



# Dallas, Texas

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of April 1, 2006



## Summary

### Housing Market Area



The Dallas Housing Market Area (HMA) in northeast Texas includes Collin, Dallas, and Denton Counties. Each county is treated as a separate submarket in this analysis. The city of Dallas is the 10th largest city in the nation, with more than 1.2 million people. Seven other cities in the HMA have a population of more than 100,000 each, including Plano, in southern Collin County, with a population of 250,000; Denton, in Denton County, with a population of 104,000; and five other cities in Dallas County with a population of more than 100,000.

### Market Details

Economic Conditions ..... 2  
 Population and Households ..... 4  
 Housing Market Trends ..... 6  
 Data Profiles ..... 13

### Economy

The Dallas HMA is undergoing an economic recovery. Following a period of slow growth and job losses in several sectors between 2001 and 2003, job growth in Collin County returned to double-digit levels in 2005. During the past 12 months, the increase in jobs in Collin County totaled 32,300 or 15 percent. In Denton County, the number of jobs increased by 13,100 or 10 percent. During the same period, Dallas County recorded an increase of 3,700 jobs, following a loss of more than 100,000 jobs from 2000 to 2005. Overall, the number of jobs in the HMA has nearly reached the 2001 level.

An important economic driving force in the Dallas area is the Dallas/Fort Worth International (DFW) airport. Located on more than 18,000 acres, the airport is home to businesses that employ more than 75,000 people and contribute more than \$14 billion annually to the area economy. The airport is close to both Collin and Denton Counties. Both counties and the downtown Dallas area are expected to continue to be strong growth centers in the HMA during the forecast period.

### Sales Market

The home sales market in the HMA, which has been robust for the past

5 years, recorded more than 61,000 sales during the 12 months ending March 2006, 10 percent higher than the 55,500 sales in the previous 12-month period. For the past 12 months ending March 2006, the average home sales price was \$204,250, an increase of 4.5 percent compared with \$195,500 for the 12 months ending March 2005. Recent interest rate increases have slowed the gains in the number of homes sold, but the annualized home sales rate has been above 60,000 for the past 3 months. As interest rates are forecast to continue to increase, sales are expected to continue to decrease, but not significantly, because of continued employment growth. Housing demand estimates for the HMA are displayed in Table 1.

### Rental Market

Since 2003, the rental market in the HMA has been soft. In 2004, vacancy rates were estimated at more than 10 percent in all three counties. During the past 24 months, as a result of lower construction levels and economic recovery, the vacancy rates declined to approximately 8 percent in Collin and Denton Counties. In Dallas County, the vacancy rate is estimated at nearly 13 percent.

The relocation of approximately 25,000 evacuees from Hurricanes Katrina and Rita to the HMA temporarily improved the vacancy rate but has

had a stronger effect on rents. Concessions are still common, particularly in Dallas County.

**Table 1.** Housing Demand in the Dallas HMA, 3-Year Forecast, April 1, 2006 to April 1, 2009

	Dallas HMA		Collin County Submarket		Dallas County Submarket		Denton County Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total Demand	68,800	13,800	35,800	6,900	16,400	0	16,600	6,900
Under Construction	7,900	8,800	3,600	2,000	3,300	5,400	1,000	1,400

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Under construction as of April 1, 2006.

Source: Forecast—estimates by analyst

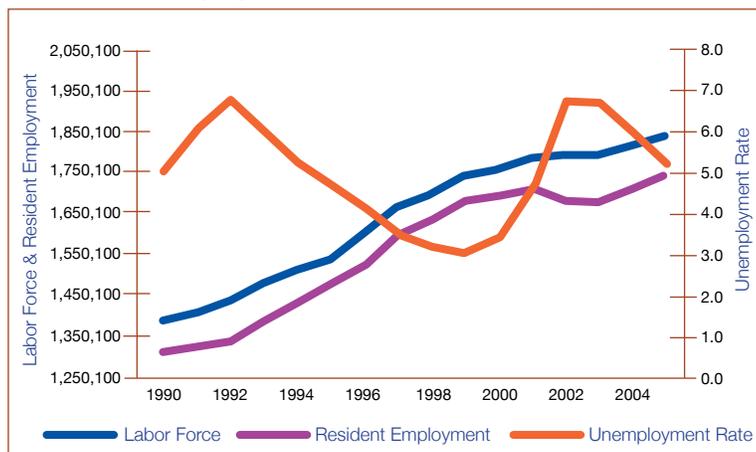
## Economic Conditions

Between 1990 and 2000, non-farm employment in the Dallas HMA increased by 59,000 jobs annually, or more than 3 percent, to approximately 1.85 million jobs in 2000. Since 2000, the HMA has recorded a net decrease of more than 3,100 jobs annually. Labor force and resident employment trends are shown in Figure 1. Figure 2 shows that, since 1990, the professional

and business services sector has doubled and manufacturing was the only sector to lose jobs.

The 2001 recession significantly affected the HMA with a loss of 80,000 jobs between 2001 and 2004, including losses of 27,000 jobs in the information sector and 28,000 in the trade sector. In 2002 and 2003, job growth slowed significantly in Collin and Denton Counties. Between 2000 and 2005, Dallas County lost more than 130,000 jobs, including losses in every sector except government. An economic recovery began in 2004, with an annual job increase of 7.9 percent in Collin County and 3.7 percent in Denton County. Dallas County has continued to lose jobs but at a much slower rate each year since 2003. Major employers in the HMA are listed in Table 2. Figure 3 provides the percentage of employment in each sector in the HMA for the 12 months ending March 2006.

