MULTIFAMILY REPORT

SECOND QUARTER 2018



MARKET AT A GLANCE



OCCUPANCY 92.0%

Unchanged since 2Q17



EFFECTIVE RENT

\$1,105

Up 3.4% since 2Q17



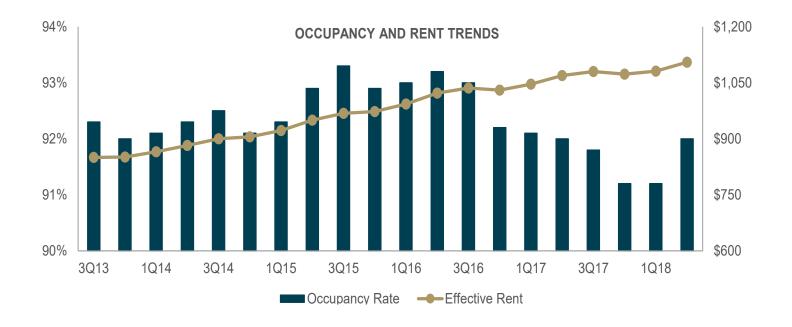
TOTAL

703.476

OCCUPANCY AND RENT TRENDS

HEALTHY JOB GROWTH, APARTMENT DEMAND, DRIVE 3.4% RENT INCREASE

Apartment fundamentals in the Dallas-Fort Worth metro area remained favorable amid sustained employment expansion, brisk household growth, healthy population migration, and sturdy apartment demand. Renters newly occupied 12,895 apartments in the first half of this year, accelerating from 5,413 units absorbed in the last half of 2017. The recent upturn in leasing activity resulted in 92.0% metrowide occupancy in June of this year, the same rate as one year ago. Absorption in the neighboring West Plano/Frisco/East Lewisville, East Plano/Richardson, and Allen/McKinney submarkets accounted for more than half of the absorption in the metro area. The leasing activity was driven by the feverish pace of hiring at several major companies in Legacy West, Austin Ranch, and the North Platinum Corridor. Developers delivered 5,047 apartments in the three submarkets since mid-2017. Occupancy in these areas increased because of the exceptional apartment demand, while annual effective rent appreciation ranged from 1.0% in the West Plano/Frisco/East Lewisville submarket to 2.3% in the Allen/McKinney submarket. Metrowide, effective rent grew 3.4% year over year to \$1,105 per month in June.

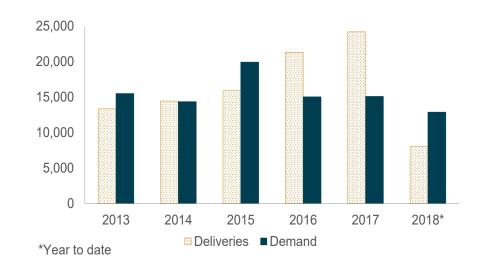


DELIVERIES AND DEMAND



DELIVERIES 8,029





ECONOMIC TRENDS

3.8%	UNEMPLOYMENT*	·· 3.6%
3.58m·	EMPLOYMENT**	2018 ·· 3.70m

2017	EXIST	ING SFH SA	ALES**	2018
123.7k	•••••	17.5% CHANGE	•••••	··145.3k

2017	MEDI	AN SFH PF	RICE**	2018
\$244.5k	•••••	7.2 % CHANGE	•••••	•\$262.0k

*May; **June



Job growth and attractive amenities in the Metroplex continued to draw people from outside the area. During the last year, net migration of 85,700 persons was recorded, helping fuel a 2.0% annual increase in households. The additional residents allowed businesses to tap into a larger labor pool. A net 119,400 jobs were created in the 12 months ending in May 2018, a 3.3% annual increase. Growth in the white-collar sectors was a major factor in overall expansion. Employers in the professional and business services segment created 25,100 jobs, a 4.3% gain. Approximately 6,000 workers were hired among the financial activities and information sectors. Continued development and corporate expansion along the Dallas North Tollway are expected to support the white-collar sectors for at least the next few quarters. In the trade, transportation, and utilities segment, the largest employment sector, companies added 22,100 jobs, equating to 2.9% expansion. The highest rate of growth, 4.5%, was in the leisure and hospitality industry, where 16,800 positions were filled.



SUBMARKET NAME	# OF COMMUNITIES	# OF UNITS	SIZE (SF)	PRICE (\$ / MO.)	RENTAL RATE (\$ / SF / MO.)	OCCUPANCY
Downtown Dallas/West End/Deep Ellum	56	11,932	947	\$1,469	\$1.55	87.5%
Uptown/Oaklawn/Highland Park	157	35,039	927	\$1,699	\$1.83	88.2%
East Central Dallas/Lower Greenville Ave	53	6,257	865	\$1,314	\$1.52	93.6%
White Rock Lake/Tenison Park	69	14,995	803	\$858	\$1.07	94.0%
North Central Dallas/Upper Greenville Ave	114	30,055	822	\$1,164	\$1.42	86.9%
Skillman St/I-635	96	26,433	790	\$918	\$1.16	91.2%
Far East Dallas	22	3,794	936	\$1,061	\$1.13	96.2%
Garland	98	18,153	866	\$1,005	\$1.16	88.6%
North Dallas/Addison	114	31,383	888	\$1,137	\$1.28	93.8%
Far North Dallas/Collin County	78	24,522	795	\$1,015	\$1.28	94.3%
East Plano/Richardson	94	25,707	933	\$1,235	\$1.32	91.1%
West Plano/Frisco/East Lewisville	177	56,828	932	\$1,264	\$1.36	89.7%
Allen/McKinney	81	21,069	918	\$1,170	\$1.28	88.3%
East Irving	59	7,853	807	\$845	\$1.05	94.8%
West Irving	81	18,299	810	\$959	\$1.18	94.0%
Las Colinas/Valley Ranch/Coppell	81	29,306	909	\$1,289	\$1.42	93.0%
Northwest Dallas/Bachman Lake	57	10,775	791	\$865	\$1.09	95.2%
Carrollton/Farmers Branch	115	28,150	900	\$1,153	\$1.28	94.3%
West Lewisville/Flower Mound	77	22,498	885	\$1,151	\$1.30	91.9%
Denton	63	13,027	872	\$1,099	\$1.26	92.9%
Southeast Dallas/Mesquite	105	22,553	847	\$867	\$1.02	94.0%
Oak Cliff South	65	13,462	899	\$845	\$0.94	93.5%
Duncanville/DeSoto/Cedar Hill/Lancaster	92	20,052	860	\$927	\$1.08	95.5%
Far South Dallas/Waxahachie	32	3,539	903	\$1,006	\$1.11	93.4%
Trinity Groves/Oak Cliff North	42	7,778	849	\$1,137	\$1.34	89.5%
Grand Prairie	54	12,531	853	\$1,013	\$1.19	93.7%
Downtown Ft Worth/TCU	63	12,390	883	\$1,325	\$1.50	86.0%
East Ft Worth/Woodhaven/I-30E	68	12,433	827	\$823	\$1.00	92.5%
North Arlington	96	21,630	813	\$974	\$1.20	92.9%
South Arlington	138	28,476	852	\$985	\$1.16	94.3%
Haltom City/Richland Hills/Fossil Creek	70	17,115	905	\$1,030	\$1.14	94.3%
Hurst/Euless/Bedford	131	30,289	847	\$1,025	\$1.21	94.4%
Grapevine/Roanoke/Keller	68	17,927	945	\$1,270	\$1.34	91.2%
Northwest Ft Worth/Saginaw/Eagle Mtn	32	5,462	938	\$942	\$1.00	89.8%
South Ft Worth	67	11,926	885	\$882	\$1.00	93.0%
Southwest Ft Worth/Benbrook	46	12,889	847	\$988	\$1.17	95.0%
Far Southwest Ft Worth	25	3,127	868	\$889	\$1.02	91.6%
Western Hills/Ridgmar/Ridglea	79	13,822	859	\$844	\$0.98	91.3%
TOTALS	3,016	703,476	873	\$1,105	\$1.27	92.0%



