

# DFW Rental Market Our View in 2007 Compared to 2008-09

AAGD/AATC **State of the Industry**

January 14, 2009

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# Welcome

- **Looking Back to 2007 – 2008**
- **Looking Forward to 2009**

**“DFW Rental Markets are a good place to be”**

# In 2007 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 multi-family construction 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

# In 2008: What was Important

- The world has changed - it is International and economic policy must follow
- Greenspan's Testimony to Senate Banking Committee November 2008 - "I made a mistake"
- "Investment Banks" are gone - now even Goldman Sachs is becoming a Bank "Wow"
- The Federal Reserve Bank Rules the Mortgage Industry now
- FASB 157 "Mark-to-Market" Rule passed in 2006 "Big change to Valuations"

# Welcome to 2009

“Change is Physics - it can't be stopped”

- A Trillion here and a Trillion there starts to add up. If Supply side still works, the injection of Trillions in the U.S. and world economy could be inflationary
- China is injecting \$600 Billion into their Economy which could reduce their purchases of our treasuries and could also be inflationary
- The Federal Reserve has Stabilized the World Credit Markets and is buying \$500 Billion of CMBS

# In 2009: What IS Hot

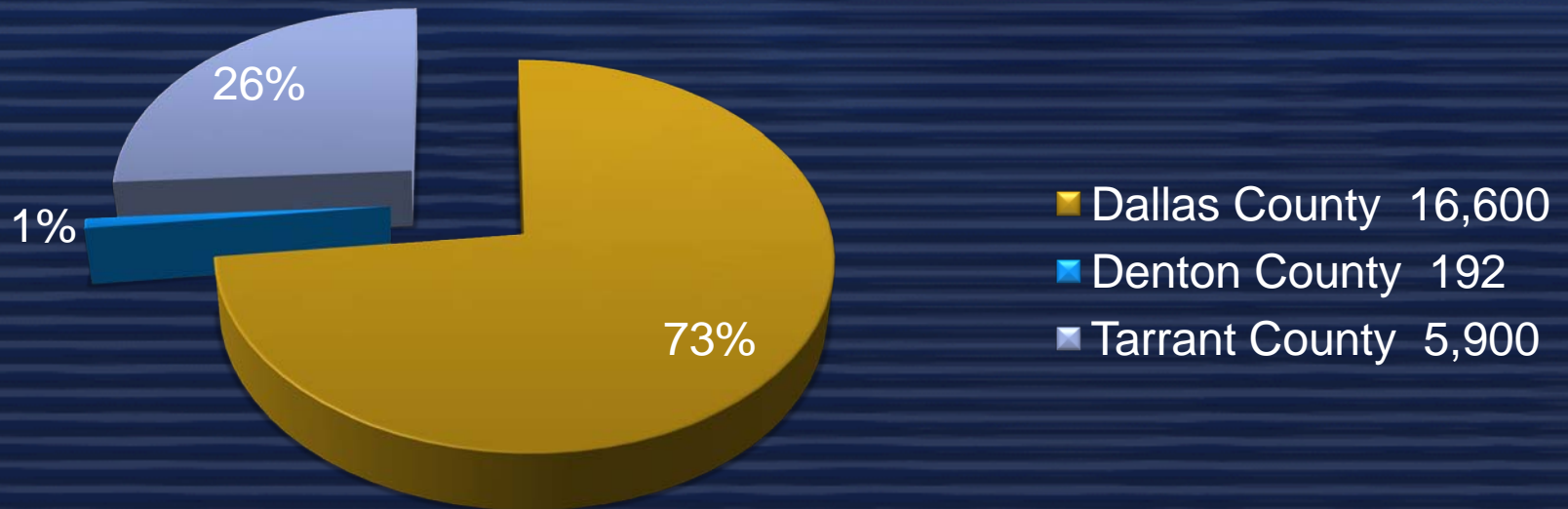
- DFW rents and collections were up in 2006 2007 and the first half of 2008
- DFW job growth is #1 in the nation year ending November 2008 with nearly 50,000 jobs
- The Dallas Fed Bank is projecting 1% to 2% Growth for Dallas in 2009
- The Federal Reserve Bank of Philadelphia Survey of Professional Forecasters 4<sup>th</sup> Qtr 2009 U.S. GDP 2.3%
- Credit Markets are adjusting

# Looking Forward In 2009

- Renter Demographics are improving structurally and economically
- The Apartment Market has changed - the consumer is more sophisticated
- In DFW 22,000 new units in the pipeline, under construction, and in lease up
- *Almost 10,000 of 22,000 in Pipeline already absorbed.*

# How the Pipe Line Breaks Down by County

## Units



# How the Pipe Line Breaks Down by Product Line

## Units

