

The Cantrell Report

Pertinent Information for Apartment Owners
July 1, 2013

| JOB GROWTH | Area New Jobs | 1 Mo | 6 Mo | 12 Mo |
|-----------------------|---|---|-------------------|-------------------|
| | Estimate | End 6/30 | End 6/30 | End 6/30 |
| | Dallas/Plano/Irving | 11,500 | 15,100 | 67,600 |
| | Fort Worth/Arlington | 6,000 | 12,400 | 40,200 |
| | | 17,500 | 27,500 | 107,800 |
| INTEREST RATES | Rates | END 6/30 | | Yr. Ago |
| | 10 Year Treasury | | 2.50% | 1.61% |
| | 11th District COFI | | 0.97% | 1.14% |
| | 1 Mo. LIBOR | | 0.19% | 0.25% |
| | Best all in fixed rates for the best properties are around 4.14% (10 year maturity - Fannie Mae). | | | |
| SUPPLY/ DEMAND | Units Added/ Absorbed | 6 Mo End 6/30 | 12 Mo End 6/30 | 24 Mo End 6/30 |
| | <u>Dallas County</u> | | | |
| | Added | 2,700 | 7,639 | 13,380 |
| | Absorbed | 4,303 | 7,586 | 15,138 |
| | <u>Tarrant County</u> | | | |
| | Added | 1,674 | 4,156 | 6,350 |
| | Absorbed | 3,126 | 4,641 | 8,277 |
| OCCUPANCY RATES | Dallas County | 6/30/2013 | 6 Mo Ago | 12 Mo Ago |
| | 2000's | 88.3% | 90.4% | 91.8% |
| | 1990's | 95.0% | 94.5% | 95.1% |
| | 1980's | 94.2% | 92.5% | 92.6% |
| | 1970's or Older | 90.4% | 89.2% | 89.4% |
| | <u>Tarrant County</u> | | | |
| | 2000's | 92.1% | 92.4% | 93.2% |
| | 1990's | 94.5% | 94.4% | 95.3% |
| | 1980's | 93.9% | 92.7% | 93.0% |
| | 1970's or Older | 90.4% | 88.7% | 88.8% |
| RENTAL RATES | Dallas County | 6/30/2013 | 6 Mo Ago | 12 Mo Ago |
| | 2000's | \$1,275 | \$1,237 | \$1,248 |
| | 1990's | \$1,124 | \$1,095 | \$1,099 |
| | 1980's | \$700 | \$679 | \$673 |
| | 1970's or Older | \$675 | \$649 | \$643 |
| | <u>Tarrant County</u> | | | |
| | 2000's | \$1,043 | \$1,018 | \$1,021 |
| | 1990's | \$980 | \$957 | \$946 |
| | 1980's | \$671 | \$646 | \$641 |
| | 1970's or Older | \$615 | \$603 | \$592 |
| HISTORICAL JOB GROWTH | Average year change of the combined DFW MSA's | 1 Texas Workforce Commission 2 Banxquote.com 3 ALNsys.com - Rental rates are after concessions. Approx. 25% of 70's or older are all bills paid. | | |
| | 2007 | 82,200 | | |
| | 2008 | 2,500 | | |
| | 2009 | (94,900) | | |
| | 2010 | 50,800 | | |
| | 2011 | 51,200 | | |
| | 2012 | 79,200 | | |

Dallas/Houston Tops Q1 Market Performers: MPF

Units Magazine - May 2013

Among Folks Who Pay even the slightest bit of attention to what's happening in local economies across the country, it's not exactly breaking news that lots of jobs are being added in Texas. The Great Recession that so many spots nationally are still struggling to recover from was barely a blip on the radar screen across much of the Lone Star State, and job growth has been at or even above the past norms for awhile.

What you might have missed unless you pay really close attention to the stats, however, is that early figures for job production in 2013 show the economies on Texas kicking into even higher gear and breaking further away from the pack.

That's particularly true in Houston. Sure, Houston is the country's growth leader in terms of the absolute number of jobs created, as it has been for the past couple of years. The latest figure from the U.S. Bureau of Labor Statistics places that number at 118,700 jobs on an annual basis. What's changed is that Houston is now also in the No. 1 position for percentage expansion a month the 100 largest U.S. markets. The metro's 4.5 percent growth rate is truly phenomenal given the Houston area is more than three times the size of all but one other place registering growth of 3 percent or better.

Dallas/Fort Worth (D/FW) is the big-market bridesmaid, though the 3.7 percent job growth rate in North Texas really isn't quite in the same category with Houston. Jobs translate to new household formation and apartment demand, right?

Thus, it's no shock to see the two biggest job producers among the nation's really large metros also atop the charts for leasing during the year-ending Q1. Despite adding fewer jobs than Houston, Dallas/Fort Worth actually garnered the most apartment demand (11,194 units) compared to 8,044 units-mainly because D/FW operators worked especially hard to get a meaningfully bigger block of completion through initial lease-up. D/FW registered additions totaling 8,443 units during the past year, versus the 5,626 units finished in Houston. The Houston crowd probably isn't complaining about a little less demand compared to the D/FW tally, however, as they did notable better on rent growth-3.8 percent in Houston, relative to 2.3 percent in D/FW.

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