CORPORATE HEADQUARTERS

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FIRST QUARTER 2018

DALLAS-FORT WORTH

MULTIFAMILY REPORT



MARKET AT A GLANCE



OCCUPANCY 91.2%

Down 80 bps since 1Q17



EFFECTIVE RENT

\$1,079

Up **3.3%** since 1Q17



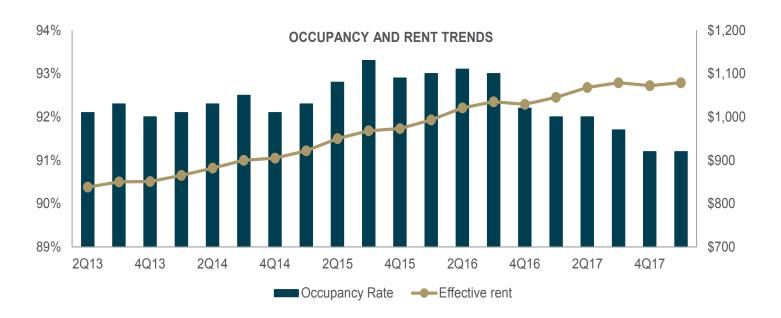
TOTAL INVENTORY

700,497

OCCUPANCY AND RENT TRENDS

APARTMENT COMPLETIONS SURGE WITH SUSTAINED JOB GROWTH

Apartment absorption and construction continued at a frenzied pace in the Dallas-Fort Worth metro area. Dovetailing with robust job growth in the northern part of the metro, new inventory in the neighboring West Plano/Frisco/East Lewisville, East Plano/Richardson, and Allen/McKinney submarkets comprised one quarter of the deliveries in the metro area since March 2017. In migration to these submarkets spurred absorption that outpaced deliveries by 26%, resulting in increased occupancy in all three areas. The metro area as a whole did not follow this pattern, however. While absorption was healthy in the last four quarters, it trailed the 24,005 completions by 32%. Consequently, metrowide occupancy decreased 80 basis points year over year to 91.2% in March 2018. Meanwhile, effective rent appreciated 3.3% annually. By March of this year, average effective rent was \$1,079 per month, with most of the growth occurring in the second and third quarters of 2017. Annual rent growth was robust in a majority of the lowest-rent submarkets. At the opposite end, Class A effective rent reached a metrowide average of \$1,418 per month, a 1.4% annual gain, notably slower than the overall rate of growth.



DALLAS FORT-WORTH

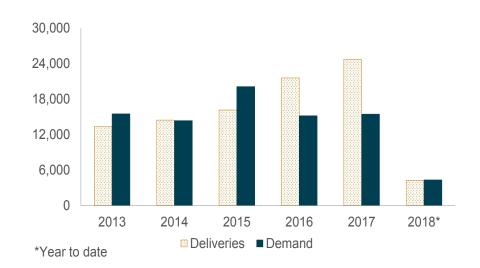
DELIVERIES AND DEMAND



DELIVERIES 4,278







ECONOMIC TRENDS

	UNEMPLOYMENT* -50 BPS CHANGE	2018 3.4 %
	EMPLOYMENT** 2.6% CHANGE	2018 3.66m
	EXISTING SFH SALES***	²⁰¹⁸ 133.6k
\$245.0k		2018 \$255.0k
	10-YEAR TREASURY*** 30 BPS	²⁰¹⁸ 2.74%

A proliferation of new hires among Toyota Motor North America Inc., FedEx Corporation, The Boeing Company, Liberty Mutual Group, and JPMorgan Chase & Co. at Legacy West in Plano fueled metrowide annual job growth of 2.6% through February of this year. Across the Metroplex, businesses and institutions added 93,500 workers to payrolls in the last 12 months. The 2.6% growth was a reduction from 2.7% expansion in the prior 12 months-not entirely unexpected since the January 2018 unemployment rate of 3.4% implied full employment. The largest contributor to overall expansion was the leisure and hospitality industry, where 19,200 workers were hired, a 5.2% annual increase. In the professional and business services sector, 13,300 jobs were created, a 2.3% gain. During the same period, manufacturing sector employment rose 3.2% as 8,500 jobs were filled, boosted by ramped-up production of the F-35 Lightning II fighter jet at the Lockheed Martin Aerospace facility in Fort Worth.

