

# VIEWPOINT



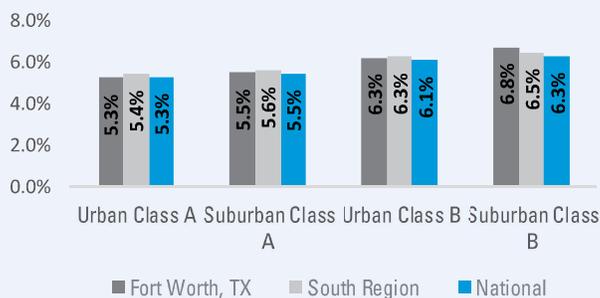
## 2019 FORT WORTH, TX MULTIFAMILY MID-YEAR REPORT

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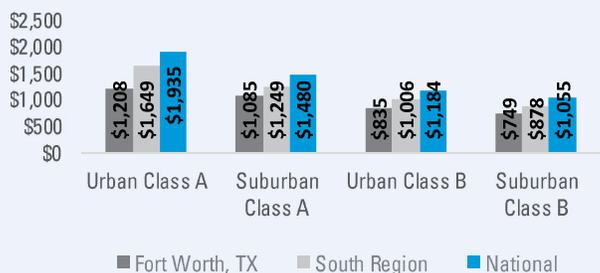
### Market Rate Indicators (Y/Y)

Categories	Urban Class A	Suburban Class A
Going In Cap Rate (%)	↔	↔
Asking Rent (\$/Unit)	↓	↔
Vacancy Rate (%)	↓	↑

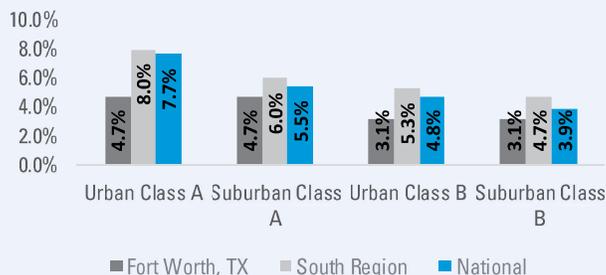
### Going In Cap Rate Comparisons (%)



### Asking Rents (\$/Unit)



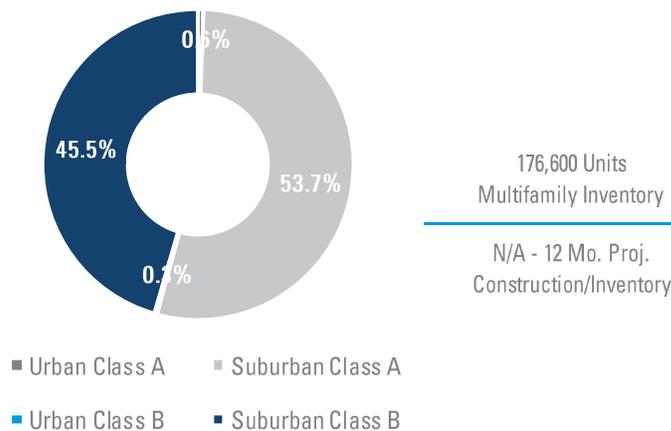
### Vacancy Rates (%)



### Fort Worth, TX Multifamily Market Overview

Fort Worth is now the 13th-largest city in the United States, situated ahead of Columbus, Ohio and behind Jacksonville, Florida according to the latest Census Bureau population estimates. The metro added 102,500 jobs in the 12 months ending in February 2019 for a 2.6% expansion. Housing demand follows job demand and DFW's business-friendly environment is a catalyst for the population surge. Despite the surge in multifamily development, DFW demand should keep pace due to ongoing economic and demographic expansions. DFW rents were up 2.8% year-over-year with average rent of \$1,175, which is well below the national average of \$1,430. The B-C market segment continued to lead growth with the average rent up 3.8% to \$967. Because of this demand, deals in the Class B and C sectors have achieved record pricing levels. In the previous four quarters, the metro absorbed almost all delivered units. Further, equity and international investment within the metro area is on the rise. International capital flowing in the DFW market is led by Canadian, German and Israeli investors. A recent example of the demand for Class B-C value add is found with a local real estate investment firm, CONTI Organization. Conti has acquired Dawntree Apartments, a 400-unit, garden style apartment complex located at 1834 E. Peters Colony Road in Carrollton, Texas. The complex is Conti's 39th multifamily acquisition in Texas since 2008. This investment was purchased to rebrand due to its proximity to affluent suburbs of Dallas include Plano, Frisco and The Colony.

### Distribution of Total Inventory





## Change In Value Next 12 Months



2% - 3.9%

Urban Class A

2% - 3.9%

Urban Class B



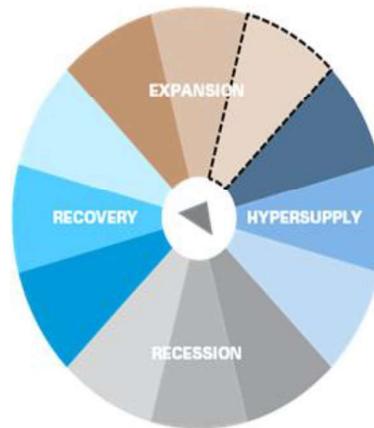
4%+

Suburban Class A

4%+

Suburban Class B

## Market Cycle: Expansion Stage 3



- Moderate/High Employment Growth
- Moderate/High New Construction
- Med/High Rental Rate Growth
- Decreasing Vacancy Rates
- High Absorption

## Forecasts

### Fort Worth, TX 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Remain Steady - no change			
Discount Rate	Remain Steady - no change			
Reversion Rate	Remain Steady - no change			
Construction (Units)				
Years to Balance	In Balance	In Balance	In Balance	In Balance

### Fort Worth, TX 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	3.00%	3.00%	3.00%	3.00%
Expense Rate Change	3.00%	3.00%	3.00%	3.00%
Change in Value	Increase 2% - 3.9%	Increase 2% - 3.9%	Increase 4%+	Increase 4%+
Annual Absorption (Units)	5,462	0	0	0

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 175 MAI-designated members of the Appraisal Institute among 600+ professionals based in our 50+ offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

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