

THE CANTRELL REPORT™

Pertinent Information for Apartment Owners

March 2010

JOB GROWTH ¹	Area New Jobs		1 Mo	6 Mo	12 Mo
	Estimate		End 2/10	End 2/10	End 2/10
	Dallas/Plano/Irving		(2,200)	(15,300)	(42,500)
	Fort Worth/Arlington		4,000	(2,100)	(17,700)
			1,800	(17,400)	(60,200)
INTEREST RATES ²	Rates		3/12/2010	Yr. Ago	
	10 Year Treasury			3.71%	2.89%
	11th District COFI			1.79%	2.46%
	1 Mo. LIBOR			0.23%	0.56%
	Spreads over the above indexes have been increasing as rates have decreased. Best all in rates for the best properties are just below 6%.				
SUPPLY/ DEMAND ³	Units Added/ Absorbed		6 Mo	12 Mo	24 Mo
			End 3/10	End 3/10	End 3/10
	Dallas County				
	Added		1,383	5,027	12,368
	Absorbed		(368)	(121)	1,817
	Tarrant County				
	Added		429	3,433	6,254
	Absorbed		1,733	3,096	3,750
OCCUPANCY RATES ³	Dallas County		3/10	6 Mo Ago	12 Mo Ago
	2000's		84%	84%	85%
	1990's		93%	92%	92%
	1980's		88%	88%	89%
	1970's or Older		87%	87%	89%
	Tarrant County				
	2000's		87%	85%	83%
	1990's		93%	93%	93%
	1980's		89%	89%	90%
	1970's or Older		82%	82%	84%
RENTAL RATES ³	Dallas County		3/10	6 Mo Ago	12 Mo Ago
	2000's		\$1,192	\$1,211	\$1,178
	1990's		\$1,007	\$1,032	\$1,053
	1980's		\$656	\$669	\$671
	1970's or Older		\$661	\$673	\$677
	Tarrant County				
	2000's		\$951	\$955	\$965
	1990's		\$866	\$893	\$908
	1980's		\$623	\$636	\$639
	1970's or Older		\$595	\$604	\$605
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's		1 Texas Workforce Commission		
	2005	68,300	2 Banxquote.com		
	2006	91,600	3 ALNsys.com - Rental rates are before any concessions.		
	2007	82,200	Approx. 25% of 70's or older are all bills paid.		
	2008	2,500			
	2009	(94,900)			

Information obtained from sources deemed reliable, but not guaranteed.

Dallas Fed: Worst of Texas' Economic Woes Is Over

By: Kerri Panchuk, Dallas Business Journal

While Texas fared better than most states in the nation throughout the recession, the state still took its fair share of hits. But could the state's economic woes be on the mend? A new report from the **Federal Reserve Bank of Dallas'** Southwest Economy publication suggests things may be recovering in the Lone Star state. The publication cites a report titled "Texas Economy Shakes Off Rough Ride in 2009" from senior economists Laila Assanie and Pia Orrenius. In the report, economic data and anecdotal evidence suggest that the worst of Texas' economic battle is over, Assanie said.

She cites several hopeful signs in the labor market, with more activity being reported in manufacturing, exports, housing and energy. Employment forecasts are also predicting growth of 1 percent to 2 percent in Texas for the year 2010. Despite this optimistic outlook, the state still faces difficulties due to tight bank lending standards, reluctant consumers, a depressed commercial real estate market and rising mortgage delinquencies. Assanie and Orrenius concluded that: "The Texas economy has steadied, although it has not firmed up enough to take off." kerripanichuk@bizjournals.com

According to ALN Apartment Data Services February 2010 newsletter:

Dallas, TX: We very much like February's numbers in Dallas as they were somewhat expected. Dallas saw increases in Occupancy Rates and Effective Rental Rates for a second month in a row. It has been two whole years since the last time that has happened. There are so many fundamental weaknesses in the Dallas multifamily industry that will have to be overcome before they can really experience a recovery, but February (as well as January) was certainly good to them. We especially liked seeing the Established properties gain some ground back by recording a 2000+ absorption figure. This is the first significant rise in this number since August of 2007.

Fort Worth, TX: The western side of the Metroplex put up similar numbers to the Dallas side, which came as a relief. We have been very worried about Fort Worth and although they are nowhere near being out of the woods, February was great for them. Nearly a 1 percentage point rise in Occupancy as well as \$2-3 rises in rents combined with a reduction in concessions were a welcome relief for this hard-hit market. Even though this is only a one month uptick (so far) and cannot yet be looked at as a change in the overall pattern, the numbers are exceptional and we are glad to be able to report some good numbers for the Dallas/Fort Worth area.

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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