**Figure 1.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Dallas HMA, 1990 to 2005



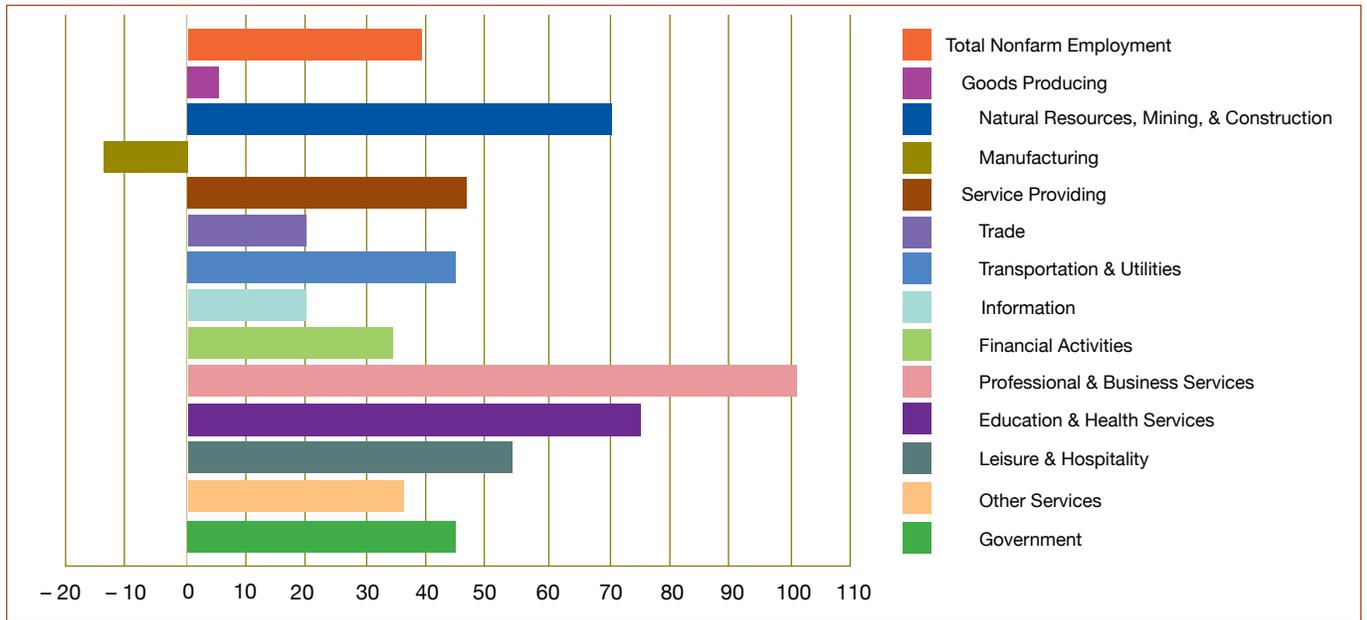
Source: U.S. Bureau of Labor Statistics

The most significant employment growth during the past 12 months occurred in Collin and Denton Counties. In Collin County, the number of jobs increased by 32,300, or 15 percent, to 250,300. Although all sectors recorded increases, the greatest increases were in the trade, financial activities, and professional and business services sectors. Mixed-use town centers, business parks, and residential development are spurring growth in Collin County, where a number of major corporations are headquartered, including Dr.

Pepper/Seven-Up, Electronic Data Systems Corporation, Frito-Lay, JCPenney, and Perot Systems.

During the 12 months ending March 2006, the number of jobs in Denton County increased by 13,200, or 10 percent, to 150,500. Major job growth occurred in the professional and business services, trade, education and health services, and government sectors. The University of North Texas (UNT) and business and residential developments are responsible for much of the growth in

**Figure 2. Sector Growth in the Dallas HMA, Percent Change, 1990 to Current**



Note: Current is based on 12-month averages through March 2006.

Source: U.S. Bureau of Labor Statistics

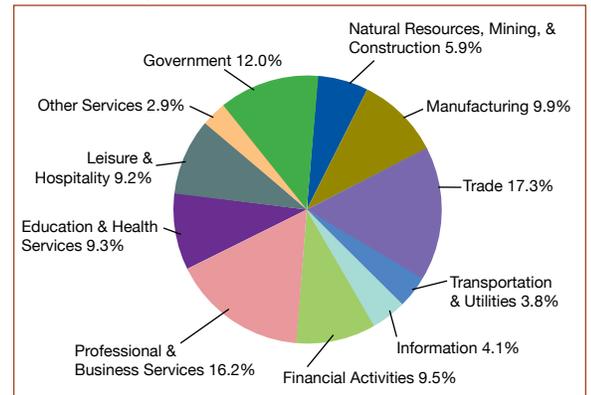
**Table 2. Major Employers in the Dallas HMA**

Name of Employer	Employment Sector	Number of Employees
Wal-Mart	Trade	29,000
Texas Health Resources, Inc.	Health Services	17,000
Raytheon Company	Manufacturing	16,000
Verizon	Information	16,000
Baylor Health Care System	Health Services	14,000
AT&T	Information	14,000
HCA North Texas	Health Services	13,000
Albertsons	Trade	12,000
Countrywide Home Loans	Financial Activities	11,000
The Kroger Company	Trade	11,000

Note: Number of employees includes all employees at operations in the Dallas-Fort Worth metropolitan area.

Source: Greater Dallas Chamber

**Figure 3. Current Employment in the Dallas HMA, by Sector**



Note: Based on 12-month averages through March 2006.

Source: U.S. Bureau of Labor Statistics

Denton County. UNT, which has more than 33,500 students and 3,600 faculty and staff, contributes to the local economy with its annual expenditures of nearly \$500 million.

