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August 2026
Market Outlook

DFW Multifamily

DFW Apartments: The Metroplex Demand Engine Set to Re-engage

The Dallas-Fort Worth metroplex is unrivaled in its size and rate of expansion even among major U.S. growth metros. Over the past 10 years, DFW produced 373K more jobs than the next-fastest-growing Sunbelt market. DFW job expansion decelerated over the past two years following years of above-average growth, but the structural factors that draw households and businesses remain intact. The apartment market is digesting oversupply with demand poised to overtake a diminishing delivery pipeline.

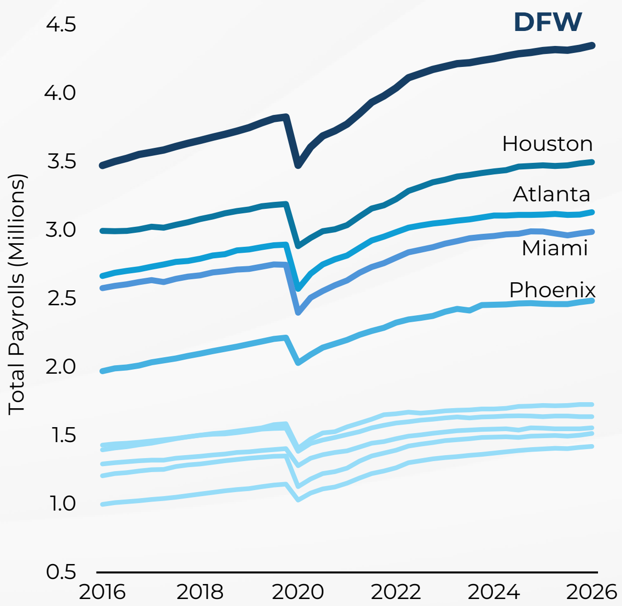
Low tax burden and other structural advantages drive sustainable growth across pivotal industries.

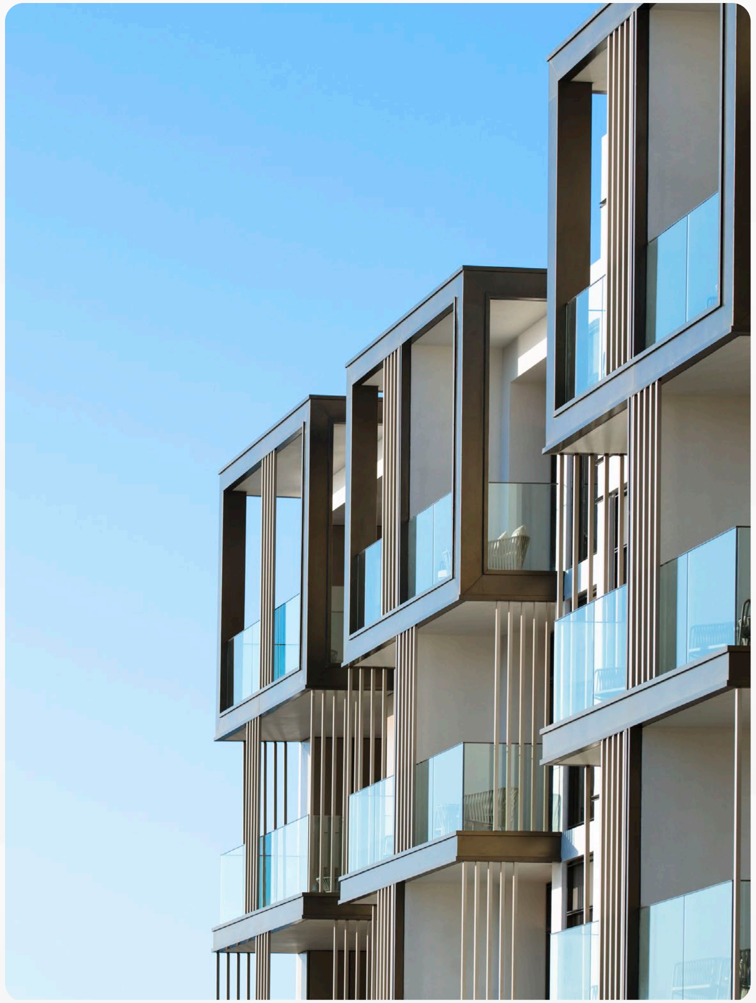
Young people continue to flock to DFW. The 20-34 year-old cohort is growing at 5x the national rate.

Class A rent growth is accelerating where supply is down, and occupancy is at equilibrium.

Due to a diversified industrial base, DFW's employment growth comes with lower volatility.

