

YARDI[®] Matrix

Dominating Dallas

Multifamily Winter Report 2017

Strong Job Market Fuels Demand
Pipeline Tops Nationwide Standings
Investment Hits Cyclical High

DALLAS MULTIFAMILY

YARDI® Matrix

Market Analysis

Winter 2017

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North Texas Thrives on Solid Fundamentals

Hitting new cyclical peaks across most metrics, Dallas-Fort Worth continues to be one of the strongest multifamily markets in the United States. Following national trends, rent growth slowed down during the last two quarters of 2016. However, at 5.7% as of January, the metro's growth rate topped the national average by 110 basis points, fueled by strong fundamentals across the board. With 114,000 new jobs in the year ending in November and ranked as the top U.S. metro in units under construction, DFW is perceived by developers and investors as a safe haven.

Dallas remains a regional economic anchor, and the city's healthy business climate continues to draw large projects and corporate employers. Kent Donahue is moving forward with Bayside, his \$1 billion, 262-acre mixed-use development in Rowland. Facebook recently announced that it will significantly expand its Fort Worth data center, bringing the final project to roughly 2.5 million square feet. In Plano, Toyota's new headquarters is generating thousands of jobs and the \$2 billion Legacy West project is nearing completion.

With roughly \$5 billion worth of assets trading and some 15,000 units coming online in 2016, the metro hit new records for the current cycle. Considering North Texas' strong level of demand, growth is here to stay. As the metro is gaining residents at a fast pace and is steadily adding jobs across most sectors, we expect healthy absorption levels, with rents in DFW increasing by 6.3% in 2017.

Recent Dallas Transactions

Elan Lakeside



City: Flower Mound, Texas
Buyer: Azure Partners
Purchase Price: \$84 MM
Price per Unit: \$196,721

Avenue on Fairmount



City: Dallas
Buyer: Pure Multi
Purchase Price: \$71 MM
Price per Unit: \$192,935

Santa Rosa



City: Irving, Texas
Buyer: Resource Real Estate
Purchase Price: \$71 MM
Price per Unit: \$149,160

Sixteen 50 @ Lake Ray Hubbard



City: Rockwall, Texas
Buyer: Steadfast Cos.
Purchase Price: \$66 MM
Price per Unit: \$197,904

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