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## Dallas-Fort Worth apartment construction on the rise

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Strong demand for high-end apartment communities across Dallas-Fort Worth has sparked an uptick in construction, a market report finds.

MPF Research said Wednesday that 4,985 units are under construction in North Texas. Work began on 3,233 units at 20 properties just in the past six months, the firm said.

That number is low historically for the local market, but it's high compared with the rest of the nation, said Greg Willett, MPF Research's vice president of research.

"Financing sources are willing to green-light new apartment projects in North Texas, but you can tell we're not quite back to business as usual by the comparatively small sizes of most of the properties getting started," Willett said.

For example, the newer communities mostly have about 185 units, he said. Apartment communities have typically been built with more than 300.

In the first quarter, renter demand slightly topped completions, Willett said. In all, 1,750 new units have been rented since January. North Texas apartment occupancy was up slightly in March, to 91.4 percent, MPF said.

Along with higher demand, rents reached their highest level since fall 2008. In the first quarter, rents rose 2.8 percent from a year earlier, which is just below the national average of 3.3 percent. Dallas-Fort Worth's average monthly rent is \$770.

"While quarterly demand wasn't at the levels we were seeing last year, the number was impacted to some degree by the large block of leases [that] reached their expiration term during the past few months," Willett said. "Renters who signed leases in early 2010 were the last to get in at bottom-of-the-cycle pricing."

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