10 Fastest Growing Large Metros Employment Trend





Sources: IPA Research Services, Census, Economy.com as of July 2026

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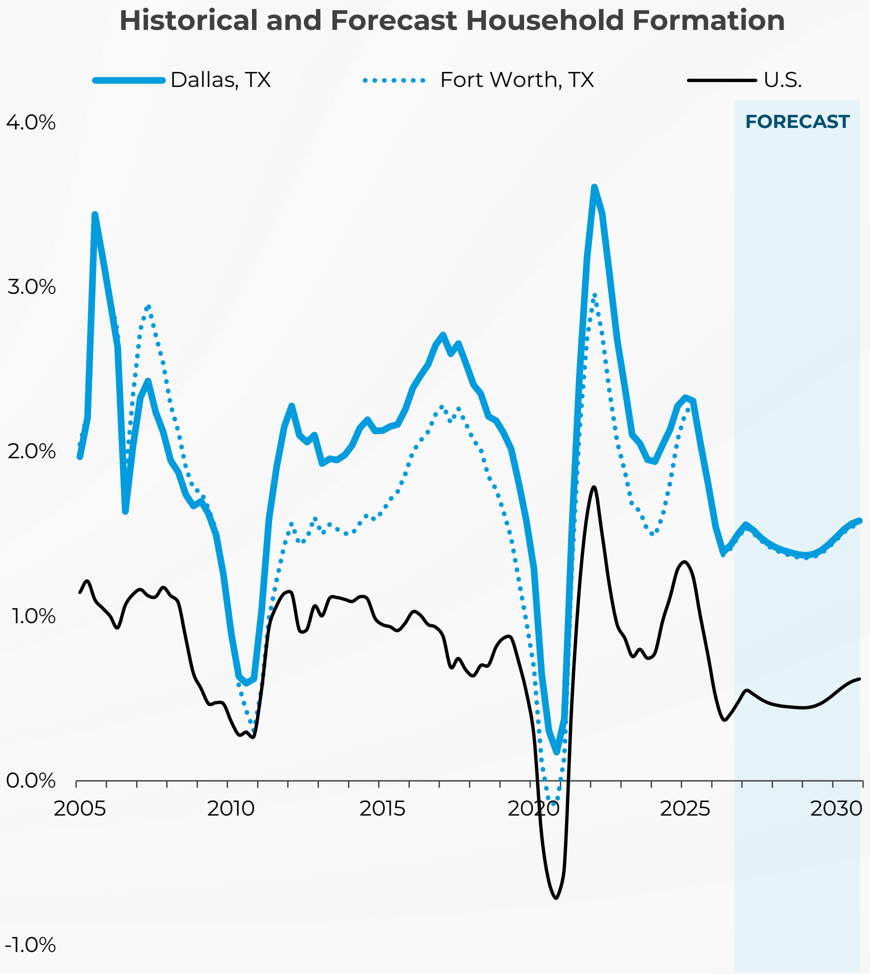
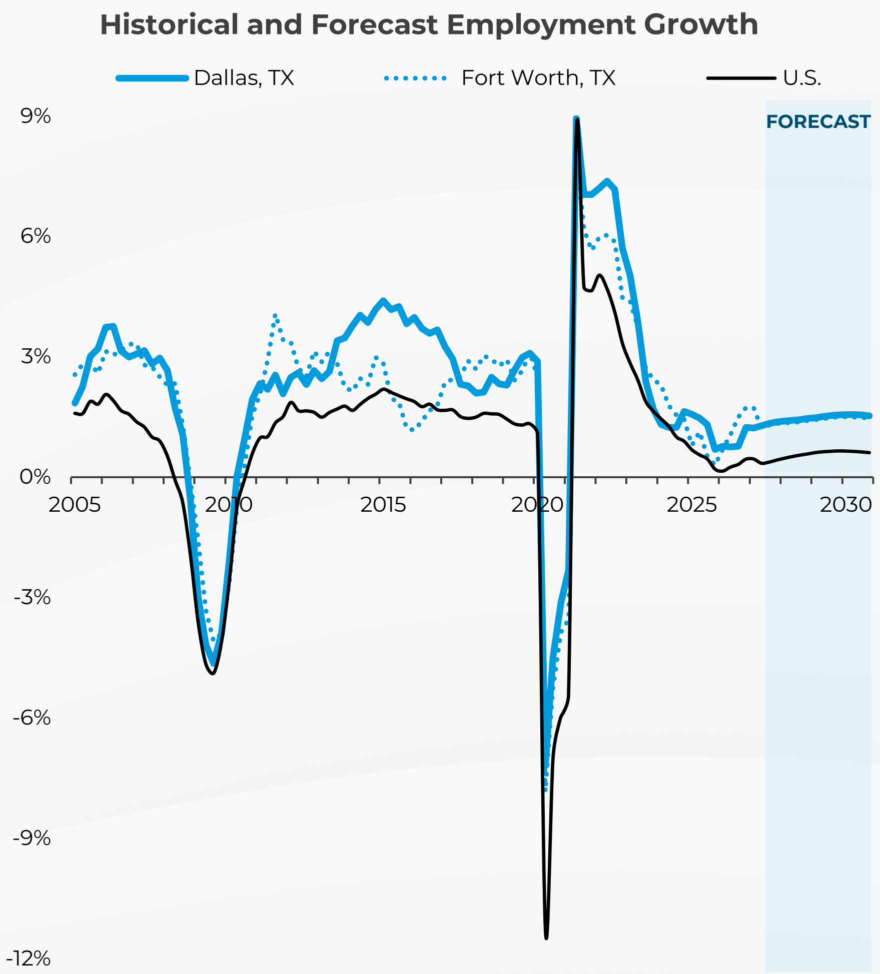
DFW Employment and Demographic Outlook

