four major projects that will change the Dallas skyline



# DALLAS-FORT WORTH, TX DELIVERIES & ABSORPTION

2022 Units\*

**DELIVERIES**

22,509

**ABSORPTION**

10,450

2023 Units\*

**DELIVERIES**

32,715

**ABSORPTION**

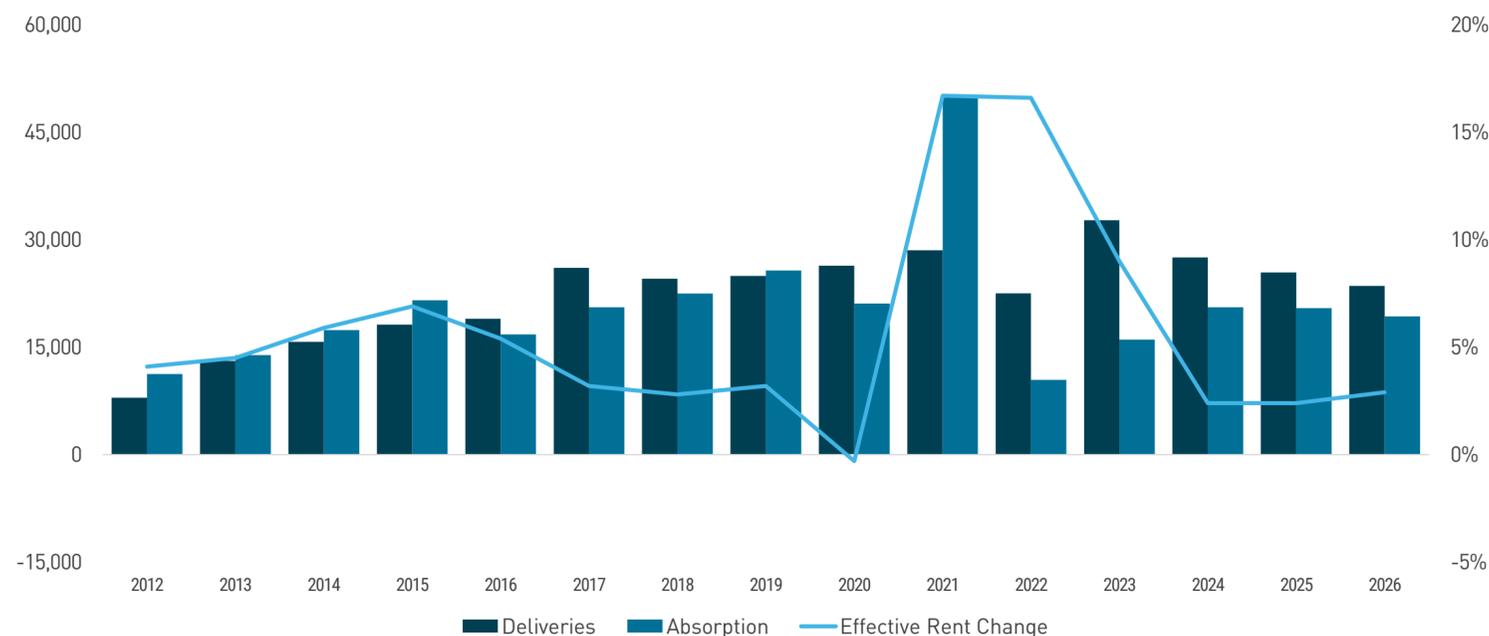
16,057

\*Projected

Multifamily builders completed 9,407 apartments in the first half of 2022, part of 23,090 units delivered in the last four quarters. As they have for the last several years, developers concentrated new apartment inventory in Collin County, where the population increased 37% from 2010 to 2021, compared to 20% in the Metroplex during the same period. In the last four quarters, builders completed 11 properties totaling 3,480 units in the cities of Allen, Frisco, McKinney, and Plano. The largest of these was the 547-unit, 4-story, mid-rise Cole Park in McKinney. Like most new apartment communities in the northeastern portion of the Metroplex, Cole Park, which completed in January 2022, reached stabilization quickly. By June 2022,

