



DABE - D/FW Association for Business Economics

October 29, 2021

Texas & North Texas Economic & Housing Outlook

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Economist



What's Happening (Coming)?

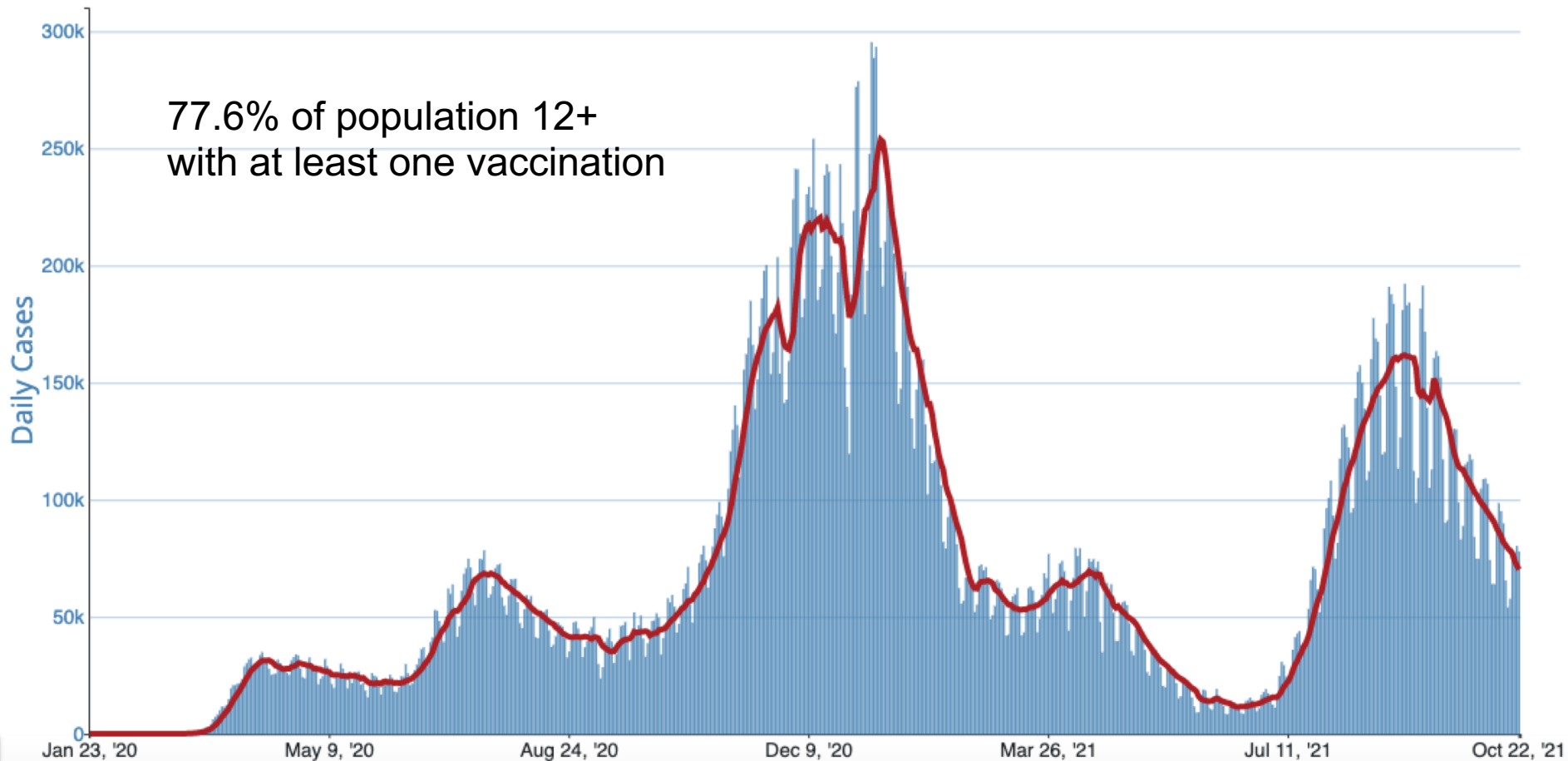
Recovery: More Jobs, Income, Spending

- Vaccinations alleviate COVID impacts
- Fiscal “Stimulus” packages not fueling as much recovery as hoped for
- Employment & Income gains sluggish but constant
- Increase in household spending (PCE) from jobs, fiscal stimulus, pent-up demand and savings
- Major supply chain/inventory problems – everything
- Fed keeping interest rates low – fiscal issues coming
- Inflationary pressures plus yield expectations and requirements affecting asset prices and interest rates – 2022!!

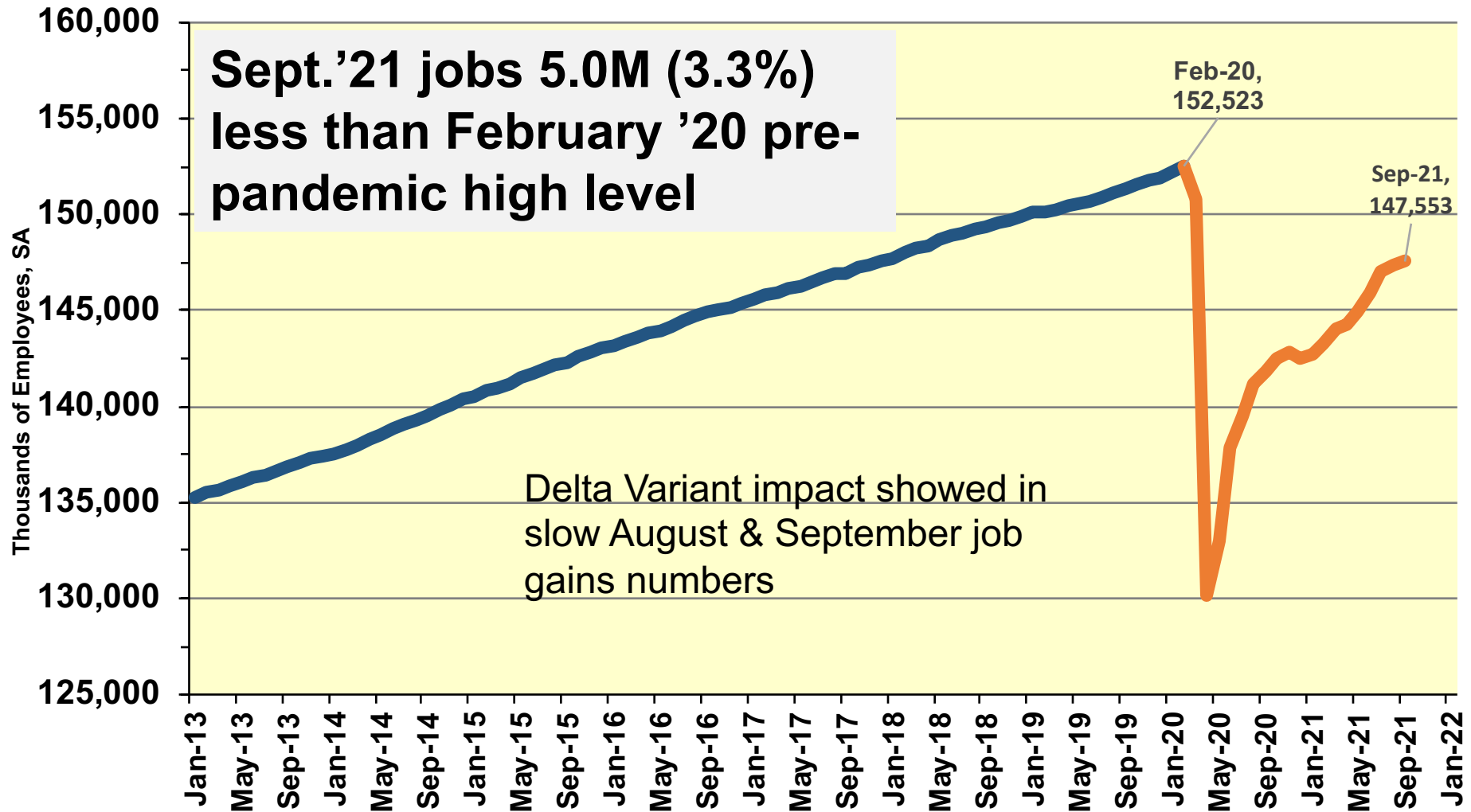
U.S. COVID-19 New Cases

Daily Cases and 7-Day Moving Average

77.6% of population 12+
with at least one vaccination

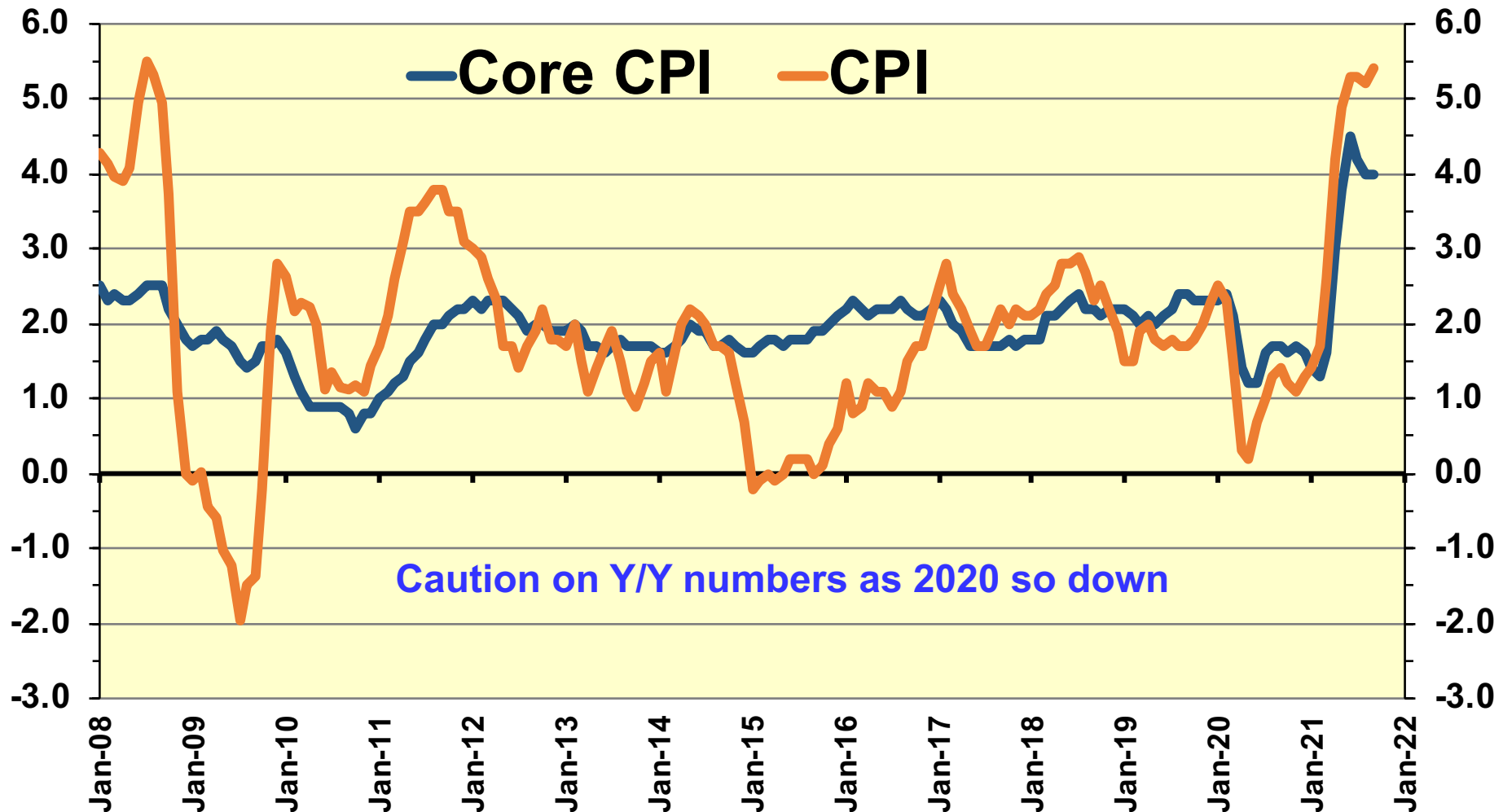


Total U.S. Nonfarm Employment

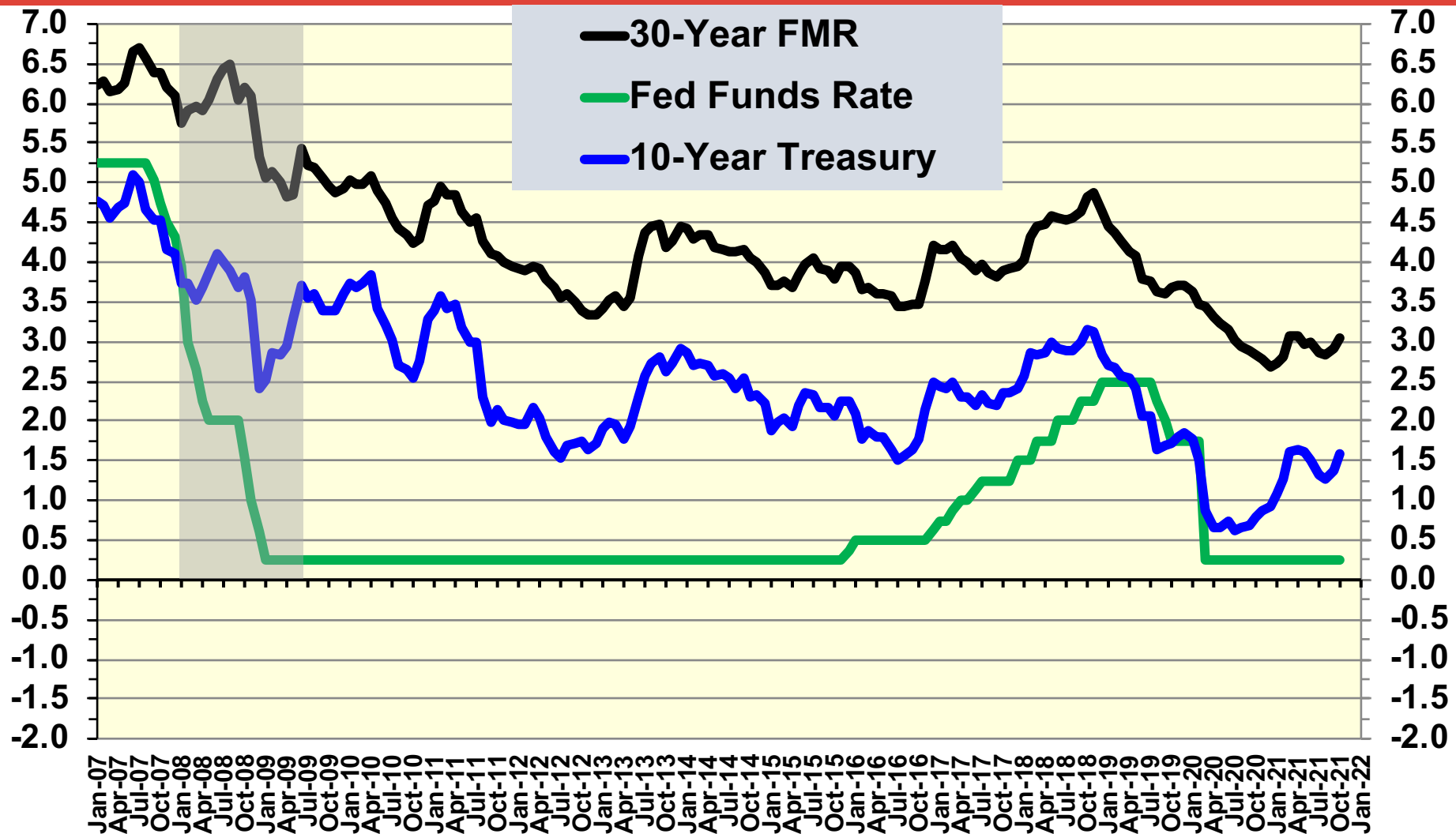


Significant Uptick in Inflation

(Y/Y Percent Change in Index, SA)