- DFW continues to expand at an above-average pace, supported by a diverse mix of industries spanning professional services, logistics, finance, and technology. DFW 20-year payroll growth has averaged 2.2% annually versus the U.S. at 0.9%.
- Household formation rose by 21% from Q2 2016 to Q2 2026, which is 1.8x the pace of the national average over the same period.
- DFW is a magnet for young people. The 20-34 year-old cohort expanded by an estimated 13% from Q2 2021 to Q2 2026 versus only 1.9% for the U.S. The median age for DFW is 36 years old versus 39 for the nation.





Sources: IPA Research Services, Economy.com as of July 2026

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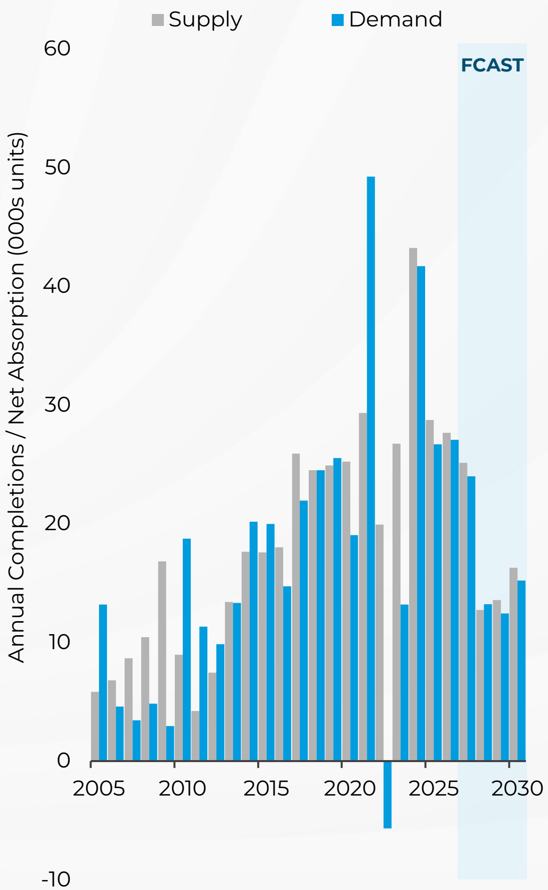
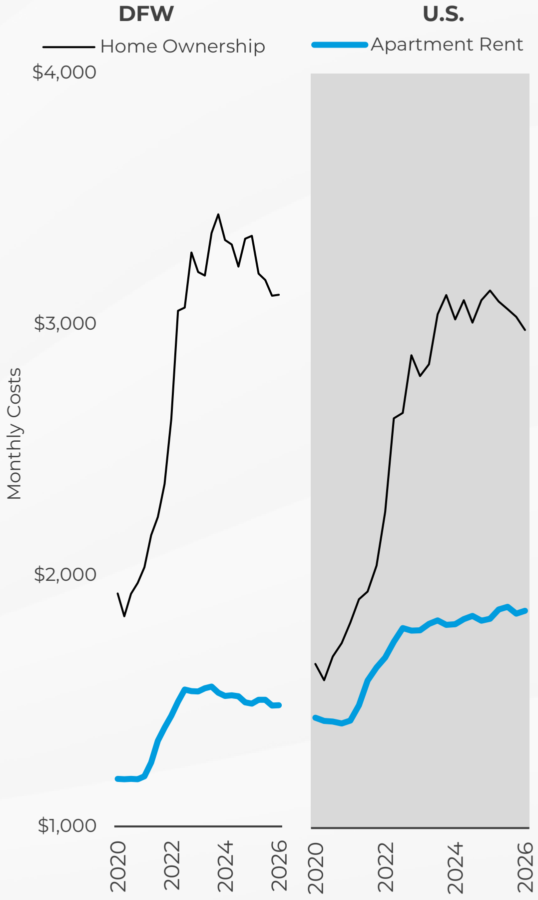
DFW Apartment Fundamentals

- Multifamily fundamentals are beginning to rebalance as construction activity has peaked and demand continues to normalize, setting the stage for improved occupancy and rent performance into the second half of 2026.
- Renting remains far cheaper than owning in DFW — as of Q2 2026 the monthly cost advantage was 47% wider than the national average — though the gap has narrowed in recent quarters.
- Effective rent growth declined by 2.6% Y-O-Y, but this masks a wide dispersion across classes with Class A up 1.2%, Class B down 2.4%, and Class C down 7.2%.