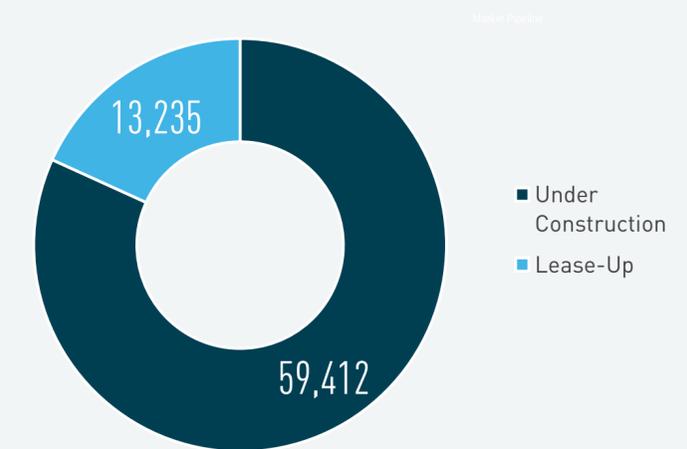
the property was 97.4% occupied. Developers also stayed busy in the Intown Dallas submarket, completing six multifamily properties totaling 1,762 units in the last four-quarter period. Three of these apartment communities have stabilized, among which the 240-unit Ross + Peak apartments reached 98.8% occupancy and the 364-unit The Academic mid-rise community attained 98.6% occupancy. Metrowide, operators recorded net apartment absorption of 30,491 units from mid-2021 through mid-2022, widely outpacing deliveries during the same period. Over the next four quarters, elevated apartment deliveries are expected. However, demand should remain healthy, thus avoiding a supply imbalance.

