



By Wayne Williams

Recent short term numbers hint at recovery - at least in some submarkets.

November 2009 will go down as the turning point in this economic cycle for the multifamily industry in the DFW area. Since that time, Occupancy Rates on the Dallas side are up 2.0% while Fort Worth has risen 2.2%. But, this is only a part of the equation. Effective Rental Rates (Rents after removing all admitted concessions) are up 0.7% in Dallas and flat in Fort Worth. Therefore, the Metroplex is able to finally increase Occupancy without having to give away the farm.

The accompanied chart reflects the recent submarket performance for the DFW area since November 2009. Occupancy and Effective Rental Rates are both up in 11 of 23 submarkets on the Dallas side and in 7 of 12 submarkets in Fort Worth. Absorption numbers also look fantastic where overall we now have 11,273 more units leased at the end of April than we did at the end of November while only adding 2096 units.

Some of the submarkets in the area are rebounding very well at the present time.

McKinney/Allen/Frisco, which continued to build units during the worst part of the downturn, has finally worked through most of this construction having added only 218 units since November. In return, their submarket Occupancy Rate is up 12.2% while decreasing rents by only 0.9%. These are much better numbers than were reported during much of last year. ALN

expects to see rental rate growth return soon to this area.

The Plano area added 828 units over the past five months but demand was strong enough to absorb 1263 net units overall. This resulted in a 1.9% growth in Overall Occupancy as well as allowed a 3.3% growth in Effective Rental Rates. The fact that absorption is up and that rental rates have increased are both excellent signs of things to come.

Another exciting submarket is the Uptown area in Dallas. They have been able to grow their revenue by 6.0% in just the last five months. They did this by increasing Occupancy 3.9% while increasing Effective Rental Rates by 1.4%. This submarket also saw a lot of new product over the past 18 months, but only 157 new units were opened during this five month time period. Absorption of 1145 units is another very healthy sign for the area.

The weakest markets at this time seem to be the Westgrove/Dallas North Tollway and the Preston/Frankford area of Far North Dallas. These two submarkets continue to see falling Effective Rents.

Although Occupancy Rates have stabilized or increased during this time period, it has been because of continually falling rents.

The Skillman/Audelia area in northwest Dallas has also seen some continuing weak numbers. The submarket is off 1.5% in Effective Rents and showed a decline of 0.5% in the Occupancy Rate. This area contains a large supply of older product. While some attempts have been made at renovations throughout the submarket, this was interrupted by the downturn in the economy. Expect to see renovation projects return when the lending resumes.

With relatively few units still under construction in the DFW area (about 3800) and with summer approaching, ALN expects to see decent growth in the Overall Occupancy Rates but even more exciting is that we are poised to increase rents at a healthy clip.

Wayne Williams is the founder and President of ALN Apartment Data. ALN surveys apartment conditions in 23 markets nationwide.

For more information visit their web site at www.alnsystems.com

Submarket	Occupancy			Effective Rent			Unit	
	Nov-09	Apr-10	Change	Nov-09	Apr-10	Change	Change	Absorption
Westgrove/ Dallas North Tollway	87.0	89.1	2.4%	\$0.87	\$0.83	-3.9%	0	541
Preston/Frankford	91.8	91.2	-0.8%	\$0.87	\$0.85	-2.3%	4	-82
North Dallas/Farmers Branch	88.9	88.1	-0.9%	\$0.83	\$0.85	2.6%	9	-148
Carrollton	90.3	92.0	1.9%	\$0.82	\$0.85	2.9%	32	248
Plano	90.7	92.4	1.8%	\$0.92	\$0.94	2.3%	828	1263
Richardson/Maham Road	89.8	91.5	1.9%	\$0.83	\$0.85	3.0%	396	580
Skillman/Audelia	81.1	80.7	-0.5%	\$0.76	\$0.74	-1.4%	-33	-109
Park Ln/Greenville Ave	86.1	86.5	0.5%	\$0.91	\$0.90	-0.4%	0	86
Plano Rd/Northwest Hwy	84.5	84.9	0.5%	\$0.70	\$0.70	-0.2%	0	38
Garland	89.4	89.8	0.5%	\$0.80	\$0.81	0.5%	0	84
Mesquite/Balch Springs	88.8	90.5	1.9%	\$0.78	\$0.79	1.3%	0	228
South White Rock Lake	83.6	85.4	2.1%	\$0.80	\$0.78	-2.6%	0	153
Uptown/Downtown/Park Cities	83.4	86.7	3.9%	\$1.24	\$1.26	1.3%	157	1145
Bachman Lake	86.9	86.3	-0.7%	\$0.77	\$0.78	0.9%	95	31
Las Colinas/Valley Ranch	87.7	90.5	3.2%	\$0.98	\$0.98	-0.2%	2	605
North Irving	87.6	88.1	0.6%	\$0.75	\$0.72	-3.0%	0	70
South Irving	88.4	89.9	1.7%	\$0.76	\$0.77	1.6%	-123	44
Lewisville/Coppell	90.9	90.8	-0.1%	\$0.87	\$0.89	2.0%	0	-19
Southeast Dallas	80.5	83.8	4.2%	\$0.69	\$0.71	2.0%	0	308
Southwest Dallas	86.4	87.6	1.4%	\$0.74	\$0.74	0.7%	-1	195
Duncanville/Desoto/Lancaster/Cedar Hill	89.4	92.6	3.6%	\$0.81	\$0.82	1.2%	159	466
Grand Prairie	89.0	90.5	1.7%	\$0.81	\$0.84	3.7%	0	196
McKinney/Allen/Frisco	74.1	83.2	12.2%	\$0.89	\$0.88	-0.9%	218	2041
Greater Dallas	86.6	88.3	2.0%	\$0.87	\$0.88	0.6%	1743	8067
North Arlington	80.5	82.6	2.6%	\$0.76	\$0.77	0.5%	-12	329
Central Arlington	87.4	88.5	1.2%	\$0.70	\$0.70	0.7%	-2	113
South Arlington	89.8	92.1	2.6%	\$0.80	\$0.79	-1.4%	-131	243
Bedford/Euless/E. Hurst	87.9	88.9	1.2%	\$0.81	\$0.79	-2.9%	49	319
N. Rich. Hills/Haltom City	87.9	88.5	0.7%	\$0.77	\$0.78	0.5%	0	86
Grapevine/Trophy Club	91.0	88.9	-2.4%	\$0.92	\$0.93	1.6%	555	335
North Ft. Worth	79.8	86.3	8.1%	\$0.84	\$0.87	4.7%	0	561
Central Ft. Worth	82.3	86.4	5.0%	\$1.00	\$1.00	-0.2%	3	282
East Ft. Worth	82.2	83.5	1.6%	\$0.66	\$0.66	0.8%	0	149
South Ft. Worth	88.1	92.0	4.4%	\$0.73	\$0.74	1.3%	-113	402
West Ft. Worth	86.2	87.8	1.9%	\$0.71	\$0.71	-0.4%	8	277
Denton	89.9	90.8	0.9%	\$0.87	\$0.85	-1.9%	-4	60
Greater Ft. Worth	86.2	88.1	2.2%	\$0.78	\$0.78	0.0%	353	3201
DFW Metroplex	86.5	88.3	2.0%	\$0.85	\$0.85	0.4%	2096	11273