

# Dallas-Fort Worth has top U.S. apartment market

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5:08 pm on April 2, 2014

Dallas-Fort Worth led the nation in apartment construction and net leasing in the first quarter of 2014.

Almost 3,700 new Dallas area apartments opened their doors in the first three months of the year, analysts with MPF Research said Wednesday.

Another 26,971 apartments were still under construction at the end of March – more than in any other U.S. market, the Carrollton-based apartment research firm found.

Average apartment rents in North Texas rose by almost 4 percent from first quarter 2013. That was more than expected.

“A year ago, we saw a clear trend – rent growth levels slowing as apartment construction sped up,” MPF’s Jay Parsons said. “But the strong demand numbers have convinced apartment operators that the market can support some additional rent growth.”

Parson’s said North Texas’ strong job growth and increasing population are fueling demand for rental housing.

And home purchases are being held down by a tight inventory of housing and tough mortgage lending standards.

Net apartment leasing in the D-FW area totaled almost 600 units in the first quarter.

Only about 6 percent of the D-FW apartments are vacant.

Parsons said it’s too early to say how all of the new apartment projects in the pipeline in North Texas will do.

“Much of the pent-up demand for new apartments has now been burned off, and with so much more supply on the way, we expect to see moderately slower lease-ups going forward,” he said. “That likely means lesser rent growth in the hot-development areas, but as long as the economy continues to produce jobs, we should continue to see fairly strong rent growth in D-FW’s more established neighborhoods.”