## Deliveries, Absorption, & Effective Rent Change

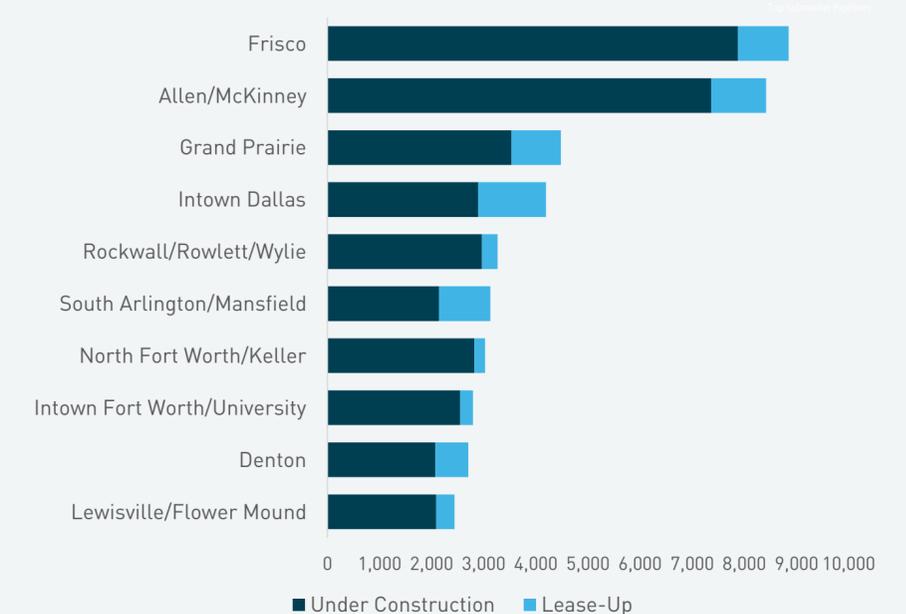


Source: RealPage

## Market Pipeline



## Top 10 Submarket Pipelines

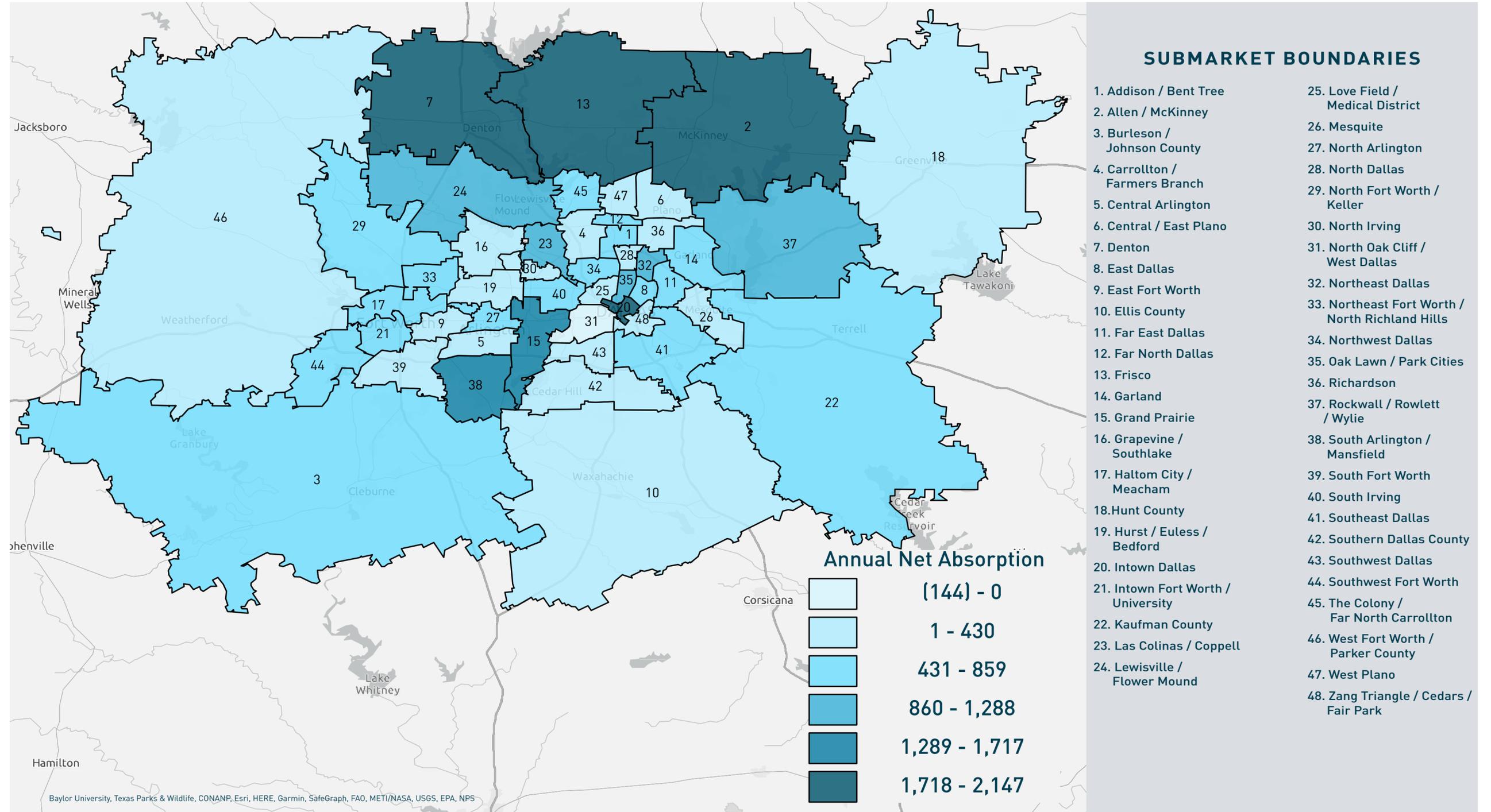




## DALLAS-FORT WORTH, TX

# SUBMARKET ANNUAL ABSORPTION

The adjoining Allen/McKinney, Denton, and Frisco submarkets respectively had the first-, second-, and fourth-highest net apartment absorption among all submarkets in the Dallas–Fort Worth metro area during the last four-quarter period. Annual net absorption among the three submarkets totaled 6,048 units. Numerous factors are driving this leasing activity: the presence of major employers and the resulting demand from employees wanting to live near work, excellent public schools—and in the case of Denton, off-campus housing demand from students at University of North Texas. And, while effective rent in these submarkets is at the high end compared to the rest of the metro, many of the well-paid workers who live here find rents reasonable. This attitude is possible because the median household income here is close to 20% higher than the metro median household income.





