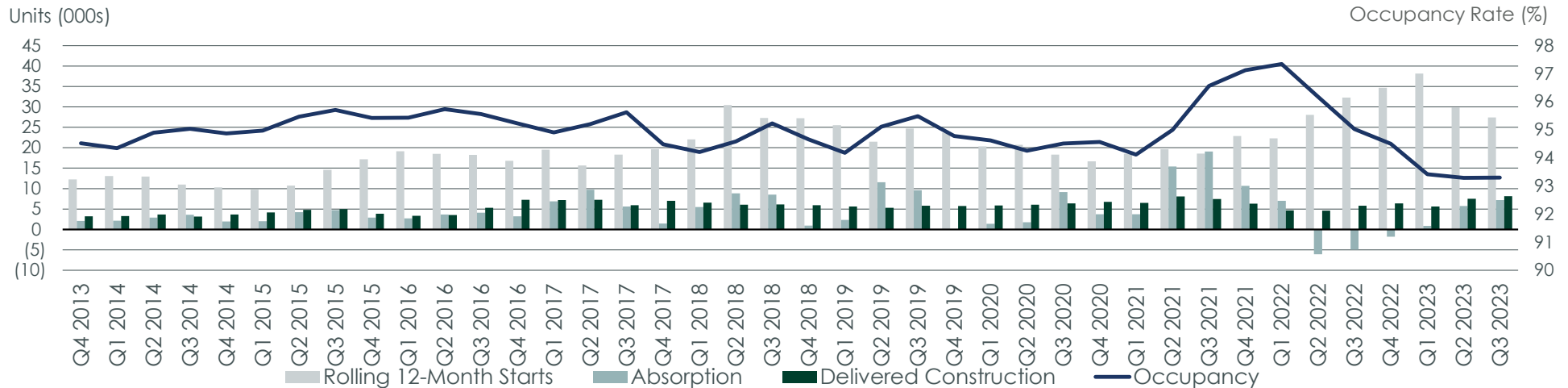


FIGURES | DALLAS/FORT WORTH | Q3 2023

Net absorption and deliveries in sync, occupancy stable throughout 2023



Figure 1: Dallas/Fort Worth Multifamily Market



Source: CBRE Research, RealPage Inc., Q3 2023.

Employment and Population

Despite current economic uncertainty, employment indicators have shown continued signs of strength throughout the majority of 2023. The metro area added a robust 178,000 jobs over the 12 months ending September 2023, according to preliminary monthly data from the Bureau of Labor Statistics. This equates to a 4.3% annual growth rate, outpacing Texas and the U.S. at 3.2% and 2.1%, 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 7,206 net units absorbed during Q3 2023, along with stable occupancy of 93.3%, yet still off by 410 basis points from DFW's occupancy peak of 97.4% in Q1 2022. Frisco continued to lead absorption by submarket, followed by Allen/McKinney and Grand Prairie, each with at least 500 units taken up over the quarter and collectively accounting for over one-fourth of the DFW market's quarterly demand.