*January; **February; ***March





SUBMARKET NAME	# OF COMMUNITIES	# OF UNITS	SIZE (SF)	PRICE (\$ / MO.)	RENTAL RATE (\$ / SF / MO.)	OCCUPANCY
Downtown Dallas/ West End/ Deep Ellum	56	11,932	947	1,456	1.54	85.3%
Uptown/ Oaklawn/ Highland Park	156	34,656	927	1,653	1.78	87.0%
East Central Dallas/ Lower Greenville Ave	53	6,257	865	1,302	1.51	91.2%
White Rock Lake/ Tenison Park	69	14,995	803	846	1.05	94.2%
North Central Dallas/ Upper Greenville Ave	112	29,676	818	1,126	1.38	86.3%
Skillman St/ I-635	97	26,423	790	905	1.15	91.3%
Far East Dallas	22	3,794	936	1,037	1.11	94.0%
Garland	98	18,193	866	997	1.15	86.7%
North Dallas/ Addison	114	31,383	888	1,124	1.27	92.9%
Far North Dallas/ Collin County	78	24,522	795	1001	1.26	94.3%
East Plano/ Richardson	94	25,707	933	1,215	1.30	88.2%
West Plano/ Frisco/ East Lewisville	175	56,129	932	1,248	1.34	89.0%
Allen/ McKinney	79	20,472	922	1,154	1.25	89.2%
East Irving	59	7,853	807	829	1.03	94.9%
West Irving	81	18,299	810	937	1.16	93.7%
Las Colinas/ Valley Ranch/ Coppell	80	29,062	909	1,245	1.37	92.3%
Northwest Dallas/ Bachman Lake	58	10,996	790	842	1.07	95.3%
Carrollton/ Farmers Branch	115	28,150	900	1,126	1.25	93.5%
West Lewisville/ Flower Mound	76	22,250	884	1,117	1.26	91.3%
Denton	64	13,027	872	1,076	1.23	91.4%
Southeast Dallas/ Mesquite	105	22,553	847	852	1.01	93.9%
Oak Cliff South	65	13,462	899	816	0.91	92.9%
Duncanville/ DeSoto/ Cedar Hill/ Lancaster	92	20,052	860	901	1.05	93.8%
Far South Dallas/ Waxahachie	25	3,127	917	983	1.07	96.5%
Trinity Groves/ Oak Cliff North	42	7,778	849	1,129	1.33	86.8%
Grand Prairie	54	12,531	853	988	1.16	92.1%
Downtown Ft Worth/ TCU	63	12,039	881	1,266	1.44	84.8%
East Ft Worth/ Woodhaven/ I-30E	69	12,616	831	797	0.96	91.8%
North Arlington	96	21,630	813	955	1.18	91.8%
South Arlington	140	28,661	851	956	1.12	93.8%
Haltom City/ Richland Hills/ Fossil Creek	70	17,115	904	1014	1.12	94.0%
Hurst/ Euless/ Bedford	130	30,273	845	984	1.16	94.8%
Grapevine/ Roanoke/ Keller	68	17,927	945	1,230	1.30	89.2%
Northwest Ft Worth/ Saginaw/ Eagle Mtn	32	5,462	938	912	0.97	87.1%
South Ft Worth	67	11,926	885	862	0.97	90.7%
Southwest Ft Worth/ Benbrook	46	12,889	847	970	1.15	94.4%
Far Southwest Ft Worth	25	3,127	868	864	1.00	91.4%
Western Hills/ Ridgmar/ Ridglea	79	13,553	860	826	0.96	91.8%
TOTALS	3,004	700,497	872	1,079	1.24	91.2%



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THIRD QUARTER 2017

DALLAS-FORT WORTH

MULTIFAMILY REPORT



MARKET AT A GLANCE



OCCUPANCY 92.1%

Down 90 bps since 3Q16



EFFECTIVE RENT

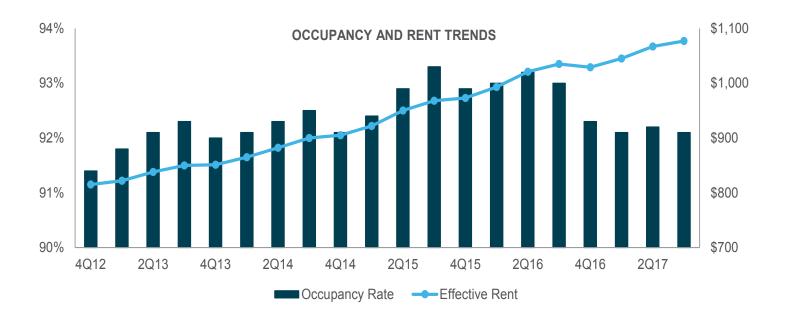
\$1,077

Up **4.1%** since 3Q16

OCCUPANCY AND RENT TRENDS

EFFECTIVE RENT RISES 4.7% YEAR TO DATE AMID HEIGHTENED DELIVERIES

Major corporate relocations and expansions in Plano drove apartment demand in the West Plano/Frisco submarket, which accounted for more than a quarter of year-to-date absorption in the Dallas-Fort Worth metro area. Heightened leasing activity was also present in the Uptown/Oaklawn/Highland Park and Allen/McKinney submarkets. Across the Metroplex, renters occupied 13,120 additional apartments since the beginning of 2017, down only 2% from the corresponding period in 2016. As of September of this year, 29,102 apartment units were under construction among 104 apartment communities. The highest-rent submarket in the metro area, Uptown/Oaklawn/Highland Park, had the second-highest number of units under construction at the time. Year to date, builders completed 16,319 apartments metrowide, a 42% increase from the first nine months of 2016. The supply imbalance spurred a 20-basis-point decrease in occupancy to 92.1% in September of this year. Operators kept upward pressure on rents, despite the dip in occupancy. By the end of the third quarter, effective rent reached an average of \$1,077 per month, a 4.7% increase since the beginning of this year.

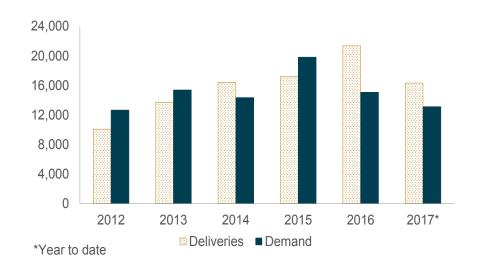


DELIVERIES AND DEMAND



DELIVERIES 16,319





ECONOMIC TRENDS

2016	UNEMPLOYMENT*	2017
3.9%		3.6%
3.52m	EMPLOYMENT* 2.9% CHANGE	2017 3.62m
2016 117.0k		²⁰¹⁷ 138.2k
2016 \$228.2k	MEDIAN SFH PRICE**	2017 \$246.4k

10-YEAR TREASURY**

*August; **September

2016



The annual rate of employment growth in the Dallas-Fort Worth metro area continued to top most metro areas in the country. Employers added a net 101,400 workers to local payrolls through August of this year, a 2.9% annual expansion. Companies in the professional and business services sector created 25,500 jobs to lead all other sectors, a 4.4% year-over-year gain. Leisure and hospitality sector employment advanced 5.1% with 18,700 new hires. The sector was underpinned by a vibrant tourism industry and a 3.8% year-overyear increase in median household income coinciding with 2.1% annual household growth. Expansion of 2.1% was recorded in the trade, transportation, and utilities segment, where 15,500 workers were recruited. In the financial activities industry, 9,800 positions were filled, a 3.5% increase. The industry was boosted by hundreds of new jobs at Liberty Mutual Group and Charles Schwab Corporation. Manufacturing sector employment expanded 2.7% as 7,200 workers were hired, supported by more than 300 new jobs at Kubota Tractor Corporation in Grapevine.