Dallas County continued to lose jobs through 2005 but showed an increase of 3,100 jobs for the 12 months ending March 2006, the first increase in 4 years. Gains in the professional and busi-

ness services and financial activities sectors offset continued losses in the information, trade, and manufacturing sectors. The downtown area in the city of Dallas is undergoing more than \$2 billion in rehabilitation and expansion of housing, cultural, and recreational opportunities. Average employment by sector in the HMA during the past two 12-month periods is presented in Table 3.

**Table 3.** 12-Month Average Employment in the Dallas HMA, by Sector

Employment Sector	12 Months Ending March 2005	12 Months Ending March 2006	Percent Change
Total Nonfarm Employment	1,785	1,834	2.8
Goods Producing	280	290	3.5
Natural Resources, Mining, & Construction	103	109	5.3
Manufacturing	177	181	2.5
Service Providing	1,505	1,544	2.6
Trade	313	316	1.2
Transportation & Utilities	71	70	-2.1
Information	75	75	0.0
Financial Activities	169	174	2.8
Professional & Business Services	282	297	5.6
Education & Health Services	164	170	4.0
Leisure & Hospitality	166	169	2.2
Other Services	51	52	3.0
Government	215	220	2.1

*Notes: Based on 12-month averages through March 2005 and March 2006. Data in thousands. Numbers may not add to totals due to rounding.*

*Source: U.S. Bureau of Labor Statistics*

The DFW airport, constructed 30 years ago on the Dallas-Tarrant County border, has become a strong base for economic development in the entire metropolitan area. In addition to attracting the businesses located at the airport and in the commercial and industrial zones within the 18,000 acres of airport property, the airport has influenced significant commercial and residential development in surrounding communities. The airport itself is just completing an expansion and redevelopment program totaling more than \$2 billion.

## Population and Households

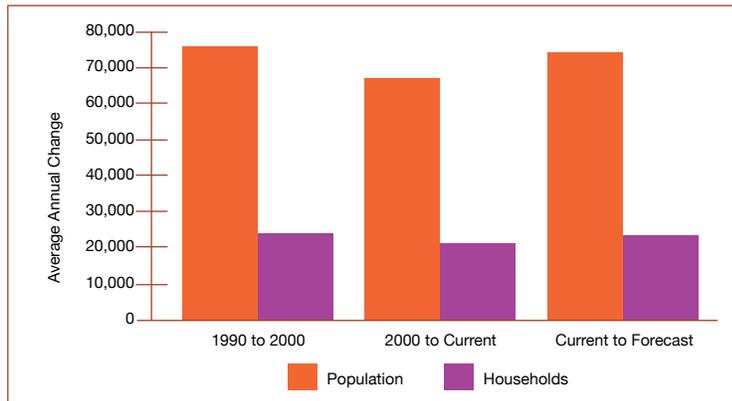
The population of the Dallas HMA has increased by an annual average of 67,400, or 2 percent, from 2000 to 3,548,000 on April 1, 2006. (See Table DP-1 at the end of the report for the Dallas HMA data profile.) During the 1990s, the annual population growth was 2.8 percent, or 75,300. A decline in annual average population growth in

Dallas County from 36,000 during the 1990s to 16,000 since 2000—largely as a result of the economic downturn—is the primary reason for the lower rate of growth in the HMA during the current decade. The number of households in the HMA has increased by an average of 21,750 annually, or 1.8 percent, since 2000 to 1,279,000 as of April 1, 2006 (see Figure 4). During the

1990s, the number of households grew by nearly 25,000, or 2.5 percent, annually.

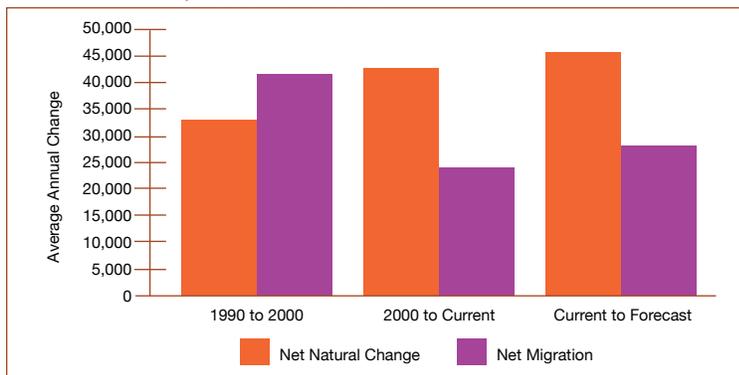
Since 2000, approximately 46 percent of the population growth in the HMA has occurred in Collin County. As of April 1, 2006, Collin County is estimated to have a population of 680,000, an average annual increase of 31,400, or 5.6 percent, during the past 6 years. The number of households increased by an average of 12,200 annually between April 1, 2000 and April 1, 2006. (See Table DP-2.)

**Figure 4. Population and Household Growth in the Dallas HMA, 1990 to Forecast**



Sources: 1990 and 2000—U.S. Census; current and forecast—estimates by analyst

**Figure 5. Components of Population Change in the Dallas HMA, 1990 to Forecast**



Sources: 1990 and 2000—U.S. Census; current and forecast—estimates by analyst

On April 1, 2006, Dallas County had a population of 2,315,000, an increase of approximately 16,000 annually, or 0.7 percent, during the past 6 years. Less than 25 percent of the population growth in the HMA since 2000 took place in Dallas County. During the 1990s, the Dallas county population rose 36,600 annually, or 1.8 percent. (See Table DP-3.)

The population of Denton County increased from 432,976 in April 2000 to 553,000 currently, an annual gain of 20,000, or 4.2 percent, during the 6-year period. During the same period, the number of households in the county increased by 7,000 annually, or 4 percent, to 201,000 as of April 1, 2006. A data profile for Denton County is shown in Table DP-4.