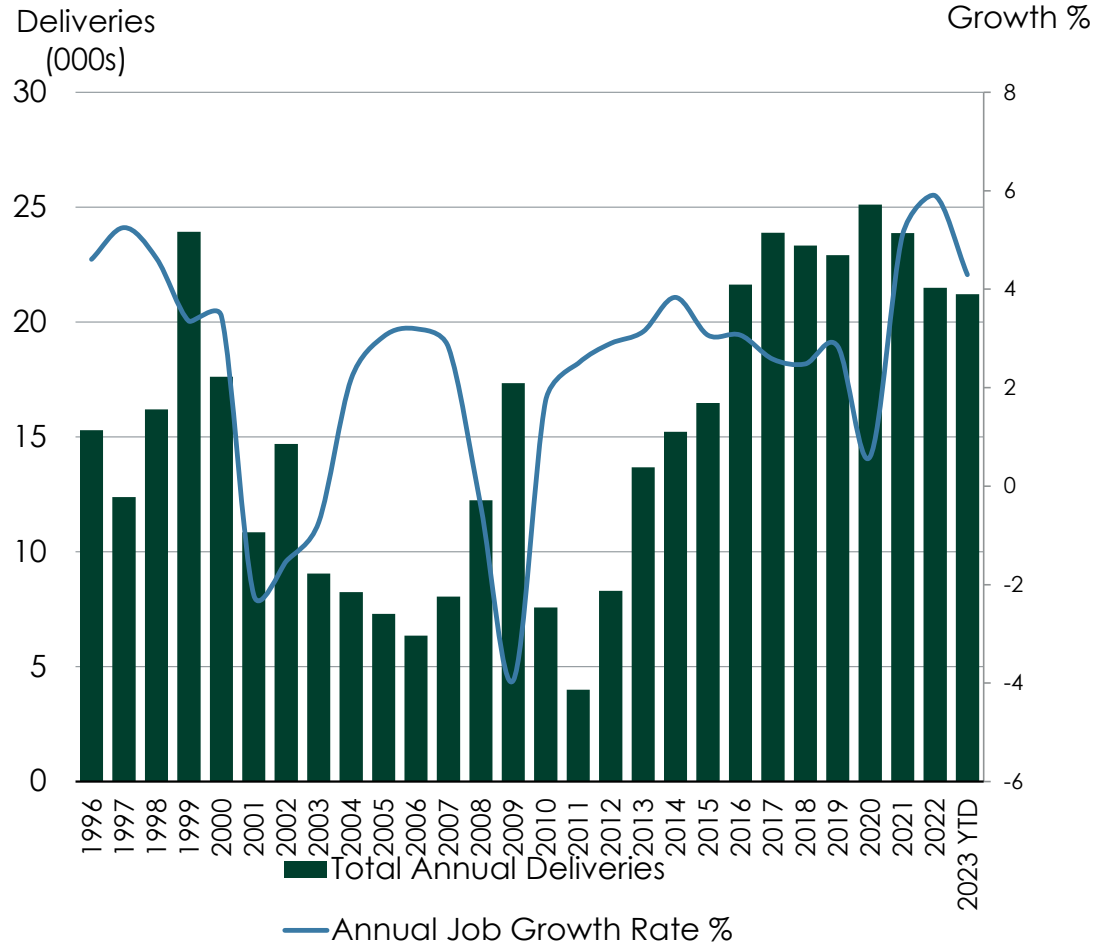
Rental Rate and Construction Pipeline

Rents were virtually unchanged over the quarter and continued to drag annual rent growth down from 2.4% to -0.49%. Over 8,100 units were delivered in Q3 2023, an increase from last quarter and the highest quarterly delivery total DFW has recorded in two years. Alongside a decline in starts from last quarter, the total active pipeline reflects 71,411 units under construction with 10,705 of those units slated for delivery for the remainder of 2023. As a result of debt challenges, construction costs, and equity conditions, a slowdown in future starts is indicated by the significant 13.2% decline in rolling 12-month permitting. The expected reduction in deliveries for 2025-2027 should translate to upward pressure in rent growth and outsized absorption.

Investment Activity

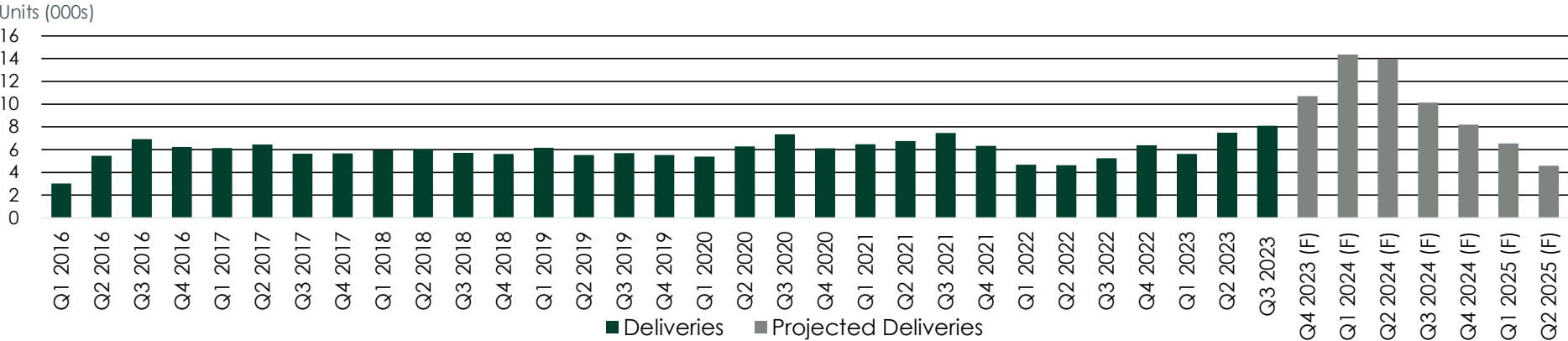
Dallas/Fort Worth led the country in multifamily investment volume over the previous rolling four quarters with \$10.0 billion in sales, which accounted for 7.1% of the national total. Despite the rapid rise in interest rates and lowered debt availability that has impacted all property types, the multifamily 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