BERKADIA THIRD QUARTER 2017

2017

SUBMARKET NAME	# OF COMMUNITIES	# OF UNITS	SIZE (SF)	PRICE (\$ / MO.)	RENTAL RATE (\$ / SF / MO.)	OCCUPANCY
Downtown Dallas/West End/Deep Ellum	51	10,769	950	1,463	1.54	90.7%
Uptown/Oaklawn/Highland Park	152	33,616	925	1,642	1.78	87.7%
East Central Dallas/Lower Greenville Ave	52	6,215	865	1,311	1.52	88.8%
White Rock Lake/Tenison Park	69	14,994	803	849	1.06	93.5%
North Central Dallas/Upper Greenville Ave	107	28,442	807	1,125	1.39	88.5%
Skillman St/l-635	97	26,423	790	883	1.12	92.1%
Far East Dallas	21	3,619	934	1,054	1.13	93.2%
Garland	95	16,807	862	959	1.11	91.4%
North Dallas/Addison	114	31,246	893	1,128	1.26	93.6%
Far North Dallas/Collin County	78	24,522	795	1025	1.29	95.2%
East Plano/Richardson	93	25,453	933	1,238	1.33	86.4%
West Plano/Frisco	172	55,322	932	1,270	1.36	88.2%
Allen/McKinney	74	19,361	927	1,150	1.24	90.9%
East Irving	58	7,593	804	819	1.02	95.0%
West Irving	81	18,299	810	930	1.15	94.5%
Las Colinas/Valley Ranch/Coppell	80	29,061	909	1,275	1.40	91.7%
Northwest Dallas/Bachman Lake	59	11,273	792	837	1.06	95.8%
Carrollton/Farmers Branch	114	27,907	900	1,135	1.26	94.1%
West Lewisville/Flower Mound	73	21,427	881	1,102	1.25	93.8%
Denton	62	12,274	869	1,072	1.23	95.1%
Southeast Dallas/Mesquite	103	22,200	845	835	0.99	93.5%
Oak Cliff South	65	13,450	900	798	0.89	90.9%
Duncanville/DeSoto/Cedar Hill/Lancaster	91	19,902	859	884	1.03	93.3%
Far South Dallas/Waxahachie	25	3,127	917	995	1.09	96.4%
Trinity Groves/Oak Cliff North	41	7,481	845	1,129	1.34	86.2%
Grand Prairie	54	12,419	852	992	1.16	91.3%
Downtown Ft Worth/TCU	61	11,674	882	1,311	1.49	85.0%
East Ft Worth/Woodhaven/I-30E	69	12,616	831	793	0.95	91.8%
North Arlington	95	21,279	813	934	1.15	93.5%
South Arlington	137	27,852	848	929	1.10	94.9%
Haltom City/Richland Hills/Fossil Creek	70	16,960	903	1008	1.12	94.7%
Hurst/Euless/Bedford	130	30,273	845	983	1.16	94.6%
Grapevine/Roanoke/Keller	64	16,594	939	1,236	1.32	95.6%
Northwest Ft Worth/Saginaw/Eagle Mtn	29	4,922	939	889	0.95	95.1%
South Ft Worth	64	11,300	878	847	0.97	94.3%
Southwest Ft Worth/Benbrook	45	12,751	846	962	1.14	94.4%
Far Southwest Ft Worth	25	3,127	869	869	1.00	93.9%
Western Hills/Ridgmar/Ridglea	77	13,154	858	809	0.94	93.0%
TOTALS	2,947	685,704	871	1,077	1.24	92.1%



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MULTIFAMILY REPORT

SECOND QUARTER 2017



MARKET AT A GLANCE



OCCUPANCY 92.39

Down 90 bps since 2Q16



EFFECTIVE RENT

\$1,066

Up 4.4% since 2Q16

OCCUPANCY AND RENT TRENDS

EMPLOYMENT EXPANDS 3.2% ANNUALLY AMID 2.1% HOUSEHOLD GROWTH

The addition of more than 55,600 households in the Dallas-Fort Worth metro area in the last four quarters drove a 28.5% increase in single-family home sales and spurred multifamily developers to continue building apartments. Since mid-2016, builders delivered 21,498 apartment units, 47.9% of which came online in the first half of this year. New inventory was most prevalent in the neighboring West Plano/Frisco and East Plano/Richardson submarkets, which together accounted for nearly one-third of new product over the last four quarters. Multifamily deliveries were also numerous in the close-in submarkets of Downtown Dallas/West End/Deep Ellum and Uptown/Oaklawn/Highland, which made up 15% of metrowide completions. Household growth fueled apartment demand, resulting in the absorption of 13,808 units since June of last year. The healthy leasing activity trailed the 21,498 units that were delivered during the same period. Consequently, metrowide occupancy was 92.3% in June of this year, 90 basis points lower than one year prior. Operators kept upward pressure on rents, despite the decrease in occupancy. By mid-year, average effective rent was \$1,066 per month, 4.4% higher than the same period in 2016.



MULTIFAMILY REPORT

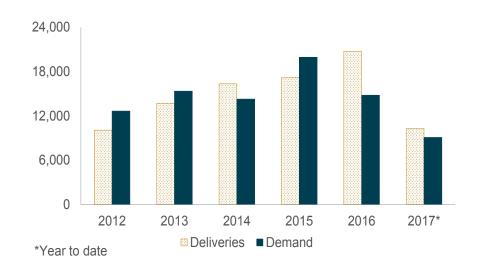
DELIVERIES AND DEMAND



DELIVERIES 10,307



ABSORPTION 9,083



ECONOMIC TRENDS

	UNEMPLOYMENT* 30 BPS	²⁰¹⁷ 4.2%
	EMPLOYMENT* 3.2% CHANGE	2017 3.60m
	EXISTING SFH SALES** 28.5% CHANGE	²⁰¹⁷ 142.2k
2016 \$223.0k	MEDIAN SFH PRICE** 12.5% CHANGE	2017 \$250.9k
2016 1.64%	10-YEAR TREASURY** 60 BPS	²⁰¹⁷ 2.19%

The Dallas-Fort Worth metro area was one of a minority of metro areas in the U.S. with accelerating job growth. Local employers hired 110,800 workers since May of 2016, a 3.2% yearly increase, compared to 3.1% annual job growth in the prior year. Employment surged 5.3% in the professional and business services segment as companies recruited 30,800 workers since May of 2016. The trade, transportation, and utilities sector grew 3.1% with 22,800 new hires. The sector was underpinned by hundreds of new logistics jobs created among Amazon.com Inc., United Parcel Service, and S&S Activewear LLC. In the leisure and hospitality industry, 17,500 jobs were created, a 4.8% year-over-year increase. The initial hiring of hundreds of new workers at McKesson Corporation in Irving lifted the education and health services segment, which expanded 3.1% with 13,400 new jobs. Rounding out the high-growth employment sectors was the financial activities industry, which grew 3.4% annually, boosted by aggressive hiring at General Motors Financial Company Inc. and Liberty Mutual Group.

