

The Cantrell Report

Pertinent Information for Apartment Owners
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DALLAS & HOUSTON JOB MARKETS IN US TOP 5 METROS

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The top four metropolitan areas for job gains in July stayed the same (with Dallas ranking No. 3) for the third consecutive month. Houston returned to the top five job-gain metros, jumping from No. 8 in June. Houston has increased its annual total each of the past two months, says Axiometrics' Ron Johnsey. Dallas (up 13 bps with more than 94,000 jobs) was essentially unchanged. Meanwhile, Houston (down 124 bps with almost 65,000 jobs) had lower annual job growth than the previous year, he tells us.

Axiometrics real estate economist Chuck Ehmann (ready for some football) says that Big D's strong job gains over the past few years have spurred commercial real estate activity in all property sectors, but the apartment and office sectors have benefited most. There don't appear to be any immediate threats to the population migration and job gains in Dallas, at least in the short-term, Chuck tells us. Houston's job gains have slowed due to the sudden drop in oil prices last summer, but are still solid and may be returning to more sustainable levels, he says. The losses incurred in the energy sector appear to be subsiding, but he anticipates some lingering weakness through the end of '15 as the oil price shock ripples throughout the Houston economy. Other key employment industries such as tech, healthcare and bioscience are continuing to generate jobs, reflecting Houston's economic diversity.

JOB GROWTH ¹	Area New Jobs	1 Mo	6 Mo	12 Mo
	Estimate	End 8/31	End 8/31	End 8/31
	Dallas/Plano/Irving	7,300	46,100	84,900
	Fort Worth/Arlington	2,300	6,100	18,600
		9,600	52,200	103,500
INTEREST RATES ²	Rates	END 9/30		Yr. Ago
	10 Year Treasury		2.06%	2.52%
	11th District COFI		0.64%	0.68%
	1 Mo. LIBOR		0.19%	0.16%
Spreads over the above indexes have been increasing as rates have decreased. Best all in rates for the best properties are around 3.50%.				
SUPPLY/ DEMAND ³	Units Added/ Absorbed	6 Mo End 9/30	12 Mo End 9/30	24 Mo End 9/30
	Dallas County			
	Added	5,158	11,200	19,700
	Absorbed	6,599	12,533	19,914
	Tarrant County			
	Added	2,879	5,297	7,894
Absorbed	3,115	4,579	8,505	
OCCUPANCY RATES ³	Dallas County	9/30/2015	6 Mo Ago	12 Mo Ago
	2000's	87.5%	85.4%	86.6%
	1990's	96.3%	95.2%	95.3%
	1980's	95.0%	95.1%	94.1%
	1970's or Older	92.8%	92.7%	92.2%
	Tarrant County			
	2000's	89.5%	90.5%	93.3%
	1990's	95.8%	95.9%	94.9%
	1980's	95.3%	94.8%	93.9%
	1970's or Older	93.0%	91.9%	92.1%
RENTAL RATES ³	Dallas County	9/30/2015	6 Mo Ago	12 Mo Ago
	2000's	\$1,383	\$1,330	\$1,313
	1990's	\$1,217	\$1,185	\$1,154
	1980's	\$821	\$786	\$757
	1970's or Older	\$769	\$747	\$723
	Tarrant County			
	2000's	\$1,170	\$1,119	\$1,093
	1990's	\$1,083	\$1,059	\$1,021
	1980's	\$784	\$751	\$719
	1970's or Older	\$722	\$693	\$668
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's		1 Texas Workforce Commission	
	2007	82,200	2 Banxquote.com	
	2008	2,500	3 ALNsys.com - Rental rates are after concessions.	
	2009	(94,900)	Approx. 25% of 70's or older are all bills paid.	
	2010	50,800		
	2011	51,200		
	2012	79,200		
	2013	95,000		
	2014	141,300		

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