

Q2 MARKET REPORT:

Q2 2025: DFW MULTIFAMILY

The Dallas-Fort Worth multifamily market continues to navigate a period of adjustment following years of accelerated growth. Record-setting new supply and softened rent growth have introduced short-term challenges, but long-term fundamentals remain solid. While vacancy has risen and rent growth turned negative, absorption remains strong, new development is slowing, and capital is selectively returning to quality assets. With robust population gains, steady in-migration, and diversified demand drivers, DFW remains one of the most resilient and opportunity-rich multifamily markets in the country.

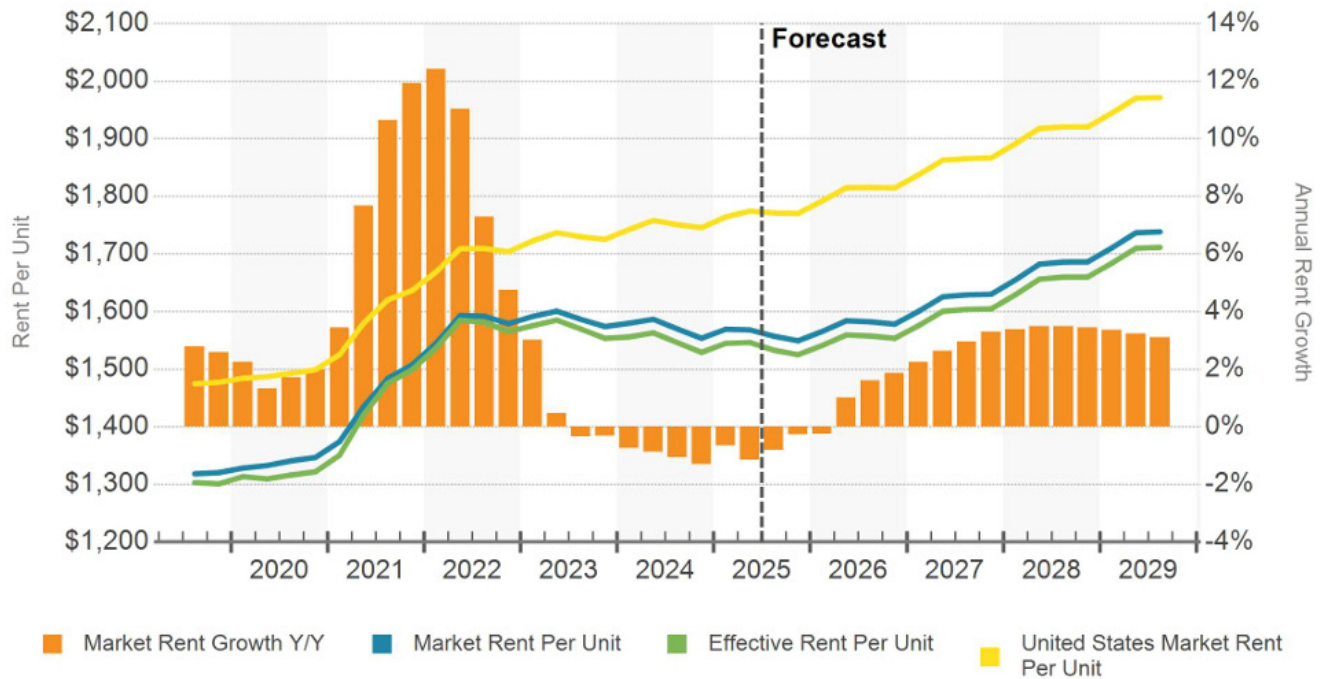
SUPPLY AND VACANCY

Dallas-Fort Worth continues to lead the nation in new multifamily deliveries, with a record 38,000 units delivered in 2024 and 27,000 units absorbed. This supply imbalance has pushed vacancy near 12%, approaching a 20-year high. However, signs of stabilization are emerging. The current construction pipeline sits at just 26,000 units—the lowest in a decade—suggesting future absorption will have a stronger impact on fundamentals. Much of this development is concentrated in Collin County, expanding north along Highway 380 into Frisco, McKinney, Prosper, and Denton.

