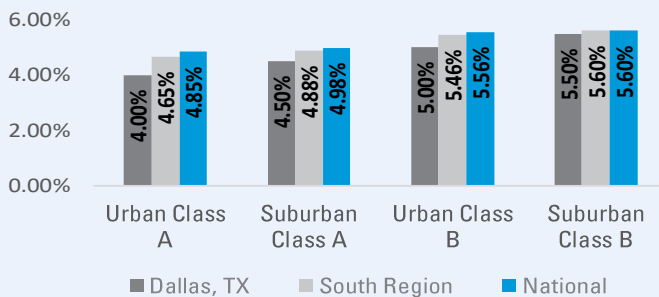


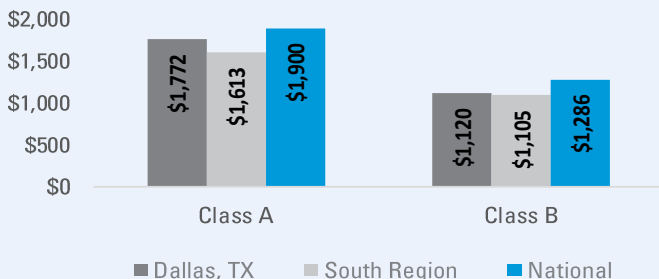
### Market Rate Indicators (Y/Y)

| Categories            | Class A | Class B |
|-----------------------|---------|---------|
| Going In Cap Rate (%) | ▼       | ◀▶      |
| Asking Rent (\$/Unit) | ▲       | ▲       |
| Vacancy Rate (%)      | ▼       | ▲       |

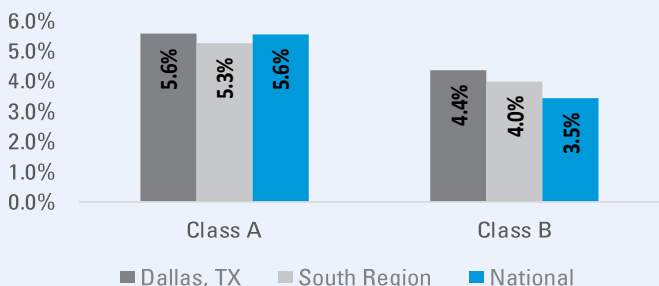
### Going In Cap Rate Comparisons (%)



### Asking Rents (\$/Unit)



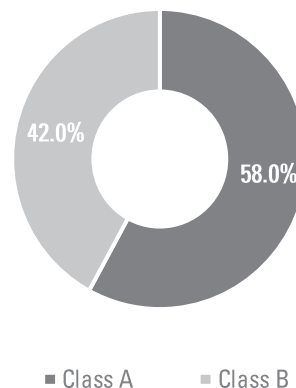
### Vacancy Rates (%)



### Dallas, TX Multifamily Market Overview

The Dallas apartment market is comprised of 563,203 units in twenty-five geographic concentrations ranging in size from the 73,962-unit Plano/Allen/McKinney submarket to the South submarket, which accounts for 3,526 units. In the ten-year period beginning with Q3 2012, the Plano/Allen/McKinney submarket has experienced the greatest introduction of new inventory, 27,286 units, amounting to 19.1% of all new market rate rentals added to the market. During August, asking rents built upon July's 0.4% increase, advancing by an additional 0.5% to \$1,489. Mean unit prices in the metro are as follows: studios \$1,195, one bedrooms \$1,274, two bedrooms \$1,686, and three bedrooms \$2,122. Since the same reporting period last year, asking rents have increased by 12.2%, up from \$1,327. Since the beginning of Q3 2012, the metro as a whole has recorded an annual average increase of 5.5%. Effective rents, which exclude the value of concessions offered to prospective tenants, climbed by 0.6% during August to an average of \$1,415. During the past 12 months, positive movement in asking rent was recorded in all twenty-five of the metro's submarkets. Net new second quarter household formations in the Dallas metropolitan area were 9,850. Of course, not all newly formed households immediately become apartment renters, but an analysis of longer-term economic and demographic trends can be useful in understanding the current quarter's level of demand. Since the beginning of Q3 2012, household formations in Dallas have averaged 2.0% per year, representing the average annual addition of 34,300 households. During August, net absorption totaled 658 units, while new development added 300 units to the metro inventory; the net effect of absorption and construction dynamics caused the vacancy rate to drift downward by 10 basis points to 5.1%. Over the last 12 months, market absorption totaled 9,820 units, 29.1% lower than the average annual absorption rate of 13,849 units recorded since the beginning of Q3 2012. This vacancy rate matches exactly the metro's long-term average recorded since the beginning of Q3 2012. Reis's new construction analysts report that 2,437 units of new speculative apartment inventory will be introduced to the metro by the end of the year, and net total absorption will be positive 2,434 units. In response, the vacancy rate will continue to drift downward to finish the year at 5.0%. During 2023 and 2024, 15,213 additional units is expected to be introduced to the metro inventory. Net new household formations during 2023 and 2024 are expected to average 1.7% annually. Because this amount does not exceed the forecasted new construction, the market vacancy rate will rise by 10 basis points to finish 2024 at 5.1%. Between now and year-end 2022 asking rents are expected to rise 0.5% to a level of \$1,497. On an annualized basis through 2023 and 2024, asking and effective rents are projected to advance by 3.5% and 3.6%, respectively, to finish 2024 at \$1,604 and \$1,519.

