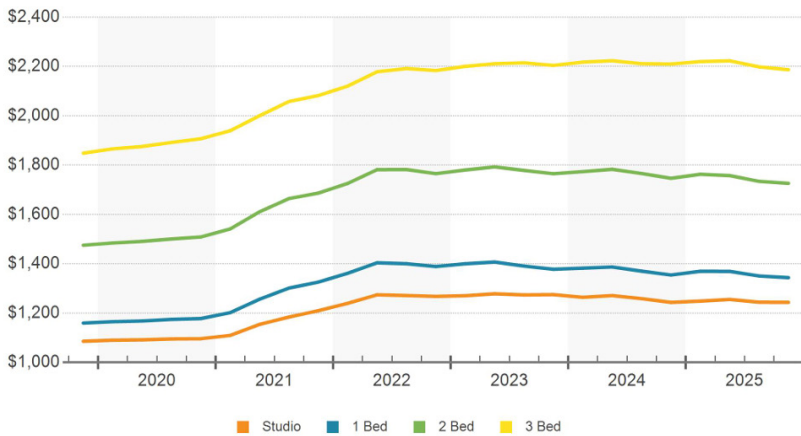


Q3 MARKET REPORT: MULTIFAMILY

EXECUTIVE SUMMARY

The Dallas–Fort Worth multifamily market is showing early signs of balance after an extended period of elevated supply and interest rate pressure. While vacancy remains high at around 12 percent, compared to the 8 percent U.S. average, the surge in deliveries that began in 2022 is tapering off. Developers have slowed activity sharply, setting the stage for a more stable 2026. Population growth continues to underpin demand, with Collin and Denton Counties leading the metro’s expansion as employers add jobs across technology, healthcare, and finance. Submarkets such as Frisco/Prosper, Allen/McKinney, and Denton remain strong performers, benefiting from ongoing migration, suburban employment nodes, and access to major corporate campuses.

MARKET RENT PER UNIT BY BEDROOM



RENT AND VACANCY

While metro-level rent growth remains negative, performance varies significantly by location and product type. Urban infill neighborhoods have achieved modest rent gains, roughly 1 percent year-over-year, driven by land constraints and limited new competition. In contrast, suburban markets such as North Fort Worth and Frisco/Prosper continue to see competitive leasing conditions due to recent deliveries.

Vacancy trends are beginning to stabilize, particularly in well-amenitized Class A communities close to employment and retail centers. Properties near major job hubs, including Legacy West, CityLine, and Las Colinas, are benefiting from corporate reoccupancy and commuter convenience. With new supply declining more than 40 percent year-over-year, the market is slowly regaining equilibrium, positioning for tighter fundamentals through the next development cycle.

*All information sourced from the Costar Group

CURRENT MARKET

Rents across DFW have declined 1.8 percent year-over-year, marking a period of adjustment following years of record increases. Tenants continue to hold leverage, as many landlords offer one to two months of concessions to compete with a still-elevated inventory of new units. Class A assets are facing the greatest pressure as developers deliver the tail end of projects started during the low-rate cycle, while stabilized Class B and workforce housing assets are experiencing healthier retention and minimal turnover.

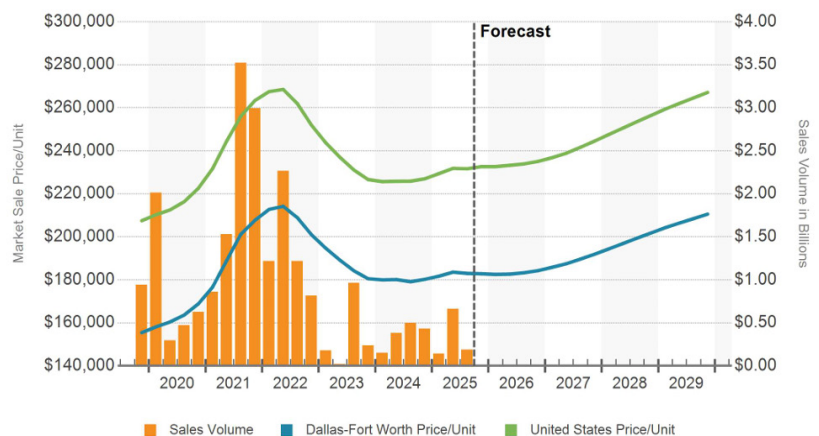
Vacancy remains concentrated in newly built suburban product, where lease-ups are taking longer to stabilize. Core urban submarkets like Uptown, Knox/Henderson, and the Park Cities have held up well, supported by limited construction pipelines and strong renter demographics. Overall absorption has improved quarter-over-quarter, signaling that demand is beginning to catch up with supply.

