

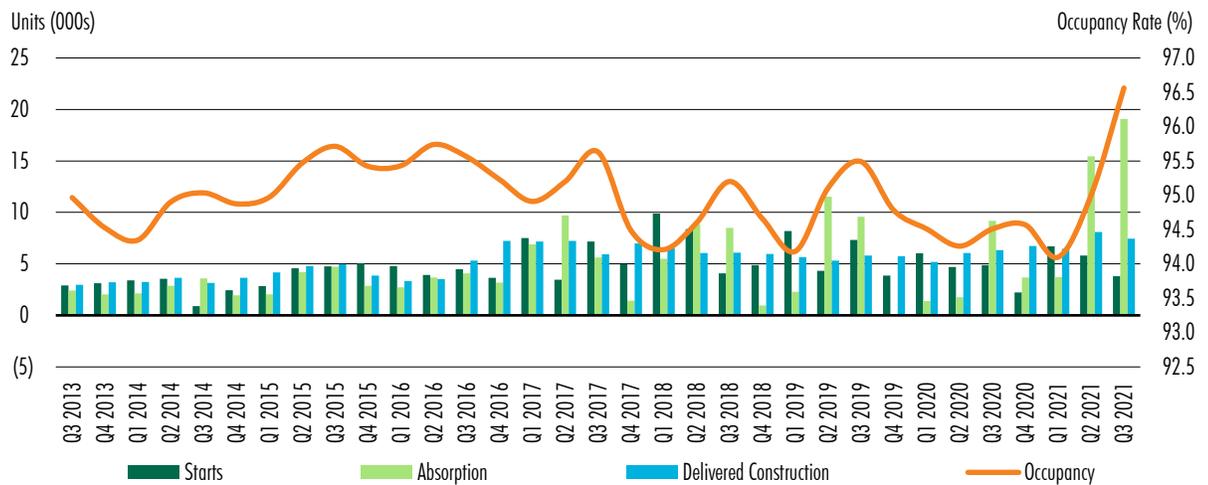
Dallas/Fort Worth Multifamily, Q3 2021

DFW multifamily continues to post historic net absorption and occupancy numbers

▲ Occupancy Rate 96.6%
▲ Avg. Rental Rate 1.51 RSF
▼ Construction Starts 3,791 Units
▼ Deliveries 7,457 Units
▲ Absorption 19,054 Units

*Arrows indicate trend from previous quarter.

Figure 1: Dallas/Fort Worth Multifamily Market



Source: CBRE Research, RealPage Inc., Q3 2021.

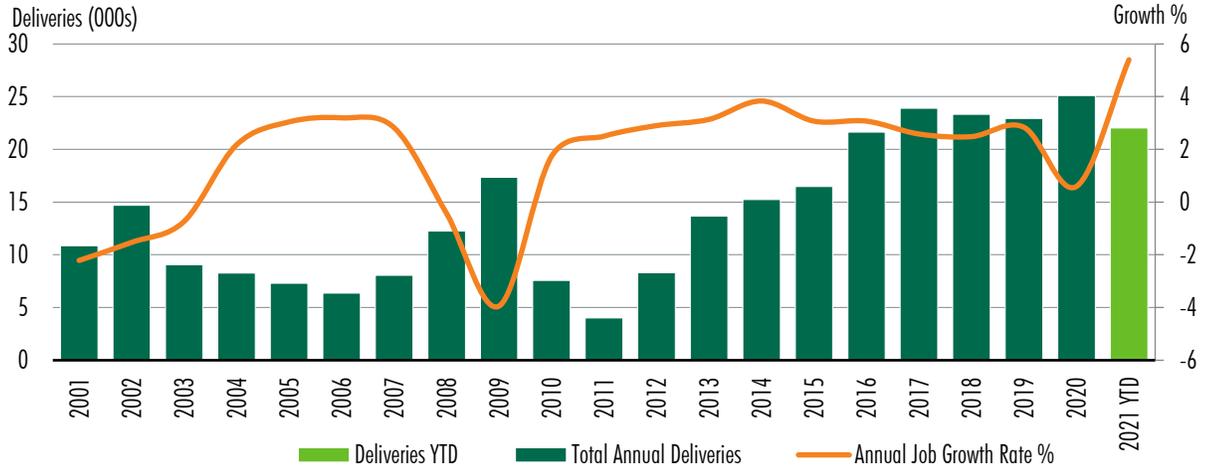
According to the Bureau of Labor Statistics, as of August 2021, the national unemployment rate was 5.2%, down by 20 basis points (bps) from 5.4% in July 2021. DFW recorded a 4.7% unemployment rate in August 2021, 60 bps lower than July 2021. Comparing year-over-year, DFW has gained 196,500 non-farm jobs since last August and has recouped roughly 97.9% of jobs lost from March 2020 to August 2020.