### Distribution of Total Inventory



562,265 Units  
Multifamily Inventory

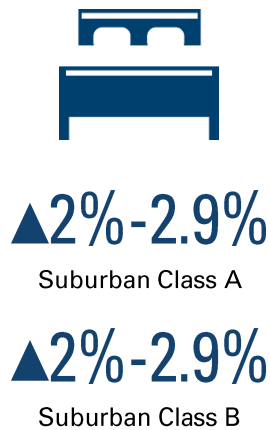
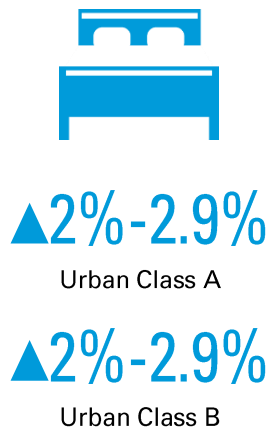
1.17% - 12 Mo. Proj.  
Construction/Inventory

# 2023 DALLAS, TX MULTIFAMILY ANNUAL REPORT

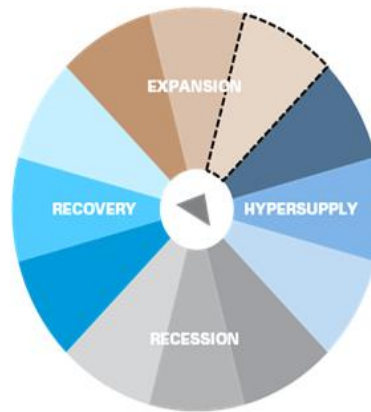
An Integra Realty Resources Publication / irr.com



## Change In Value Next 12 Months



## Market Cycle: Expansion Stage 3



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

## Forecasts

### Dallas, 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 | Remain Steady - no change | Remain Steady - no change | Remain Steady - no change |
| Discount Rate        | Remain Steady - no change | Remain Steady - no change | Remain Steady - no change | Remain Steady - no change |
| Reversion Rate       | Remain Steady - no change | Remain Steady - no change | Remain Steady - no change | Remain Steady - no change |
| Construction (Units) | 6,556                     |                           |                           |                           |
| Market Rent Change   | +3.00%                    | +2.00%                    | +4.00%                    | +3.00%                    |
| Expense Rate Change  | +2.00%                    | +3.00%                    | +2.00%                    | +3.00%                    |
| Years to Balance     | In Balance                |                           |                           |                           |

### Dallas, TX 36-Month Multifamily Forecasts

| Categories         | Urban Class A    | Urban Class B    | Suburban Class A | Suburban Class B |
|--------------------|------------------|------------------|------------------|------------------|
| Market Rent Change | +15.44%          |                  |                  |                  |
| Change in Value    | Increase 1%-1.9% | Increase 1%-1.9% | Increase 1%-1.9% | Increase 1%-1.9% |

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 165 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.

For more information, visit [www.irr.com](http://www.irr.com).