The population of the HMA is expected to increase by 74,000 annually over the next 3 years to a total of 3,770,000 by April 1, 2009. Nearly half the gain, more than 35,000 annually, is expected to occur in Collin County, and about 30 percent, or 22,000 annually, is forecast to occur in Denton County. During the forecast period, population growth in Dallas County is expected to remain approximately the same as during the past 6 years at 16,000 annually. The components of population change for the HMA from 1990 through the forecast date are shown in Figure 5.

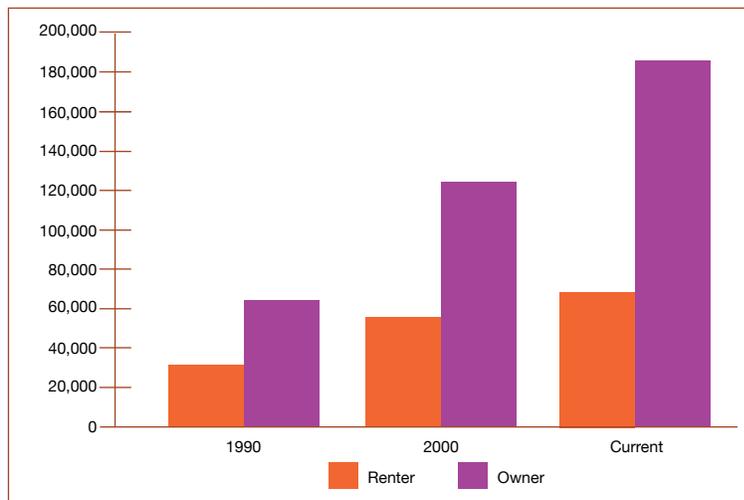
# Housing Market Trends

## Sales Market—Collin County

The percentage of homeowners in Collin County increased from 69 percent to 73 percent from 2000 to 2006 (see Figure 6). Single-family home construction in the county, as measured by building permits, continues to set records. Since 2000, permits have been issued for more than 66,000 homes compared with fewer than 56,000 homes for all of the 1990s (see Figure 7). During the past 12 months ending March 2006, permits were issued for nearly 12,800 homes, an increase of 11 percent compared with the previous 12-month period and 35 percent higher than the average annual rate of 9,500 permits during the period 2000 to 2003. Growth in the housing

market is occurring throughout southern Collin County, primarily along the Dallas North Tollway and Route 121. Development is particularly concentrated on the northern side of Plano and in and around Frisco and McKinney, which include numerous, large single-family subdivisions and mixed-use developments and town centers. In the Frisco area, new 1,250-square-foot homes with three bedrooms and two baths are selling for less than \$130,000; however, most new homes in Collin County sell in the range of \$300,000 to \$500,000. The sales market in Collin County is balanced, with an estimated vacancy rate of 1.4 percent, since job growth has resulted in higher levels of in-migration, creating strong demand.

**Figure 6.** Number of Households by Tenure in the Collin County Submarket, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

**Figure 7.** Single-Family Building Permits Issued in the Collin County Submarket, 1990 to 2006



Notes: Includes only single-family units. Includes data through March 2006.

Source: U.S. Census Bureau, Building Permits Survey

According to the multiple listing service data from the Real Estate Center at Texas A&M University, during the 12 months ending March 2006, more than 15,500 homes were sold in Collin County, a 17-percent increase over the previous 12 months and 30 percent above the 12 months ending March 2004. The average sales price for the past 12 months was \$231,200, a gain of 5 percent, compared with the average price of \$220,500 for the previous 12-month period.

It is expected that Collin County will continue to be the primary growth area in the HMA, accounting for 52 percent of the forecast demand for single-family homes during the next 3 years. The total demand for new sales housing is 35,800 for the next 3 years. An estimated 3,600 homes are currently under construction. Table 4 provides a breakdown of demand for new market-rate sales housing by price ranges during the forecast period for Collin County.

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Collin County Submarket, April 1, 2006 to April 1, 2009

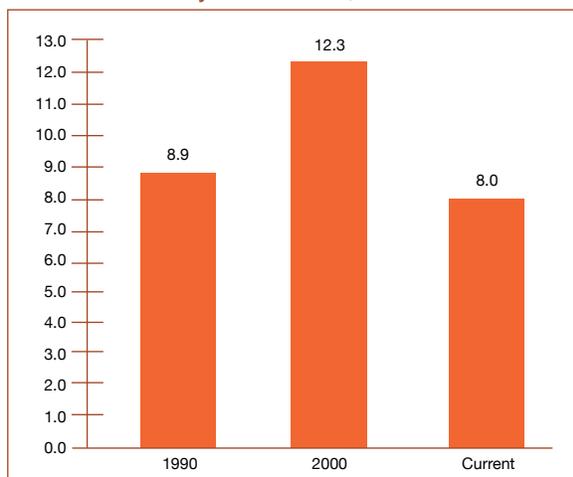
Price Range (\$)		Units of Demand	Percentage of Total
From	To		
100,000	109,999	1,000	2.8
110,000	119,999	1,200	3.4
120,000	129,999	1,500	4.2
130,000	139,999	2,000	5.6
140,000	149,999	2,400	6.7
150,000	159,999	2,800	7.8
160,000	179,999	3,200	8.9
180,000	199,999	3,800	10.6
200,000	249,999	4,600	12.8
250,000	299,999	4,800	13.4
300,000	399,999	4,200	11.7
400,000	499,999	2,200	6.1
500,000	and higher	2,100	5.9

Source: Estimates by analyst

## Rental Market—Collin County

The construction of rental housing in Collin County has fluctuated during the past 6 years following a period of very high construction during the late 1990s. The average level of construction during the period from 2000 to 2006 is less than 1,200 units a year compared with an average of more than 4,700 units annually from 1996 to 1999. In response to the lower levels of construction, the rental market tightened and is currently balanced. The vacancy rate declined from 13.5 percent in April 2000 to 8 percent currently, as shown in Figure 8. During the 12 months ending March 2006, 1,635 units were permitted, the highest since 2001. Multifamily building permit trends from 1990 through March 2006 are shown in Figure 9.