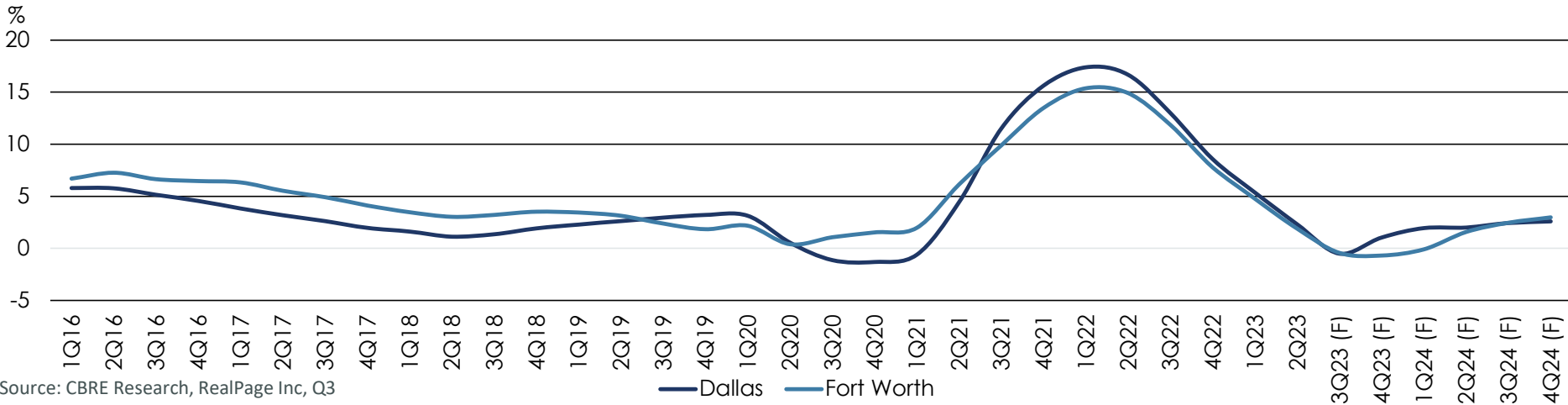
Source: CBRE Research, RealPage Inc., Bureau of Labor Statistics, Q3 2023.

Figure 3: Historical & Forecasted Deliveries



Source: CBRE Research, RealPage Inc, Q3 2023.

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



Source: CBRE Research, RealPage Inc, Q3 2023.

Figure 5: Q3 2023 Submarket Overview

	Submarket	Property Count	Inventory (Units)	Effective Rent (\$/SF*Mth)	Rent Growth Year-Over-Year (%)	Occupancy (%)	Net Absorption (Units)	Delivered (Units)	Under Construction (Units)
CENTRAL	East Dallas	73	17,697	2.20	2.3%	94.1%	(66)	0	1,086
	Far East Dallas	53	13,082	1.52	1.2%	93.2%	196	0	56
	Intown Dallas	148	33,507	2.26	-1.3%	93.5%	349	279	3,728
	Northeast Dallas	105	28,137	1.54	-1.0%	92.5%	(7)	102	893
	Oak Lawn / Park Cities	62	13,330	2.45	-1.1%	93.5%	69	0	862
	Central Total	441	105,753	1.99	-0.3%	93.3%	541	381	6,625
NORTH	Addison/ Bent Tree	97	27,445	1.77	-0.9%	93.8%	75	100	730
	Allen / McKinney	90	25,928	1.78	-2.7%	93.7%	684	657	10,987
	Central / East Plano	64	17,869	1.75	-2.7%	93.5%	303	315	1,450
	Far North Dallas	88	27,672	1.72	-2.9%	92.7%	(31)	0	897
	Frisco	82	26,265	1.86	-2.2%	94.2%	738	753	8,222
	North Dallas	45	11,616	1.72	0.3%	93.1%	199	216	571
	Richardson	60	16,393	1.81	-1.8%	94.0%	43	0	1,095
	West Plano	56	18,021	1.96	-2.6%	94.0%	25	0	0
	North Total	582	171,209	1.79	-2.1%	93.6%	2,036	2,041	23,952
NORTHEAST	Garland	81	17,099	1.61	2.0%	93.3%	(89)	0	1,726
	Hunt County	8	1,043	1.33	6.2%	95.7%	(26)	0	152
	Rockwall / Rowlett / Wylie	32	8,195	1.77	-1.8%	91.4%	421	484	2,609
	Northeast Total	121	26,337	1.65	1.0%	92.8%	306	484	4,487