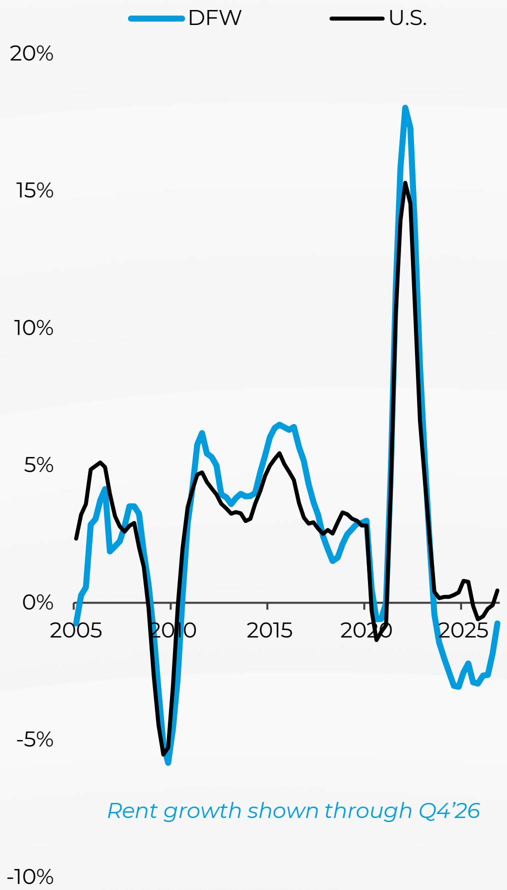
Net Absorption, Completions (000s units)