Fed Funds Rate, 10-Year Treasury, 30-Year FMR



Texas Economic Outlook:

Double Whammy;
Recovery Picking Up

Texas' Economic Recovery

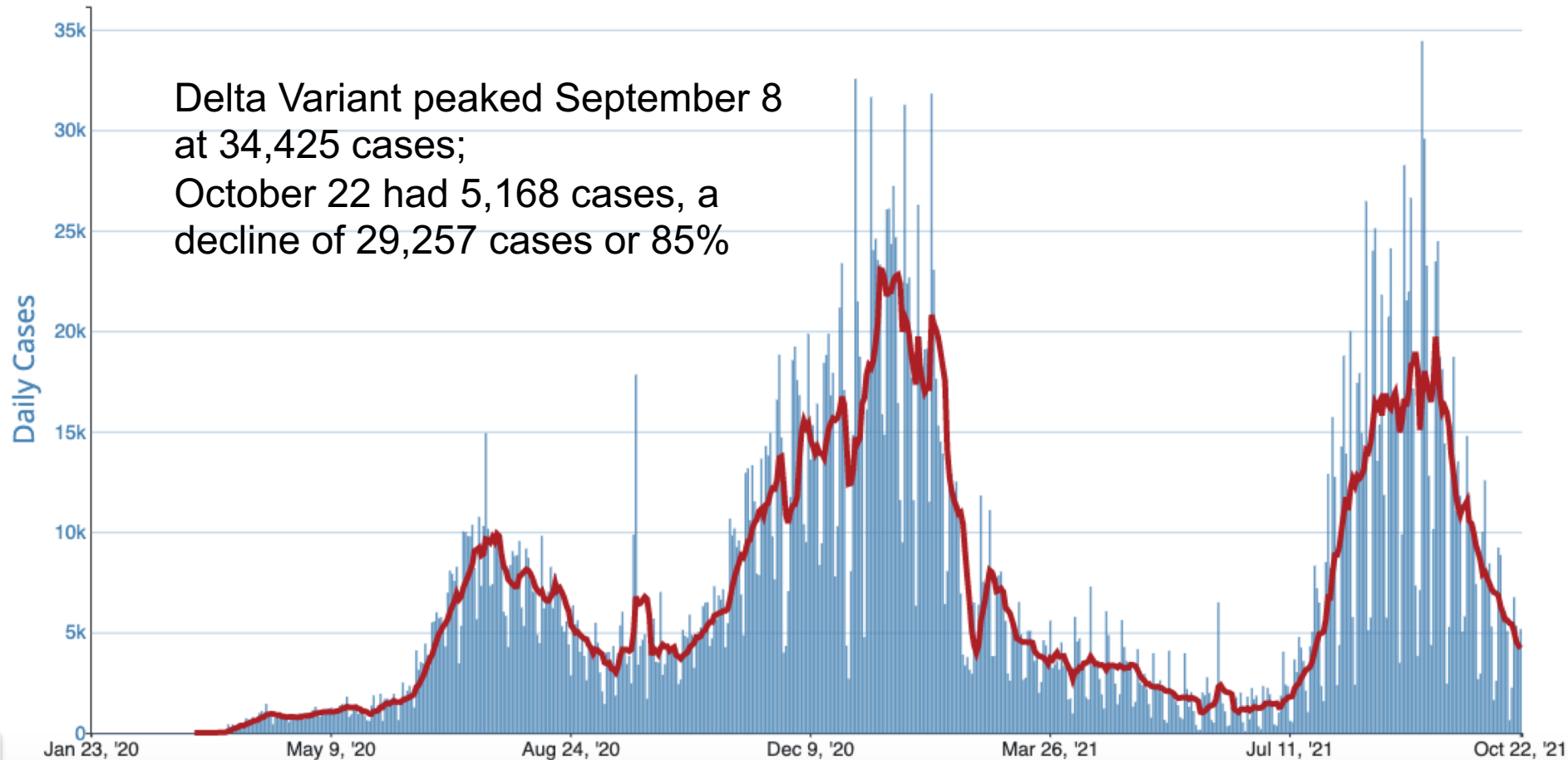
COVID-Control Dependent

1. Reopening the economy **will take all of 2021**
2. **Job** recovery active but still sluggish
3. **Consumer** attitudes and spending picking up
4. **Business** Entrepreneurism!?
5. **Energy** likely won't be a recovery driver
6. **Housing** continuing strong for time being
7. **State & Local governments' budgets**
employment & services in coming year(s)?
8. **Population** growth continues; 29,145,500 +4M

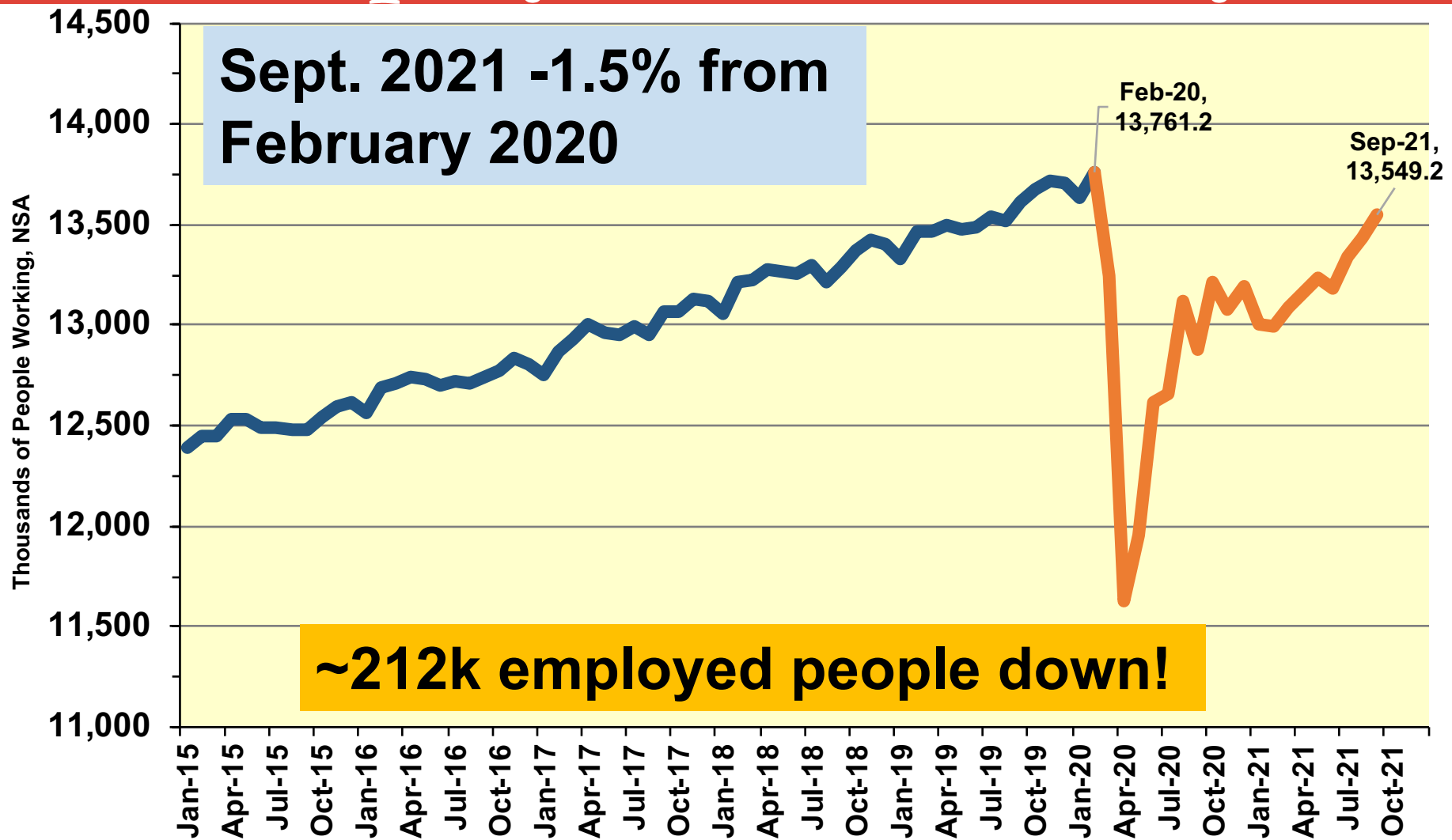
Daily Trends in Number of COVID-19 Cases in Texas Reported to CDC

Daily Cases and **7-Day Moving Average**

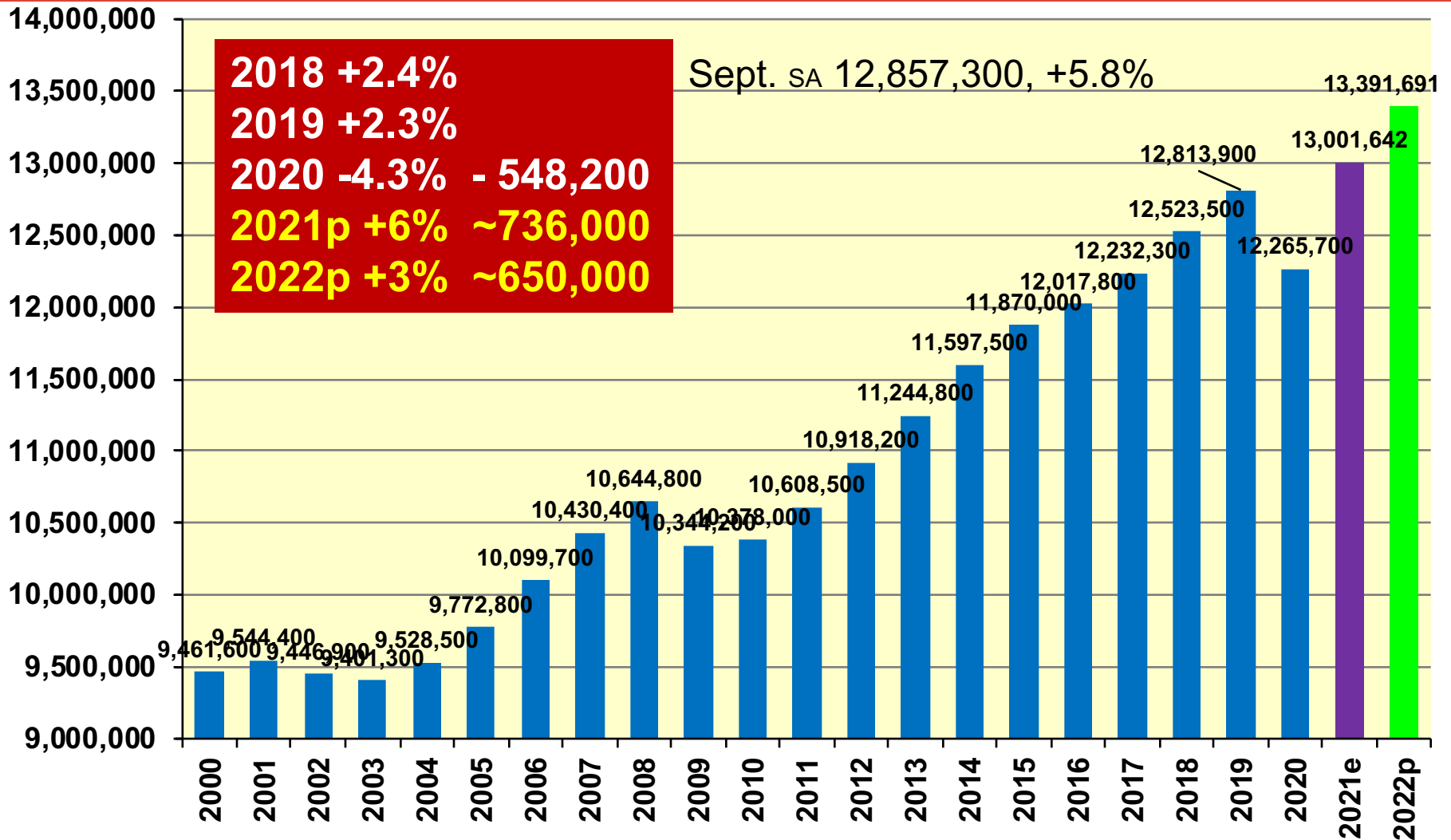
Delta Variant peaked September 8
at 34,425 cases;
October 22 had 5,168 cases, a
decline of 29,257 cases or 85%