# DALLAS-FORT WORTH, TX

## RENT & OCCUPANCY

### Effective Rent

2Q 2022  
\$1,478  
↑ 18.1% YOY

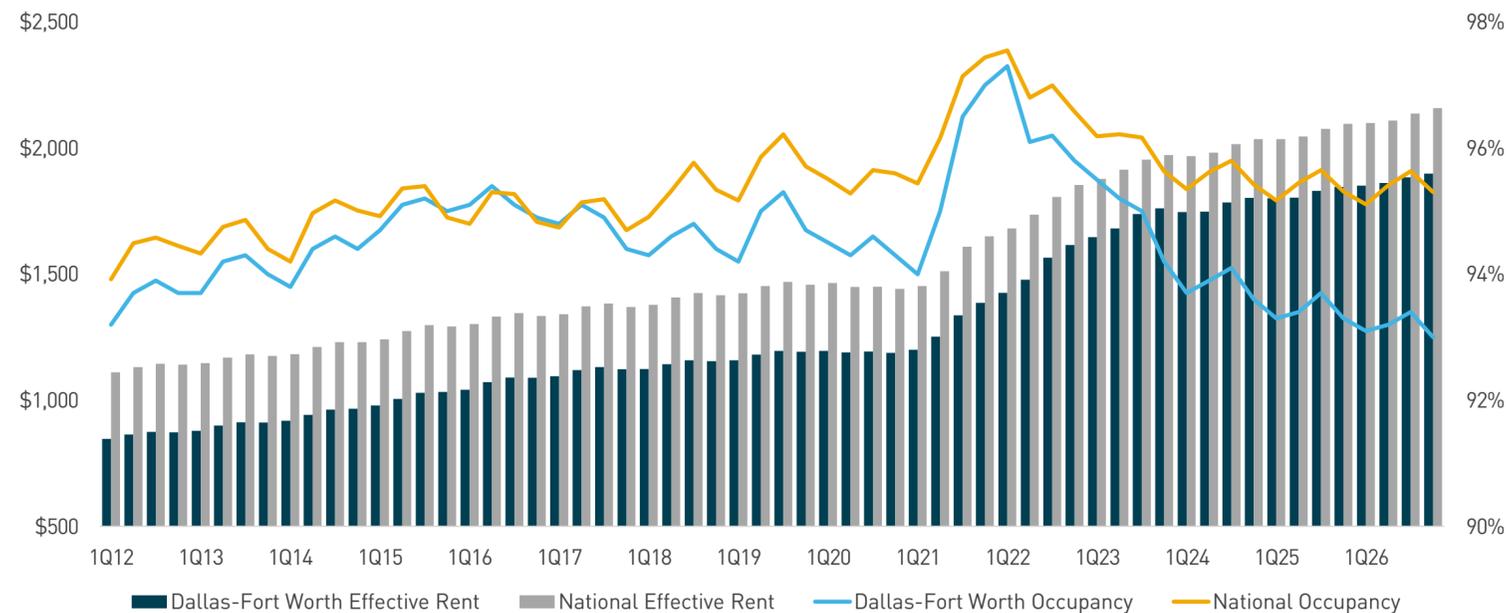
### Occupancy

2Q 2022  
96.1%  
↑ 110 BPS YOY

Metrowide apartment occupancy averaged 96.1% in the second quarter of 2022, 110 basis points higher than one year earlier. The rise in occupancy resulted from heightened apartment demand that significantly exceeded deliveries in the last four-quarter period. The occupancy rate exceeded 94% in all submarkets, and in four submarkets surpassed 97%. Class B apartment occupancy in the second quarter of 2022 matched the overall 96.1% rate in the metro area, while Class C occupancy outpaced the metrowide rate. While overall occupancy was slightly higher than Class A occupancy, the rate among Class A apartment communities rose by more than 40 basis points year over year. Meanwhile, overall

monthly effective rent averaged \$1,478 in the second quarter, up 18.1% from the same period in 2021. Apartment demand was robust even in the submarkets where rent was significantly higher than the metro average. This demand resulted in part from the housing shortage in the metro area and ever-increasing home prices. According to the National Association of Realtors, the median single-family home price ramped up 18.2% during the last four quarters to \$386,600 in the second quarter of 2022. The increase resulted in the typical monthly mortgage payment exceeding average Class A apartment rent by about 32% and overall metro apartment rent by 52%.

