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## Strong demand forecast to fill new Dallas apartments



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The Dallas-Fort Worth area is forecast to be the country's top apartment leasing market over the next three years, according to a new report by commercial real estate firm Jones Lang LaSalle.

And while there are worries about the current rate of apartment construction, the researchers predict that new supply in the D-FW area won't keep up with increasing renter demand.

D-FW, Houston, Atlanta and Phoenix are ranked as the top net leasing markets for apartments through 2017 in the new report.

North Texas apartment leasing is projected to total almost 70,000 units through 2017, the researchers said.

"It's all about job growth and household growth — those are the two critical demand factors that will determine how metros will perform through the current development cycle," Jones Lang LaSalle's Jubeen Vaghefi said in the report. "The surprising news to many will be the resurgence of the Sun Belt markets over the tech-heavy regions.

"After some very tough years, that's where we are seeing a significant rise in new households as a result of improving economic conditions."

About 25,000 apartments are under construction in North Texas, more than in any other major metropolitan market in the U.S. But the D-FW area has also been a leader in job growth, which generates demand for new rental housing.

Apartment vacancy rates in the D-FW area are around 5 percent, compared with about 4 percent nationwide. U.S. apartment vacancies are at a 10-year low.

Jones Lang LaSalle also found that the D-FW area is one of the country's top apartment investment markets, with \$5.6 billion in sales last year. Only New York, Washington, D.C., and Los Angeles saw higher apartment sales volumes in 2013.

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