RENTS AND PERFORMANCE

Rent growth remains under pressure at -1%, but there are early signs of recovery. Quarter-over-quarter improvement of 70 basis points suggests a turning point, and overall rents are still 17% above 2020 levels. Projections indicate rent growth will turn positive in the second half of 2025, with moderate gains of 2% expected into 2026.

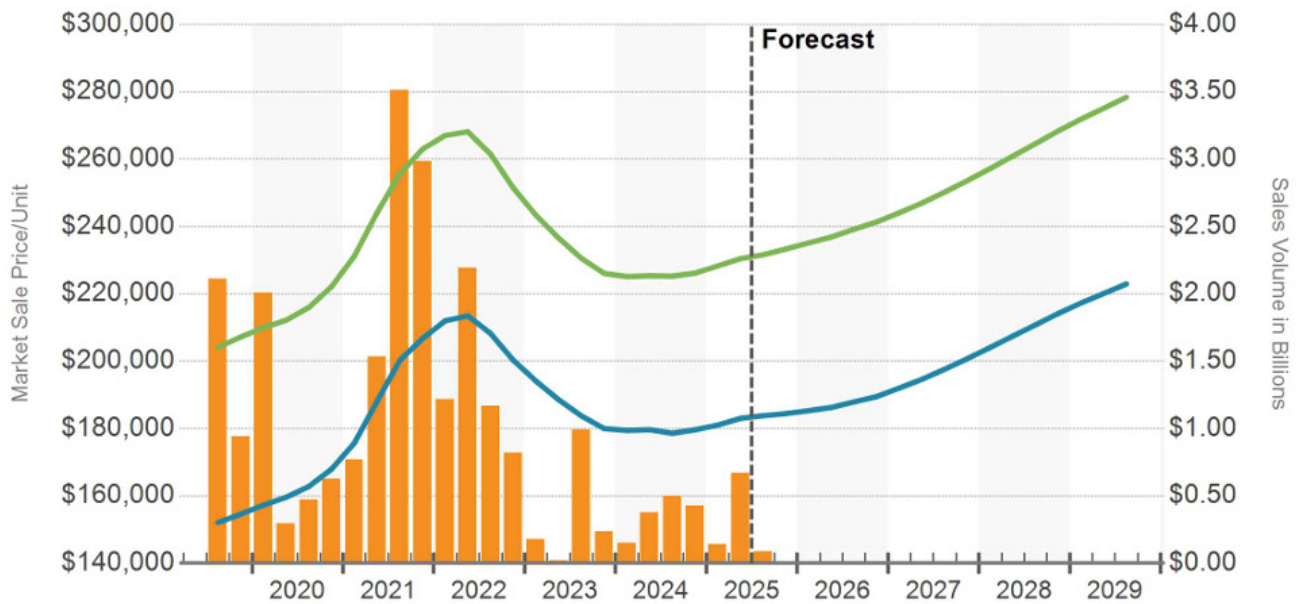
MARKET RENT PER UNIT & RENT GROWTH



SALES ACTIVITY

For the trailing 12 months ending Q1 2025, DFW multifamily sales rose 30% year-over-year, totaling \$8.9 billion. The most active segment of the market has been newer, well-located assets, particularly those near major employers and high-growth corridors. However, with muted rent growth, value-add opportunities remain difficult to underwrite, slowing transaction volume in that segment.

SALES VOLUME & MARKET SALE PRICE PER UNIT



OUTLOOK

The outlook for DFW remains optimistic due to strong population growth, corporate relocations and low-cost of living fueling the need for multifamily assets. Our market also offers investors a variety of product type including core, core plus and value-add assets, so it remains attractive to all types of buyers. One of the biggest questions remaining for multifamily investments in DFW is - will the current economy and new legislation attract multifamily syndicators back to buying and selling deals. For more insight or to discuss our market further, let's connect and hear your thoughts.

WANT MORE INSIGHTS?

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With extensive experience in advisory services and a deep understanding of the commercial real estate market, we are committed to guiding you through every step of your investment journey. Let us help you achieve your CRE goals with confidence.

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