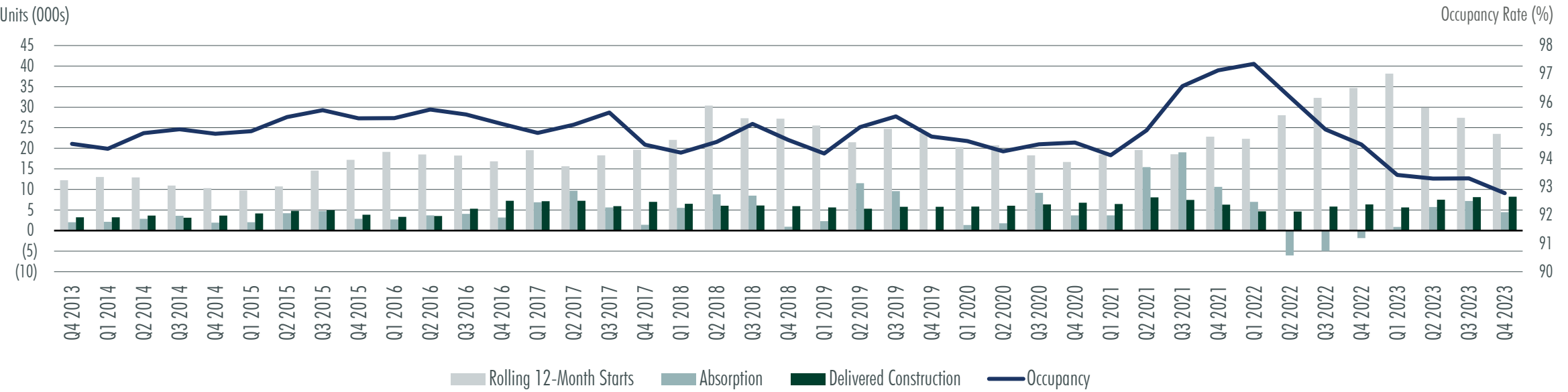


FIGURES | DALLAS/FORT WORTH | Q4 2023

Net absorption tapers amidst slight uptick in deliveries



Figure 1: Dallas/Fort Worth Multifamily Market



Source: CBRE Research, RealPage Inc., Q4 2023.

Employment and Population

Local employment indicators have shown continued signs of strength throughout the majority of 2023, yet ended the year at a slower pace. The metro area added 134,200 jobs over the 12 months ending December 2023, according to preliminary monthly data from the Bureau of Labor Statistics. This equates to a 3.2% annual growth rate, outpacing Texas and the U.S. at 2.7% and 2.0%, respectively. This trajectory has paralleled strong population growth in North Texas, with DFW adding the most residents of any other U.S. metro area between 2021 and 2022, at 170,396, according to recently released data from the U.S. Census Bureau. Additionally, the City of Fort Worth led the country with the largest numeric increase in population for the 12 months ending July 2022 (+19,170), with Frisco at #15 on that list (+8,506). Little Elm was the fifth fastest-growing large city in the country for the same time period, with an annual growth rate of 8.0%.

Net Absorption and Occupancy

Net absorption continued its positive momentum from last quarter with 4,488 net units absorbed during Q4 2023, albeit a lesser amount than Q3 2023, along with a drop in occupancy from 93.3% to 92.8%. Frisco continued to lead absorption by submarket, followed by Allen/McKinney, Grand Prairie, and Rockwall/Rowlett/Wylie, each with at least 500 units taken up over the quarter and collectively accounting for two-thirds of the DFW market’s quarterly demand.