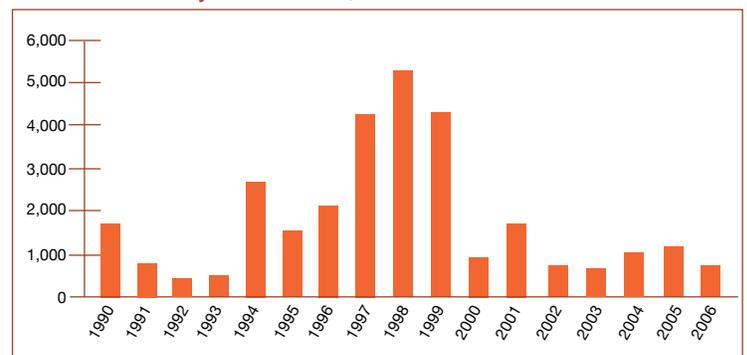
**Figure 8.** Rental Vacancy Rates in the Collin County Submarket, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Recently, new urban villages and town centers are being developed in the Plano, Frisco, and McKinney areas of Collin County. These mixed-used projects have retail and services on the ground floors and residential units on the upper floors. Redevelopment is also occurring in some of the older downtown areas, including Plano, where redevelopment is located adjacent to a light rail line that goes to downtown Dallas.

**Figure 9.** Multifamily Building Permits Issued in the Collin County Submarket, 1990 to 2006



Notes: Includes all multifamily units in structures with two or more units, excluding townhome units. Includes data through March 2006.

Source: U.S. Census Bureau, Building Permits Survey

The average rent in Collin County is \$810 per month, as reported by ALN Systems, an increase of about 3 percent during the past 12 months. Concessions are declining from what they were a year ago, but 1 month's to 1.5 months' free rent on a 12- to 13-month lease is still fairly common. The estimated demand for new market-rate rental housing in Collin County by rent level and number of bedrooms is displayed in Table 5.

## Housing Market Trends

Rental Market—Collin County *Continued*

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Collin County Submarket, April 1, 2006 to April 1, 2009

1 Bedroom		2 Bedrooms		3 or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
800	2,750	1,000	3,100	1,200	1,050
900	2,250	1,100	2,350	1,300	850
1,000	1,750	1,200	1,825	1,400	600
1,100	1,250	1,300	1,300	1,500	450
1,200	1,000	1,400	1,050	1,600	350
1,300	800	1,500	675	1,700	250
1,400	650	1,600	450	1,800	175
1,500	500	1,700	300	1,900	150
1,600	375	1,800	225	2,000	100
1,700	300	1,900	150	2,100	75
1,800 and higher	150	2,000 and higher	50	2,200 and higher	50

Notes: Distribution above is noncumulative. Demand shown at any rent represents demand at that level and higher.

Source: Estimates by analyst

## Sales Market—Dallas County

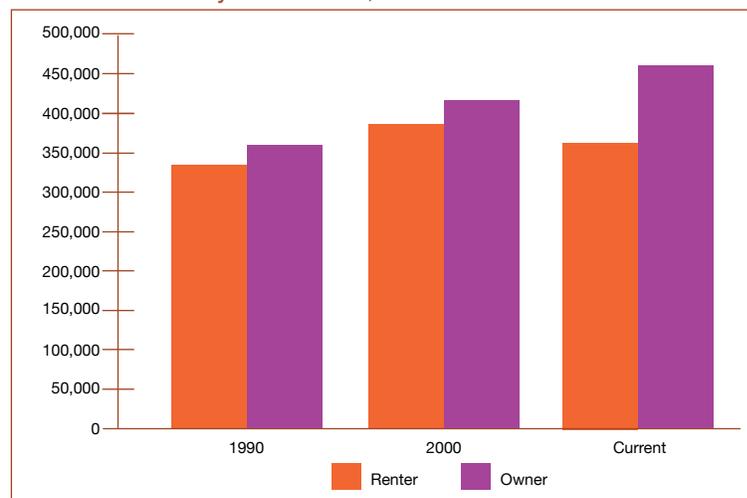
The proportion of homeowners in Dallas County has been increasing since 1990, as shown in Figure 10. Despite job losses in Dallas County, single-family home construction is at the highest level in the past 15 years as homebuyers take advantage of low interest rates and affordable home prices. Between April 2005 and March

2006, permits were issued for 10,760 single-family homes, 10 percent above the number issued in the previous 12-month period and 25 percent more than the annual average of 8,600 issued from 2000 to 2003. Single-family building permit trends for Dallas County are shown in Figure 11.

In the Lancaster and southeast Dallas County areas, newly constructed homes with 1,250 square feet of living space and three bedrooms can be purchased for as little as \$100,000. In the Desoto area in southwest Dallas County, similar homes are sold for under \$100,000. Homes in Dallas County generally sell for less than in Collin County, but, in areas such as University Park and Highland Park, old homes are being torn down and new homes are being speculatively built with sales prices in excess of \$2 million.

