

# Multifamily Metro Outlook:

## Dallas - Q4 2024

### Overview:

- Job growth in the Dallas metro is continuing to expand at a pace slightly ahead of the national average. For the period ending Q4 2024, job growth in the metro was approximately 1.7% compared to 1.3% nationally. The local job market is still expanding at an above-average pace, but growth is no longer in the 4-5% range as it was during the peak of the metro's recovery.
- Apartment fundamentals continue to feel the impacts of increased supply coupled with the current economic landscape. As a result of all those variables, vacancies during the Q4 2024 period continued to soften, as they were 9.75%, up 175 basis points year over year. Furthermore, Dallas's rent growth has also been trending in the wrong direction as it contracted 1.25% during the same period, as it continues to be impacted by elevated levels of new supply. Furthermore, the metro boasts a strong demographic profile that should aid in absorbing increased supply.

### Market Strengths:

- Dallas has a very strong demographic profile that will help absorb some of the elevated amounts of supply being delivered. Besides an above-average population rate for the prime renter cohort going forward, the metro also has a general population growth rate of nearly 1.3%, which is nearly three times the national rate of 0.4%. Moreover, according to CoStar, the metro has added more than 500,000 jobs since March 2020, as the metro is the leading example of both economic and population growth in the country during this period.
- According to Moody's Analytics, Dallas will grow faster than the nation in 2024, led by expansion in both the financial activities and professional business services employment sectors. Furthermore, the combination of corporate headquarters relocations, a burgeoning tech industry, and above-average population growth will all contribute to elevated levels of job expansion compared to the national rate.
- The financial activities employment sector is expected to continue its role as a local economic leader. For the period ending Q4 2024, the employment sector expanded by approximately 2.9% compared to 0.9% nationally. Furthermore, throughout 2024, financial activities employment sector payrolls in Dallas have risen by more than 4%, compared to 1% nationally.

### Market Weaknesses:

- Despite above-average job growth, Dallas continues to face issues of oversupply. In the last seven years, nearly 144,000 new apartments have been delivered to the metro, and there are approximately 34,000 units underway.
- The local professional business services sector has had a slightly tumultuous year as industry wide employment contracted by 2% in the first half of 2024, according to Moody's Analytics. However, the slowdown in this employment sector was short-lived, as recovery took off in the second half of 2024 as growth rose by 3%. However, there is a new threat to progress in this economic sector, as the new administration has raised tariffs that could impact activity within this employment sector.

### New Development:

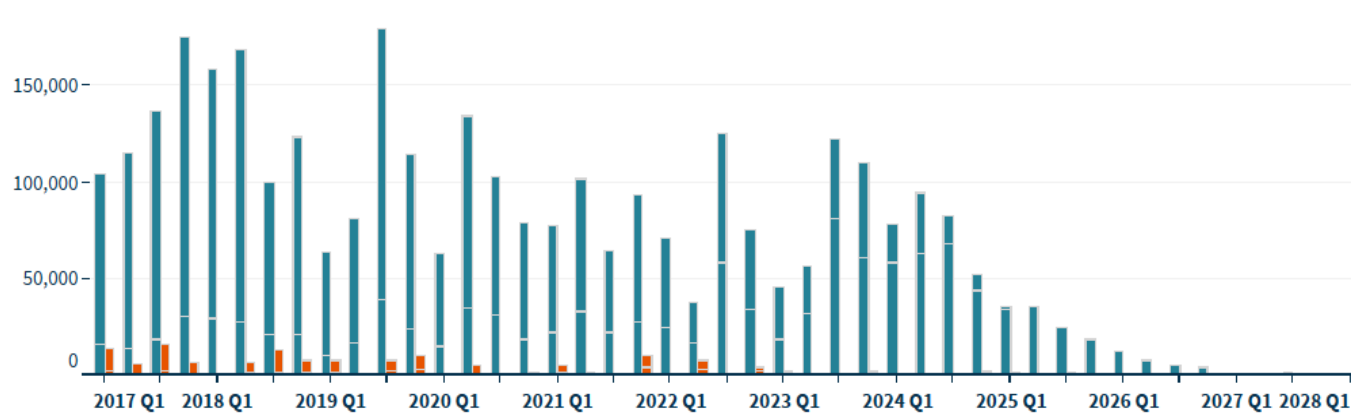
- Apartment construction continues to be rapid. Approximately 144,000 apartment units have been completed since the start of 2017. An additional 34,000 units are underway with 53,000 more units in the planning stages.