Monthly Cost of Homeownership versus Renting



Annual Effective Rent Growth

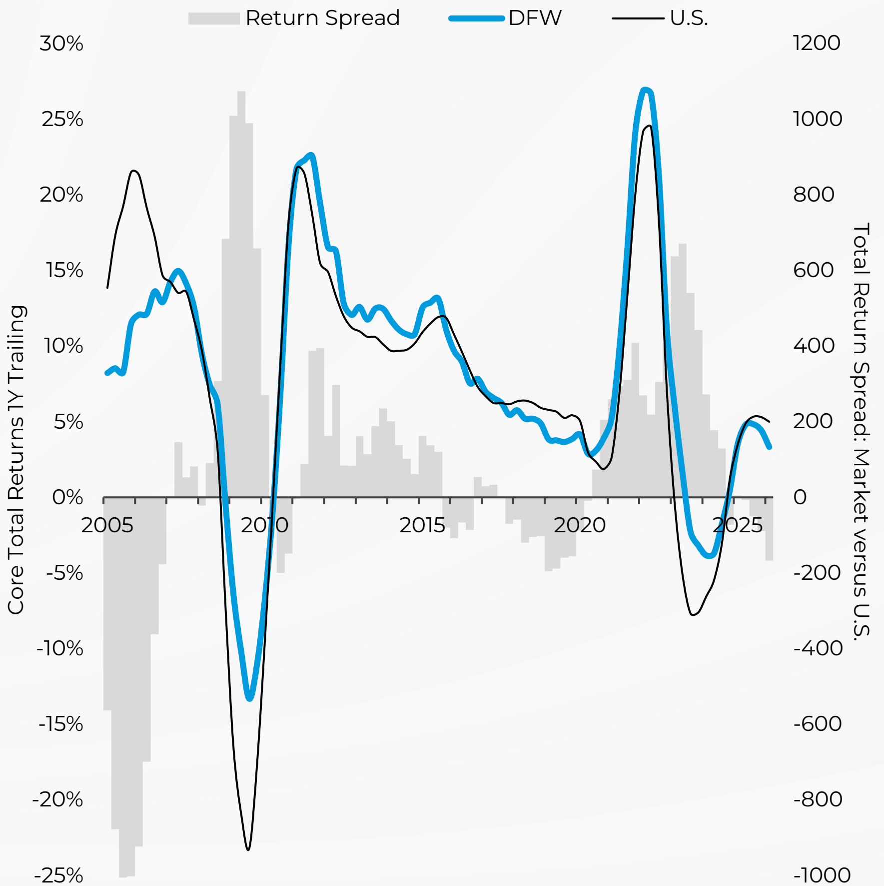


Sources: IPA Research Services, RealPage as of July 2026

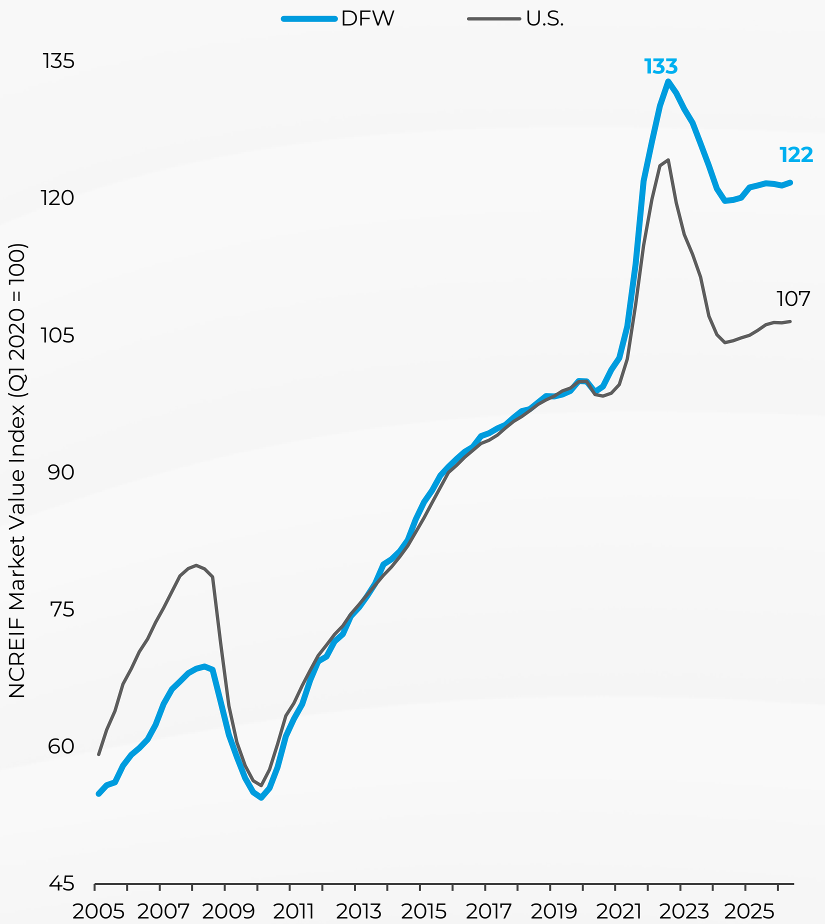
DFW Apartment Total Return and Market Value Trends

- From a core pricing perspective, the worst is behind DFW. While DFW currently lags the U.S. with a total 1Y return of 3.3% versus the U.S. average of 5.0% for apartments, the market is moving past the bottom.
- The 1Y return profile (positive total, weak appreciation, solid income) is how a stabilizing institutional real estate market historically performs. The market value index indicates that DFW core apartment pricing is 8.3% below recent peak versus 14.3% for the U.S.
- DFW is a lower-volatility growth market that is often overlooked. While there has been a correction in values, it is less severe than the U.S. due to liquidity across the market cycle and the strength of its economic outlook.

Rolling 1Y Total Returns: DFW versus U.S.



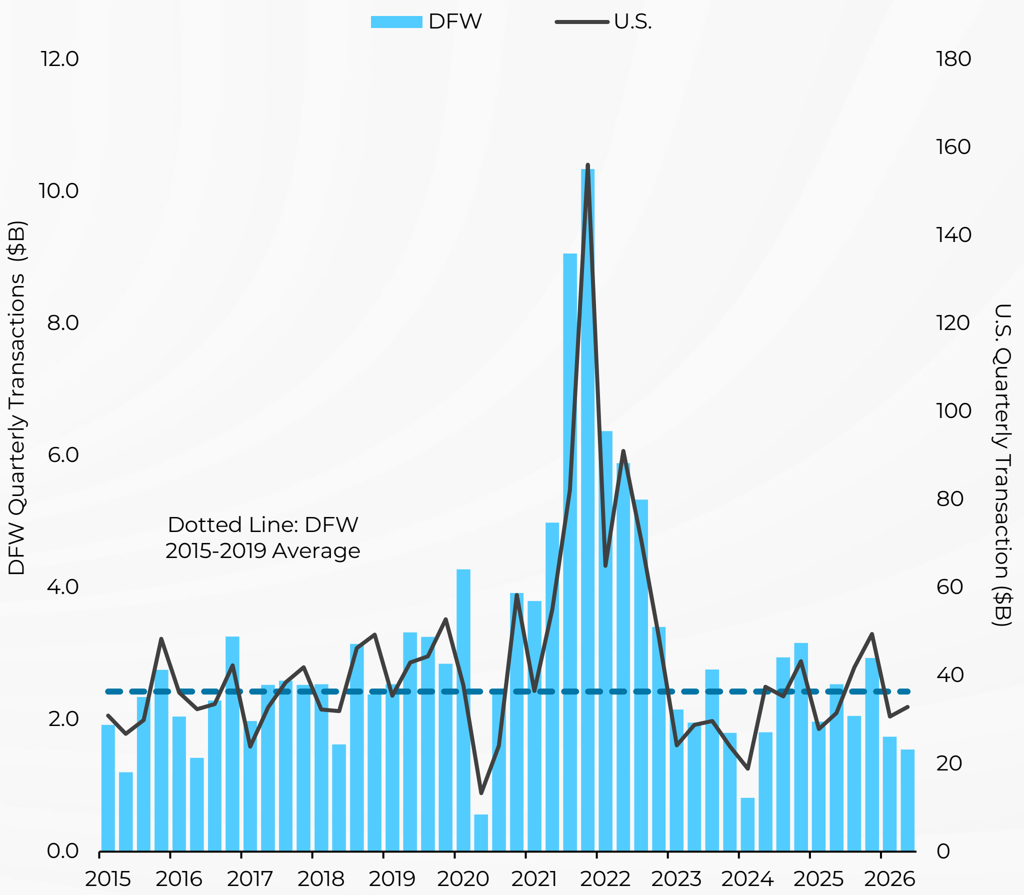
Market Value Index: DFW versus U.S.