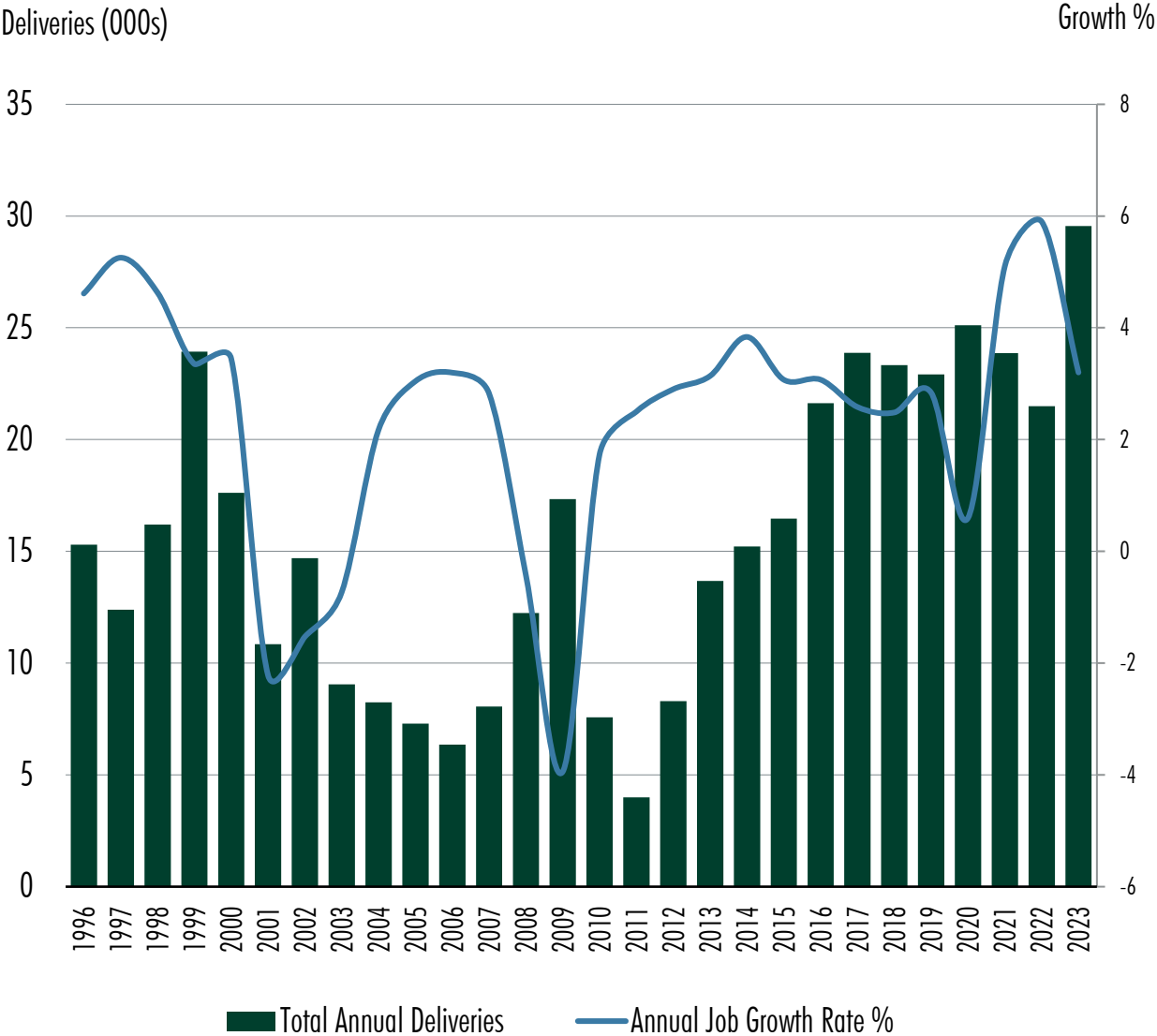
Rental Rate and Construction Pipeline

Annual rent growth declined from -0.50% in Q3 2023 to -1.51% at year-end. Over 8,300 units were delivered in Q4 2023, an increase from last quarter and the highest quarterly delivery total DFW has recorded in at least a decade. Alongside a decline in starts from last quarter, the total active pipeline reflects 72,390 units under construction with nearly 50,000 of those units slated for delivery in 2024. As a result of debt challenges, construction costs, and equity conditions, a slowdown in future starts is indicated by the significant decline in annual permitting from 2022 to 2023. The expected reduction in deliveries for 2025-2027 should translate to upward pressure in rent growth and outsized absorption.