Q3 2021 net absorption rose to 19,054 units, an increase of 23.5% from 15,434 last quarter. Compared to Q3 2020, DFW posted a little over double its net absorption amount of 9,165 units. Q3 2021's net absorption was also a new high for the DFW multifamily market after surpassing last quarter's amount. DFW occupancy was up 110 bps from 95.5% in Q2 2021 to 96.6%, a record high.

In Q3 2021, DFW multifamily experienced another increase in rents with the average rental rate increasing by 7.1% to \$1.51 per sq. ft. This past quarter, deliveries were down slightly after reaching its peak of 8,086 units delivered last quarter. There were 7,457 units delivered in Q3 2021, a decrease of 7.8% from Q2 2021. Year-to-date, 22,011 multifamily units have been delivered.

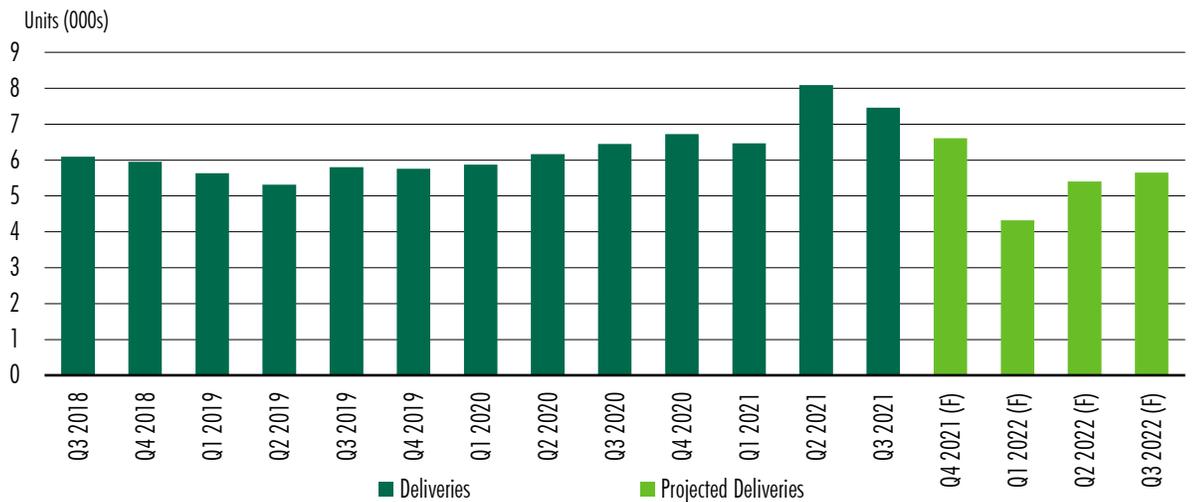
With continued positive rent growth, steady increases in net absorption and coupled with record high occupancy, the DFW multifamily market is a bright spot in local commercial real estate. As expected, Q3 2021 performed well by posting new records in net absorption and occupancy. In coming months, DFW multifamily is expected to continue its historical run as it moves farther away from the troubles experienced in the height of the pandemic.

Figure 2: New Supply & Job Growth



Source: CBRE Research, RealPage Inc., U.S Bureau of Labor Statistics, Q3 2021.

Figure 3: Historical & Forecasted Deliveries



Source: CBRE Research, RealPage Inc., Q3 2021.

