

JOB GROWTH 1	Area New Jobs				
	Estimate	1 Mo End 2/29	6 Mo End 2/29	12 Mo End 2/29	
	Dallas/Plano/Irving	19,500	33,500	95,200	
	Fort Worth/Arlington	9,400	16,200	30,800	
		28,900	49,700	126,000	
INTEREST RATES 2	Rates		END 3/31	Yr. Ago	
	10 Year Treasury		0.70%	2.49%	
	11th District COFI		0.98%	1.13%	
	1 Mo. LIBOR		0.92%	2.50%	
SUPPLY/ DEMAND 3	Units Added/ Absorbed		6 Mo End 3/31	12 Mo End 3/31	24 Mo End 3/31
	Dallas County				
	Added		6,480	11,577	23,167
	Absorbed		3,320	10,778	21,046
	Tarrant County				
	Added		3,887	6,129	13,806
Absorbed		1,369	4,932	11,163	
OCCUPANCY RATES 3	Dallas County		3/31/2020	6 Mo Ago	12 Mo Ago
	2010's		81.2%	82.5%	78.7%
	2000's		93.3%	93.6%	93.6%
	1990's		94.5%	94.8%	94.5%
	1980's		93.0%	93.0%	93.5%
	1970's or Older		92.8%	93.2%	92.7%
	Tarrant County				
	2010's		84.0%	81.3%	74.8%
	2000's		93.6%	93.7%	94.1%
	1990's		93.8%	95.0%	95.2%
	1980's		93.2%	93.8%	93.9%
	1970's or Older		90.1%	90.8%	91.2%
RENTAL RATES 3	Dallas County		3/31/2020	6 Mo Ago	12 Mo Ago
	2010's		\$1,613	\$1,613	\$1,579
	2000's		\$1,444	\$1,444	\$1,411
	1990's		\$1,354	\$1,351	\$1,319
	1980's		\$1,005	\$998	\$968
	1970's or Older		\$964	\$956	\$930
	Tarrant County				
	2010's		\$1,389	\$1,396	\$1,397
	2000's		\$1,262	\$1,262	\$1,246
	1990's		\$1,224	\$1,235	\$1,229
	1980's		\$987	\$970	\$952
	1970's or Older		\$920	\$910	\$887
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's				
	2019	127,600	1 Texas Workforce Commission		
	2018	102,200	2 Banxquote.com		
	2017	91,700	3 ALNsys.com - Rental rates are after concessions.		
	2016	120,500	Approximately 25% of 70's or older are all bills paid		
	2015	98,700			
	2014	132,000			
	2013	95,600			

D-FW apartment industry braces for the shakeout

North Texas rental occupancies were rising and rents were up in the first quarter before COVID-19 hit.

[Steve Brown](#)

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North Texas apartment vacancies were down and rents were headed higher in the first quarter. But the market is expecting titanic changes from the COVID-19 pandemic.

"Lots obviously has changed in the past couple weeks," said Greg Willett, the top economist with Richardson based RealPage.

Net apartment leasing in the Dallas-Fort Worth area totaled 2,632 units for the first three months of 2020. That's up from 1,790 in net leasing in first quarter 2019.

And occupancy this year increased to 94.5% — up slightly from the first quarter last year.

Overall apartment rents in the area rose by 2.8% year-over-year to a record \$1,183 per month.

The question now is how bad the industry shakeout will be in the second quarter and beyond as thousands of D-FW residents lose their jobs and residents shelter in place because of the pandemic.

"We're entering the period where apartment demand normally is strongest," Willett said. "Nationally, 54% of annual demand in 2018-19 was captured in the months of April, May and June.

"Property website traffic, the earliest indicator of future demand, is off about 20% relative to the volume at the same time in 2019."

Willett said there was a big shift in attitudes about the coronavirus impact starting in mid-March. And apartment developers and landlords are bracing for a few bleak months.

"Properties in lease-up clearly are going to have a tough time getting apartments filled over the short term," Willett said. "Apartment owners and managers likely will face the challenge of a surge in rent payment delinquencies for at least the next few months.

"We won't know how severe the immediate interruption of revenue is for another few days," he said, as April rent payments become due.

Developers opened 6,132 new D-FW apartments in the first quarter.

And 40,312 additional rental units were under construction at the end of March. "That's edging down from the recent high of about 43,000 units, but it's still by far the most nationally," Willett said.

Tenant demand had been keeping up with D-FW's huge construction total thanks to the area's huge job growth totals and thousands of people moving to North Texas.

But that has all changed with a surge in worker layoffs and companies putting expansions on hold.

Thousands of D-FW apartment residents will be challenged to make their monthly rent payments. And government orders have temporarily halted evictions.

Don't be surprised to see a big slowdown in new apartment starts.

"Development capital sources are likely to take a wait-and-see approach," Willett said. "In turn, quite a few projects now planned but not yet started likely will be tabled.

"Many of these projects could turn into the first completions of the next economic cycle, rather than the last deliveries left over from the 2010s boom."

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