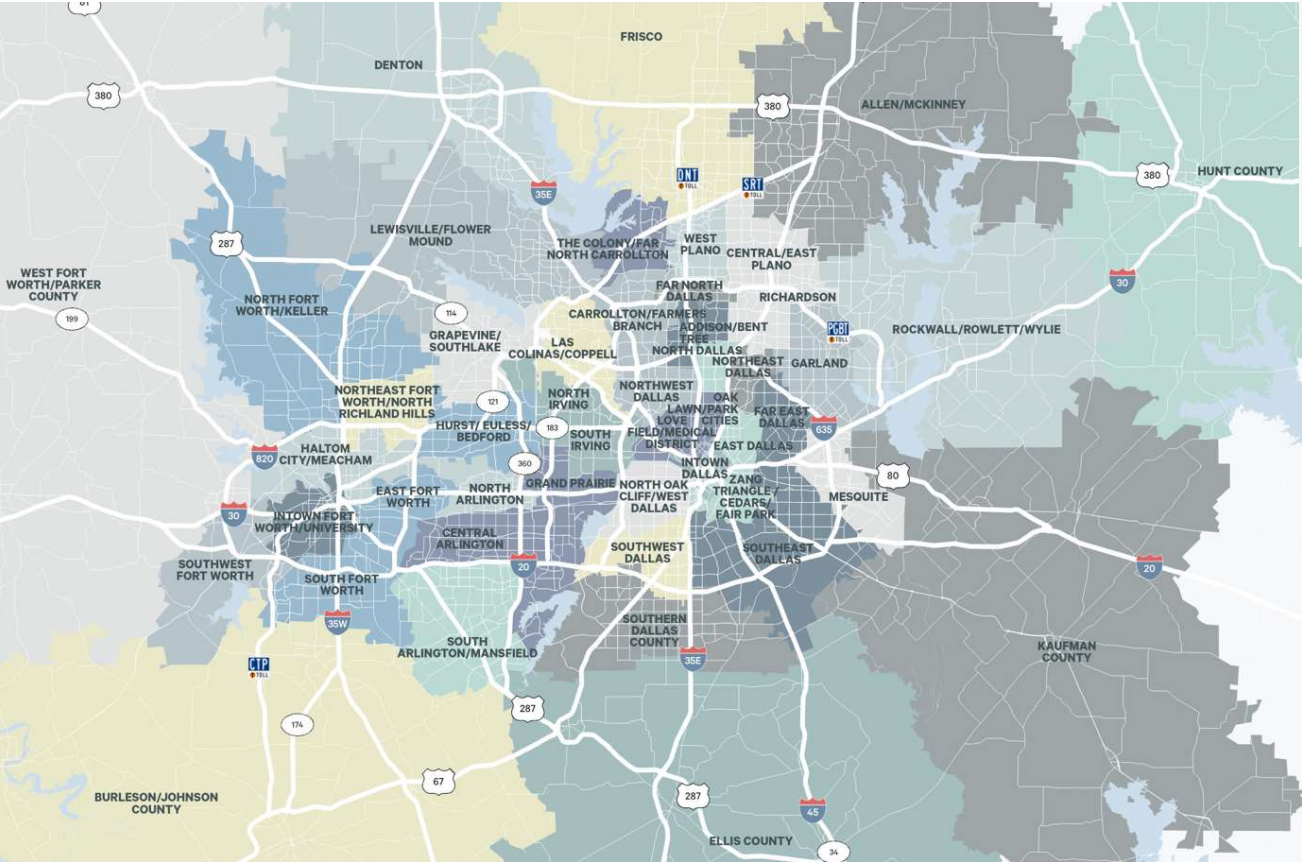
Figure 5: Q3 2023 Submarket Overview

	Submarket	Property Count	Inventory (Units)	Effective Rent (\$/SF*Mth)	Rent Growth Year-Over-Year (%)	Occupancy (%)	Net Absorption (Units)	Delivered (Units)	Under Construction (Units)
SOUTHEAST	Kaufman County	12	2,480	1.62	0.1	93.1	74	30	1,601
	Mesquite	43	9,993	1.53	3.0	93.3	7		
	Southeast Total	55	12,473	1.55	2.4	93.3	81	30	1,601
SOUTH	Ellis County	35	4,549	1.62	4.8	94.6	31	133	1,538
	Southeast Dallas	37	7,777	1.44	9.3	94.6	79	0	0
	Southern Dallas County	40	7,807	1.55	-0.1	92.3	(116)	0	65
	Zang Triangle / Cedars / Fair Park	21	3,618	1.56	-0.8	94.5	238	258	840
	South Total	133	23,751	1.53	3.8	93.8	232	391	2,443
SOUTHWEST	Grand Prairie	72	18,744	1.71	-0.8	93.5	531	417	3,315
	North Oak Cliff / West Dallas	48	9,768	1.83	0.1	93.3	155	264	1,408
	Southwest Dallas	45	11,460	1.45	4.1	91.7	(115)	0	866
	Southwest Total	165	39,972	1.67	0.8	93.0	571	681	5,589
NORTHWEST	Carrollton / Farmers Branch	75	18,176	1.80	0.5	94.6	209	205	702
	Denton	87	14,103	1.69	1.4	93.6	244	406	4,298
	Las Colinas / Coppell	76	27,284	1.93	-1.1	93.6	164	110	1,914
	Lewisville / Flower Mound	105	27,351	1.76	-1.4	94.1	239	292	2,357
	Love Field / Medical District	32	7,295	1.90	-1.7	93.5	69	77	1,253
	North Irving	38	10,294	1.70	1.0	92.9	(29)	0	0
	Northwest Dallas	34	8,047	1.61	7.0	93.8	44		
	South Irving	77	15,956	1.59	2.3	93.9	(78)	0	0
	The Colony / Far North	46	17,517	1.80	-0.2	93.9	(7)	146	1,734
	Northwest Total	570	146,023	1.77	0.3	93.8	855	1236	12,258

Figure 5: Q3 2023 Submarket Overview