*May; **June





SECOND QUARTER 2017

BERKADIA

SUBMARKET NAME	# OF COMMUNITIES	# OF UNITS	SIZE (SF)	PRICE (\$ / MO.)	RENTAL RATE (\$ / SF / MO.)	OCCUPANCY
Downtown Dallas/West End/Deep Ellum	51	10,769	950	1,484	1.56	90.2%
Uptown/Oaklawn/Highland Park	149	32,873	926	1,647	1.78	87.8%
East Central Dallas/Lower Greenville Ave	52	6,215	865	1,296	1.50	86.6%
White Rock Lake/Tenison Park	69	14,994	803	845	1.05	93.8%
North Central Dallas/Upper Greenville Ave	107	28,259	805	1,130	1.40	88.3%
Skillman St/I-635	96	26,325	790	873	1.11	92.4%
Far East Dallas	21	3,619	934	1,059	1.13	90.8%
Garland	94	16,698	862	947	1.10	91.1%
North Dallas/Addison	114	31,246	893	1,123	1.26	93.3%
Far North Dallas/Collin County	78	24,522	795	1008	1.27	94.6%
East Plano/Richardson	90	24,501	936	1,220	1.30	88.0%
West Plano/Frisco	167	53,842	932	1,251	1.34	87.1%
Allen/ McKinney	72	18,756	926	1,144	1.24	89.1%
East Irving	57	7,539	802	796	0.99	95.9%
West Irving	81	18,299	810	924	1.14	95.5%
Las Colinas/Valley Ranch/Coppell	78	28,327	909	1,261	1.39	93.4%
Northwest Dallas/Bachman Lake	60	11,374	790	827	1.05	96.3%
Carrollton/Farmers Branch	114	27,907	900	1,118	1.24	94.6%
Lewisville/Flower Mound	72	21,229	881	1,093	1.24	94.2%
Denton	62	12,274	869	1,064	1.22	94.8%
Southeast Dallas/Mesquite	103	22,200	845	822	0.97	94.1%
Oak Cliff South	65	13,450	900	794	0.88	93.1%
Duncanville/DeSoto/Cedar Hill/Lancaster	91	19,902	859	872	1.02	95.1%
Far South Dallas/Waxahachie	25	3,127	917	974	1.06	96.3%
Trinity Groves/Oak Cliff North	40	7,175	847	1,109	1.31	86.5%
Grand Prairie	53	12,067	850	973	1.15	93.6%
Downtown Ft Worth/TCU	59	11,075	881	1,291	1.47	86.2%
East Ft Worth/Woodhaven/I-30E	69	12,616	831	785	0.95	92.0%
North Arlington	95	21,279	813	924	1.14	93.9%
South Arlington	137	27,852	849	921	1.09	95.3%
Haltom City/ Richland Hills/Fossil Creek	70	16,960	903	1004	1.11	95.4%
Hurst/Euless/Bedford	130	30,273	845	980	1.16	94.7%
Grapevine/Roanoke/Keller	64	16,594	939	1,225	1.31	95.2%
Northwest Ft Worth/Saginaw/Eagle Mtn	29	4,922	939	890	0.95	95.9%
South Ft Worth	64	11,300	878	831	0.95	93.4%
Southwest Ft Worth/Benbrook	45	12,751	846	944	1.12	93.6%
Far Southwest Ft Worth	23	2,726	881	846	0.96	96.3%
Western Hills/Ridgmar/Ridglea	77	13,154	860	799	0.93	93.5%
TOTALS	2,923	678,991	871	1,066	1.22	92.3%



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KANSAS CITY, MO	SALT LAKE CITY, UT
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LEAWOOD, KS	SAN DIEGO, CA
LOS ANGELES, CA	SAN FRANCISCO, CA
MANCHESTER, MA	SCOTTSDALE, AZ
MARBLEHEAD, MA	SEATTLE, WA
MEMPHIS, TN	SHREWSBURY, NJ
MIAMI, FL	ST. LOUIS, MO
MIDVALE, UT	TACOMA, WA
NASHVILLE, TN	TAMPA, FL
NEW YORK, NY	TEMECULA, CA
NEWPORT BEACH, CA	TEMPE, AZ
NEWPORT NEWS, VA	THE PLAINS, CA
OKLAHOMA CITY, OK	TROY, MI
ONTARIO, CA	TUCSON, AZ
ORLANDO, FL	TULSA, OK
PASADENA, CA	WAUKESHA, WA
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FIRST QUARTER 2017

DALLAS-FORT WORTH

MULTIFAMILY REPORT



MARKET AT A GLANCE



OCCUPANCY 92.4%

Down 60 bps since 1Q16



EFFECTIVE RENT

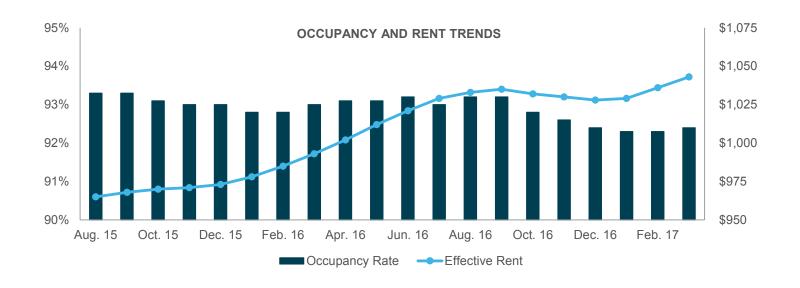
\$1,043

Up **5.0%** since 1Q16

OCCUPANCY AND RENT TRENDS

EFFECTIVE RENT RISES 5.0% ANNUALLY AMID 3.9% JOB GROWTH

From March of 2015 to March of last year, effective rent increased 7.9% in the Dallas-Fort Worth metro area. In the most recent 12 months, rent appreciation decelerated, though remained healthy. Operators, responding to sustained job growth, increased effective rent 5.0% since March of 2016 to \$1,043 per month in March of this year. The majority of rent growth occurred in the first six months of the 12-month period. In the most recent six months, effective rent increased in 27 of the 38 submarkets in the Metroplex. During that time, effective rent advanced at a 5.2% rate in the Trinity Groves/Oak Cliff North submarket west of downtown Dallas and in the North Central Dallas/Upper Greenville Avenue submarket, the two areas with the greatest rate of appreciation. Builders completed 19,600 multifamily units in 2016 and 3,908 units in the first quarter of this year. Meanwhile, absorption totaled 14,704 apartments in 2016 and 2,944 apartments so far in 2017. The supply imbalance fueled a 60-basis-point, year-over-year reduction in occupancy to 92.4% by the end of the first quarter of this year.

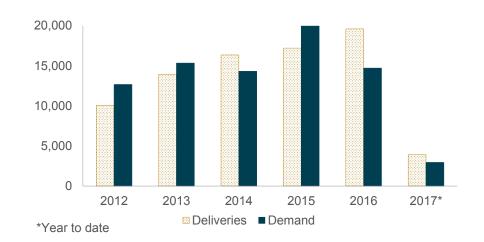


DELIVERIES AND DEMAND



DELIVERIES 3,908
Units YTD





ECONOMIC TRENDS

	-10 BPS	3.8%
2016 3.46m	EMPLOYMENT* 3.9%	3.60 n

2016	EXIST	ING SFH SA	ALES**	2017
123.0k	•••••	5.2 %	•••••	···129.4k
		CHANGE		

2016	MEDI	AN SFH PI	RICE**	2017
\$219.7k	•••••	7.7 % CHANGE	•••••	••\$236.7k

10-YEAR TREASURY** 2016 2017 **60** BPS

*January; **March



The Dallas-Fort Worth area remained one of the prime metro areas for job growth in the country. In the 12-month period ending in January of 2017, employers added 135,500 workers to payrolls, a 3.9% year-over-year increase. Companies in the trade, transportation, and utilities sector created 31,400 jobs, a 4.3% annual gain. A 6.5% yearly increase occurred in the leisure and hospitality industry, where 23,300 jobs were added. Over the next few years, the leisure and hospitality industry is expected to expand further following the opening of a \$330 million waterpark resort in Grapevine that will support 1,000 jobs. Additionally, the first of 1,025 jobs will be filled in 2018 at the \$250 million first phase of the Texas Live! entertainment district in Arlington. An influx of high-paying, white-collar jobs is anticipated this year as Toyota Motor Company hires 1,000 workers at its North American Headquarters in addition to 3.000 transplanted associates from other states. Meanwhile, Liberty Mutual will fill the first of 2,400 positions this year at its new insurance operations center in Plano.



