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## Deal Sikes & Associates: Price Increases for Multifamily Investments Reach a Plateau

HOUSTON--(BUSINESS WIRE)--Investment sales prices for Texas multifamily complexes have plateaued, according to Houston-based Deal Sikes & Associates, one of the nation's leading real estate valuation and counseling firms.

The Texas multifamily market surged significantly over the last four years as the major cities in Texas led the nation in job growth and apartment construction.

"Apartment construction has been incredible in Texas metropolitan areas in recent years," said Matthew Deal, principal of Deal Sikes & Associates. "With this massive new supply of apartments, a moderate degree of softening of occupancy rates and rental rates is expected. With these fundamentals, investors won't see significant drops in multifamily pricing, but the days of rapidly escalating valuations have come to an end."

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"Land prices for urban infill locations suitable for apartment construction had risen dramatically in recent years, sometimes as much as 25 percent annually in major Texas cities, such as Houston, Dallas and Austin. Apartment developers purchased and demolished obsolete commercial structures to create multifamily construction sites. The large price increases for urban infill land are not expected to continue in 2015," Deal said.

"The higher prices for land and development sites have encouraged developers to build taller high-rise and mid-rise residential towers in the urban areas of Texas," said Mark Sikes, principal of Deal Sikes & Associates. For example, the tallest apartment tower in Houston, a 40-story project, is under construction near the upscale River Oaks neighborhood. Other high-rise rental towers are under development in Houston's downtown, Uptown and Montrose areas.

With experience in evaluating over \$1 billion in multifamily developments across the country, Deal Sikes & Associates is a leader in multifamily valuation services.

Deal Sikes & Associates, based in Houston, provides real estate valuation and counseling services for eminent domain initiatives, transactions, estate tax planning, due diligence research and litigation support. Deal Sikes & Associates provides real estate counseling and valuation services for governmental agencies, real estate companies, law firms and corporate clients across the nation. [www.DealSikes.com](http://www.DealSikes.com)

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