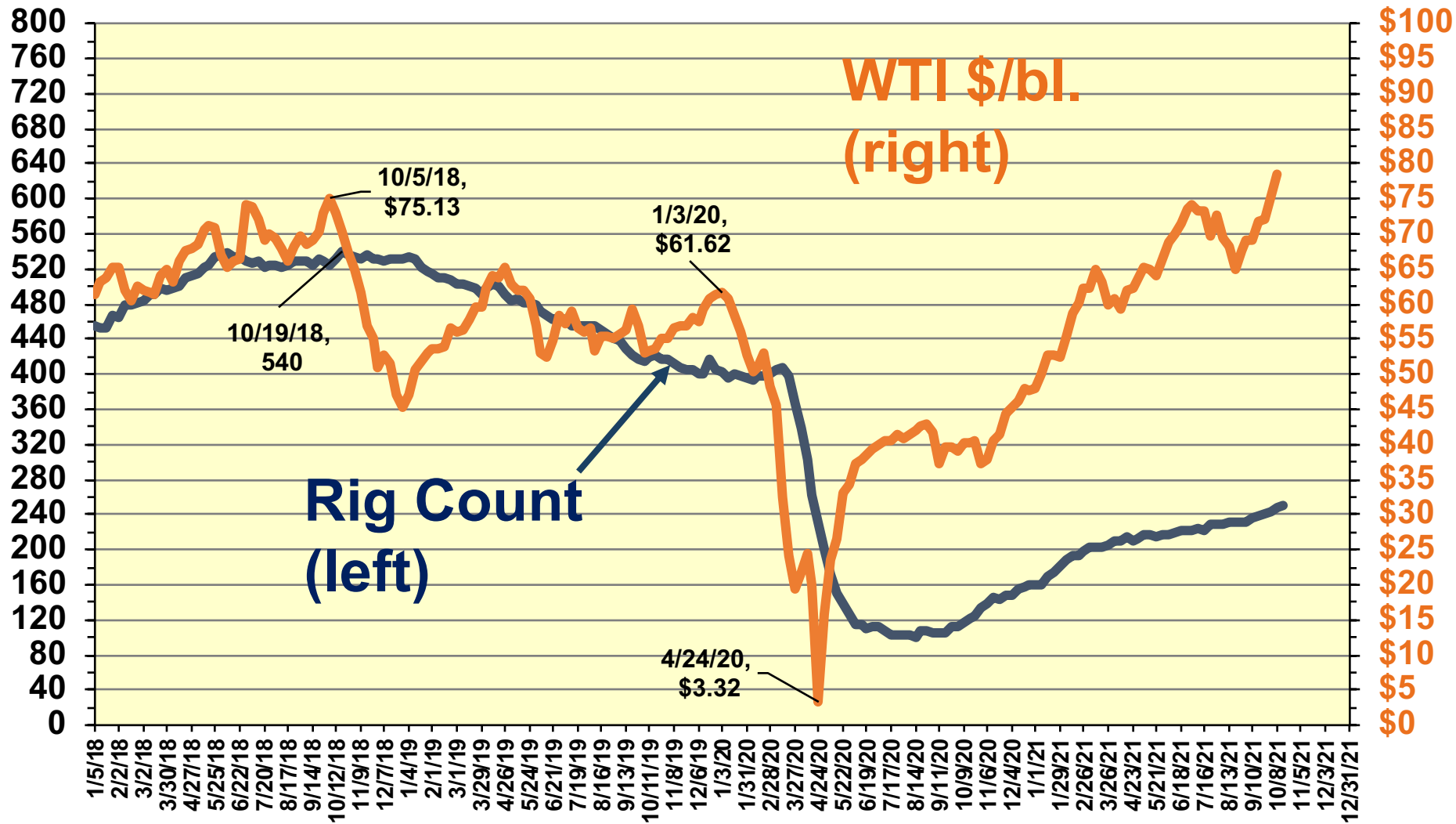
Texas Total Nonfarm Employment Monthly



Texas Annual Jobs

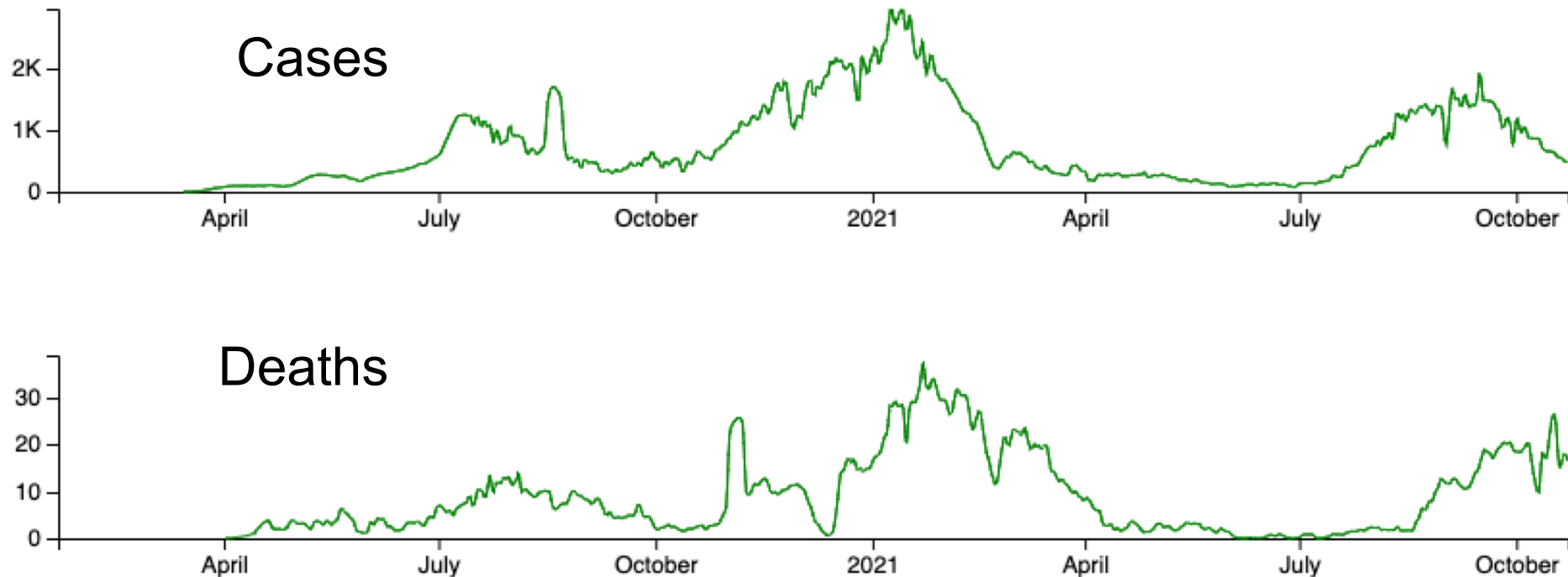


Weekly Active Texas Rig Count & Price of WTI Since Jan. 2018

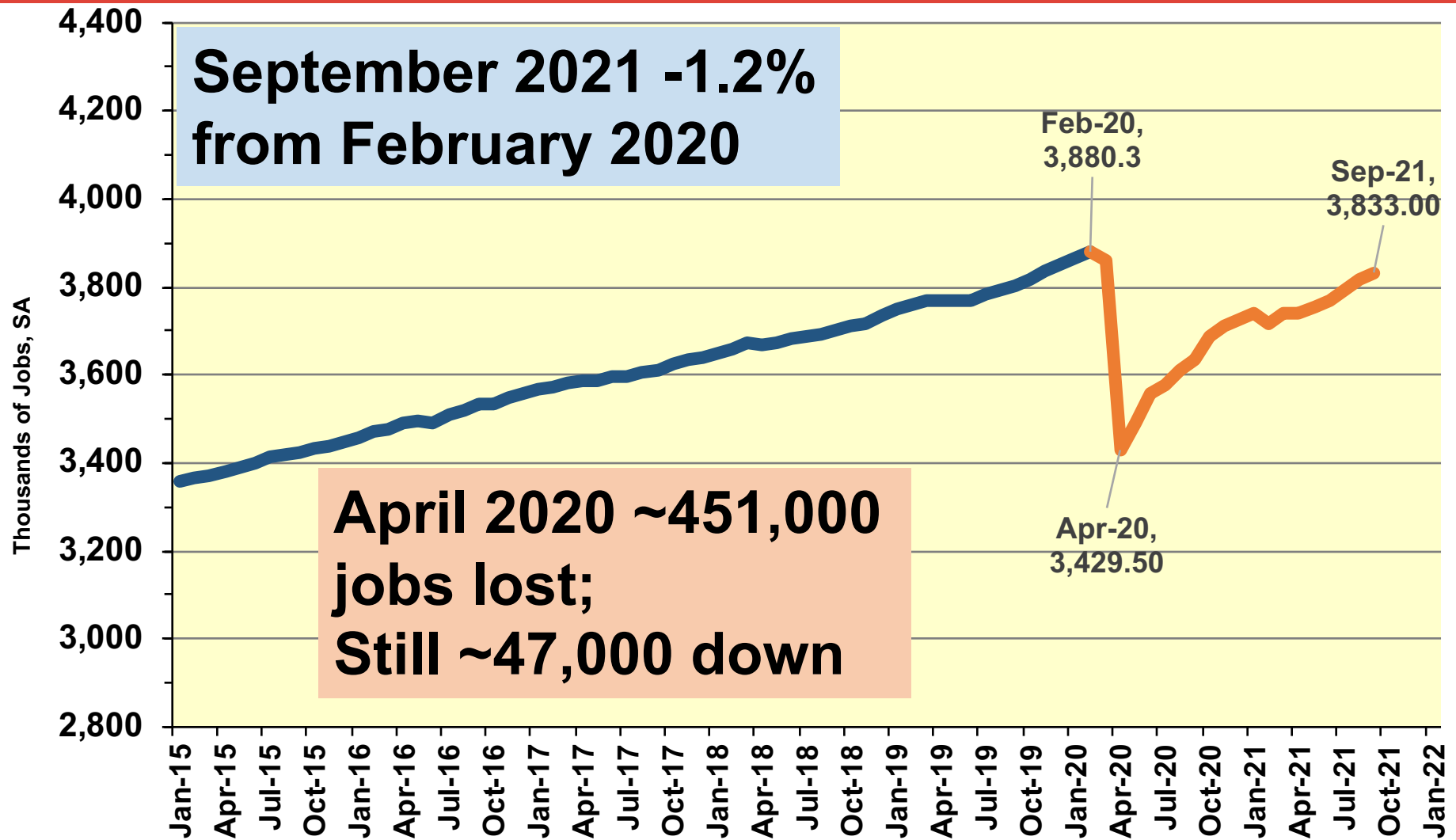


Daily Trends in Number of COVID-19 Cases and Deaths in Dallas Co. Reported to CDC

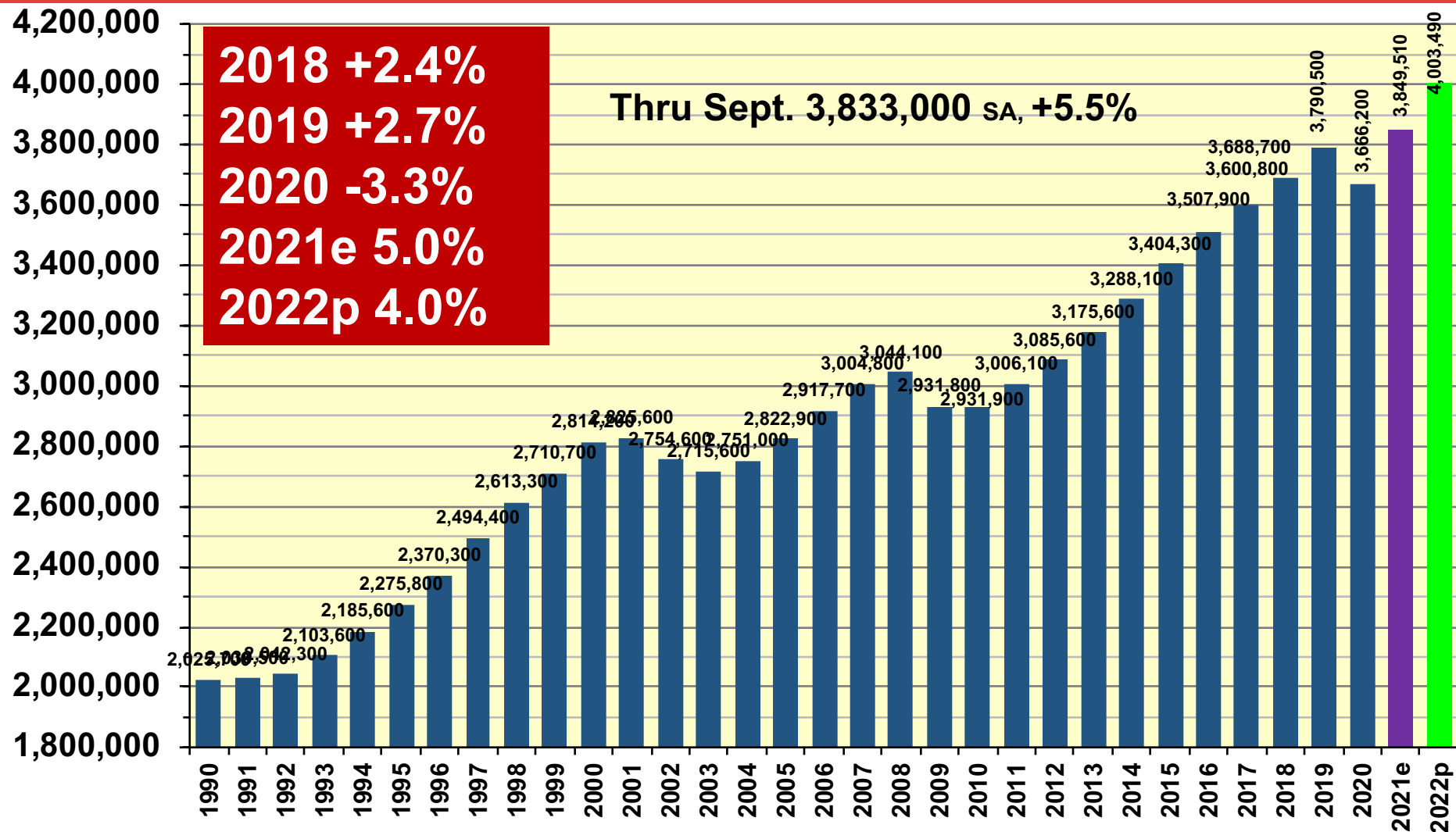
Daily Cases and Deaths **7-Day Moving Average**