Investment Activity

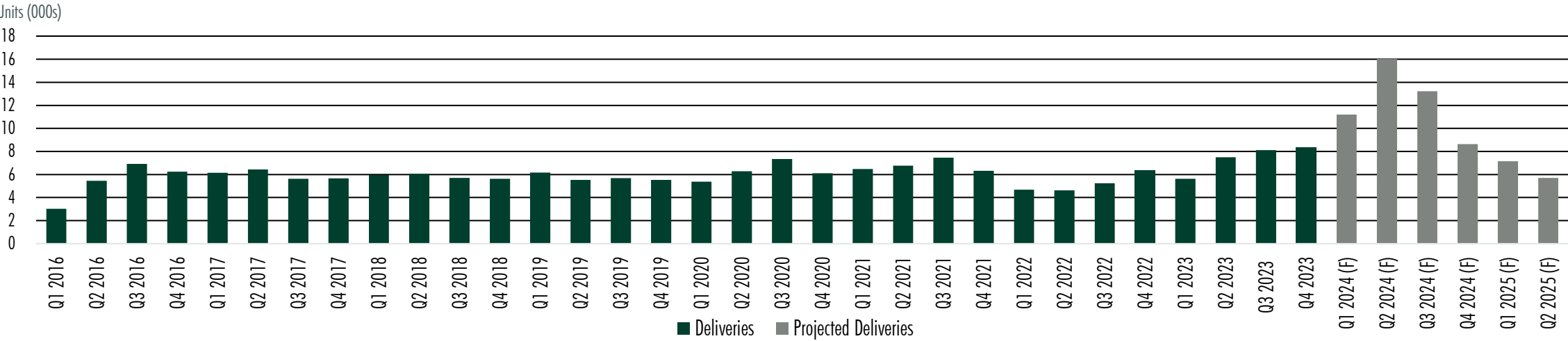
While the national multifamily investment volume reached its lowest level since 2014, Dallas/Fort Worth mirrored that trend with a significant decline in volume (-57%) year-over-year, according to MSCI Real Assets. DFW still accounted for 7.5% of U.S. multifamily investment activity in 2023, the #2 market share in the country. Despite the rapid rise in interest rates and lowered debt availability that has impacted all property types, the multifamily sector continues to account for the largest share of investment sales volume for 2023 in both Dallas/Fort Worth and the U.S.

Figure 2: New Supply & Job Growth



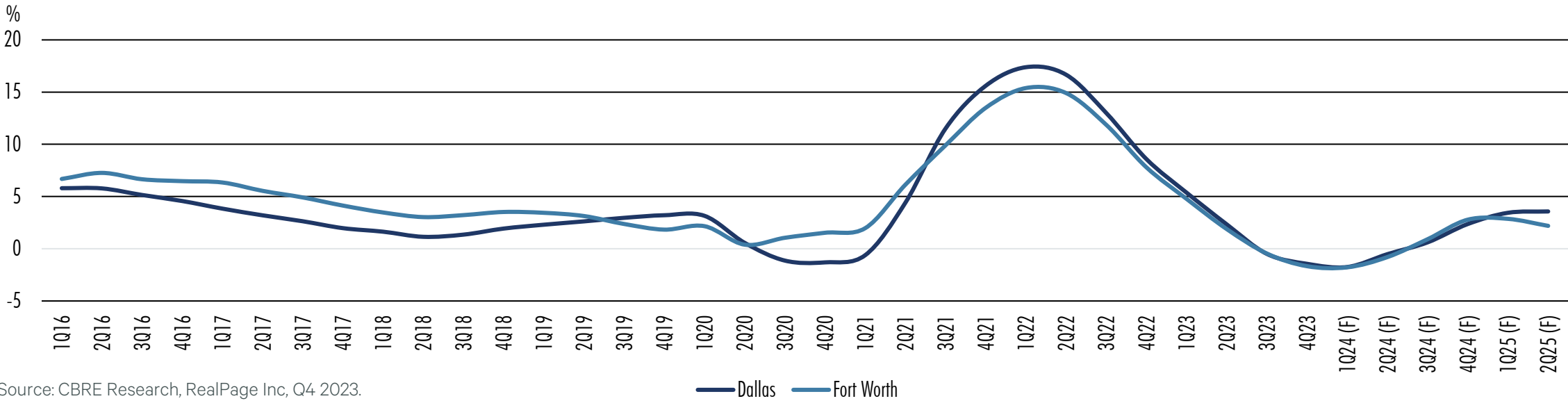
Source: CBRE Research, RealPage Inc., Bureau of Labor Statistics, Q4 2023.