Victory Park, a newly constructed urban center adjacent to downtown Dallas and Uptown, is a \$1 billion development that will eventually mix 4,000 owner-occupied housing and rental residences with office, retail, and high-end hotels. This develop-

**Figure 10.** Number of Households by Tenure in the Dallas County Submarket, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

## Housing Market Trends

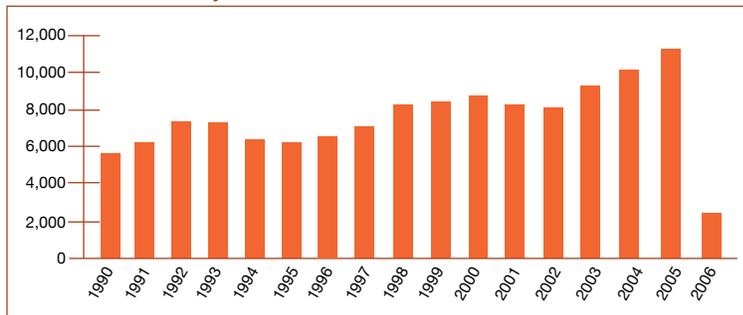
### Sales Market—Dallas County *Continued*

ment is also adjacent to the American Airlines Center where professional basketball and hockey teams, the Dallas Mavericks and the Dallas Stars, respectively, play. Two condominium developments are already sold out, including a 63-unit development atop a 33-story hotel. The first 1,000 residential units are scheduled for completion between late 2006 and 2008.

With 2006 being a mild winter, builders were able to add to the sales inventory in anticipation of continued strong sales market conditions in 2006. As a result, the sales vacancy rate increased during the past 12 months to 2.3 percent. The vacancy rate is up from 2000 but well below the 3.3-percent rate in 1990 that followed the oil bust in Texas in the late 1980s.

Based on data from the Real Estate Center at Texas A&M University, estimates indicate that

**Figure 11.** Single-Family Building Permits Issued in the Dallas County Submarket, 1990 to 2006



Notes: Includes only single-family units. Includes data through March 2006.  
Source: U.S. Census Bureau, Building Permits Survey

## Rental Market—Dallas County

The Dallas County rental market has softened significantly since 2000. The completion of a large number of new rental units has caused the vacancy rate to increase from approximately 6 percent in 2000 to nearly 13 percent currently, as shown in Figure 12. Based on the number of building permits issued, nearly 26,270 multifamily units have been constructed since 2000. During the same time, the number of renter households in the HMA has declined by 4,000 annually due to decreased job growth, the out-migration of 70,000 people, and the move-

more than 36,000 homes were sold in Dallas County during the 12 months ending March 2006, up 7 percent compared with the 12 months ending in March 2005. For the past 12 months, the average price is estimated at \$195,000, a gain of 4 percent; unsold inventory increased about 3 percent during the same period. The estimated demand for new market-rate sales housing in Dallas County by price ranges is displayed in Table 6.

**Table 6.** Estimated Demand for New Market-Rate Sales Housing in the Dallas County Submarket, April 1, 2006 to April 1, 2009

Price Range (\$)		Units of Demand	Percentage of Total
From	To		
100,000	109,999	1,000	6.1
110,000	119,999	1,000	6.1
120,000	129,999	1,100	6.7
130,000	139,999	1,200	7.3
140,000	149,999	1,400	8.5
150,000	159,999	1,600	9.8
160,000	179,999	1,800	11.0
180,000	199,999	2,000	12.2
200,000	249,999	1,600	9.8
250,000	299,999	1,200	7.3
300,000	399,999	900	5.5
400,000	499,999	700	4.3
500,000	and higher	900	5.5

Source: Estimates by analyst

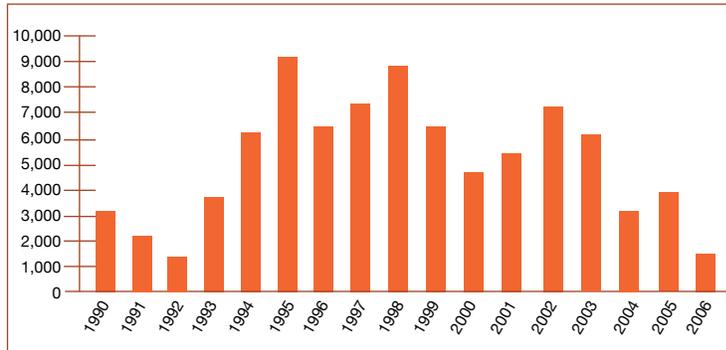
ment of renters to homeownership. This decline is compared with an average gain of 4,400 rental households annually between 1990 and 2000. Multifamily building permit trends since 1990 for Dallas County are shown in Figure 13.

Approximately 5,400 multifamily units remain in the construction pipeline with completion expected during 2006 and 2007. Currently, more than 53,000 vacant units are available for rent in Dallas County, at least 20,000 more than if the market were balanced.

Shortly after September 2005, evacuees from Hurricane Katrina and later Hurricane Rita absorbed approximately 10,000 rental units. The vacancy rate has increased slowly since Sep-

tember, however, as evacuees have left the area or made other arrangements. Average rents increased from \$702 a month in September 2005 to \$715 a month in March 2006, the first increase in more than 3 years.

**Figure 13.** Multifamily Building Permits Issued in the Dallas County Submarket, 1990 to 2006



Notes: Includes all multifamily units in structures with two or more units. Includes data through March 2006.