D-FW Total Nonfarm Employment

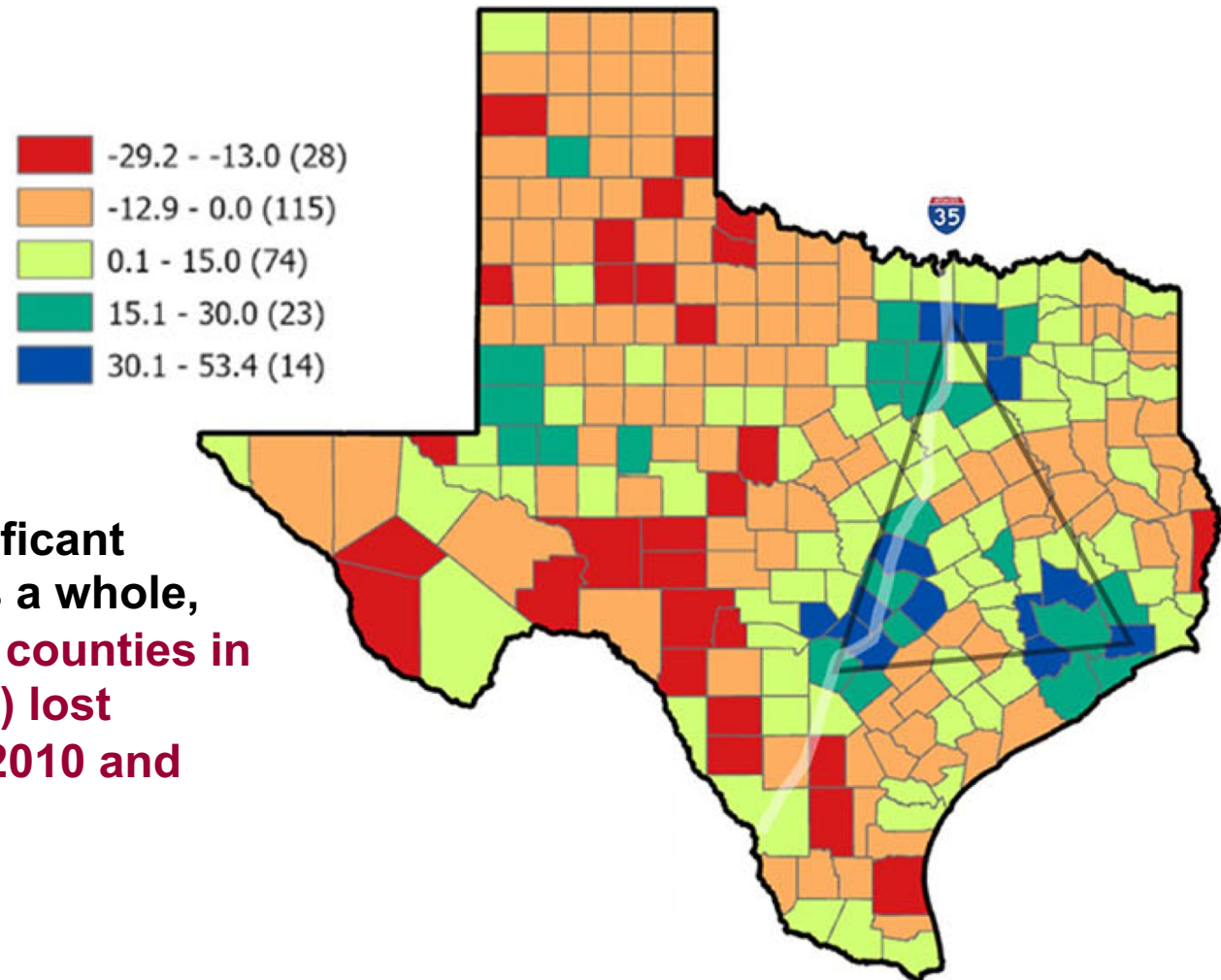


D-FW Annual Jobs



Demographics

Percent Population Change for Texas Counties 2010 - 2020

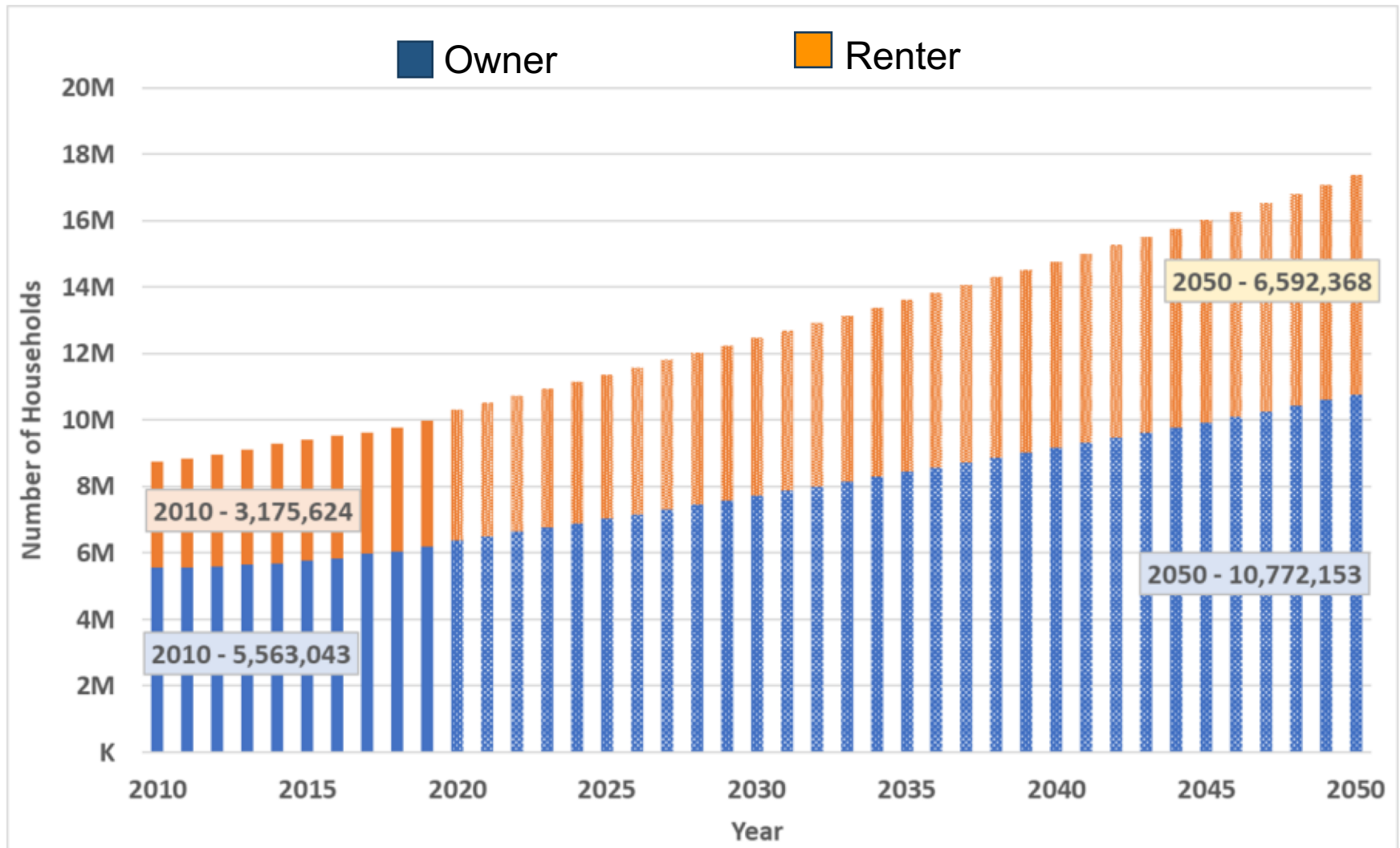


Despite Texas's significant population growth as a whole, **more than half of the counties in Texas (143 out of 254) lost population between 2010 and 2020.**

Top Counties for Growth 2010 - 2020

County	US Rank	2020 Population Estimate	Population Change 2010-2020	Percent of Change from Natural Increase	Percent of Change from International Migration	Percent of Change from Domestic Migration
Harris	2	4,738,253	645,144	68.6%	44.1%	-12.7%
Bexar	5	2,026,823	312,042	46.1%	14.1%	39.9%
Tarrant	6	2,123,347	312,002	50.1%	19.7%	30.1%
Collin	8	1,072,069	291,175	23.8%	16.8%	59.4%
Travis	9	1,300,503	276,189	38.4%	19.6%	42.0%
Dallas	11	2,635,888	267,732	88.4%	44.2%	-32.6%
Denton	13	919,324	257,709	24.8%	8.9%	66.3%
Fort Bend	14	839,706	255,074	24.1%	19.1%	56.8%
Williamson	20	617,855	195,084	20.4%	5.6%	74.0%
Montgomery	23	626,351	170,611	20.4%	7.7%	71.9%

Projected Number of Households by Housing Tenure 2010-2050



Number of Households by Texas Council of Government Regions to 2030

NCT Cog =
16 counties;
D-FW MSA
+ Navarro,
Palo Pinto
and Erath
Counties

Council of Governments	Households ACS 2014-2018	Households Projection Year 2030	Numeric Change	Percent Change
Panhandle	155,028	175,935	20,907	13.5%
South Plains	155,386	184,561	29,175	18.8%
Nortex	83,087	85,135	2,048	2.5%
North Central Texas DFW	2,577,725	3,448,455	870,730	33.8%
Ark-Tex	104,849	109,965	5,116	4.9%
East Texas	301,679	332,743	31,064	10.3%
West Central Texas	118,342	129,764	11,422	9.7%
Rio Grande	274,924	329,856	54,932	20.0%
Permian Basin	154,810	240,439	85,629	55.3%
Concho Valley	59,703	71,481	11,778	19.7%
Heart of Texas	129,162	138,931	9,769	7.6%
Capital Area Austin	787,497	1,134,833	347,336	44.1%
Brazos Valley	123,789	158,248	34,459	27.8%
Deep East Texas	137,432	140,893	3,461	2.5%
South East Texas	146,376	157,853	11,477	7.8%
Houston-Galveston Houston	2,368,252	3,255,882	887,630	37.5%
Golden Crescent	70,124	81,632	11,508	16.4%
Alamo Area San Antonio	844,238	1,147,634	303,396	35.9%
South Texas	96,012	118,581	22,569	23.5%
Coastal Bend	206,029	246,182	40,153	19.5%
Lower Rio Grande Valley	363,874	447,183	83,309	22.9%
Texoma	75,556	84,235	8,679	11.5%
Central Texas	166,636	193,112	26,476	15.9%
Middle Rio Grande	52,536	59,520	6,984	13.3%

DFW will
need an
additional
~85,000
housing
units per
year!

2021 first
year >
50,000

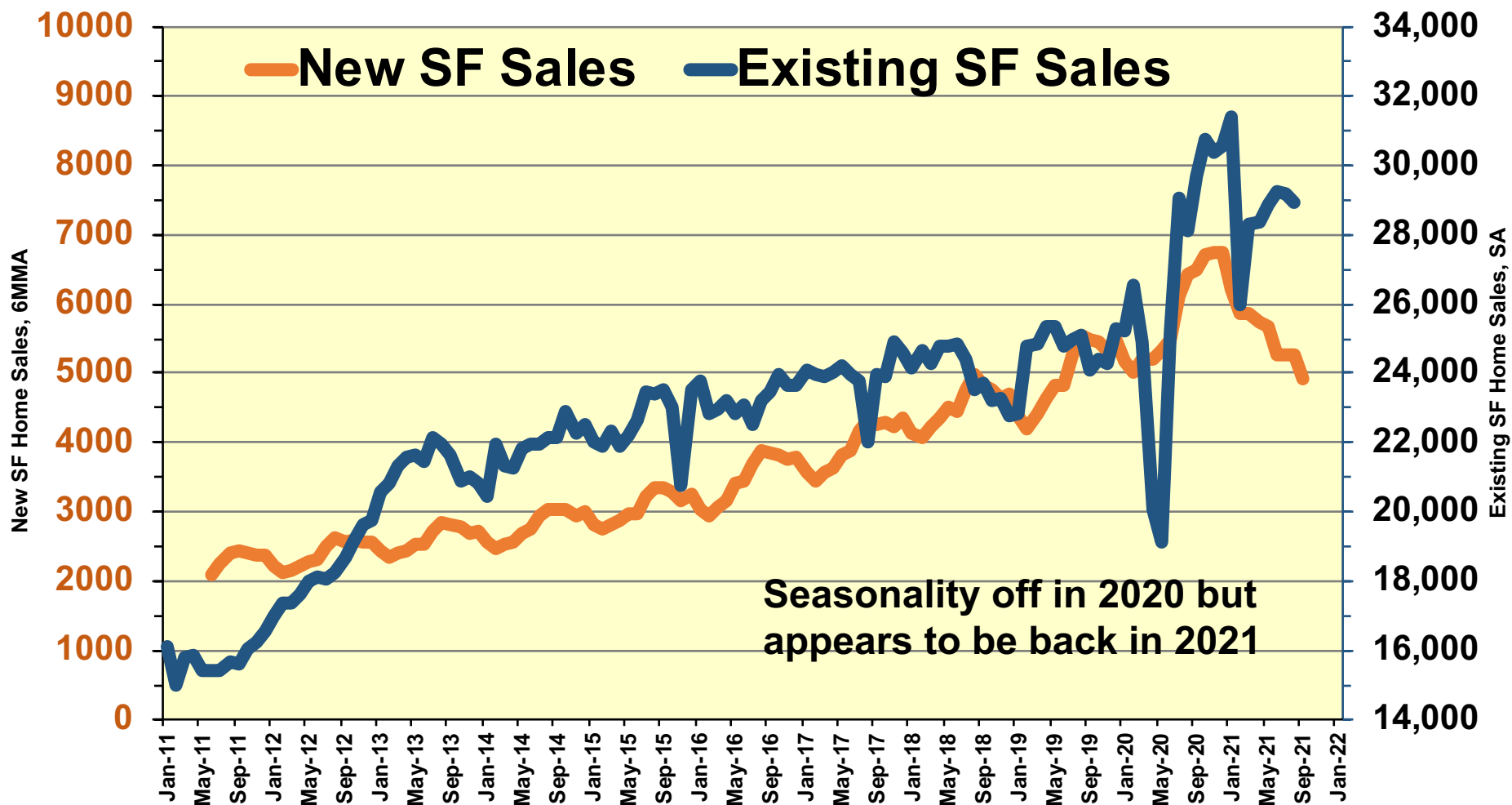
Housing Markets

Housing Market Factors

2022+ Point to Continued Strength

- ❑ **Demographic Demand:** 26-40 Millennials; Gen X & Boomers buying down
- ❑ **Inventory** limited, especially lower prices
- ❑ **Affordability** “sticker shock,” Price/Income,
- ❑ **Interest rates** purchasing power
- ❑ **“Ease”** of mortgage financing tightening
- ❑ **Technology** allowing online sales/closings
- ❑ **Increased wealth:** stock market & savings