BERKADIA FIRST QUARTER 2017

SUBMARKET NAME	# OF COMMUNITIES	# OF UNITS	SIZE (SF)	PRICE (\$ / MO.)	RENTAL RATE (\$ / SF / MO.)	OCCUPANCY
Downtown Dallas/ West End/ Deep Ellum	49	10,336	955	1,437	150.50	90.9%
Uptown/ Oaklawn/ Highland Park	147	31,979	923	1,607	174.10	88.0%
East Central Dallas/ Lower Greenville Ave	51	5,896	865	1,302	150.50	88.7%
White Rock Lake/ Tenison Park	69	14,994	803	826	102.90	93.9%
North Central Dallas/ Upper Greenville Ave	106	27,987	806	1,100	136.50	88.5%
Skillman St/ I-635	96	26,325	790	866	109.60	92.5%
Far East Dallas	20	3,500	939	1,035	110.20	87.9%
Garland	92	16,253	863	918	106.40	93.1%
North Dallas/ Addison	113	30,925	894	1,111	124.30	93.8%
Far North Dallas/ Collin County	78	24,522	795	987	124.20	95.2%
East Plano/ Richardson	88	23,925	936	1,199	128.10	87.9%
West Plano/ Frisco	162	51,806	932	1,228	131.80	88.0%
Allen/ McKinney	70	18,152	929	1,119	120.50	88.6%
East Irving	57	7,539	802	790	98.50	95.7%
West Irving	81	18,299	810	916	113.10	95.5%
Las Colinas/ Valley Ranch/ Coppell	77	27,958	910	1,226	134.70	93.2%
Northwest Dallas/ Bachman Lake	60	11,374	790	812	102.80	96.0%
Carrollton/ Farmers Branch	114	27,724	899	1,101	122.50	94.3%
Lewisville/ Flower Mound	72	21,229	881	1,071	121.60	93.7%
Denton	62	12,274	869	1,041	119.80	94.2%
Southeast Dallas/ Mesquite	103	22,200	845	819	96.90	94.5%
Oak Cliff South	65	13,450	899	770	85.70	92.4%
Duncanville/ DeSoto/ Cedar Hill/ Lancaster	90	19,870	859	855	99.50	95.0%
Far South Dallas/ Waxahachie	24	3,007	919	957	104.10	97.3%
Trinity Groves/ Oak Cliff North	40	7,175	847	1,090	128.70	84.5%
Grand Prairie	52	11,820	849	940	110.70	95.3%
Downtown Ft Worth/ TCU	58	10,817	883	1,264	143.10	85.4%
East Ft Worth/ Woodhaven/ I-30E	69	12,616	831	755	90.90	92.1%
North Arlington	95	21,279	813	911	112.10	94.2%
South Arlington	137	27,852	849	902	106.20	95.3%
Haltom City/ Richland Hills/ Fossil Creek	70	16,960	903	981	108.60	95.8%
Hurst/ Euless/ Bedford	129	29,956	845	958	113.40	95.3%
Grapevine/ Roanoke/ Keller	64	16,594	939	1,198	127.60	93.9%
Northwest Ft Worth/ Saginaw/ Eagle Mtn	29	4,922	939	864	92.00	93.8%
South Ft Worth	63	11,215	878	821	93.50	92.4%
Southwest Ft Worth/ Benbrook	45	12,751	846	932	110.20	92.0%
Far Southwest Ft Worth	23	2,764	882	842	95.50	95.5%
Western Hills/ Ridgmar/ Ridglea	77	13,154	860	786	91.40	92.5%
TOTALS	2,897	671,399	870	1,043	119.90	92.4%



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AUSTIN, TX	JACKSONVILLE, FL	SAN ANTONIO, TX
BAKERSFIELD, CA	KANSAS CITY, MO	SAN DIEGO, CA
BATON ROUGE, LA	LAS VEGAS, NV	SAN FRANCISCO, CA
BIRMINGHAM, AL	LENOX, MA	SCOTTSDALE, AZ
BOCA RATON, FL	LOS ANGELES, CA	SEATTLE, WA
BOSTON, MA	MARBLEHEAD, MA	SHREWSBURY, NJ
CAMAS, WA	MIAMI, FL	ST. LOUIS, MO
CHARLESTON, SC	MIDVALE, UT	TACOMA, WA
CHATTANOOGA, TN	MURRIETA, CA	TAMPA, FL
CHEVY CHASE, MD	NASHVILLE, TN	TEMECULA, CA
CHICAGO, IL	NEW YORK, NY	TEMPE, AZ
CLEARWATER, FL	NEWPORT NEWS, VA	TUCSON, AZ
CLEVELAND, OH	ORLANDO, FL	WOODLAND HILLS, CA
COLORADO SPRINGS, CO	PASADENA, CA	HYDERABAD - INDIA*
DALLAS, TX	PHILADELPHIA, PA	
DENVER, CO	PHOENIX, AZ	*Back Office Support
DETROIT, MI	PORTLAND, OR	
EL SEGUNDO, CA	RALEIGH, NC	