Source: U.S. Census Bureau, Building Permits Survey

## Sales Market—Denton County

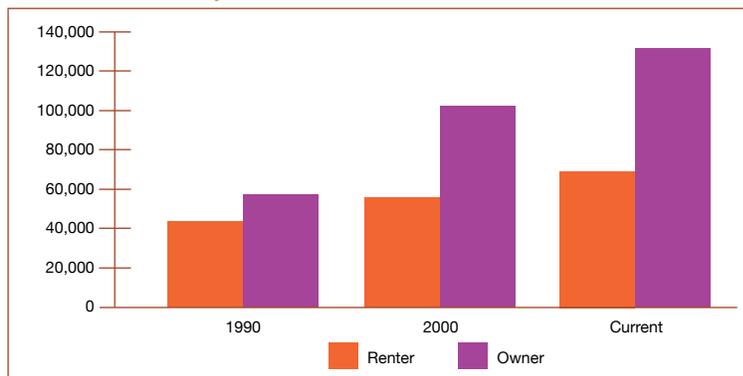
In Denton County, homeownership has been increasing by a significant amount since 1990, as shown in Figure 14. The slightly slower level of single-family home construction during the past several years follows record building levels from 1998 to 2001 (see Figure 15). From 2001 to 2005, permits were issued for an average of 4,300 homes a year, or 22 percent below the average of 5,225 a year from 1998 to 2001. During the

past 12 months, the county issues permits for 3,788 homes, a decrease of 7 percent compared with the number issued during the previous 12 months. Incomes and home prices in Denton County are considerably less than in Collin County, and interest rate increases and higher inventories of unsold homes have dampened the sales market.

The home sales market is growing throughout southern Denton County, primarily along Interstates 35W and 35E, around the city of Denton, and areas just north of the Dallas and Tarrant County lines. In several areas in the county, new 1,250-square-foot homes with three bedrooms and two baths are available for less than \$110,000. Most new homes in Denton County sell in the range of \$180,000 to \$350,000.

According to the multiple listing service data from the Real Estate Center at Texas A&M University, during the 12 months ending March 2006 more than 8,700 homes were sold in Denton County, 9 percent more than the total sold in the previous 12 months. As of the current date, the average

**Figure 14.** Number of Households by Tenure in the Denton County Submarket, 1990 to Current



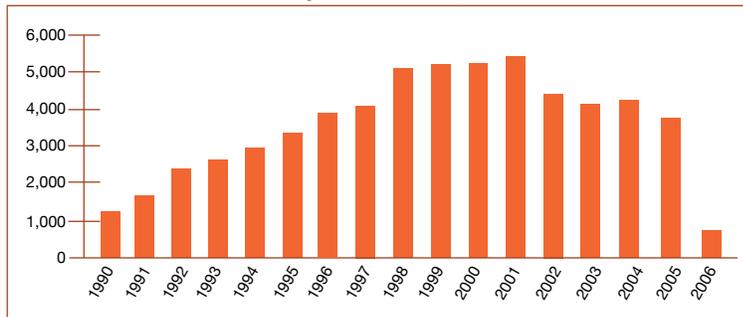
Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

## Housing Market Trends

Sales Market—Denton County *Continued*

sales price was \$192,000, a 4-percent gain from a year ago. During the 12-month period ending March 2006, the unsold inventory increased 5 percent, but the sales market remains balanced. The estimated demand for new market-rate sales housing in Denton County by price ranges is displayed in Table 7.

**Figure 15.** Single-Family Building Permits Issued in the Denton County Submarket, 1990 to 2006



Notes: Includes only single-family units. Includes data through March 2006.  
Source: U.S. Census Bureau, Building Permits Survey

## Rental Market—Denton County

Rental market conditions are currently balanced in Denton County, after extremely soft conditions during the 2001-to-2004 period when the vacancy rate increased to more than 15 percent as a result of overbuilding. See Figure 16 for vacancy rates in 1990, 2000, and the current date. Lower levels of construction and increased population growth contributed to a decrease in the rental vacancy rate from 12 percent during 2005 to the current 8-percent rate. In addition to experiencing lower vacancy rates, the rental market has seen rents begin to increase appreciably. The average rent in March 2006 was \$755, an increase of 3.4 percent in the past 12 months. The current pipeline of rental production is expected to meet the demand for new rentals for the next 18 months.

**Table 7.** Estimated Demand for New Market-Rate Sales Housing in the Denton County Submarket, April 1, 2006 to April 1, 2009

Price Range (\$)		Units of Demand	Percentage of Total
From	To		
100,000	109,999	1,000	6.0
110,000	119,999	1,000	6.0
120,000	129,999	1,100	6.6
130,000	139,999	1,100	6.6
140,000	149,999	1,200	7.2
150,000	159,999	1,300	7.8
160,000	179,999	1,400	8.4
180,000	199,999	1,600	9.6
200,000	249,999	1,800	10.8
250,000	299,999	1,700	10.2
300,000	399,999	1,500	9.0
400,000	499,999	900	5.4
500,000	and higher	1,000	6.0

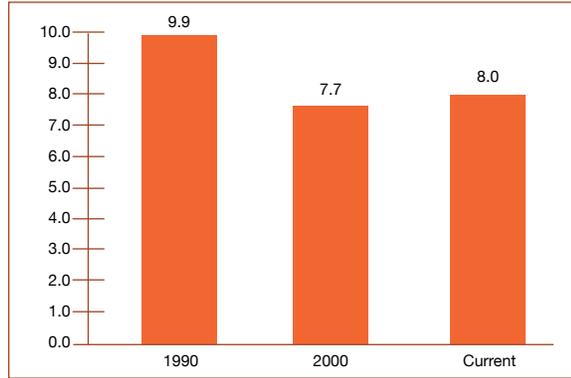
Source: Estimates by analyst

The construction of rental housing in Denton County, as measured by the number of building permits issued, has followed a similar pattern over the past decade with several years of high levels of construction followed by a year of greatly reduced activity. Between 1996 and 1999, multifamily units permitted averaged 1,850 annually; in 2000 permits decreased to only 644. From 2001 to 2003, the number of permits issued increased to an average of 1,675 a year and, in 2004, the number declined to 985. In 2005, the number of units permitted increased again to 1,449. Trends in the issuance of multifamily building permits for Denton County are shown in Figure 17.