### Outlook:

- Dallas's apartment fundamentals are being impacted by the current economic environment and by the increased amounts of supply being delivered. Due to the metro's relative affordability, above-average employment growth, and presence of corporations that are moving or expanding into the area, Dallas will likely continue to lure young professionals. Furthermore, a strong demographic profile should provide the demand necessary to absorb the incoming supply.
- Dallas had exceptional employment growth and steady migration trends over the past couple years, with major gains across the board. Several corporations are in the process of moving or expanding in the metro. Although various new economic policies are impacting economic growth in the metro, particularly in the professional and business services sector, Dallas is well-cushioned because of its diverse economy.

Multifamily Apartment Pipeline

Apartments & Condos/Townhomes: Units Completed and Underway  
*Apartments | Condos*

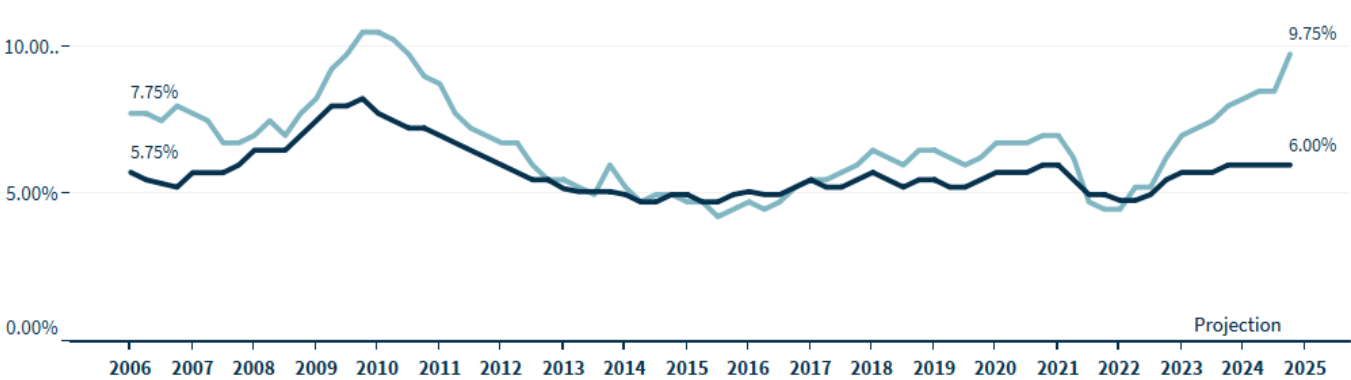


Source: Dodge Data & Analytics SupplyTrack Pipeline

Multifamily Vacancy & Rent Estimates

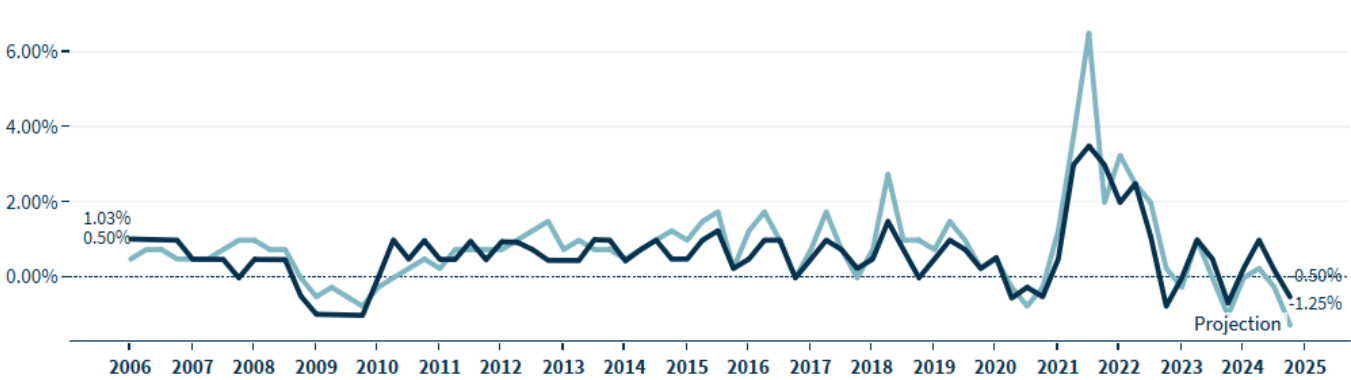
Vacancy Rates  
*Dallas | National*

Q4 2024 Vacancy Rate:  
9.75%



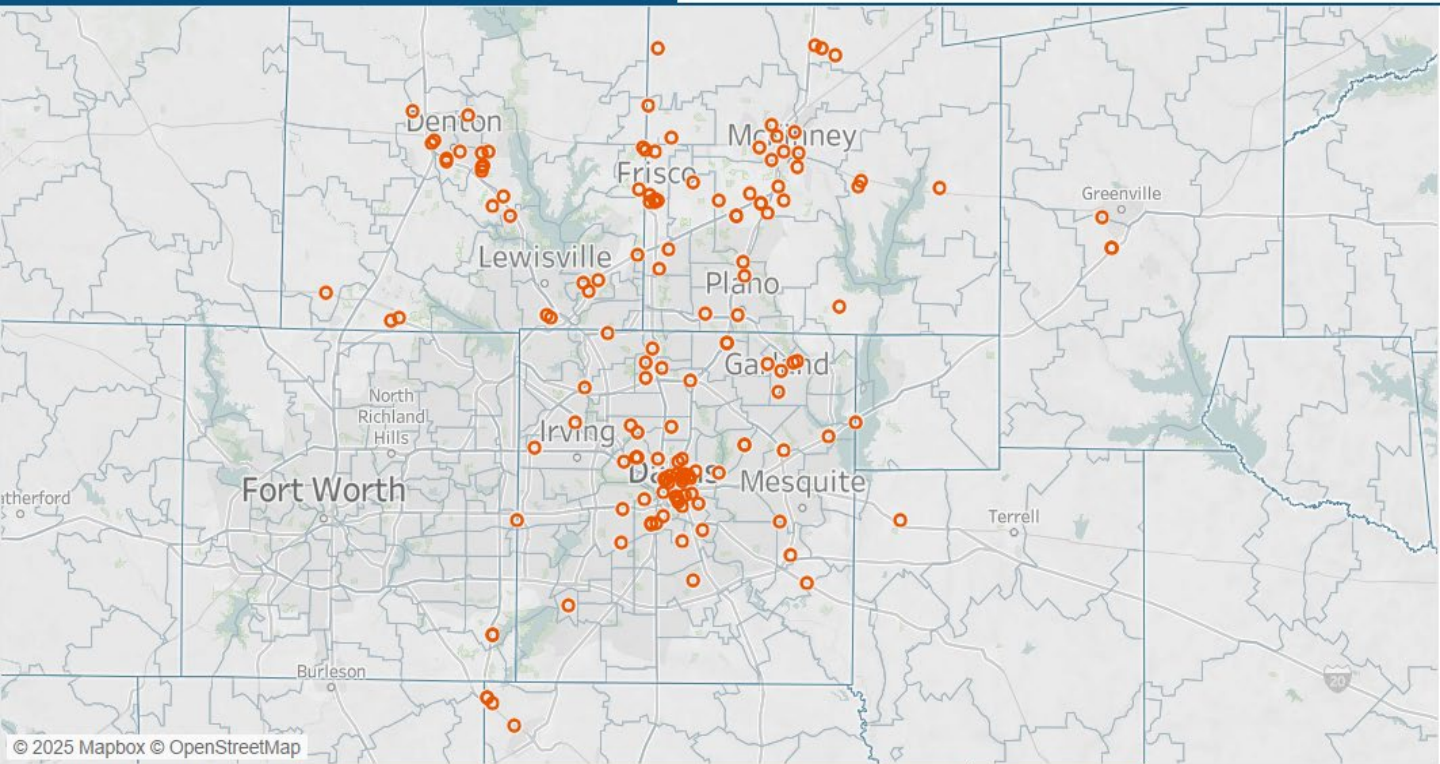
Asking Rent Growth  
*Dallas | National*

Q4 2024 Asking Rent:  
\$1,550



