



## A Record-Shattering Year for DFW

Pent-up demand for apartments combined with continued job and population growth pushed North Texas leasing activity and average rents to all-time highs in Q3 while the vacancy rate hit a 26-year low. The Dallas-Fort Worth multifamily market is on fire, and investors have taken notice.

## Strong Market Fundamentals

- **Surging Demand** – North Texas renters leased nearly 20,000 units in Q3, bringing annual absorption to more than 42,500 units – the highest recorded since RealPage began tracking the market in the early 1990s.
- **Rising Occupancy** – Overall occupancy increased 1.5 points for the quarter to 96.5%, resulting in the lowest vacancy rate since 1995.
- **Unprecedented Rent Growth** – The average effective rental rate among luxury Class-A properties increased 18.1% year-over-year in September to a record \$1,652, and rent concessions offered to lure new residents all but disappeared.
- **Increased Investment Activity** – Strong investor interest in North Texas multifamily properties has helped push cap rates down to 3-to-4% for Class A properties, a drop of 50 basis points in the last six months.
- **Increasing Population** – The DFW MSA (Metropolitan Statistical Area) added more than 1.2 million residents from 2010 to 2020, and the metro area is projected to grow to 9.1 million residents by 2030.

*Sources: Dallas Business Journal, Texas A&M REC, CBRE, JLL, RealPage and the Hobby Center for the Study of Texas at Rice University. The chart was generated by OHT Partners.*