

THE CANTRELL REPORT

Pertinent Information for Apartment Owners

March 2007

ALN's Apartment Monthly News

Market Focus: Dallas Metro

At the close of 2006, apartment units in the Dallas Metro area were 89.9 percent occupied, which was down just 0.3 percent from year-end 2005 when occupancy was 90.2 percent. This decrease was influenced by two major factors, including the realignment of the market following the hurricane emergency housing crisis which led to an unprecedented high level of absorption and the lease-up period for more than 12,000 new apartment units added to the Dallas Metro's inventory during the last two years.

As a result, net absorption of apartment units in the Dallas Metro was just below 2,000 units during all of 2006 compared to the approximately 15,000 units absorbed during 2005. This means that after all of the tenant move-ins, move-outs and renewals, the Metro still had approximately 2,000 more units occupied at the end of 2006 than at the close of the previous year.

Over the last year, the average apartment rental rate for the overall Dallas area has improved. With a 4.5 percent gain over the last twelve months, the average quoted rent for an apartment unit in the Dallas Metro has climbed from \$732 per month up to \$765 at the close of 2006.

JOB GROWTH ¹	Area New Jobs	Mo of	6 Mo	12 Mo
	Estimate	1/07	End 1/07	End 1/07
	Dallas/Plano/Irving	(31,200)	23,800	78,900
	Fort Worth/Arlington	(16,000)	4,200	16,300
		(47,200)	28,000	95,200
INTEREST RATES ²	Rates	3/20/2007	Yr. Ago	
	10 Year Treasury		4.54%	4.72%
	11th District COFI		4.39%	3.35%
	1 Mo. LIBOR		5.32%	4.80%
	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 ³	Units Added/ Absorbed	6 Mo	12 Mo	24 Mo
		End 3/07	End 3/07	End 3/07
	Dallas County			
	Added	3,416	6,173	13,576
	Absorbed	1,669	4,248	17,212
	Tarrant County			
	Added	1,130	3,886	7,768
	Absorbed	244	1,663	8,463
OCCUPANCY RATES ³	Dallas County	3/07	6 Mo Ago	12 Mo Ago
	1990's or Newer	90%	91%	91%
	1980's	90%	90%	91%
	1970's or Older	89%	89%	88%
	Tarrant County			
	1990's or Newer	89%	90%	90%
	1980's	90%	90%	91%
	1970's or Older	86%	86%	87%
RENTAL RATES ³	Dallas County	3/07	6 Mo Ago	12 Mo Ago
	1990's or Newer	\$1,082	\$1,062	\$1,028
	1980's	\$643	\$628	\$623
	1970's or Older	\$641	\$630	\$624
	Tarrant County			
	1990's or Newer	\$908	\$893	\$856
	1980's	\$611	\$601	\$597
	1970's or Older	\$581	\$570	\$561
HOME OWNERSHIP ⁴	Homebuilder Price/Size Tax/Ins	Mo P/I	1 Tx Workforce Commission - average calendar yr. change (combined MSA's):	
	Choice Homes \$79,950 3-2-1 \$729		'99 95,300; '00 100,500; '01 11,800	
			'02 (70,000); '03 (39,400); '04 32,600	
			2 Banxquote.com '05 68,300; '06 94,300	
			3 ALNsys.com - Rental rates are before	
			any concessions. Approx. 25% of	
			70's or older are all bills paid.	
	Fox & Jacobs \$90,990 3-2-2 \$817		4 From corporate office of builder.	

Information obtained from sources deemed reliable, but not guaranteed.

ALN METRO Overview	OCCUPANCY			AVERAGE RENT		
	Jan 2006	Jan 2007	% Change	Jan 2006	Jan 2007	% Change
Austin	92.7%	93.3%	0.6%	\$733	\$783	6.8%
Dallas	90.2%	89.6%	-0.7%	\$733	\$765	4.4%
Fort Worth	89.0%	88.4%	-0.7%	\$647	\$673	4.0%
Houston	91.4%	88.9%	-2.7%	\$699	\$715	2.3%
San Antonio	91.0%	89.6%	-1.5%	\$660	\$681	3.2%
TEXAS AVG	90.8%	89.6%	-1.3%	\$703	\$730	3.8%

For more information, contact ALN Systems via their website at www.ALNsystems.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.

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