Sources: IPA Research Services, NCREIF as of July 2026

DFW Multifamily Transaction Activity

U.S. & DFW Apartment Quarterly Transaction Volume (Sales 10M+)



Top Buyers Past 2 Years

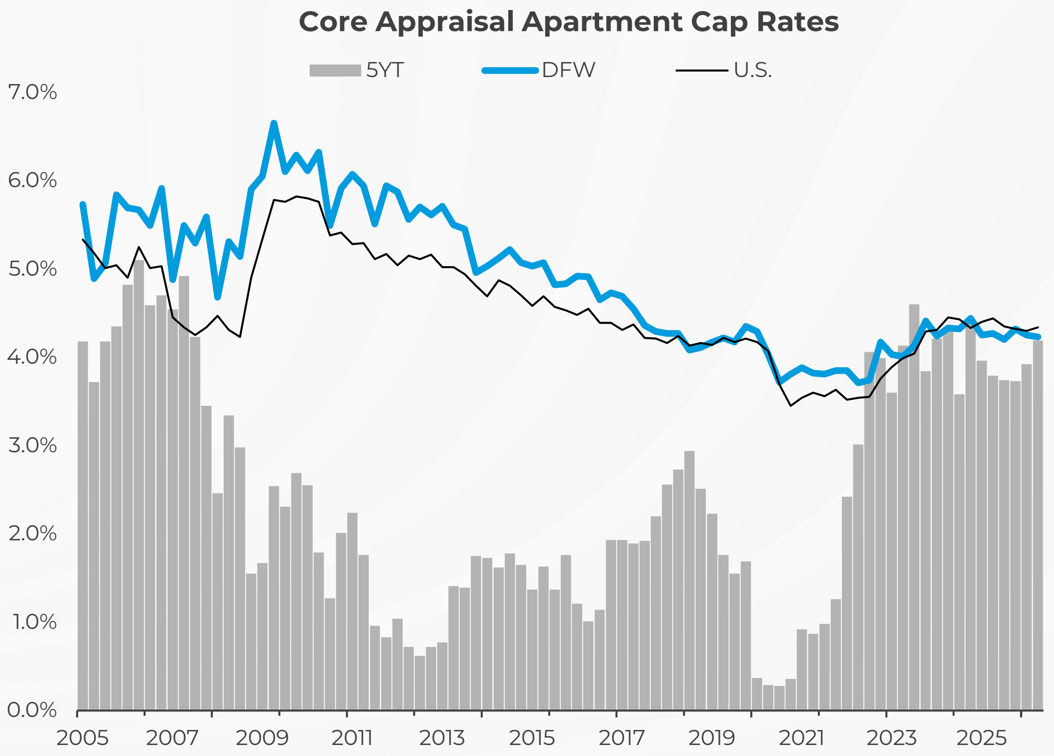
Rank	Buyer	# Props	Avg Price ($)
1	RPM Living	9	74,623,034
2	Knightvest Capital	7	81,016,319
3	AvalonBay	6	71,916,641
4	Weidner Apt Homes	5	71,762,355
5	SPI Advisory	6	57,955,877
6	Griffis Residential	3	99,666,667
7	MG Properties	3	97,955,984
8	GIC	1	287,616,676
9	Kite Realty Group	1	287,616,676
10	Equity Residential	4	70,499,963
11	Phoenix Property	3	92,700,000
12	KKR	3	80,333,333
13	Blackstone	4	56,843,750
14	Yamasa Co Ltd	2	109,228,832
15	GID	2	103,918,587