Source: Fannie Mae Multifamily Economics and Research

Multifamily Construction: Bidding & Underway



MultiHousingSubmarketName	Apartments	Units
Addison/Bent Tree	4	1,258
Allen/McKinney	23	6,213
Carrollton/Farmers Branch	2	586
Central/East Plano	4	953
Denton	16	4,019
East Dallas	4	708
Ellis County	4	1,109
Far East Dallas	2	612
Frisco	14	3,488
Garland	6	1,209
Grand Prairie	3	994
Hunt County	3	686
Intown Dallas	13	2,270
Kaufman County	1	324
Lewisville/Flower Mound	5	955
Love Field/Medical District	5	539
Mesquite	2	576
North Dallas	1	290
North Irving	1	370
North Oak Cliff/West Dallas	6	1,014
Northwest Dallas	2	150
Oak Lawn/Park Cities	6	1,272
Richardson	2	768
Rockwall/Rowlett/Wylie	2	357
South Irving	1	26
Southeast Dallas	4	574
Southern Dallas County	1	541
The Colony/Far North Carrollton	3	963
West Plano	2	502
Zang Triangle/Cedars/Fair Park	5	539
Grand Total	147	33,865

Source: Dodge Data & Analytics SupplyTrack Pipeline

## Multifamily: ESR Team

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## Multifamily Economics and Market Research Team

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### Sources Used

- Moody's Economy.com
- Moody's CRE/REIS
- CoStar
- Real Capital Analytics
- RealPage
- Dodge Data and Analytics Real Estate Analyzer
- CBRE-Econometric Advisors
- Yardi

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