

Rents to inch up in D-FW

2016 rise of 2.1% won't be as steep as in recent years, forecast says

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North Texas apartment residents who suffered through a record rent increase in 2015 can take a little hope.

In 2016, rents in the Dallas-Fort Worth area are likely to increase by only about a third of what they did last year, a new forecast says.

Zillow is forecasting that D-FW apartment rents will rise 2.1 percent this year.

That's a big decline from the almost 6 percent apartment rent growth that the area saw in 2015.

"The slowdown in rental appreciation will provide some relief for renters who've been seeing their rents rise dramatically every single year for the past few years," Svenja Gudell, Zillow chief economist, said in the new report. "However, the situation remains tough on the ground; rents are still rising, and renters are struggling to keep up."

Zillow researchers say the slowdown in rental costs is because the supply of apartments is expected to increase significantly this year.

Almost 40,000 apartments are in the construction pipeline

in D-FW.

With the large number of rental units on the way, Carrollton-based apartment analyst MPF Research is forecasting that rents will rise here by just more than 4 percent in the next year — about 2 percentage points less than in 2015.

"The slowdown — though obviously a number around 4 percent is still great in the big picture — does reflect the increase in supply as we go to about 25,000 new apartment completions in 2016, compared to about 18,000 in 2015," MPF Research vice president Greg Willett said.

But Zillow's 2016 rent forecast of 2.1 percent for North Texas is obviously much lower.

Here are the metro areas expected to have the highest rental appreciation over the next 12 months:

Percentage change from 2015.

San Jose, Calif.	7.8%
Buffalo, N.Y.	7.4%
San Francisco	5.9%
Seattle	4.5%
Denver	4.0%
Portland, Ore.	3.8%
Miami-Fort Lauderdale	3.5%
Austin and Sacramento	3.4%
Louisville, Ky.	3.2%
Los Angeles	2.8%

SOURCE: Zillow

Laurie Joseph/Staff Artisr

MPF says that the average D-FW apartment now rents for just under \$1,000 a month.

Some U.S. markets are still seeing significant rent gains this year.

Zillow predicts that rents in San Jose, Calif.; Buffalo, N.Y. and San Francisco will jump more than 5 percent in 2016.

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Apartment rents in the North Texas area are expected to continue to rise. However, the forecasted increase of 2.1% for 2016 is less than the almost 6% increase that occurred in 2015. The slowdown in the rise of rents is due to the increase in the supply of apartments. An increase in supply puts downward pressure on price.

This affects me because I rent an off-campus apartment. Hopefully Denton is in the area that will have lower increases so my rent may not go up by as much next fall as it did this past fall.