Figure 4: Historical & Forecasted Annual Rent Change

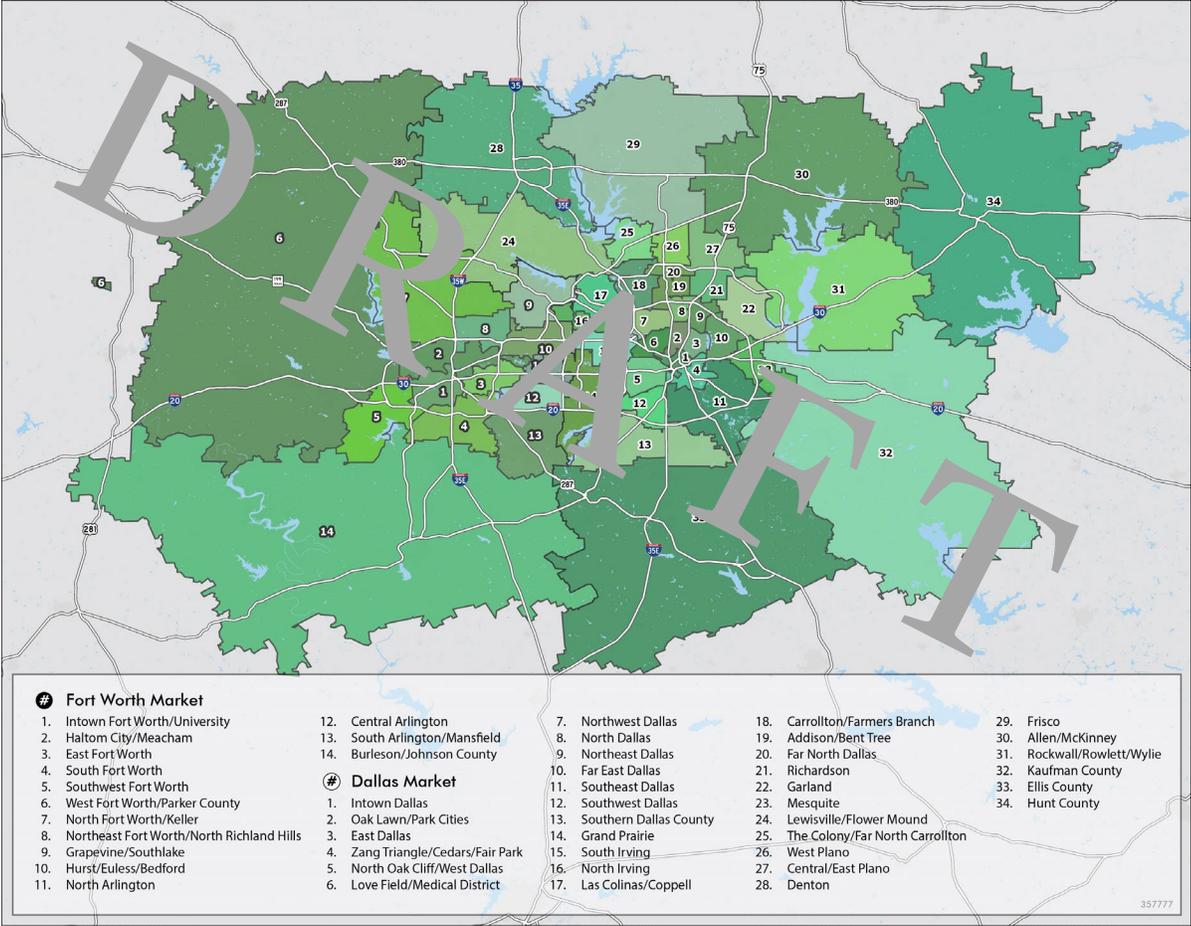


Source: CBRE Research, RealPage Inc., Q3 2021.

