



DFW Rental Market Our View in 2006 Compared to 2008

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Welcome

- Quick Survey
 - Who is here today?
- Look Back to 2006
- Look Forward

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In **2006** we said: **Supply & Demand is Alive & Well “The Good News”**

- **The lending environment has changed dramatically**, and a federal regulator is coming to a lender near you
- **New For Sale multifamily construction is down and will remain down for the foreseeable future**
- **New single family homes** targeting first-time home buyers are the most **oversupplied** product in DFW;
- **Demand driven rent increases are coming to a market near you.**

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In 2008:

What's NOT Hot

- Greenspan's quote last week
"I made a mistake"
- Merrill Lynch and Goldman Sachs are Bank's
"Wow"
- FASB 157 "Mark-to-Market" Rule passed in
2006
- In DFW 20,000 new units in the pipeline,
under construction, and in lease up

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In **2008**:

What IS Hot

- **DFW job growth #1 in the nation year ending August 2008 with nearly 60,000 jobs**
- **The Dallas Fed Bank is projecting 1% to 2% Employment Growth for Dallas in 2009**
- **HUD has money**
- **Fundamental Underwriting and Research**

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Looking Forward In 2008



- **The Fed Rules the Mortgage Industry now**
- **Collections have been up with rent increases and lower concessions.**
- **The Apartment Market, both the development and operations side and the consumer has changed, it is more sophisticated**
- ***Supply and Demand is alive and well.***

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For Sale is Coming Back

- **MLS Closings in Dallas in 2008 are comparing with 2004!**
- **The new construction of For Sale product has evolved it will be very hard for single family home builders can not target first time buyers**
- **First time buyers demographics are growing; many will be renters**

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A Trillion here & a Trillion there starts to add up ***“Change is coming”***

- **If Supply side still works, the injection of \$3.8 Trillion in the U.S. economy will be inflationary**
- **The world market has changed economics**
- **China injecting \$600,000,000,000 into their Economy will reduce purchases of treasuries which will also be inflationary**

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