

SELF-STORAGE

Dallas-Fort Worth Metro Area

2H23

Economic Trends

Roughly 110,000 new employees will be added to the Metroplex's workforce in 2023, the largest improvement among major U.S. markets. This increase, however, will be less than half the gain made last year as companies continue to feel the effects of elevated lending costs and persistent inflation. Slowed hiring efforts, paired with resuming student loan repayments, contribute to a reduced retail sales growth rate this year, falling well-below the 21.0 and 10.6 percent gains made in 2021 and 2022, respectively.

Demographic Trends

The Metroplex registers the largest net in-migration total among major U.S. metros for the eighth straight year in 2023, welcoming 90,000 new residents. Population growth, however, will ebb below its historical average to 1.5 percent, resulting in the rate of household formation growth easing to 1.7 percent and reducing some self-storage demand.

Supply and Demand Trends

Following a stark pullback in development last year, the 2023 completion total returns to prior norms, with North Dallas anticipated to receive nearly half of these additions. As new supply roughly doubles last year's delivery slate, while migration and consumer spending trends temper, the pace of upward vacancy pressure escalates. By year-end, the Metroplex's vacancy rate will elevate to 6.8 percent, 20 basis points below its 2019 figure.

Rent Trends

The average rent in the Dallas-Fort Worth Metroplex will shift down this year for the first time since before the pandemic, receding to \$1.02 per square foot. Greater Dallas will exhibit a similar rate of attrition as the market, with its rate registering at \$1.04 per square foot. The Fort Worth area, however, shifts down 2 percent to \$0.99 per square foot.

FORECAST

EMPLOYMENT

▲ +2.6%

CONSTRUCTION

▲ 3,000,000
square feet

VACANCY

▲ 100
basis points

RENT

▼ -1.9%

Self-Storage Division

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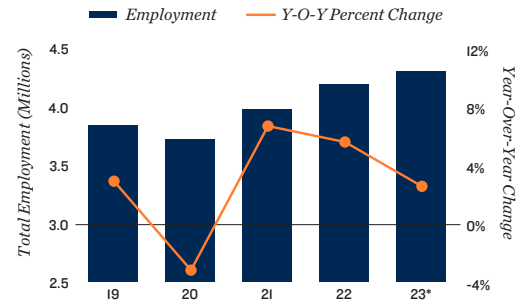
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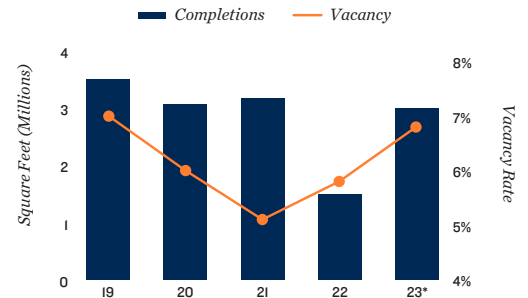
Price: \$500

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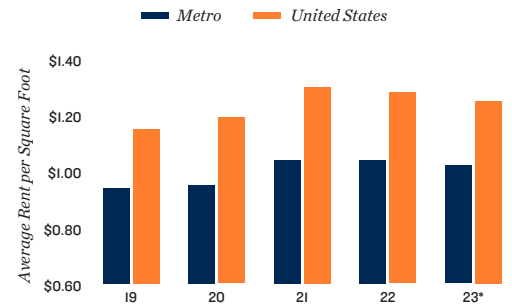
Employment Trends



Supply and Demand Trends



Rent Trends



* Forecast

Sources: BLS; Moody's Analytics; Radius+; Yardi Matrix; U.S. Census Bureau

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