

The Cantrell Report

Pertinent Information for Apartment Owners
February 1, 2016

JOB GROWTH ¹	Area New Jobs	1 Mo	6 Mo	12 Mo
	Estimate	End 12/31	End 12/31	End 12/31
	Dallas/Plano/Irving	1,300	57,300	84,400
	Fort Worth/Arlington	6,300	13,400	14,500
		7,600	70,700	98,900
INTEREST RATES ²	Rates	END 1/31	Yr. Ago	
	10 Year Treasury	1.97%	1.68%	
	11th District COFI	0.64%	0.69%	
	1 Mo. LIBOR	0.43%	0.17%	
	Best all in rates for the best properties are around 3.50%.			
SUPPLY/ DEMAND ³	Units Added/ Absorbed	6 Mo End 1/31	12 Mo End 1/31	24 Mo End 1/31
	Dallas County			
	Added	5,340	10,255	20,459
	Absorbed	2,765	11,279	21,227
	Tarrant County			
	Added	1,035	4,958	8,241
	Absorbed	947	5,058	9,423
OCCUPANCY RATES ³	Dallas County	1/31/2016	6 Mo Ago	12 Mo Ago
	2000's	86.1%	87.8%	84.8%
	1990's	95.5%	96.2%	94.6%
	1980's	94.3%	94.9%	94.2%
	1970's or Older	93.3%	92.9%	92.3%
	Tarrant County			
	2000's	89.8%	88.8%	91.2%
	1990's	95.2%	96.2%	94.8%
	1980's	94.7%	95.2%	94.1%
	1970's or Older	93.1%	93.1%	91.6%
RENTAL RATES ³	Dallas County	1/31/2016	6 Mo Ago	12 Mo Ago
	2000's	\$1,388	\$1,377	\$1,315
	1990's	\$1,225	\$1,219	\$1,169
	1980's	\$835	\$811	\$769
	1970's or Older	\$781	\$766	\$737
	Tarrant County			
	2000's	\$1,180	\$1,166	\$1,107
	1990's	\$1,108	\$1,083	\$1,039
	1980's	\$810	\$778	\$735
	1970's or Older	\$736	\$719	\$682
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's	1 Texas Workforce Commission 2 Banxquote.com 3 ALNsys.com - Rental rates are after concessions. Approx. 25% of 70's or older are all bills paid.		
	2007	82,200		
	2008	2,500		
	2009	(94,900)		
	2010	50,800		
	2011	51,200		
	2012	79,200		
	2013	95,000		
	2014	141,300		

Signs point to rising wages

Market almost back to normal, pushing Fed closer to rate increase

TheAssociatedPress—Dec. 4, 2015

WASHINGTON — Is the U.S. job market finally healthy enough to lift Americans' long-stagnant pay?

Some tantalizing signs have suggested that wages are beginning to pick up after barely moving in the 6 1/2 years since the recession officially ended. On Friday, the government's job report for November should offer some clues about whether the modest pay gains will continue.

By many measures, the job market is nearly back to normal. The unemployment rate is 5 percent, down from its 10 percent peak in 2009. Employers have added a robust average of 206,000 jobs a month this year, more than enough to keep lowering the jobless rate over time.

Economists have forecast that Friday's report will show that 200,000 more jobs were added last month and that the unemployment rate remained at 5 percent, according to data firm FactSet.

Even if hiring falls far short of those numbers, the Federal Reserve is widely expected to raise the short-term interest rate it controls for the first time in nine years after its next policy meeting Dec. 15-16. Friday's job report will be the last one the Fed will see before that meeting.

Federal Reserve Chair Janet Yellen told Congress that economic conditions appear to be improving enough for policymakers to raise interest rates when they meet — as long as there are no major shocks that undermine confidence.

Asked about the upcoming unemployment report, Yellen said the Fed will be watching for "a continued solid trend of job creation" that would indicate the economy has good momentum going forward.

But given the significant gains the job market has made in recent years, the Fed probably won't be dissuaded from a rate hike later this month no matter what Friday's report says.

"It is hard to imagine how weak [the report] would have to be for the Fed to reverse course," said Drew Matus, an economist at UBS.

Even so, wage growth has remained perhaps the job market's biggest weakness since the recession ended. Average hourly pay has grown at only about two-thirds of the pace typical of a healthy economy. Some economists point to the lagging pay as evidence that the job market isn't as healthy as the low unemployment rate would suggest.

Sam Pettigrew, Partner
972-630-6691

spettigrew@cantrellcompany.com

Thomas Hooke, Associate
972-630-6696

thooke@cantrellcompany.com

Jessica Erdmier
972-630-6697

jerdmier@cantrellcompany.com