Figure 3: Historical & Forecasted Deliveries



Source: CBRE Research, RealPage Inc, Q4 2023.

Figure 4: Historical Effective Rent Growth (Y-o-Y)



Source: CBRE Research, RealPage Inc, Q4 2023.

Figure 5: Q4 2023 Submarket Overview

	Submarket	Property Count	Inventory (Units)	Effective Rent (\$/SF*Mth)	Weighted Rent Growth Year-Over-Year (%)	Occupancy (%)	Net Absorption (Units)	Delivered (Units)	Under Construction (Units)
CENTRAL	East Dallas	73	17,924	2.15	2.10	93.46	-116	28	1,058
	Far East Dallas	52	12,948	1.52	0.17	93.05	-109	18	38
	Intown Dallas	149	33,439	2.21	-1.53	92.79	-177	39	3,251
	Northeast Dallas	106	28,501	1.53	-1.02	91.54	-159	93	825
	Oak Lawn / Park Cities	63	13,466	2.41	-0.23	93.09	-108	0	1511
	Central Total	443	106,278	1.96	-0.41	92.64	-669	178	6,683
NORTH	Addison/ Bent Tree	98	27,628	1.73	-1.64	94.02	133	83	1090
	Allen / McKinney	89	25,519	1.73	-3.62	93.38	938	1069	10,431
	Central / East Plano	67	18,557	1.72	-2.21	93.36	439	381	1,239
	Far North Dallas	87	27,156	1.68	-4.34	92.37	-96	0	897
	Frisco	87	27,596	1.82	-2.86	93.52	965	1002	8,592
	North Dallas	46	11,884	1.70	-1.47	92.68	-128	0	536
	Richardson	60	16,393	1.78	-1.68	93.70	-73	0	1,095
	West Plano	56	18,021	1.92	-4.11	93.82	-26	0	614
	North Total	590	172,754	1.76	-2.86	93.37	2,152	2,535	24,494
NORTHEAST	Garland	83	17,490	1.59	-0.33	93.19	-30	0	2,107
	Hunt County	8	1,043	1.35	5.40	95.40	-12	0	152
	Rockwall / Rowlett / Wylie	31	7,744	1.73	-1.79	91.66	528	585	2,064
	Northeast Total	122	26,277	1.62	-0.53	92.83	486	585	4,323