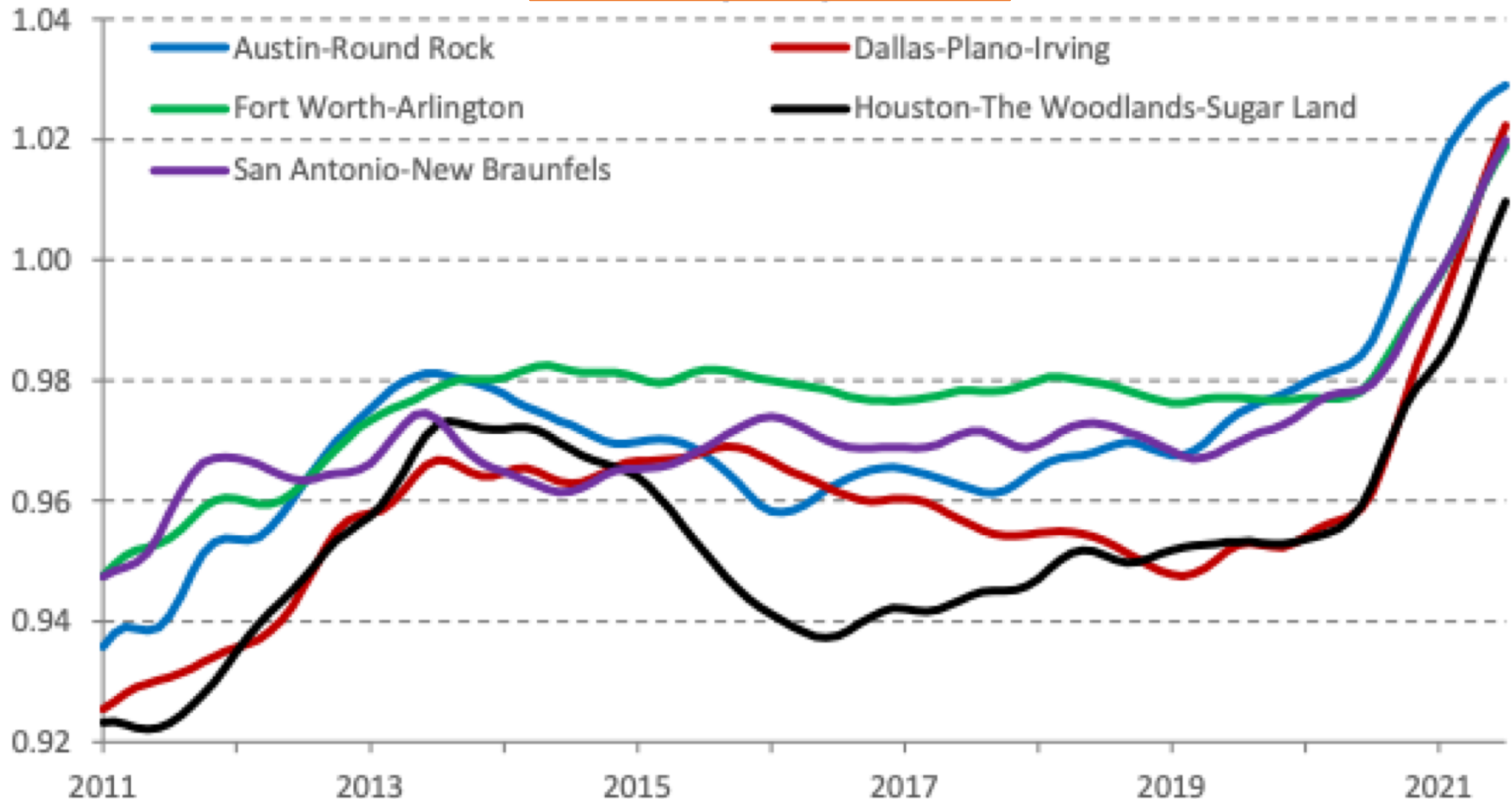
Texas New & Existing SF Home Sales



* New home sales based on new home sales reported by local MLS's

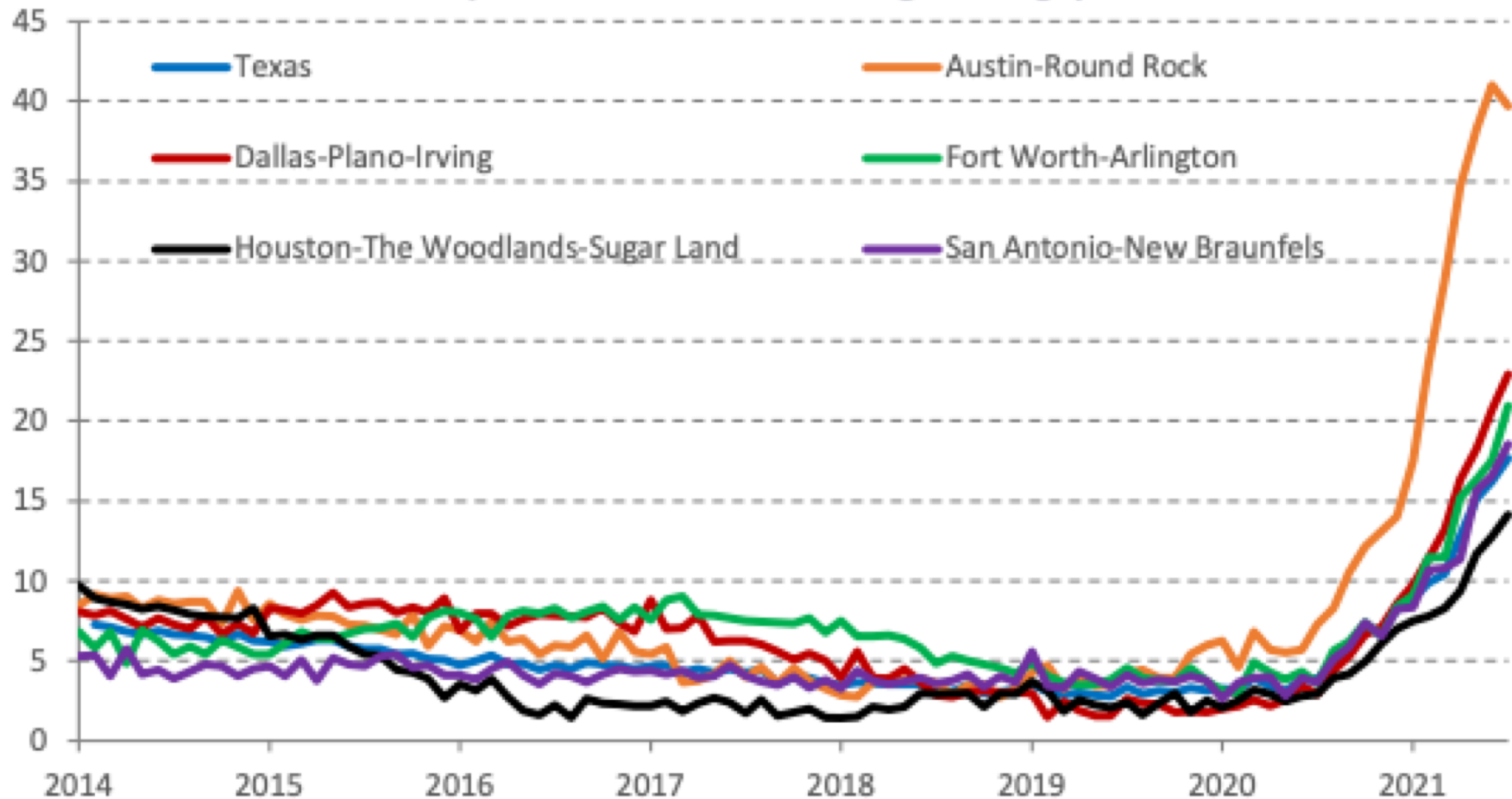
Major MSAs New Home Sales Price to List Price Ratio

All Markets Above 100%



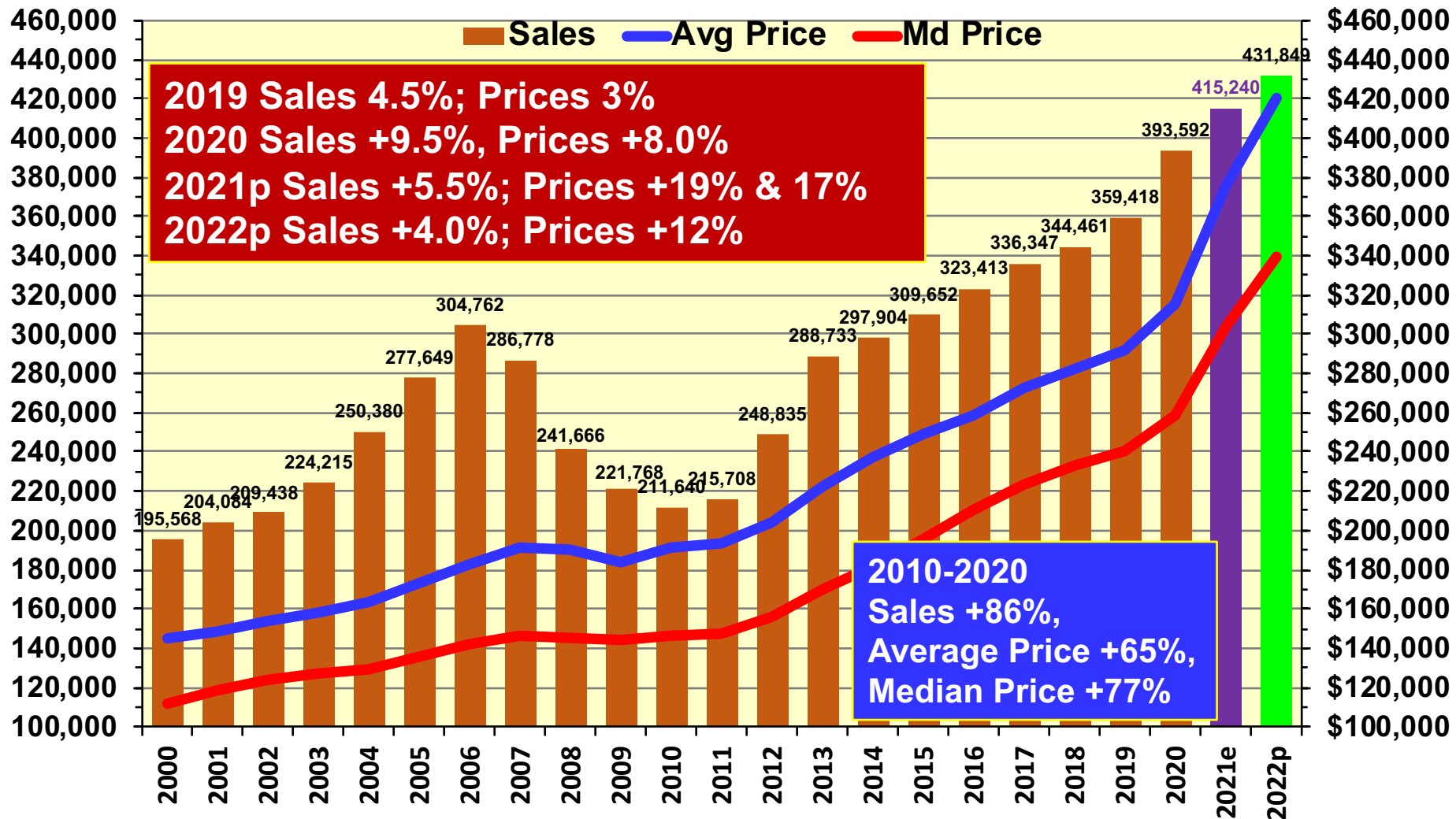
Repeat Sales Home Price Index

September 2021



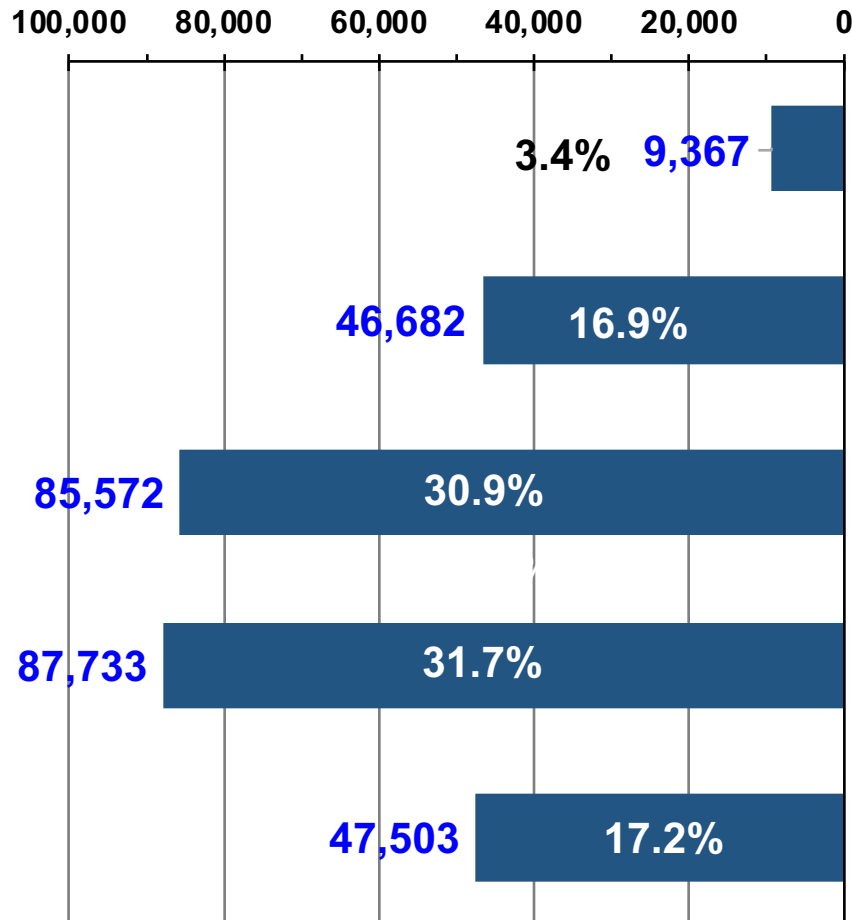
Y/Y Percent Change; Seasonally Adjusted. The Repeat Sales Home Price Index tracks real home price appreciation for residential single-family homes based on the repeat sale of the same house.