	Submarket	Property Count	Inventory (Units)	Effective Rent (\$/SF*Mth)	Rent Growth Year-Over-Year (%)	Occupancy (%)	Net Absorption (Units)	Delivered (Units)	Under Construction (Units)
CENTRAL	Intown Fort Worth / University	75	16,563	1.84	-1.7	93.8	320	194	2,089
	Central Total	75	16,563	1.84	-1.7	93.8	320	194	2,089
NORTH	Haltom City / Meacham	36	6,821	1.64	-0.3	93.1	224	200	730
	North Fort Worth / Keller	45	12,039	1.68	-2.3	93.2	301	351	1,705
	North Total	81	18,860	1.67	-1.6	93.2	525	551	2,435
NORTHEAST	Grapevine / Southlake	33	9,481	1.84	-0.6	94.7	184	207	0
	Hurst / Euless / Bedford	113	27,194	1.68	-0.1	93.5	(153)	8	395
	Northeast Fort Worth / North Richland Hills	50	13,403	1.59	-3.0	93.0	226	242	678
	Northeast Total	196	50,078	1.69	-1.0	93.6	257	457	1,073
EAST	Central Arlington	84	16,586	1.54	0.8	92.4	261	229	651
	East Fort Worth	39	7,232	1.38	0.5	90.5	(66)		
	North Arlington	67	16,349	1.65	0.8	92.3	(39)	70	324
	South Arlington/Mansfield	37	8,738	1.74	-0.5	93.4	405	473	570
	East Total	227	48,905	1.59	0.5	92.2	561	772	1,545
SOUTH	Burleson/Johnson County	28	3,753	1.56	-0.5	93.6	376	482	1,567
	South Fort Worth	30	6,430	1.46	0.9	93.2	75	50	3,092
	South Total	58	10,183	1.50	0.4	93.3	451	532	4,659
WEST	Southwest Fort Worth	67	16,420	1.49	1.5	92.7	99	0	0
	West Fort Worth/Parker County	34	6,219	1.49	-1.8	93.3	371	358	2,655
	West Total	101	22,639	1.49	0.6	92.9	470	358	2,655
DALLAS TOTAL		2,067	525,158	1.79	-0.30	93.5	4,622	5,244	56,955
FORT WORTH TOTAL		738	167,228	1.63	-0.38	93.1	2,584	2,864	14,456
DALLAS/FORT WORTH TOTAL		2,805	692,746	1.75	-0.3	93.3	7,206	8,108	71,411

Market Area Overview



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