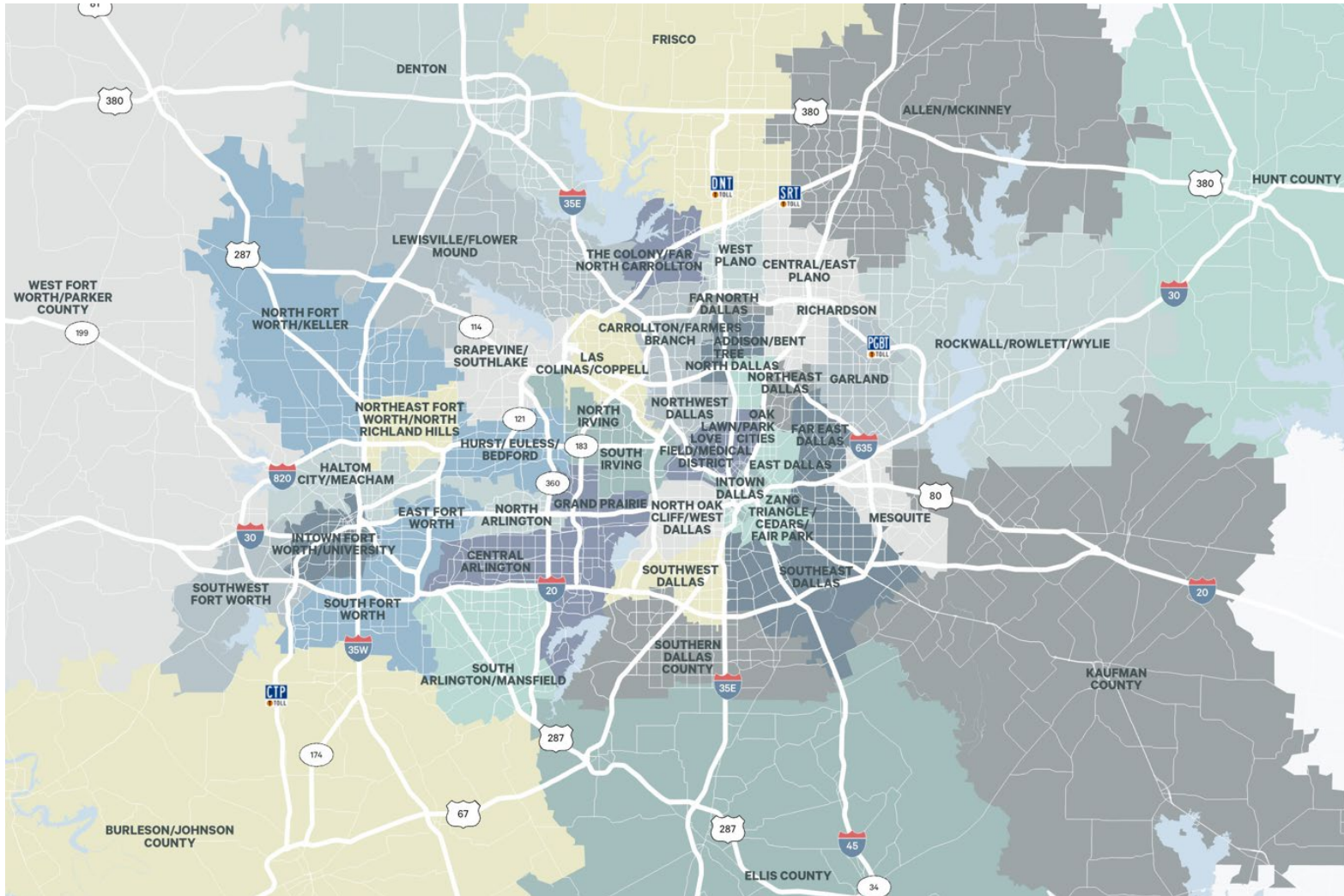
Figure 5: Q4 2023 Submarket Overview

	Submarket	Property Count	Inventory (Units)	Effective Rent (\$/SF*Mth)	Weighted Rent Growth Year-Over-Year (%)	Occupancy (%)	Net Absorption (Units)	Delivered (Units)	Under Construction (Units)
SOUTHEAST	Kaufman County	12	2,480	1.61	-0.72	93.75	61	30	1,571
	Mesquite	43	9,993	1.53	1.27	93.21	-42		
	Southeast Total	55	12,473	1.55	0.87	93.32	19	30	1,571
SOUTH	Ellis County	37	4,861	1.60	2.72	92.18	46	144	1,594
	Southeast Dallas	37	7,877	1.45	6.77	94.68	11		
	Southern Dallas County	40	7,860	1.55	-0.67	91.30	-92	0	65
	Zang Triangle / Cedars / Fair Park	20	3,592	1.48	-4.90	94.18	101	47	740
	South Total	134	24,190	1.51	1.81	93.01	66	191	2,399
SOUTHWEST	Grand Prairie	73	18,877	1.68	-1.64	92.68	551	690	2,246
	North Oak Cliff / West Dallas	47	9,257	1.84	-0.68	93.56	222	174	2,451
	Southwest Dallas	45	11,586	1.42	2.47	90.81	-13	140	726
	Southwest Total	165	39,720	1.64	-0.22	92.34	760	1004	5,423
NORTHWEST	Carrollton / Farmers Branch	75	18,174	1.79	0.41	94.13	121	162	845
	Denton	86	14,078	1.66	-2.45	92.50	68	411	4,183
	Las Colinas / Coppell	76	27,284	1.88	-2.82	93.07	161	265	2,190
	Lewisville / Flower Mound	105	27,346	1.71	-2.67	93.07	456	629	2,183
	Love Field / Medical District	32	7,295	1.88	-1.29	92.47	29	144	1,166
	North Irving	38	10,294	1.67	-1.28	91.93	-146		
	Northwest Dallas	35	8,293	1.65	5.73	93.79	-27		
	South Irving	76	15,931	1.59	0.88	94.12	31		
	The Colony / Far North	46	17,517	1.76	-0.53	93.23	-38	0	2,112
	Northwest Total	569	146,212	1.74	-1.01	93.21	655	1611	12,679

Figure 5: Q4 2023 Submarket Overview

