

JOB GROWTH <sup>1</sup>	Area New Jobs		Mo of	6 Mo	12 Mo	
	Estimate		11/06	End 11/06	End 11/06	
	Dallas/Plano/Irving		7,000	30,200	49,100	
	Fort Worth/Arlington		5,500	11,900	16,000	
			12,500	42,100	65,100	
INTEREST RATES <sup>2</sup>	Rates		1/18/2007	Yr. Ago		
	10 Year Treasury			4.78%	4.37%	
	11th District COFI			4.36%	3.19%	
	1 Mo. LIBOR			5.32%	4.51%	
	FNMA, Freddie Mac & CMBS lenders' rates are fixed at approx 1.0-1.5% over the 10 year treasury. Other lenders' rates are adjustable at approx 3% over COFI or LIBOR.					
SUPPLY/ DEMAND <sup>3</sup>	Units Added/ Absorbed		6 Mo	12 Mo	24 Mo	
			End 1/07	End 1/07	End 1/07	
	<b>Dallas County</b>					
	Added		1,841	4,842	14,648	
	Absorbed		(1,666)	2,580	16,851	
<b>Tarrant County</b>						
Added		1,473	4,002	8,759		
Absorbed		156	2,534	10,511		
OCCUPANCY RATES <sup>3</sup>	<b>Dallas County</b>		1/07	6 Mo Ago	12 Mo Ago	
	1990's or Newer		91%	90%	92%	
	1980's		89%	91%	90%	
	1970's or Older		88%	89%	88%	
	<b>Tarrant County</b>					
	1990's or Newer		89%	89%	91%	
1980's		90%	91%	90%		
1970's or Older		86%	87%	86%		
RENTAL RATES <sup>3</sup>	<b>Dallas County</b>		1/07	6 Mo Ago	12 Mo Ago	
	1990's or Newer		\$1,081	\$1,056	\$1,038	
	1980's		\$642	\$628	\$616	
	1970's or Older		\$645	\$628	\$621	
	<b>Tarrant County</b>					
	1990's or Newer		\$908	\$882	\$866	
1980's		\$609	\$601	\$591		
1970's or Older		\$578	\$566	\$559		
HOME OWNERSHIP <sup>4</sup>	Homebuilder	Mo P/I				
	Price/Size	Tax/Ins				
	Choice Homes	\$79,950 3-2-1	\$729			
	Fox & Jacobs	\$90,990 3-2-2	\$817			

Information obtained from sources deemed reliable, but not guaranteed.

**Apartment Leasing Dives in 4th Qtr**

By: Steve Brown, Dallas Morning News

A 4th qtr slump in leasing left the N. Texas apartment market in the lurch at the end of '06. Thanks to a net decline in occupancy during the final 3 months of the year, the annual demand for apartments was less than half what it was in '05, apartment analyst M/PF YieldStar said Tuesday. D-FW occupancy dropped by 2,400 apartment units in the 4th qtr. "These net move-outs lowered total demand for calendar '06 to a moderate 9,190 units," said Greg Willett, M/PF's vice president of research and analysis. Compare that with '05, when D-FW apartment occupancy grew by more than 20,000 units. "The big factor in lower apartment demand during '06 was another round of renters opting for home purchase early in the year, though that pattern trailed off as the year progressed," Mr. Willett said.

The 4th qtr of '05 was also better than usual for the industry because of a surge in rentals from Hurricane Katrina transplants. This year, move-outs by some Katrina renters and a cooling economy in the 2nd half of '06 contributed to the slow-down in apartment renting. Developers weren't surprised to hear that the final months of '06 were a leasing dud. "The 4th qtr is never very strong," said David Ward of Post Properties, one of the Dallas area's largest apartment owners. During the last couple of years, apartment leasing in D-FW has been so robust that developers couldn't keep up. But with the sharp drop in apartment leasing, apartment demand and construction are now closely balanced. Last year, 9,590 units were constructed, according to Carrollton-based M/PF YieldStar. "Net inventory growth was smaller at just under 5,400 units, since a big chunk of today's construction is occurring on close-in redevelopment sites where obsolete apartments were demolished," Mr. Willett said.

At the start of '07, 10,372 more apts are in the construction pipeline. Most of the construction is in central Dallas, Oak Lawn and Las Colinas. Even with the decrease in leasing last year, overall vacancy was healthy at about 7%. Some neighborhoods had an even lower number of empty units at year-end, including central Dallas, with a 5% vacancy. "We ended the quarter at substantially full occupancy," said Doug Chestnut of Gables Residential, one of the largest landlords in Dallas' Uptown neighborhood. "The only slowdown we experienced was normal November-December seasonal related slow-down." With the moderation in apt demand, apt landlords have been more timid about raising rents. Rents were growing at a 3% rate earlier in '06; by the 4th qtr, increases were only about 0.6% higher than a year earlier. "The one thing that is disappointing is they backed off on pushing higher rents," Mr. Willett said. That's because when rental activity wanes, landlords' "natural reaction is to panic," he said. Overall rents averaged \$695 in the 4th qtr, down a notch from above \$700 in the fall.

For more information, contact Steve Brown with the Dallas Morning News at [stevebrown@dallasnews.com](mailto:stevebrown@dallasnews.com).

The Cantrell Company specializes in the brokerage of multi-family properties. Please contact the apartment specialists below for exclusive representation for the sale of your apartment property or for your next purchase.

**Mark Cantrell**  
214-368-4567 (ext. 12)  
[mcantrell@cantrellcompany.com](mailto:mcantrell@cantrellcompany.com)

**Todd Franks**  
214-368-4567 (ext. 17)  
[tfranks@cantrellcompany.com](mailto:tfranks@cantrellcompany.com)

**Sam Pettigrew**  
214-368-4567 (ext. 16)  
[spettigrew@cantrellcompany.com](mailto:spettigrew@cantrellcompany.com)

**Elliott Carpenter**  
214-368-4567 (ext. 34)  
[ecarpenter@cantrellcompany.com](mailto:ecarpenter@cantrellcompany.com)