Annual Texas Home Sales & Prices

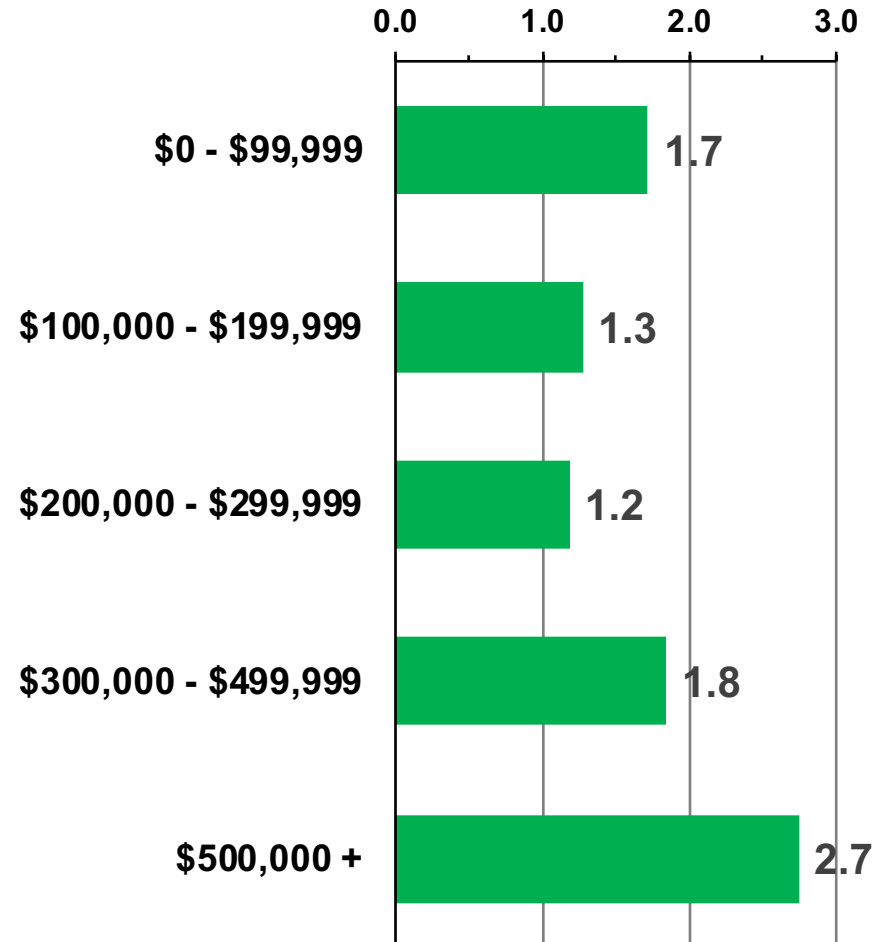


Texas 2021YTD Home Sales and Current Months Inventory by Price

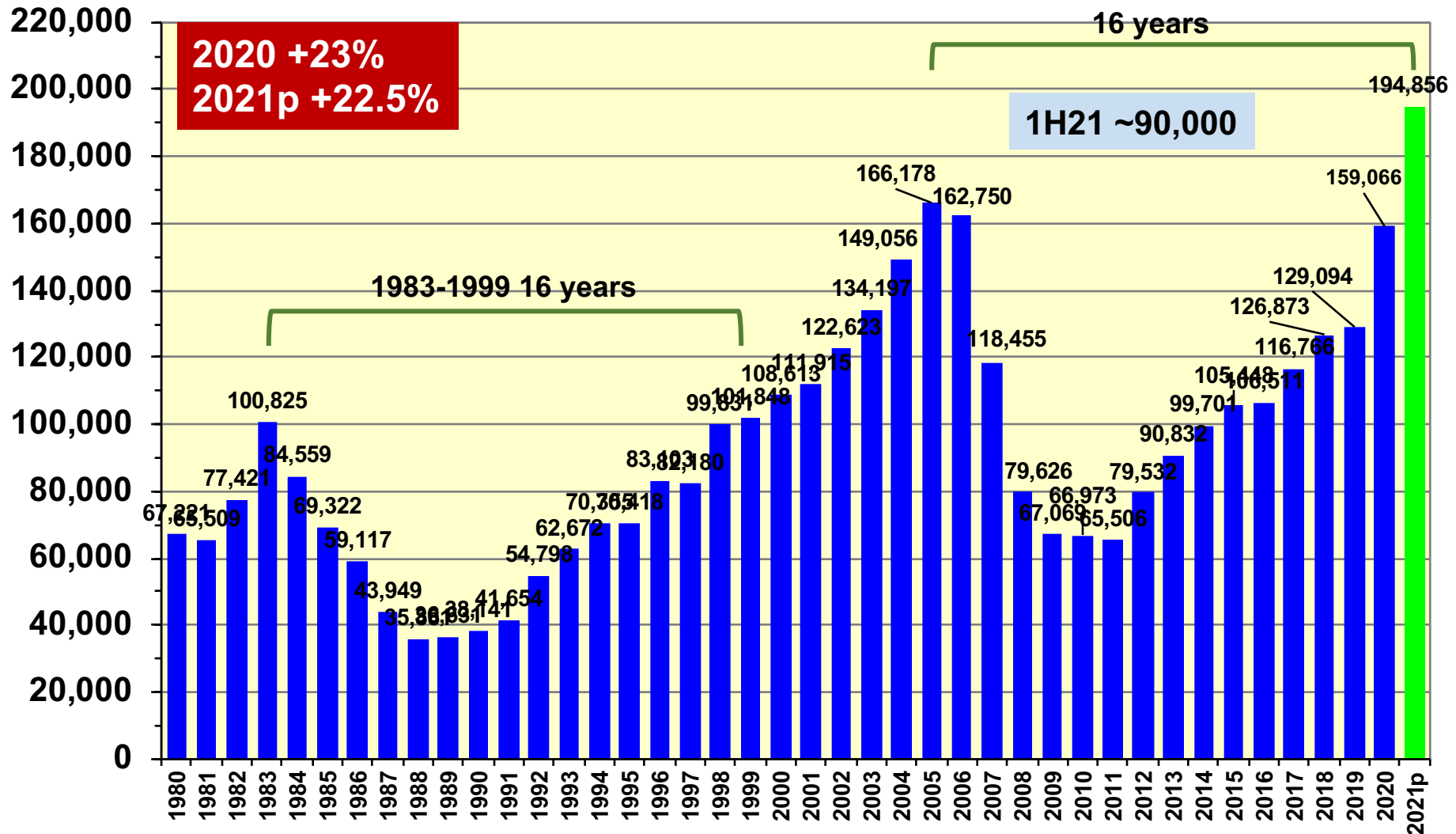
Sales 276,857 thru August



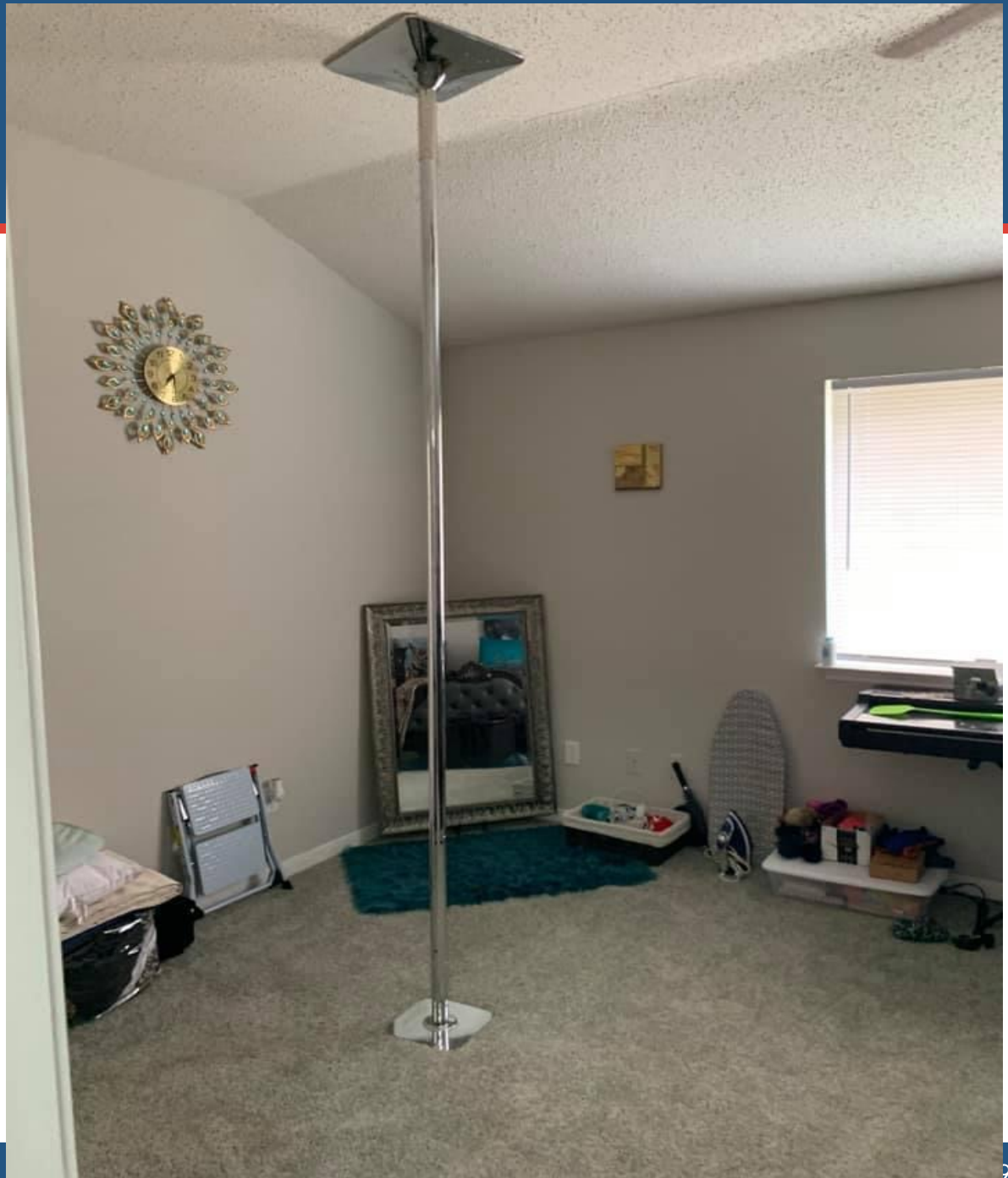
MOI



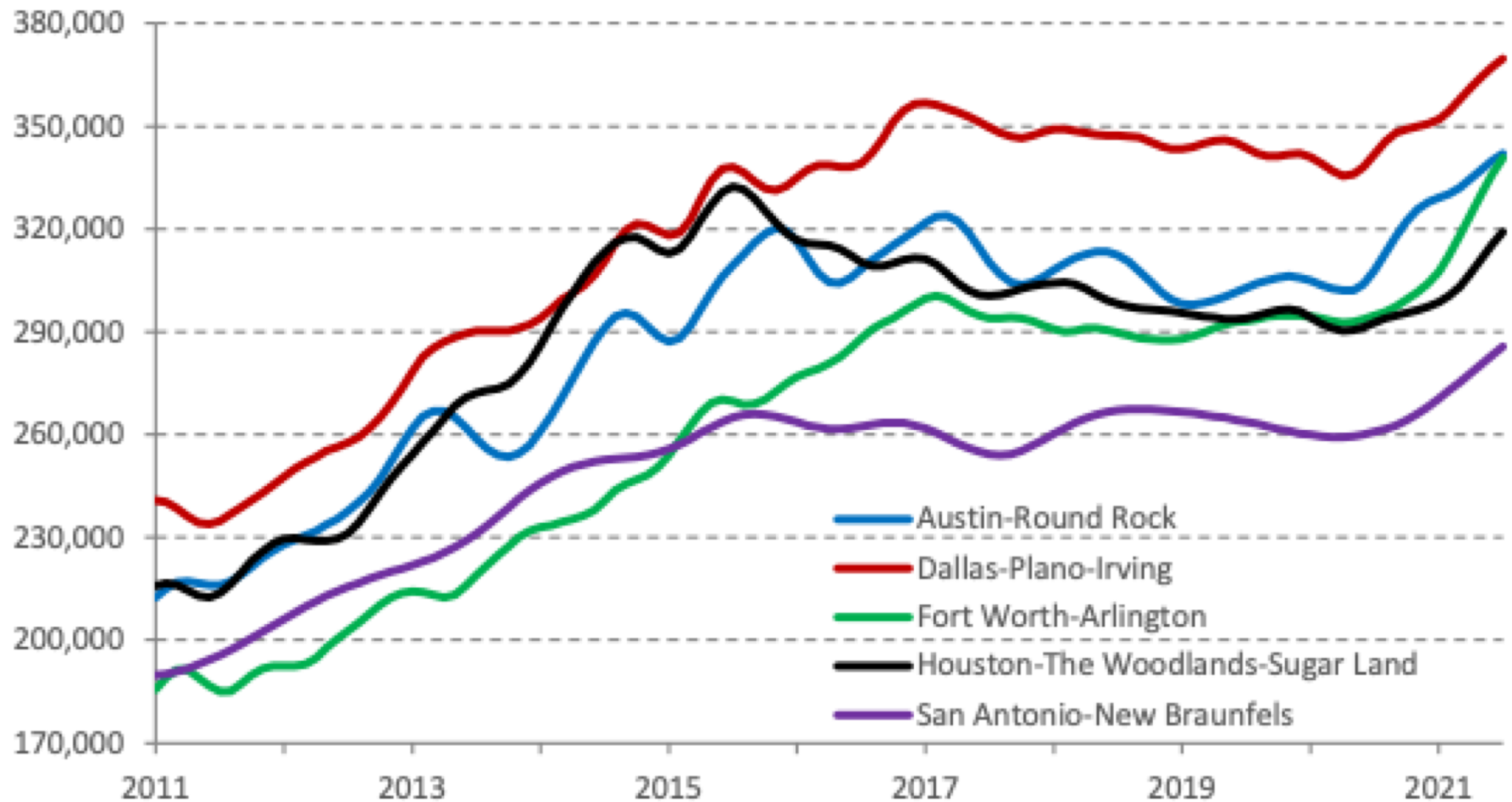
Texas SF Building Permits: Still Not Enough