DALLAS-FORT WORTH THIRD QUARTER 2016

MULTIFAMILY REPORT



MARKET AT A GLANCE



OCCUPANCY RATE

Unchanged since 3Q15



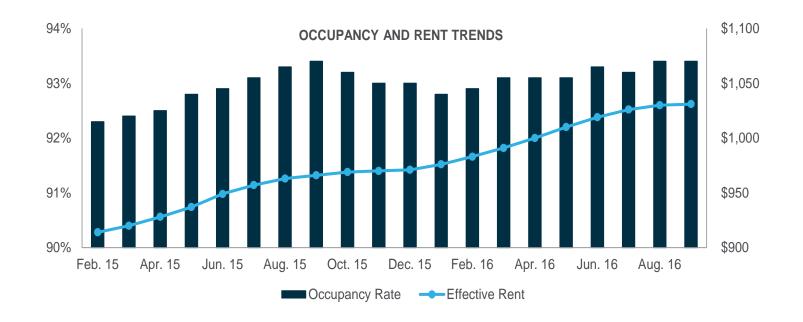
EFFECTIVE RENT

Up 6.7% since 3Q15

OCCUPANCY AND RENT TRENDS

EFFECTIVE RENT APPRECIATES 6.7% ANNUALLY AS JOB GROWTH CONTINUES

Vibrant job growth kept apartment demand elevated in the Dallas-Fort Worth metro area in the first three guarters of 2016. Renters occupied 13,409 additional apartments, on pace to absorb a total of approximately 17,880 apartments by year-end. In 2015, 19,783 apartments were absorbed. More than 20% of year-to-date leasing activity occurred in Plano, Richardson, and Frisco. Significant apartment demand was also present in the Uptown/Oaklawn/Highland Park area. Multifamily builders were also active since the beginning of this year, completing 11,488 apartment units metrowide. Lease up of apartments at approximately 80 apartment communities under construction is expected through the end of the third quarter of 2017. When these apartment communities are completed, more than 22,800 units will be added to local multifamily inventory. Operators recorded 93.4% occupancy at the end of the third quarter of this year, the same as one year prior. During the same period, effective rent appreciated 6.7% to 1,031 per month.



DELIVERIES AND DEMAND



DELIVERIES 11,488
Units YTD





ECONOMIC TRENDS

	UNEMPLOYMENT*	2016 3.8%
3.41m	EMPLOYMENT* 3.5% CHANGE	2016 3.54m
	EXISTING SFH SALES** 11.7%	²⁰¹⁶ 130.5k
	MEDIAN SFH PRICE**	2016 \$224.3k
	10-YEAR TREASURY**	2016 1.63%

*August; **September



Employment in the Dallas-Fort Worth area expanded at a 3.5% annual rate since August of 2015. Companies in the Metroplex added 120,800 workers to payrolls during that time. In the trade, transportation, and utilities sector, businesses hired 32,500 workers, a 4.5% annual gain. Distribution-center employment surged with 2,000 newly created jobs among Amazon's fulfillment centers in Dallas, Haslet, and Coppell and the first of 500 jobs filled at the new Ulta Beauty logistics center in Dallas. In the financial activities industry, 17,800 workers were recruited, a 6.4% increase. The industry was supported by the hiring of 1,000 workers at State Farm and 250 newly created jobs at Thomson Reuters in Carrollton. Sustained expansion in the financial activities industry is expected as Liberty Mutual hires the first of 2,400 new recruits in 2017. Also in 2017, Toyota Motor Corporation's North American headquarters in Plano is expected to be completed, with approximately 3,000 employees transferring from other states and another 1,000 workers hired locally.



BERKADIA THIRD QUARTER 2016

SUBMARKET NAME	# OF COMMUNITIES	# OF UNITS	SIZE (SF)	PRICE (\$ / MO.)	RENTAL RATE (\$ / SF / MO.)	OCCUPANCY
Downtown Dallas / West End / Deep Ellum	49	10,336	957	1,445	1.51	89.2%
Uptown / Oaklawn / Highland Park	140	29,999	930	1,630	1.75	90.7%
East Central Dallas / Lower Greenville Ave	50	5,532	859	1,254	1.46	95.3%
White Rock Lake / Tenison Park	69	14,994	802	807	1.01	94.0%
North Central Dallas / Upper Greenville Ave	99	26,702	795	1,046	1.32	90.8%
Skillman St / I-635	95	26,068	789	826	1.05	92.4%
Far East Dallas	19	3,280	932	1,034	1.11	96.6%
Garland	92	15,672	858	897	1.05	95.8%
North Dallas / Addison	112	30,671	894	1,103	1.23	94.7%
Far North Dallas / Collin County	78	24,522	794	999	1.26	95.7%
East Plano / Richardson	84	22,742	937	1,213	1.30	92.9%
West Plano / Frisco	157	49,782	931	1,245	1.34	90.2%
Allen / McKinney	68	17,253	931	1,159	1.25	91.0%
East Irving	57	7,539	802	765	0.95	96.3%
West Irving	81	18,299	810	885	1.09	95.1%
Las Colinas / Valley Ranch / Coppell	76	27,653	909	1,225	1.35	93.8%
Northwest Dallas / Bachman Lake	61	11,451	788	805	1.02	95.7%
Carrollton / Farmers Branch	114	27,724	899	1,093	1.22	93.7%
Lewisville / Flower Mound	72	21,229	881	1,089	1.24	93.5%
Denton	62	12,274	869	1,053	1.21	95.9%
Southeast Dallas / Mesquite	102	22,047	845	812	0.96	94.3%
Oak Cliff South	63	13,085	897	752	0.84	92.5%
Duncanville / DeSoto / Cedar Hill / Lancaster	90	19,870	859	831	0.97	94.2%
Far South Dallas / Waxahachie	24	3,007	919	971	1.06	96.8%
Trinity Groves / Oak Cliff North	38	6,472	849	1,036	1.22	90.7%
Grand Prairie	52	11,820	849	921	1.09	92.8%
Downtown Ft Worth / TCU	55	10,056	879	1,255	1.43	91.4%
East Ft Worth / Woodhaven / I-30E	68	12,536	831	737	0.89	91.0%
North Arlington	95	21,278	813	885	1.09	93.8%
South Arlington	137	27,803	847	882	1.04	94.7%
Haltom City / Richland Hills / Fossil Creek	70	16,959	903	957	1.06	95.9%
Hurst / Euless / Bedford	129	29,956	845	947	1.12	95.5%
Grapevine / Roanoke / Keller	62	15,879	938	1,206	1.29	95.6%
Northwest Ft Worth / Saginaw / Eagle Mtn	28	4,728	941	842	0.90	95.2%
South Ft Worth	62	11,034	876	796	0.91	93.4%
Southwest Ft Worth / Benbrook	45	12,376	843	909	1.08	95.0%
Far Southwest Ft Worth	23	2,764	882	847	0.96	92.4%
Western Hills / Ridgmar / Ridglea	76	13,054	855	754	0.88	93.2%
TOTALS	2,854	658,446	869	1,031	1.19	93.4%

DALLAS | FT. WORTH SECOND QUARTER 2016





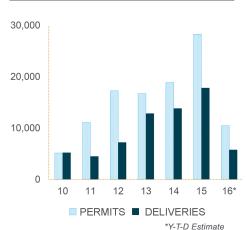


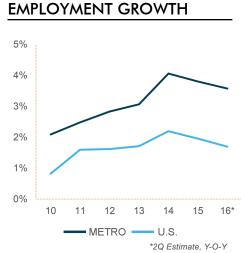












VACANCY & RENT COMPARISON

	VAC	VACANCY		AVERAGE RENT INCREASE		AVERAGE RENT	
SUBMARKETS	2Q 2016	2Q 2015	2Q 2016	2Q 2015	2Q 2016	2Q 2015	
Carrollton/Addison/Coppell	3.3%	3.3%	7.1%	6.4%	\$1,035	\$966	
Central Arlington	4.5%	5.8%	9.4%	7.1%	\$777	\$710	
Central Dallas	5.1%	5.2%	0.5%	4.5%	\$1,762	\$1,754	
Grapevine	4.5%	4.5%	6.4%	2.3%	\$1,347	\$1,266	
North Arlington	4.4%	4.4%	8.8%	3.5%	\$904	\$831	
North Irving	3.9%	4.1%	4.9%	7.6%	\$1,123	\$1,071	
North White Rock	5.3%	5.5%	5.1%	2.6%	\$1,036	\$986	
Northwest Fort Worth	4.7%	6.1%	2.9%	3.4%	\$1,166	\$1,133	
Plano/Allen/McKinney	4.3%	4.6%	5.5%	6.8%	\$1,192	\$1,130	
Southeast Fort Worth	3.9%	4.2%	6.7%	4.8%	\$998	\$935	
TOTALS	4.3%	4.6%	5.8%	4.9%	\$1,087	\$1,027	