	Submarket	Property Count	Inventory (Units)	Effective Rent (\$/SF*Mth)	Weighted Rent Growth Year-Over-Year (%)	Occupancy (%)	Net Absorption (Units)	Delivered (Units)	Under Construction (Units)
CENTRAL	Intown Fort Worth / University	77	17,276	1.80	-2.24	92.56	-111	129	2,675
	Central Total	77	17,276	1.80	-2.24	92.56	-111	129	2,675
NORTH	Haltom City / Meacham	36	6,808	1.60	-0.94	92.52	43	105	1063
	North Fort Worth / Keller	45	12,035	1.64	-2.65	93.15	157	188	2,282
	North Total	81	18,843	1.63	-2.03	92.92	200	293	3,345
NORTHEAST	Grapevine / Southlake	33	9,481	1.80	-1.53	94.82	44	36	
	Hurst / Euless / Bedford	114	27,648	1.66	-0.80	93.48	273	51	280
	Northeast Fort Worth / North Richland Hills	52	14,051	1.57	-2.79	92.44	-7	130	548
	Northeast Total	199	51,180	1.66	-1.48	93.44	310	217	828
EAST	Central Arlington	83	16,467	1.54	-0.83	92.05	286	381	337
	East Fort Worth	42	7,893	1.37	-1.06	89.46	-143		
	North Arlington	66	16,205	1.61	-2.07	91.99	-64	0	324
	South Arlington/Mansfield	41	9,752	1.72	-2.85	92.27	197	326	973
	East Total	232	50,317	1.57	-1.66	91.67	276	707	1,634
SOUTH	Burleson/Johnson County	29	4,061	1.55	-1.37	92.86	305	364	1,227
	South Fort Worth	29	6,274	1.45	-0.65	92.16	-117	0	3,342
	South Total	58	10,335	1.49	-0.93	92.44	188	364	4,569
WEST	Southwest Fort Worth	67	16,420	1.45	-0.84	91.64	-264		
	West Fort Worth/Parker County	35	6,574	1.50	-3.09	92.49	420	483	1,767
	West Total	102	22,994	1.47	-1.48	91.88	156	483	1,767
DALLAS TOTAL		2,078	527,904	1.76	-1.24	93.06	3,469	6,134	57,572
FORT WORTH TOTAL		749	170,945	1.61	-1.64	92.50	1,019	2,193	14,818
DALLAS/FORT WORTH TOTAL		2,827	698,849	1.72	-1.34	92.78	4,488	8,327	72,390

Market Area Overview



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