### Dallas-Fort Worth vs. National Effective Rent & Occupancy



Source: RealPage

### Submarket Performance

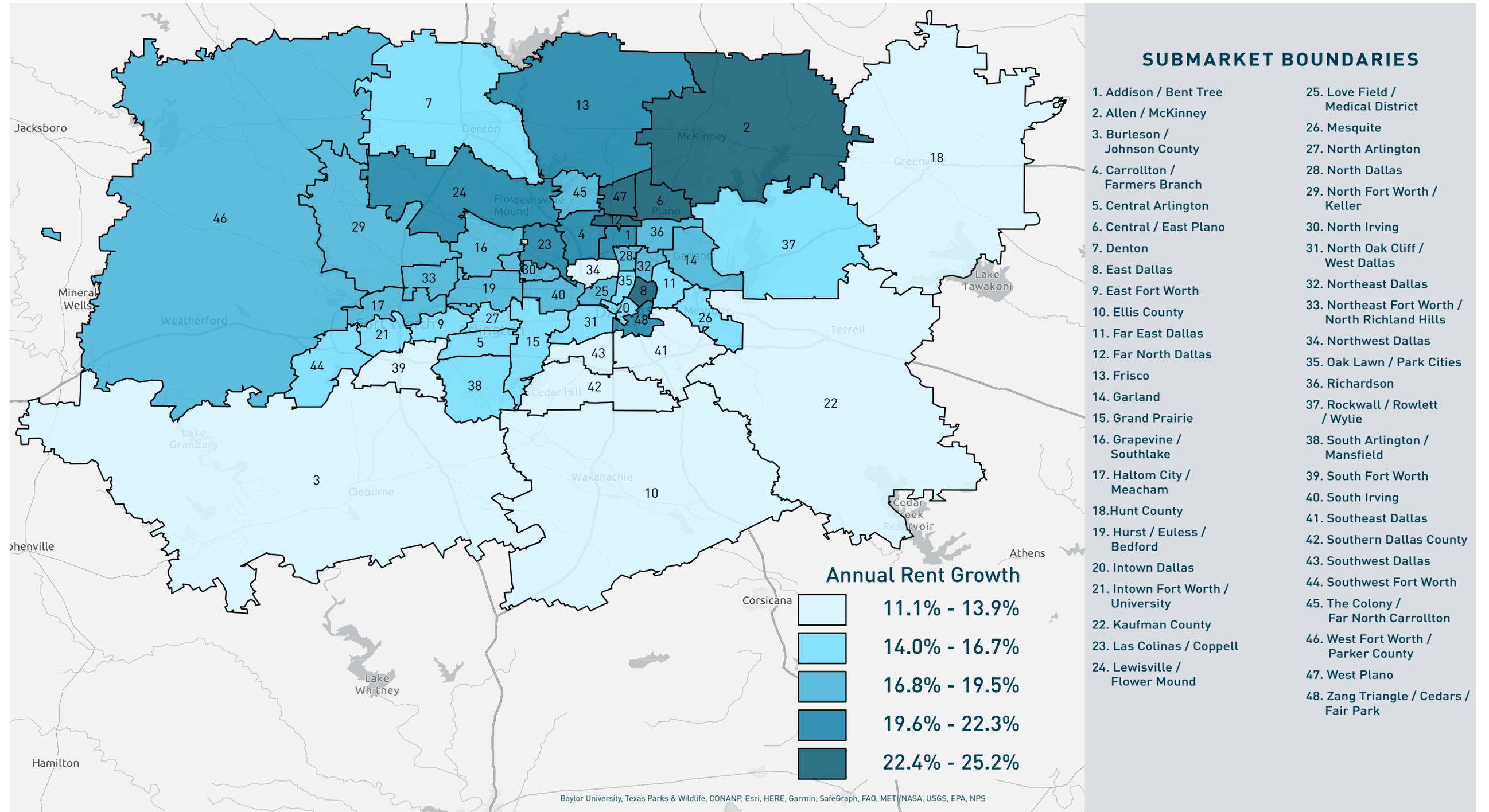
SUBMARKET NAME	2022 OCCUPANCY	YOY (BPS)	2022 EFFECTIVE RENT	YOY
Addison/Bent Tree	96.4%	80	\$1,532	19.7%
Allen/McKinney	96.1%	-20	\$1,668	22.6%
Burleson/Johnson County	97.8%	120	\$1,343	11.5%
Carrollton/Farmers Branch	96.7%	180	\$1,549	21.4%
Central Arlington	95.4%	40	\$1,229	14.8%
Central/East Plano	96.6%	120	\$1,607	22.6%
Denton	96.8%	210	\$1,348	16.0%
East Dallas	96.6%	110	\$1,718	22.7%
East Fort Worth	95.9%	180	\$1,092	14.6%
Ellis County	97.6%	-70	\$1,357	13.7%
Far East Dallas	95.9%	200	\$1,132	14.9%
Far North Dallas	96.4%	180	\$1,351	25.2%
Frisco	96.0%	-20	\$1,781	20.3%
Garland	95.9%	90	\$1,345	18.1%
Grand Prairie	95.5%	-10	\$1,427	16.1%
Grapevine/Southlake	96.5%	60	\$1,711	18.2%
Haltom City/Meacham	95.9%	100	\$1,288	17.1%
Hunt County	95.5%	10	\$972	11.1%
Hurst/Euless/Bedford	96.5%	0	\$1,384	18.9%
Intown Dallas	95.2%	90	\$2,049	15.3%
Intown Fort Worth/University	95.0%	80	\$1,605	15.5%
Kaufman County	97.8%	110	\$1,393	12.8%
Las Colinas/Coppell	96.4%	140	\$1,725	20.3%
Lewisville/Flower Mound	96.3%	120	\$1,548	22.1%
Love Field/Medical District	96.3%	200	\$1,514	17.9%
Mesquite	96.9%	70	\$1,176	14.4%
North Arlington	94.7%	-10	\$1,284	15.6%
North Dallas	95.9%	210	\$1,399	18.5%
North Fort Worth/Keller	96.6%	110	\$1,624	17.1%
North Irving	96.6%	310	\$1,359	17.9%
North Oak Cliff/West Dallas	94.7%	-10	\$1,469	14.8%
Northeast Dallas	95.6%	330	\$1,196	17.5%
Northeast Fort Worth/North Richland Hills	96.3%	90	\$1,488	18.9%
Northwest Dallas	97.8%	270	\$1,126	13.6%
Oak Lawn/Park Cities	94.7%	-10	\$2,268	15.5%
Richardson	96.8%	180	\$1,655	17.2%
Rockwall/Rowlett/Wylie	95.5%	50	\$1,616	15.5%
South Arlington/Mansfield	96.2%	-10	\$1,460	14.2%
South Fort Worth	96.7%	160	\$1,129	11.5%
South Irving	96.9%	180	\$1,225	17.9%
Southeast Dallas	96.6%	280	\$1,023	12.7%
Southern Dallas County	96.0%	20	\$1,306	12.8%
Southwest Dallas	95.2%	40	\$1,101	11.2%
Southwest Fort Worth	95.4%	120	\$1,212	15.2%
The Colony/Far North Carrollton	96.5%	130	\$1,701	18.2%
West Fort Worth/Parker County	95.5%	-10	\$1,305	17.9%
West Plano	96.0%	50	\$1,794	22.4%
Zang Triangle/Cedars/Fair Park	96.6%	10	\$1,431	20.3%