SALES: TRANSACTION VOLUME

Investment sales activity has strengthened considerably, signaling a renewed appetite among investors after several quarters of limited liquidity. Over the past year, Dallas–Fort Worth recorded \$10.4 billion in multifamily sales, representing a 42 percent year-over-year increase. Private buyers continue to dominate the landscape, accounting for roughly 60 percent of total transactions, while institutional investors and REITs have selectively returned to the market for high-quality assets.

Suburban Class A properties in Frisco, McKinney, and Denton are among the most active trade areas, reflecting investor preference for newer product in high-growth corridors. Many transactions have relied on seller financing and loan assumptions, which remain key tools in overcoming debt market constraints.

SALES VOLUME & MARKET SALE PRICE PER UNIT



*All information sourced from the Costar Group

PRICING AND BUYER TRENDS

Pricing across the metroplex has shown early stabilization as cap rates settle and underwriting assumptions normalize. Discounts from 2021 peaks persist, typically ranging between 20 and 30 percent, but the bid-ask gap has narrowed meaningfully. Investors are targeting stabilized suburban assets with strong rent rolls and limited deferred maintenance, while value-add properties are gaining traction as rent fundamentals show early recovery signs.

Local and regional operators are leading the market, leveraging relationship-driven capital to secure deals efficiently. Meanwhile, REITs and institutional buyers are re-entering cautiously, favoring low-leverage acquisitions in prime submarkets. With improving transaction velocity and narrowing spreads, the DFW multifamily market is positioned for a stronger investment cycle heading into 2026.

ECONOMIC DRIVERS

The Dallas–Fort Worth economy remains one of the strongest and most diverse in the nation, providing a solid foundation for multifamily demand. With 8.3 million residents across 13 counties, the metro has grown 27 percent since 2010, driven by surging population and job growth in Collin and Denton Counties, where communities like Frisco, Plano, Allen, and McKinney offer affordability and top-ranked schools. The region continues to attract major employers due to its low cost of doing business, central location, and highly skilled labor pool.

DFW is home to 24 Fortune 500 headquarters, including AT&T, Toyota, McKesson, and Texas Instruments, and is rapidly expanding as a financial services and logistics hub. Ongoing corporate relocations, expansions, and strong infrastructure, anchored by DFW International Airport, drive sustained housing demand across all asset classes. Broad economic diversification and consistent in-migration ensure long-term multifamily market stability and resilience.

*All information sourced from the Costar Group

Q3 MARKET REPORT: MULTIFAMILY

DFW MULTIFAMILY MARKET OUTLOOK

The Dallas–Fort Worth multifamily market is positioned for a period of gradual recovery and renewed balance heading into 2026. After several years of supply-driven vacancy pressure and flat rent performance, the slowdown in new construction will allow demand to catch up, particularly across northern suburban corridors such as Frisco/Prosper, Allen/McKinney, and Denton. Population and job growth remain key demand drivers, and as employers continue reinforcing return-to-office requirements, renter activity near major employment hubs is expected to strengthen.

While rent growth remains slightly negative at -1.8 percent, it is forecast to turn positive by mid-2026, supported by tightening vacancy and moderating concessions. Class B and workforce housing assets are likely to lead early rent recovery as affordability challenges in single-family housing persist. On the investment front, improving capital market conditions and narrowing bid-ask spreads should sustain transaction momentum. Private and regional buyers will continue to dominate, targeting stabilized suburban assets and well-located value-add opportunities. As interest rates gradually ease and construction pipelines contract further, pricing is expected to stabilize. Overall, DFW's strong economic base, continued in-migration, and diversified employment profile position the region for sustained growth, making it one of the most resilient and attractive multifamily markets entering 2026.

WANT MORE INSIGHTS?

Contact our brokerage team today for personalized insights and hands-on support. 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.

CONTACT US

(214) 281 - 8633

info@wwcpartners.com