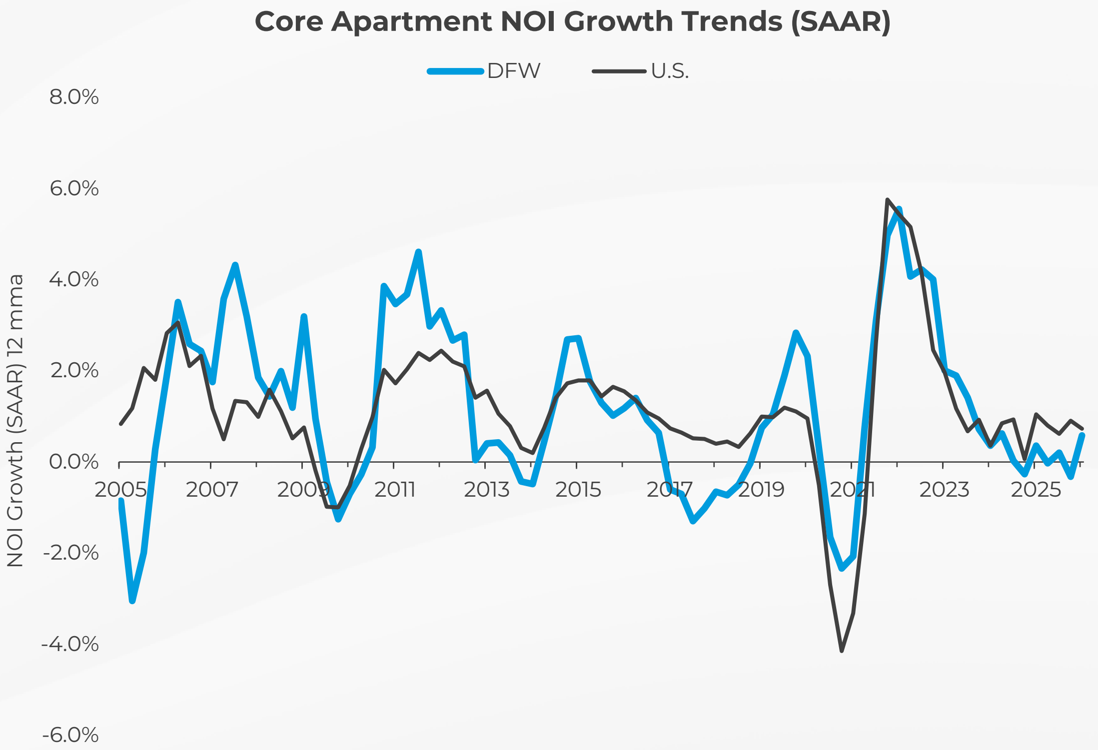
Top Sellers Past 2 Years

Rank	Seller	# Props	Avg Price ($)
1	BSR Trust	6	71,916,641
2	Cortland	6	70,998,062
3	Knightvest Capital	6	66,216,758
4	S2 Capital	7	47,651,825
5	Tides Equities	9	36,223,306
6	Lone Star	3	99,630,984
7	Waterton Associates	3	96,237,552
8	Invesco Real Estate	1	287,616,676
9	Lincoln Property Co	3	92,700,000
10	Cadillac Fairview	3	92,700,000
11	SARES-REGIS Group	3	87,966,667
12	American Landmark	3	87,712,553
13	Hillwood	3	85,385,518
14	Crow Holdings	3	84,558,910
15	Davis Development Inc	4	63,218,750

Sources: IPA Research Services, RCA as of July 2026

DFW Cap Rates Stabilize As NOI Growth Picks Up





- DFW core cap rates have stabilized in line with the national average
- Borrowers opt for shorter debt maturities, hoping base rates decline longer term
- Spread between the 5-year Treasury yield and cap rates becoming more constructive

- DFW 10-year NOI YoY growth is in line with the national average at 0.9%
- Regional NOI growth has been volatile over the past 10 years
- With DFW fundamentals recovering, NOI growth is expected to strengthen

Sources: IPA Research Services, NCREIF, MSCI RCA as of July 2026

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DFW Historical Apartment Submarket Trends as of Q2 2026

Supply

Deliveries remain concentrated in submarkets north of Dallas CBD. Allen/McKinney, Frisco, and Denton led inventory expansion, while Intown Dallas and Intown Fort Worth expanded below the market average.

Vacancy

Current quarter vacancy across nearly every major submarket is lower than it was 2 years ago. However, vacancies are still well above their 10-year averages, and operators are leaning on concessions to hold occupancy.

Effective Rent Growth

Intown Dallas and Fort Worth, as well as Oak Lawn/Park Cities, are leading the market in terms of effective rent growth. However, demand weakness is still sapping rents in certain suburban submarkets.