Interior room addition to alleviate COVID boredom

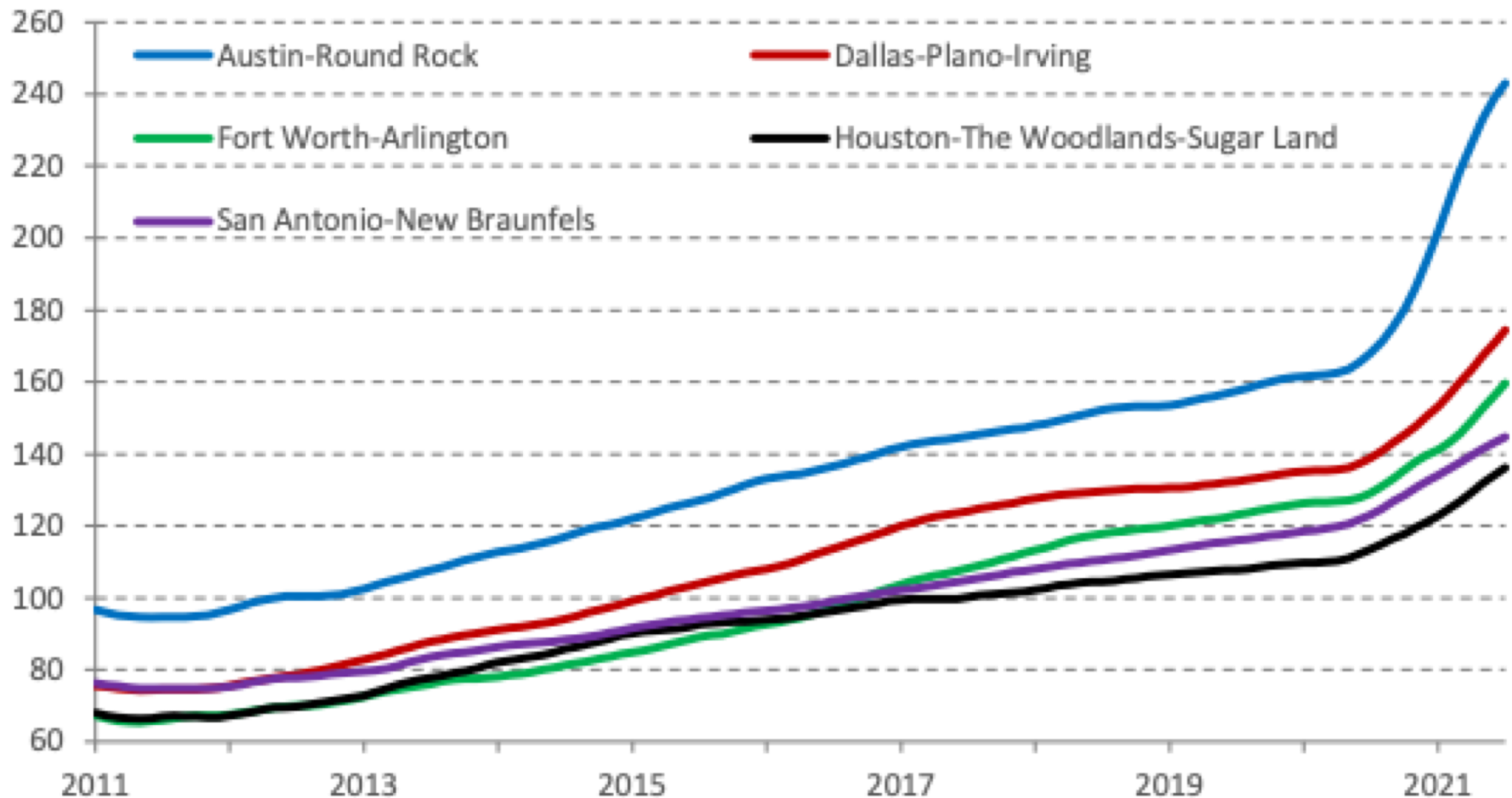


Major MSAs' New SF Home Median Sales Price



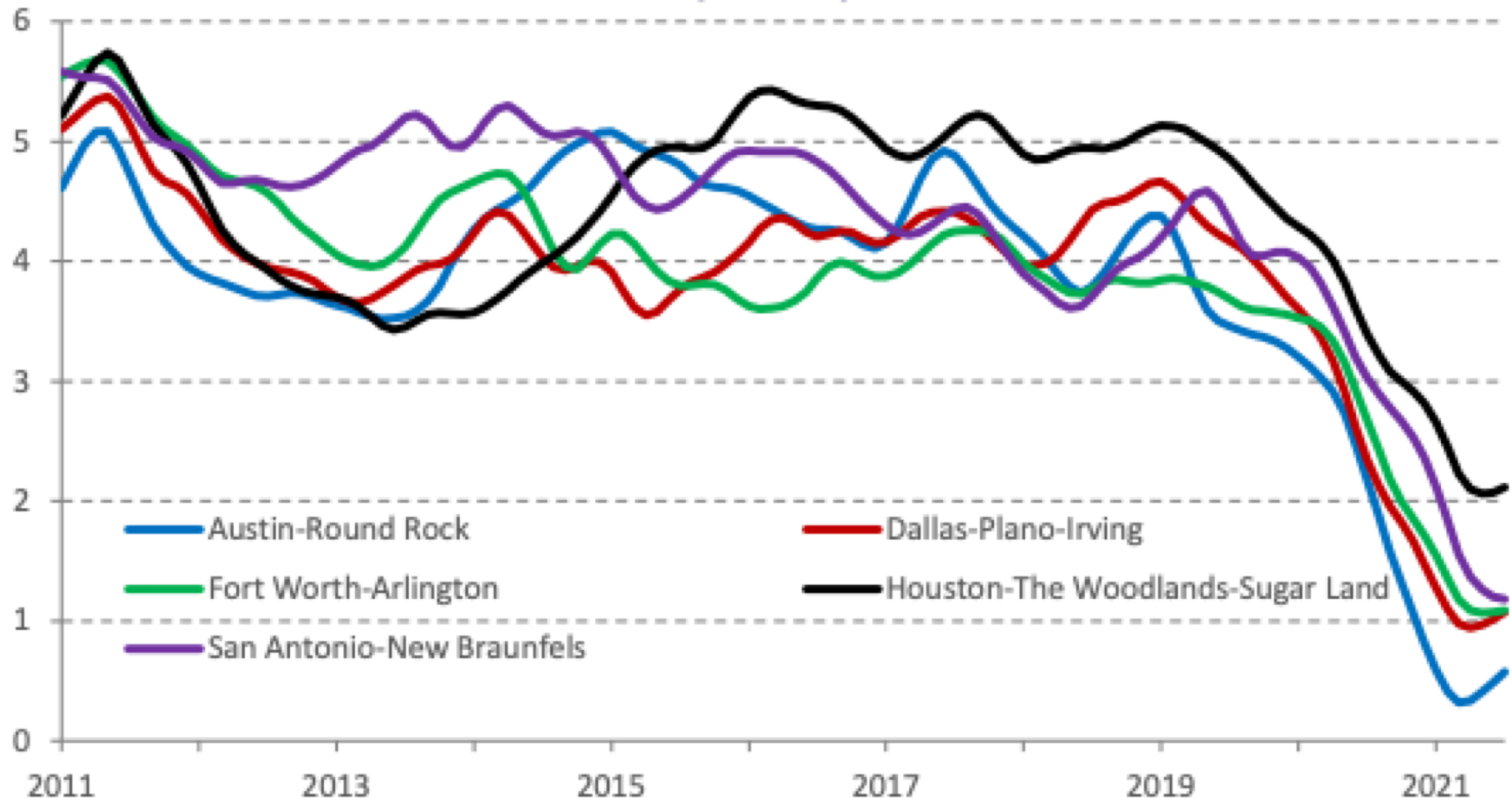
Note: Trend-cycle component.

Major MSAs' Median New SF Home Price per Square Foot



Note: Trend-cycle component.

Major MSAs' New Home Months of Inventory

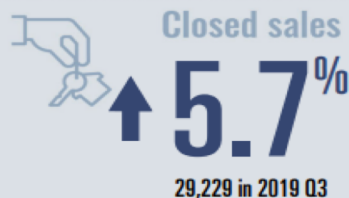
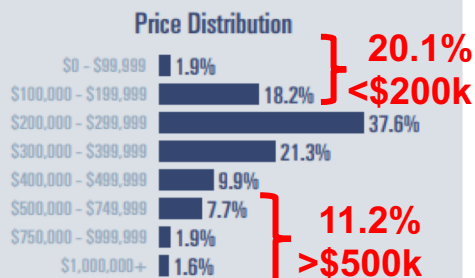
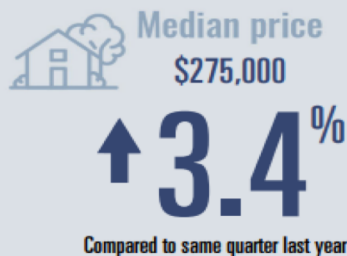


D-FW Housing Market

3Q19 vs. 3Q21

Dallas-Fort Worth-Arlington Housing Report

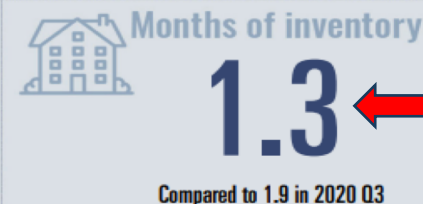
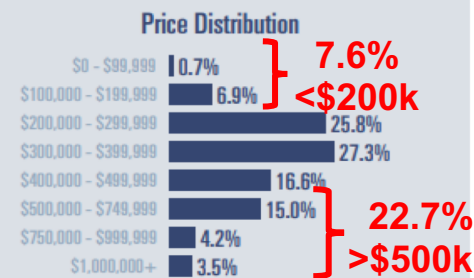
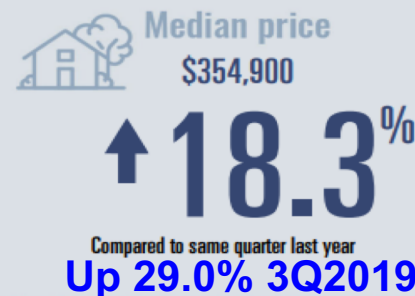
2019 Q3



About the data used in this report
Data used in this report come from the Texas REALTOR® Data Relevance Project, a partnership among the Texas Association of REALTORS® and local REALTOR® associations throughout the state. Analysis is provided through a research agreement with the Real Estate Center at Texas A&M University.

Dallas-Fort Worth-Arlington Housing Report

2021 Q3



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DFW MSA May Summary

Property Type	Closed Sales*	YoY%	Dollar Volume	YoY%	Average Price	YoY%	Median Price	YoY%	Price/Sqft	YoY%	DOM	New Listings	Active Listings	Pending Sales	Months Inventory	Close To OLP
All(New and Existing)																
Residential (SF/COND/TH)	10,130	29.1%	\$4,450,031,560	72.1%	\$439,292	33.3%	\$350,000	25.0%	\$179	25.6%	22	11,285	9,798	9,498	1.0	103.1%
YTD:	41,846	12.1%	\$17,031,612,646	38.5%	\$407,007	23.6%	\$325,000	17.3%	\$169	18.8%	31	49,879	9,652	46,040		100.8%
Single Family	9,347	25.3%	\$4,179,202,100	68.7%	\$447,117	34.7%	\$355,000	26.1%	\$176	25.1%	21	10,334	8,393	8,716	0.9	103.4%
YTD:	38,378	8.8%	\$15,894,783,689	35.6%	\$414,164	24.6%	\$328,924	17.9%	\$166	18.5%	29	45,450	8,112	42,160		101.1%
Townhouse	316	57.2%	\$119,083,274	93.0%	\$376,846	22.8%	\$350,000	22.8%	\$194	20.4%	34	417	519	369	1.7	101.4%
YTD:	1,506	57.9%	\$536,133,978	88.5%	\$355,999	19.4%	\$325,000	16.1%	\$185	15.6%	44	1,877	550	1,740		99.4%
Condominium	460	147.3%	\$149,037,073	219.7%	\$323,994	29.3%	\$245,000	30.7%	\$220	19.0%	51	534	886	413	2.4	97.5%
YTD:	1,951	73.1%	\$596,735,943	103.2%	\$305,862	17.4%	\$220,000	10.0%	\$211	10.0%	58	2,552	989	2,140		96.4%
* Closed Sale counts for most recent 3 months are Preliminary.																
Existing Home																
Residential (SF/COND/TH)	8,808	41.1%	\$3,912,171,015	94.9%	\$444,161	38.2%	\$350,000	31.1%	\$180	27.3%	18	10,115	8,123	8,316	1.0	103.2%
YTD:	35,311	16.8%	\$14,388,137,739	47.8%	\$407,469	26.6%	\$320,000	20.8%	\$169	19.9%	26	42,709	7,620	38,140		100.9%
Single Family	8,136	37.0%	\$3,685,871,946	91.2%	\$453,032	39.5%	\$356,000	31.8%	\$178	27.0%	16	9,309	7,079	7,657	0.9	103.6%
YTD:	32,327	13.5%	\$13,436,498,173	44.9%	\$415,643	27.7%	\$325,000	21.4%	\$167	19.8%	24	39,003	6,476	34,899		101.2%
Townhouse	239	79.7%	\$89,261,677	133.9%	\$373,480	30.2%	\$342,000	29.6%	\$190	22.6%	23	306	262	265	1.1	101.6%
YTD:	1,142	83.6%	\$405,629,503	105.4%	\$355,192	25.6%	\$320,000	24.8%	\$182	17.7%	36	1,340	269	1,236		99.4%
Condominium	430	150.0%	\$136,168,076	235.0%	\$316,670	34.0%	\$228,000	29.3%	\$218	21.5%	49	500	782	394	2.3	97.3%
YTD:	1,831	71.0%	\$542,343,233	100.4%	\$296,201	17.2%	\$210,500	8.5%	\$208	10.3%	57	2,366	873	2,005		96.1%
* Closed Sale counts for most recent 3 months are Preliminary.																
New Construction																
Residential (SF/COND/TH)	1,322	-17.7%	\$537,822,640	-7.1%	\$406,825	12.9%	\$356,005	8.8%	\$170	16.3%	51	1,170	1,675	1,182	1.0	102.1%
YTD:	6,536	-7.9%	\$2,643,919,367	3.3%	\$404,516	12.2%	\$342,955	7.0%	\$165	13.6%	55	7,170	2,032	7,900		100.3%
Single Family	1,214	-20.3%	\$494,673,336	-10.0%	\$407,474	13.0%	\$350,979	7.7%	\$166	15.2%	50	1,025	1,314	1,059	0.9	102.3%
YTD:	6,051	-10.9%	\$2,458,416,331	0.3%	\$406,283	12.6%	\$340,000	6.3%	\$162	12.8%	54	6,447	1,635	7,261		100.4%
Townhouse	76	11.8%	\$29,438,838	25.1%	\$387,353	11.9%	\$369,231	19.1%	\$205	19.1%	68	111	257	104	3.5	100.7%
YTD:	362	41.4%	\$129,789,485	49.1%	\$358,534	5.5%	\$339,090	8.3%	\$192	11.1%	67	537	280	504		99.5%
Condominium	30	114.3%	\$12,944,850	116.6%	\$431,495	1.1%	\$394,000	-2.3%	\$248	-1.2%	68	34	104	19	4.4	100.3%
YTD:	118	110.7%	\$53,840,285	134.1%	\$456,274	11.1%	\$396,500	1.4%	\$251	1.2%	70	186	116	135		99.6%