## DALLAS-FORT WORTH, TX

# SUBMARKET ANNUAL RENT CHANGE

The highest rates of annual effective rent growth were mostly in the adjoining submarkets of Allen/McKinney, Far North Dallas, Frisco, West Plano, and Central/East Plano. Annual rent growth ranged from 20.3% in the Frisco submarket to 25.2% in the Far North Dallas submarket. These areas are home to or have proximity to numerous major employers. Companies with a headquarters office or significant operations include Toyota Motor Sales USA Inc., Liberty Mutual Insurance, JPMorgan Chase & Co., State Farm Insurance, Frito-Lay North America Inc., Ericsson, Nokia Corporation, and Raytheon Technologies Corporation. Another driver of higher rent growth in these submarkets was the emergence of 4,575 new apartments during the last four quarters. Most of these apartments were Class A stock, which tended to skew rent upward in these submarkets.





# DALLAS-FORT WORTH, TX SALES

2022 Year to Date\*



What's Trading?\*



Source: Real Capital Analytics  
\*\$50m+

Top Buyers\*\*

BUYER	LOCATION
S2 Capital	Dallas, TX
Blackstone	New York, NY
Weidner Apartment Homes	Kirkland, WA
BREIT	New York, NY
Lone Star	Dallas, TX

Top Sellers\*\*

SELLER	LOCATION
JPI Multifamily	Irving, TX
Crow Holdings	Dallas, TX
Provident Realty Advisors	Dallas, TX
Wood Partners	Atlanta, GA
Carlyle Group	Washington, D.C.

\*\*Past 24 Months



Sources: RealPage; Moody's Analytics; Real Capital Analytics

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