	Historical Cumulative Inventory Change (%)					Historical Quarterly Spot Vacancy (%)					Same-Store Effective Rents, Historical CAGR				
	2026 Q2	1Y	2Y	5Y	10Y	2026 Q2	1Y	2Y	5Y	10Y	2026 Q2	1Y	2Y	5Y	10Y
National	*20,411,692*	*2%*	*4%*	*11%*	*21%*	*4.7%*	*4.4%*	*5.8%*	*3.9%*	*4.8%*	*$ 1,905*	*1.9%*	*2.0%*	*5.1%*	*4.2%*
Dallas Metro	**751,845**	**2%**	**7%**	**16%**	**38%**	**6.1%**	**5.7%**	**7.3%**	**5.0%**	**4.7%**	**$ 1,536**	**-0.5%**	**-0.9%**	**3.7%**	**3.7%**
Fort Worth Metro	**251,382**	**4%**	**6%**	**18%**	**33%**	**6.3%**	**6.1%**	**7.9%**	**4.8%**	**4.9%**	**$ 1,375**	**-0.9%**	**-0.8%**	**3.3%**	**4.0%**
Intown Dallas	45,604	3%	6%	14%	48%	5.5%	4.6%	7.1%	5.6%	5.7%	$ 2,243	4.1%	2.1%	4.8%	2.9%
Allen/McKinney	44,892	8%	31%	68%	140%	6.8%	5.6%	6.6%	3.4%	4.0%	$ 1,506	-3.3%	-2.8%	1.8%	2.4%
Frisco	43,404	7%	21%	68%	256%	6.6%	5.7%	6.9%	3.7%	4.6%	$ 1,631	-2.8%	-2.9%	2.2%	2.5%
Northeast Dallas	38,028	0%	2%	2%	11%	7.7%	6.8%	9.9%	7.5%	7.0%	$ 1,181	0.3%	-0.3%	3.2%	3.9%
Hurst/Euless/Bedford	33,963	2%	2%	4%	11%	5.7%	5.5%	6.7%	3.5%	4.4%	$ 1,331	-2.8%	-2.5%	2.9%	3.6%
Addison/Bent Tree	33,772	0%	1%	4%	19%	5.6%	5.0%	6.6%	4.4%	4.2%	$ 1,477	-1.0%	-1.8%	3.1%	2.5%
Lewisville/Flower Mound	33,120	1%	4%	15%	32%	5.4%	5.2%	6.7%	4.9%	4.9%	$ 1,505	-1.9%	-1.5%	3.3%	3.7%
Las Colinas/Coppell	31,303	1%	4%	12%	32%	5.9%	4.7%	7.2%	5.0%	3.8%	$ 1,706	-0.7%	-1.2%	3.2%	3.3%
Denton	31,193	8%	16%	40%	60%	6.9%	5.9%	7.6%	5.1%	4.0%	$ 1,305	-6.1%	-4.6%	2.9%	3.6%
Far North Dallas	30,136	0%	1%	3%	3%	6.6%	6.5%	8.2%	5.3%	3.5%	$ 1,196	-3.9%	-3.4%	1.8%	2.4%
East Dallas	26,405	3%	3%	6%	23%	4.1%	5.5%	6.2%	4.7%	4.8%	$ 1,805	-1.4%	-0.4%	5.5%	3.9%
Grand Prairie	26,373	3%	6%	32%	64%	6.1%	6.0%	8.2%	4.4%	4.0%	$ 1,429	-1.1%	-0.6%	3.0%	4.3%
Intown Fort Worth/University	25,009	3%	4%	14%	70%	6.7%	6.2%	7.9%	5.9%	7.3%	$ 1,600	2.8%	0.2%	2.9%	2.5%
Garland	24,308	2%	10%	16%	39%	6.6%	6.8%	7.8%	5.1%	3.1%	$ 1,309	-2.7%	-3.0%	2.8%	4.0%
Central/East Plano	23,543	3%	5%	15%	27%	6.4%	5.7%	6.8%	4.5%	4.9%	$ 1,504	-3.5%	-3.5%	2.5%	2.8%
Central Arlington	23,382	2%	2%	6%	5%	6.0%	6.0%	8.2%	5.1%	3.9%	$ 1,282	-1.6%	0.0%	3.5%	4.4%
Southwest Fort Worth	22,453	0%	1%	2%	5%	7.5%	7.3%	9.0%	5.8%	5.5%	$ 1,168	-4.5%	-2.8%	2.4%	3.3%
North Arlington	22,187	1%	2%	10%	15%	6.0%	6.5%	8.8%	5.1%	4.8%	$ 1,224	-2.4%	-2.8%	2.3%	3.7%
Carrollton/Farmers Branch	21,828	2%	4%	6%	47%	5.6%	5.6%	5.9%	5.4%	5.8%	$ 1,546	-0.3%	-1.0%	3.9%	4.0%
South Irving	21,634	0%	0%	2%	3%	5.3%	5.6%	6.7%	4.9%	4.1%	$ 1,250	-2.4%	-2.2%	3.8%	4.1%
Oak Lawn/Park Cities	21,575	1%	4%	13%	40%	5.5%	4.9%	7.4%	5.5%	6.7%	$ 2,449	4.2%	1.1%	5.1%	4.4%

Softening Strengthening

Note: The Effective Rent Index produces CAGRs that have not been adjusted for same-store calculations
Sources: IPA Research Services, RealPage