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RESIDENTIAL REAL ESTATE

Dallas-Fort Worth apartment rents rebound past 'pandemic pricing' levels




Gables Water Street apartments in Irving. Rents in Dallas and other North Texas cities dropped sharply after COVID's entr  , but for the most part, rents have now rebounded past where they were pre-pandemic.

JAKE DEAN

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Commercial Real Estate



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Homebuilders

Topic

Some apartment landlords called it “pandemic pricing.” Others called them “COVID concessions.”

Brent Ball

No

matter their nomenclature, the days of discounts for renters of apartments in Dallas and most cities in North Texas seem to be done, according to the July National Rent Report by Apartment List.

Starting in March 2020, rent prices in Dallas fell dramatically in response to the COVID-19 pandemic. Since then, renters have enjoyed “pandemic pricing” and double-digit rent drops in some places, according to Rob Warnock, research associate at Apartment List.

Today, nearly a year and a half later, prices in Dallas have fully rebounded and are back above pre-pandemic projections.

The July Rent Report showed rents in Dallas grew 1.4 percent in June compared to 2.3 percent nationally. Dallas' monthly rent change ranked No. 76 among the nation's 100 largest cities.

With the 1.4 percent single-month increase, rent prices in Dallas are now 1.4 percent higher than they were last March, meaning they are finally back to where they would have been had the pandemic not crashed the market last spring, Warnock said. Measured another way, June rents in Dallas were up sharply – by 6.4 percent – in comparison to June of last year.

Rent in some North Texas cities jumped even more sharply. Arlington rents soared 10 percent year over year, and Addison rents rose 9.5 percent in the same period.

Median rents in Dallas currently stand at \$1,058 for a one-bedroom apartment and \$1,270 for a two-bedroom, according to a Dallas breakout contained in the broader, national report.

This is the sixth straight month that the city has seen rent hikes, after a decline in December of last year. Even so, Dallas' year-over-year rent growth lags the state average of 7.8 percent, as well as the national average of 8.4 percent, according to Apartment List.

The DFW multifamily market has been one of the most resilient in the nation through the pandemic and continues to be a leader in new apartment units delivered, said Brent Ball, senior vice president of Multifamily Asset Management for Dallas-based High Street Residential.

“Although there is a high supply, there is also high absorption,” Ball said. “The market has fared quite well in comparison to others.”

Despite rent increases across Dallas-Fort Worth, apartment occupancy is high in large part because new and pre-owned home prices are continuing to soar, making rentals a comparatively attractive option to purchasing a home, said Cassie Brown, founder and CEO of Dallas-based apartment finder Smart City Locating Inc.

“We had some clients buy houses, but for the most part, prices got so ridiculous, people said, ‘Hey, we can't afford it anymore, so we have to rent,’” Brown said. “That kept people renting, but at the same time, it also increased rents.”

Below is a look at rent trends in a handful of other North Texas cities listed by month-over-month rent growth, year-over year rent growth, median one-bedroom rent, and median two-bedroom rent:

- Addison: 1.8 percent, 9.5 percent, \$1,463, \$1,954
- Arlington: 1.6 percent, 10 percent, \$1,072, \$1,308
- Carrollton: 3.8 percent, 8.9 percent, \$1,211, \$1,562
- Fort Worth: 2 percent, 7.7 percent, \$1,017, \$1,202.

THE LIST

North Texas Multifamily Developers

Ranked by # of local multifamily units developed 2019

Rank	Company	# Of Local Multifamily Units Developed 2019
1	JPI	2,192
2	Billingsley Company	1,236
3	StreetLights Residential	755
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