Figure 5: Market Overview

	Submarket	Inventory Units	Effective Rent (\$/SF*Mth)	Rent Growth Year-Over-Year (%)	Occupancy (%)	Net Absorption Units	Delivered Units	Under Construction Units
CENTRAL	East Dallas	17,685	1.75	8.8%	97.2%	533	163	236
	Far East Dallas	14,183	1.27	7.3%	95.6%	76	-	219
	Intown Dallas	31,216	1.97	10.4%	96.3%	1,302	500	1,830
	Northeast Dallas	29,424	1.33	6.3%	93.7%	730	102	622
	Oak Lawn/ Park Cities	11,395	2.14	11.5%	96.5%	764	471	1,114
	Central Total	103,903	1.68	8.7%	95.6%	3,405	1,236	4,021
NORTH	Addison/Bent Tree	27,026	1.54	14.1%	97.4%	731	250	405
	Allen/McKinney	20,323	1.59	16.7%	97.6%	704	355	3,154
	Central / East Plano	17,267	1.54	17.2%	96.9%	603	300	748
	Far North Dallas	26,465	1.49	11.9%	96.5%	487	-	-
	Frisco	22,002	1.62	15.2%	97.6%	513	191	4,587
	North Dallas	12,031	1.46	8.6%	96.2%	381	-	499
	Richardson	15,426	1.59	12.7%	96.0%	233	-	710
	West Plano	17,544	1.72	18.0%	97.6%	466	90	-
	North Total	158,084	1.57	14.4%	97.0%	4,118	1,186	10,103
NORTHEAST	Garland	17,200	1.38	11.7%	96.0%	488	273	184
	Hunt County	1,372	1.09	8.0%	95.0%	(16)	-	152
	Rockwall/ Rowlett/ Wylie	6,613	1.59	12.9%	97.1%	531	375	940
	Northeast Total	25,185	1.42	11.8%	96.2%	1,003	648	1,276
SOUTHEAST	Kaufman County	2,335	1.27	5.4%	97.0%	189	158	209
	Mesquite	10,276	1.30	7.0%	97.1%	140	-	-
	Southeast Total	12,611	1.29	6.7%	97.1%	329	158	209
SOUTH	Ellis County	4,870	1.32	7.4%	98.4%	11	14	356
	Southeast Dallas	8,995	1.13	4.8%	94.5%	112	-	-
	Southern Dallas County	8,692	1.34	7.2%	97.0%	175	39	-
	Zang Triangle/ Cedars/ Fair Park	3,523	1.41	10.9%	97.8%	103	-	1,042
South Total	26,080	1.28	6.9%	96.5%	401	53	1,398	
SOUTHWEST	Grand Prairie	16,143	1.49	11.2%	96.8%	556	331	2,287
	North Oak Cliff/ West Dallas	8,761	1.56	6.7%	96.4%	237	21	-
	Southwest Dallas	13,354	1.23	4.7%	95.9%	282	100	-
	Southwest Total	38,258	1.41	7.9%	96.4%	1,075	452	2,287
NORTHWEST	Carrollton/ Farmers Branch	16,611	1.52	9.9%	97.5%	536	-	1,009
	Denton	12,963	1.44	8.5%	96.7%	1,152	741	1,442
	Las Colinas/ Coppell	25,361	1.70	16.0%	96.8%	641	189	386
	Lewisville/ Flower Mound	24,444	1.57	16.7%	96.9%	786	372	282
	Love Field/ Medical District	6,884	1.64	10.0%	96.9%	389	198	326
	North Irving	10,510	1.45	11.1%	95.9%	264	-	-
	Northwest Dallas	8,707	1.27	4.8%	97.1%	209	-	-
	South Irving	16,404	1.33	7.1%	96.7%	467	122	325
	The Colony/ Far North	15,430	1.61	15.1%	96.9%	526	273	-
	Northwest Total	137,314	1.52	12.1%	96.8%	4,970	1,895	3,770
CENTRAL	Intown Fort Worth/ University	14,831	1.63	8.5%	95.9%	425	227	224
	Central Total	14,831	1.63	8.5%	95.9%	425	227	224
NORTH	Haltom City/ Meacham	5,806	1.37	9.3%	96.8%	129	111	967
	North Fort Worth/ Keller	9,554	1.52	13.6%	97.1%	592	251	1,981
	North Total	15,360	1.46	12.0%	97.0%	721	362	2,948
NORTHEAST	Grapevine/ Southlake	8,399	1.64	13.8%	96.9%	238	34	599
	Hurst/ Euless/ Bedford	27,484	1.43	9.8%	97.6%	427	-	343
	Northeast Fort Worth/ North Richland Hills	13,516	1.43	11.7%	96.5%	444	299	677
	Northeast Total	49,399	1.47	11.0%	97.2%	1,109	333	1,619
EAST	Central Arlington	16,175	1.35	11.0%	96.5%	173	-	-
	East Fort Worth	9,032	1.20	4.6%	95.4%	174	-	-
	North Arlington	16,365	1.42	9.1%	95.7%	280	232	120
	South Arlington/Mansfield	8,117	1.57	11.2%	97.1%	123	97	2,301
	East Total	49,689	1.38	9.2%	96.1%	750	329	2,421
SOUTH	Burleson/Johnson County	2,534	1.38	8.1%	97.4%	397	269	1,101
	South Fort Worth	5,893	1.25	11.3%	96.5%	102	90	230
	South Total	8,427	1.29	10.3%	96.8%	499	359	1,331
WEST	Southwest Fort Worth	17,726	1.25	8.1%	95.7%	(3)	-	293
	West Fort Worth/Parker County	5,391	1.25	8.2%	96.8%	252	219	-
	West Total	23,117	1.25	8.1%	95.9%	249	219	293
DALLAS TOTAL		501,435	1.54	11.4%	96.6%	15,301	5,628	23,064
FORT WORTH TOTAL		160,823	1.42	9.9%	96.5%	3,753	1,829	8,836
DALLAS/FORT WORTH TOTAL		662,258	1.51	11.0%	96.6%	19,054	7,457	31,900

Source: CBRE Research, RealPage Inc., Q3 2021.



CONTACTS

Tishay Davis
Field Research Analyst
 South-Central Division
 +1 214 9796557
 tishay.davis@cbre.com

E. Michelle Miller
Head of Field Research
 South-Central Division
 +1 214 9796584
 michelle.miller@cbre.com

CBRE OFFICES

CBRE Dallas
 2100 McKinney Ave., Suite 700
 Dallas, TX 75201

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