DFW MSA September Summary

Market "Cooler" than May

Property Type	Closed Sales*	YoY%	Dollar Volume	YoY%	Average Price	YoY%	Median Price	YoY%	Price/Sqft	YoY%	DOM	New Listings	Active Listings	Pending Sales	Months Inventory	Close To OLP
All(New and Existing)																
Residential (SF/COND/TH)	10,267	-3.9%	\$4,377,524,897	13.4%	\$426,368	18.1%	\$351,000	17.4%	\$184	22.2%	21	10,391	12,166	8,802	1.3	100.7%
YTD:	84,395	1.5%	\$5,397,864,940	23.2%	\$419,431	21.5%	\$340,000	18.2%	\$176	20.5%	25	98,701	10,868	87,224		101.6%
Single Family	9,479	-5.5%	\$4,122,510,406	12.4%	\$434,910	19.0%	\$357,000	19.0%	\$182	22.6%	20	9,556	10,708	8,056	1.2	100.9%
YTD:	77,666	-1.1%	\$3,184,094,031	21.1%	\$427,267	22.4%	\$345,000	19.0%	\$173	20.4%	23	90,463	9,340	80,198		101.9%
Townhouse	346	17.7%	\$127,673,074	37.0%	\$368,997	16.4%	\$340,000	18.3%	\$195	14.6%	33	360	610	331	1.9	100.1%
YTD:	2,935	35.8%	\$1,060,526,845	61.4%	\$361,338	18.8%	\$331,000	16.1%	\$189	16.3%	38	3,535	585	3,123		100.1%
Condominium	436	20.8%	\$125,060,582	26.3%	\$286,836	4.5%	\$235,000	14.6%	\$221	12.1%	36	475	848	415	2.1	98.0%
YTD:	3,784	49.9%	\$1,149,898,020	75.0%	\$303,884	16.8%	\$226,000	13.1%	\$215	11.5%	50	4,703	942	3,903		97.3%

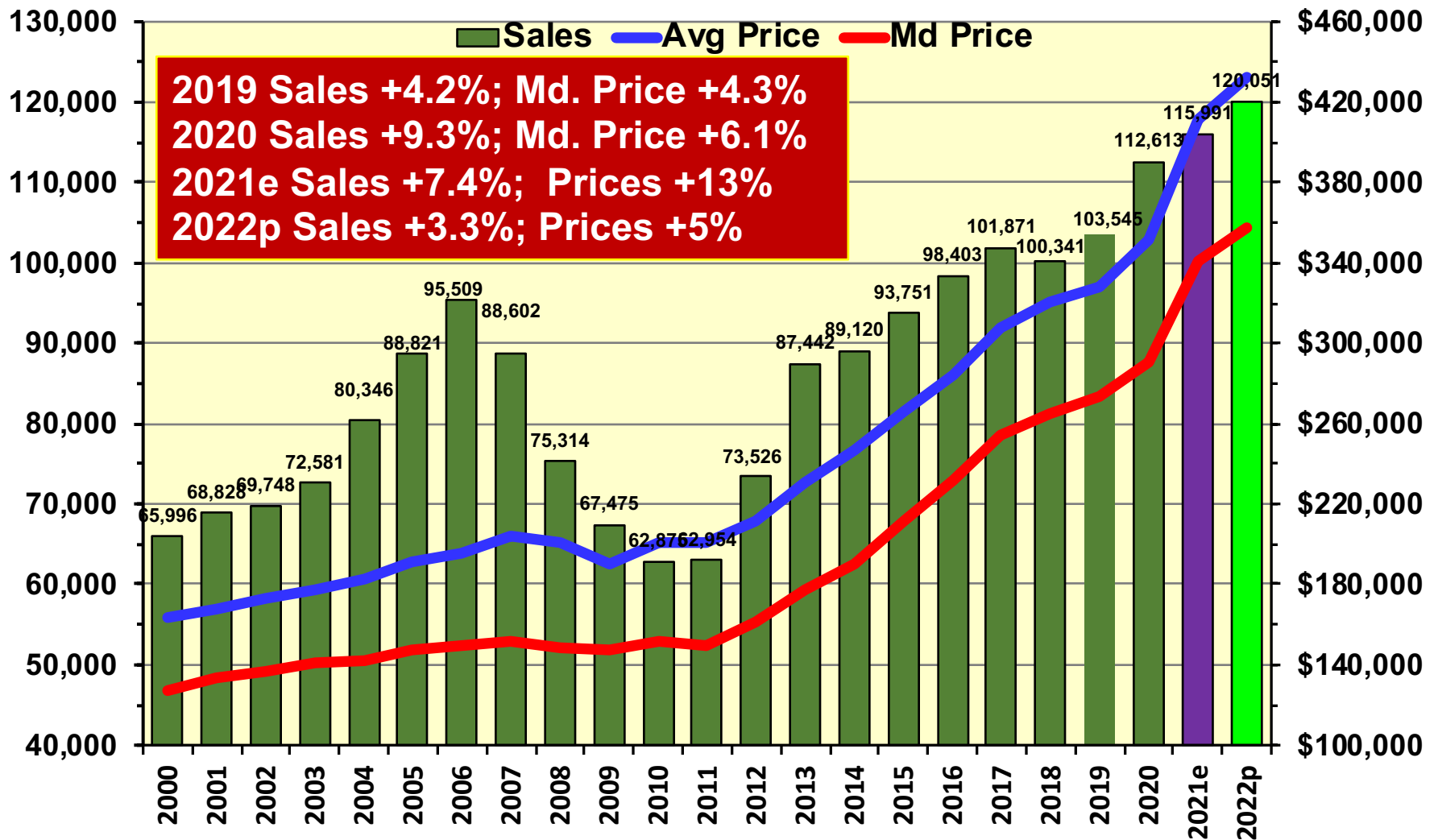
* Closed Sale counts for most recent 3 months are Preliminary.

Existing Home																
Residential (SF/COND/TH)	9,135	2.3%	\$3,885,849,494	21.6%	\$425,380	18.9%	\$350,000	20.3%	\$184	22.5%	19	8,935	9,634	7,330	1.2	100.7%
YTD:	73,495	7.4%	\$3,087,151,660	32.5%	\$420,049	23.4%	\$337,500	21.2%	\$176	21.3%	21	85,843	8,722	75,023		101.7%
Single Family	8,477	1.3%	\$3,680,510,922	21.2%	\$434,176	19.6%	\$353,000	19.7%	\$182	23.0%	18	8,248	8,584	6,731	1.1	100.8%
YTD:	67,681	5.0%	\$29,007,049,683	30.5%	\$428,585	24.3%	\$342,500	22.3%	\$174	21.3%	20	78,927	7,590	69,087		102.0%
Townhouse	249	7.8%	\$91,836,788	28.5%	\$368,822	19.3%	\$340,000	23.6%	\$193	15.8%	28	246	293	225	1.2	99.6%
YTD:	2,258	39.0%	\$812,556,044	72.4%	\$359,857	24.0%	\$328,000	22.4%	\$187	18.5%	31	2,545	296	2,295		100.0%
Condominium	403	21.0%	\$111,301,153	27.8%	\$276,182	5.6%	\$225,000	12.5%	\$219	13.6%	34	441	757	374	2.0	97.8%
YTD:	3,541	49.2%	\$1,046,990,165	76.2%	\$295,676	18.2%	\$217,000	14.1%	\$213	12.5%	48	4,371	836	3,641		97.2%

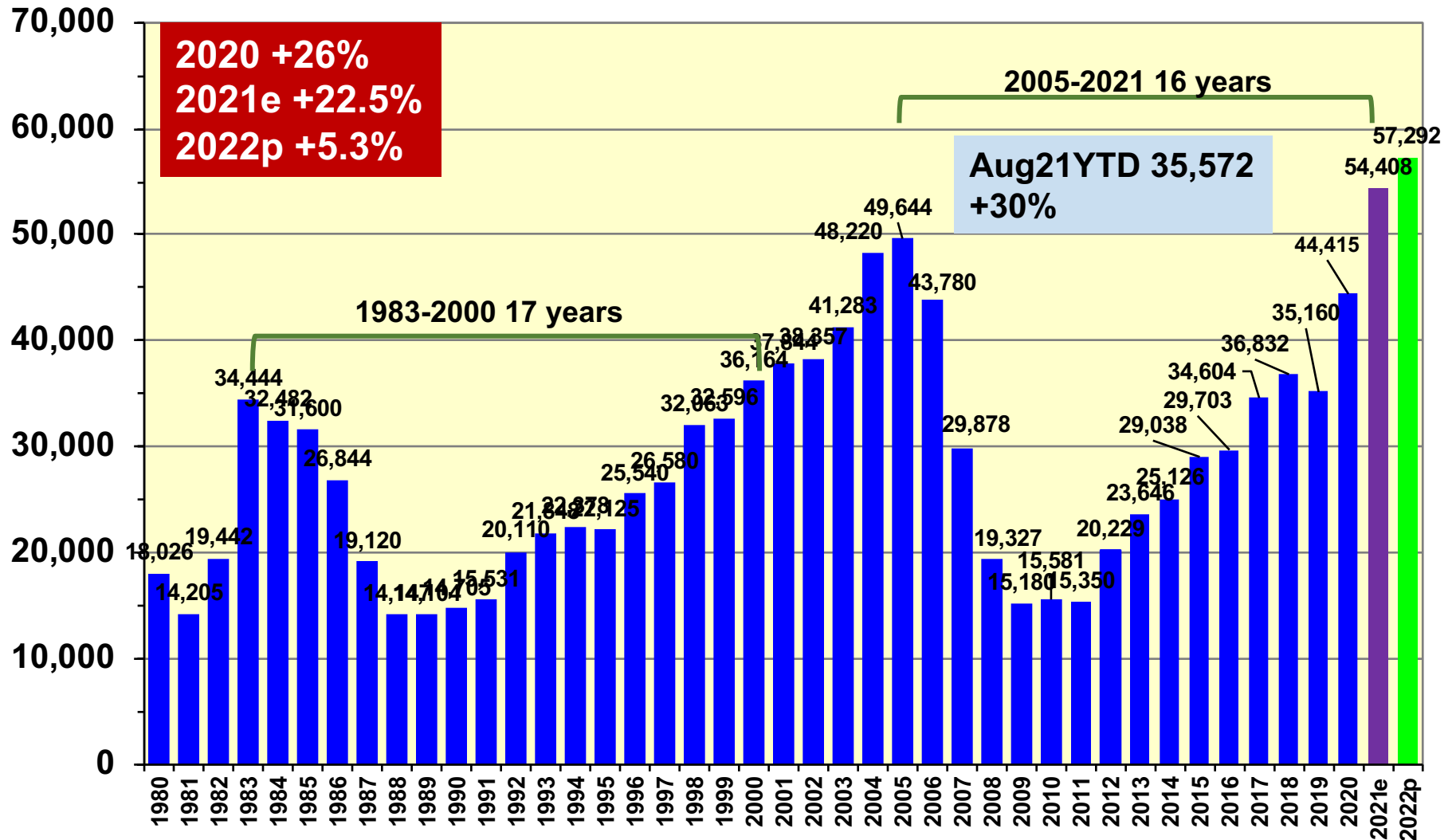
* Closed Sale counts for most recent 3 months are Preliminary.

New Construction																
Residential (SF/COND/TH)	1,129	-35.6%	\$490,363,014	-26.0%	\$434,334	15.0%	\$385,000	17.9%	\$185	21.0%	39	1,456	2,532	1,472	1.9	101.3%
YTD:	10,898	-26.1%	\$4,525,618,287	-16.7%	\$415,271	12.7%	\$354,111	9.0%	\$171	15.8%	50	12,858	2,145	12,201		100.9%
Single Family	1,000	-39.9%	\$441,109,545	-29.8%	\$441,110	16.7%	\$387,895	19.9%	\$182	21.0%	37	1,308	2,124	1,325	1.7	101.3%
YTD:	9,981	-29.0%	\$4,175,568,166	-19.4%	\$418,352	13.4%	\$352,110	8.3%	\$168	15.2%	49	11,536	1,750	11,111		101.0%
Townhouse	96	52.4%	\$35,467,175	63.2%	\$369,450	7.1%	\$347,198	5.5%	\$200	9.4%	46	114	317	106	4.1	101.4%
YTD:	674	25.5%	\$246,888,874	32.8%	\$366,304	5.8%	\$342,090	5.7%	\$196	10.6%	64	990	289	828		100.3%
Condominium	32	14.3%	\$13,402,135	12.3%	\$418,817	-1.7%	\$439,000	12.3%	\$248	-1.6%	67	34	91	41	3.5	101.0%
YTD:	240	58.9%	\$101,919,997	61.5%	\$424,667	1.6%	\$403,000	1.5%	\$247	-1.1%	71	332	105	262		100.2%

Annual DFW Home Sales, Average & Median Prices



D-FW SF Building Permits





DABE - D/FW Association for Business Economics

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