

D-FW apartment rents are heading higher

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By Steve Brown September 28, 2011

North Texas apartment renters are going to have to dig a little deeper to keep a roof over their heads.

Average apartment rents in the Dallas-[Fort Worth](#) area are up about 4 percent from a year ago and are headed even higher, industry analysts say.

Local apartment rents are now rising at the greatest rate since the 1990s, analysts with MPF Research said Wednesday.

Rent growth in the D-FW apartments “has accelerated quite a bit” during the last year, said MPF vice president Greg Willett.

Monthly rents in projects built since the 1990s are up more than 5 percent from 2010 — if you can find any units available.

“Substantial rent growth at the top of the market reflects that vacancies in that product category are few and far between,” Willett said.

The average D-FW apartment now goes for a record \$802 a month. And tenants in newer buildings will pay an average of \$1,063 a month.

Average rents have gone up by more than \$20 a month since midyear.

MPF Research predicts that apartment rents will rise 4.4 percent during the next year.

“The substantial rent growth occurring in the North Texas apartment market looks sustainable over the near term,” Willett said.

Tenants leased an additional 2,370 D-FW apartments during the third quarter, MPF Research said. That brings the annual leasing total up to almost 13,000 units.

But developers have added only 5,189 new apartments since last September and only 1,673 in the third quarter.

Builders are rushing to catch up with demand. There are more than 7,200 apartments being built in the D-FW area — more than in any market in the country.

“In a quarter or two, we could have 10,000 units under construction easily,” Willett said. “There is virtually nothing left to rent at the top end.”

Apartment occupancy in North Texas is now just under 93 percent — up by more than a percentage point from a year ago.

While local rent increases are high by recent measures, other U.S. apartment markets are seeing much bigger rate hikes.

Rents in Northern California are up in the third quarter by more than 13 percent from a year ago.

In [Austin](#), apartment rents are almost 9 percent higher than in the third quarter of 2010, MPF Research said.