For a full list of Dallas | Ft. Worth submarkets, visit apartmentupdate.com/report/2228

- The Dallas-Fort Worth-Arlington metro area held its position as one of the brightest economic centers in the country in the first half of 2016. Companies in the Metroplex hired 120,800 workers, a 3.6% year-over-year increase. The trade, transportation and utilities sector was the leader in job growth, with 36,800 newly created jobs, a 5.1% increase. The addition of 2,000 workers at Amazon's South Dallas, Haslet and Coppell distribution centers underpinned the sector. Leisure and hospitality industry job growth ramped up 5.7% as 19,700 workers were recruited. Early this year, the initial hiring of 1,000 associates at State Farm's campus in Richardson supported the 5.5% overall rise in employment in the financial activities sector, where 15,100 workers were added to local payrolls.
- The median single-family home price was \$222,600 at the end of the second quarter of this year. Home values were 7.6% greater than one year ago. During the same period, single-family sales velocity rose 2.5% as annualized transactions totaled 123,200 homes.
- Leasing activity this year totaled 6,600 apartments. Of the 38 submarkets in the Metroplex, more than 10% of year-to-date apartment demand was in the Central Dallas submarket.
- Approximately 5,750 apartments were added to inventory so far this year. Over the remainder of 2016, more than 16,300 apartments are expected to be completed, one-quarter of which are slated for the neighboring submarkets of Richardson and Plano/Allen/McKinney. Completions in the Richardson submarket will be timely in accommodating new hires at the State Farm Campus.
- Multifamily developers demonstrated confidence in sustained apartment demand, requesting 24,990 annualized permits. This heighted planning activity was 81% greater than annualized issuance one year ago.
- The average mortgage exceeded the average apartment rent by \$211 per month in the metro area, making apartment living an attractive option for many households. This demand was a factor in the 30-basis-point reduction in vacancy in the last 12 months as the vacancy rate descended to 4.3%.
- Operators capitalized on sustained apartment demand, increasing asking rent 5.8% in the last four quarters to \$1,087 per month. Rent growth accelerated from the 4.9% rise during the previous year. Meanwhile, effective rent advanced 6.1% in the last four quarters to \$1,083 per month.

DALLAS | FT. WORTH FIRST QUARTER 2015



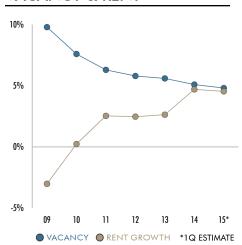


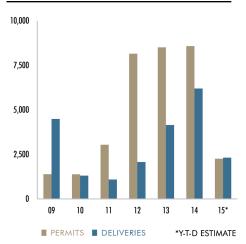


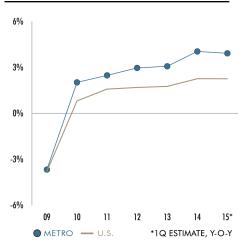
VACANCY & RENT



EMPLOYMENT GROWTH







VACANCY & RENT COMPARISON

	VACANCY		AVERAGE REI	AVERAGE RENT INCREASE		AVERAGE RENT	
SUBMARKETS*	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	
Carrollton/Addison/Coppell	3.8%	5.0%	6.8%	2.9%	\$940	\$880	
Central Arlington	6.8%	9.1%	7.4%	3.3%	\$703	\$655	
Central Dallas	5.2%	5.8%	4.2%	0.0%	\$1,704	\$1,635	
Grapevine	5.5%	5.5%	5.1%	0.4%	\$1,204	\$1,145	
North Arlington	4.3%	6.2%	4.4%	3.6%	\$811	\$777	
North Irving	4.9%	5.5%	6.6%	2.5%	\$1,019	\$956	
North White Rock	5.7%	7.3%	5.7%	4.5%	\$988	\$935	
Northwest Fort Worth	5.7%	5.9%	3.9%	1.3%	\$1,112	\$1,070	
Plano/Allen/McKinney	4.7%	5.0%	5.3%	4.0%	\$1,093	\$1,038	
Southwest Fort Worth	5.8%	6.0%	4.8%	3.2%	\$907	\$865	
TOTALS	4.8%	5.8%	4.5%	3.0%	\$984	\$941	

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- Expansion occurred in every job sector in the 12-month period ending in March of this year. Employers hired 127,100 workers, a 3.9% annual increase. Job growth surged 4.6% in the trade, transportation and utilities sector as employers added 32,900 workers to payrolls through March. Expansion was nearly as great in the professional and business services sector with 29,700 jobs created, a 5.3% annual gain. The greatest rate of growth was in the leisure and hospitality industry where 19,300 workers were hired, an increase of 5.5%.
- Unemployment in the Metroplex plummeted amid robust job growth. The local jobless rate fell 120 basis points since the first quarter of 2014 to 4.2% in March of this year.
- Sales velocity of single-family homes rose 6% year over year to 150,100 annualized transactions in March. During the same time, the median home price advanced 6.4% to \$194,900. In the prior 12-month period, home values rose 5.2%.
- Healthy job growth supported robust apartment demand. In the first three months of this year, renters occupied 6,330 units compared to 1,610 apartments absorbed during the same period last year.
- Persistent apartment demand prompted developers to aggressively add to rental inventory in the first quarter. Approximately 4,620 units were delivered through March, a 54.1% increase over the same period last year. Nearly one-quarter of the new inventory came online in the Oaklawn and Richardson submarkets.
- Multifamily permitting activity advanced 22.6% in the first quarter of this year compared to the same period in 2014. In the first three months of the year, multifamily developers requested permits for 4,370 apartments.
- The vacancy rate fell 100 basis points as absorption outpaced deliveries by 37.9% in the last 12 months. By March of this year, the vacancy rate was 4.8%. Close-in apartment communities continued to fill as vacancy decreased 60 basis points to 5.2% in the Central Dallas submarket.
- Healthy apartment demand supported a 4.5% year-over-year increase in asking rents. By the end of the first quarter, asking rents averaged \$984 per month. Operators in the highest-rent submarket, Central Dallas, advanced monthly rents 4.2% to \$1,704 amid brisk leasing activity.