

Dallas led U.S. in 2020 commercial property deals

Dallas topped both Los Angeles and Manhattan as the country's top market for commercial property transactions in 2020

North Texas stands out as COVID-19 pandemic hammers real estate markets across the country.

Steve Brown, Dallas Morning News
January 2021

The Dallas area led the country in commercial property transactions in 2020, as many larger U.S. markets were hit harder by the COVID-19 pandemic.

More than \$19.7 billion in commercial real estate deals were recorded in the local market, edging out Los Angeles at almost \$19 billion, according to a report by Real Capital Analytics.

Dallas previously ranked third in the country among top markets in both 2019 and 2018.

Several large North Texas industrial building and apartment transactions pushed the area to the top of the New York-based research group's annual report.

"Dallas was the leading U.S. market for commercial property investment in 2020," Real Capital Analytics' researchers said in their report. "Were it not for portfolio activity, however, Los Angeles would have claimed the #1 spot two years in a row."

"Portfolio activity in the apartment and industrial sectors helped to boost

Dallas-area property transactions were down 25% from 2019 levels, compared with a 32% nationwide year-over-year decline.

More than \$10 billion of the North Texas commercial property deals in 2020 were industrial buildings. Over \$5 billion in apartment transactions were recorded in the area.

Only \$251 million in Dallas hotel transactions were concluded in 2020.

Nationwide commercial property deals were at the lowest level in seven years as the pandemic shut down sectors of the real estate market, according to Real Capital Analytics. More than \$405 billion in transactions were recorded around the country.

"Deal activity cratered, distressed assets piled up, pricing became challenged and many in the industry lost jobs," researchers said.

JOB GROWTH ¹	Area New Jobs	1 Mo	6 Mo	12 Mo
	Estimate	End 7/31	End 7/31	End 6/30
	Dallas/Plano/Irving	8,000	83,600	171,800
	Fort Worth/Arlington	(4,700)	8,300	39,300
		3,300	91,900	211,100
INTEREST RATES ²	Rates	END 7/31		Yr. Ago
	10 Year Treasury		1.30%	0.68%
	11th District COFI		0.28%	0.65%
	1 Mo. LIBOR		0.09%	0.16%
SUPPLY/ DEMAND ³	Units Added/ Absorbed	6 Mo	12 Mo	24 Mo
		End 8/31	End 8/31	End 8/31
	Dallas County			
	Added	5,535	11,409	23,162
	Absorbed	13,478	17,163	25,871
	Tarrant County			
	Added	2,926	7,231	16,286
	Absorbed	7,248	8,815	16,233
OCCUPANCY RATES ³	Dallas County	8/31/2021	6 Mo Ago	12 Mo Ago
	2010's and newer	87.0%	82.2%	82.3%
	2000's	95.2%	93.0%	92.9%
	1990's	95.3%	94.0%	93.8%
	1980's	93.6%	93.1%	93.4%
	1970's or Older	94.0%	92.2%	92.8%
	Tarrant County			
	2010's and newer	84.8%	78.0%	77.8%
	2000's	95.3%	94.3%	95.0%
	1990's	93.2%	93.6%	93.9%
	1980's	94.5%	93.2%	94.6%
	1970's or Older	92.7%	91.1%	92.4%
RENTAL RATES ³	Dallas County	8/31/2021	6 Mo Ago	12 Mo Ago
	2010's and newer	\$1,787	\$1,592	\$1,576
	2000's	\$1,570	\$1,449	\$1,424
	1990's	\$1,487	\$1,365	\$1,340
	1980's	\$1,072	\$1,013	\$1,002
	1970's or Older	\$1,019	\$974	\$968
	Tarrant County			
	2010's and newer	\$1,489	\$1,382	\$1,373
	2000's	\$1,394	\$1,296	\$1,270
	1990's	\$1,362	\$1,262	\$1,228
	1980's	\$1,084	\$1,015	\$998
	1970's or Older	\$1,000	\$957	\$941
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's			
	2020	-125,600	1 Texas Workforce Commission	
	2019	127,600	2 Banxquote.com	
	2018	102,200	3 ALNsys.com - Rental rates are	
	2017	91,700	after concessions.	
	2016	120,500	Approximately 25% of 70's or older are all	
	2015	98,700	bills paid	
	2014	132,000		

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