The estimated demand for new market-rate rental housing in Denton County by rent level and number of bedrooms is displayed in Table 8.

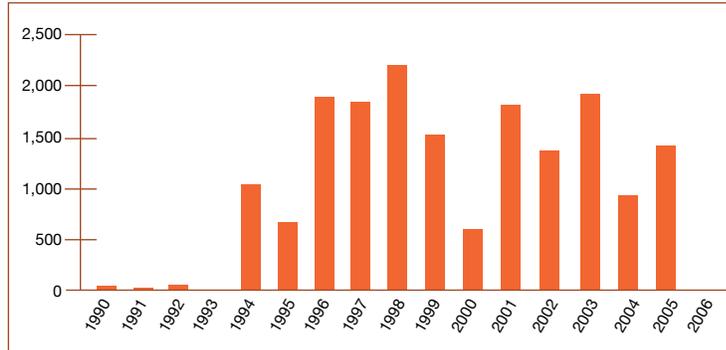
**Housing Market Trends**  
**Rental Market—Denton County** *Continued*

**Figure 16.** Rental Vacancy Rates in the Denton County Submarket, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

**Figure 17.** Multifamily Building Permits Issued in the Denton County Submarket, 1990 to 2006



Notes: Includes all multifamily units in structures with two or more units. Includes data through March 2006.

Source: U.S. Census Bureau, Building Permits Survey

**Table 8.** Estimated Demand for New Market-Rate Rental Housing in the Denton County Submarket, April 1, 2006 to April 1, 2009

1 Bedroom		2 Bedrooms		3 or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
800	2,750	1,000	3,100	1,200	1,050
900	2,250	1,100	2,350	1,300	850
1,000	1,750	1,200	1,825	1,400	600
1,100	1,250	1,300	1,300	1,500	450
1,200	1,000	1,400	1,050	1,600	350
1,300	800	1,500	675	1,700	250
1,400	650	1,600	450	1,800	175
1,500	500	1,700	300	1,900	150
1,600	375	1,800	225	2,000	100
1,700	300	1,900	150	2,100	75
1,800 and higher	150	2,000 and higher	50	2,200 and higher	50

Notes: Distribution above is noncumulative. Demand shown at any rent represents demand at that level and higher.

Source: Estimates by analyst

**Table DP-1.** Dallas HMA Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Resident Employment	1,329,401	1,691,329	1,758,000	2.4	0.6
Unemployment Rate (%)	5.0	3.6	5.1		
Covered Employment	1,322,133	1,853,265	1,834,000	3.4	-0.2
Total Population	2,390,371	3,143,550	3,548,000	2.8	2.0
Total Households	899,475	1,148,494	1,279,000	2.5	1.8
Owner Households	485,218	652,172	776,900	3.0	3.0
Percent Owner (%)	53.9	56.8	60.7		
Renter Households	414,257	496,322	502,100	1.8	0.2
Percent Renter (%)	46.1	43.2	39.3		
Total Housing Units	1,011,603	1,217,080	1,405,600	1.9	2.4
Owner Vacancy Rate (%)	3.3	1.5	2.0		
Rental Vacancy Rate (%)	13.6	7.2	11.6		
Median Family Income	\$42,200	\$57,700	\$60,500	3.2	0.8

Note: Median family income data are for 1989, 1999, and 2006.

Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

**Table DP-2.** Collin County Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	264,036	491,675	680,000	6.4	5.6
Total Households	95,805	181,970	255,000	6.6	5.8
Owner Households	63,849	124,916	185,100	6.9	6.8
Percent Owner (%)	66.6	68.6	72.6		
Rental Households	31,956	57,054	69,900	6.0	3.4
Percent Renter (%)	33.4	31.4	27.4		
Total Housing Units	103,827	194,892	267,400	6.5	5.4
Owner Vacancy Rate (%)	3.4	1.7	1.4		
Rental Vacancy Rate (%)	8.9	12.3	8.0		
Median Family Income	\$52,987	\$81,856	\$86,500	4.4	0.9

Note: Median family income data are for 1989, 1999, and 2006.

Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

**Table DP-3.** Dallas County Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	1,852,810	2,218,899	2,315,000	1.8	0.7
Total Households	701,686	807,621	823,000	1.4	0.3
Owner Households	362,781	424,847	460,200	1.6	1.3
Percent Owner (%)	51.7	52.6	55.9		
Rental Households	338,905	382,774	362,800	1.2	-0.9
Percent Renter (%)	48.3	47.4	44.1		
Total Housing Units	795,513	854,119	926,100	0.7	1.4
Owner Vacancy Rate (%)	3.3	1.3	2.3		
Rental Vacancy Rate (%)	14.5	6.3	12.9		
Median Family Income	\$36,982	\$49,000	\$49,000	2.9	0.0

Note: Median family income data are for 1989, 1999, and 2006.

Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

**Table DP-4.** Denton County Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	273,525	432,976	553,000	4.7	4.2
Total Households	101,984	158,903	201,000	4.5	4.0
Owner Households	58,588	102,409	131,600	5.7	4.3
Percent Owner (%)	57.4	64.4	65.5		
Rental Households	43,396	56,494	69,400	2.7	3.5
Percent Renter (%)	42.6	35.6	34.5		
Total Housing Units	112,263	168,069	212,100	4.1	4.0
Owner Vacancy Rate (%)	3.6	2.0	1.8		
Rental Vacancy Rate (%)	9.9	7.7	8.0		
Median Family Income	\$44,945	\$69,292	\$74,500	4.4	1.2

Note: Median family income data are for 1989, 1999, and 2006.

Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

## Data Definitions and Sources

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1990: 4/1/1990—U.S. Decennial Census

2000: 4/1/2000—U.S. Decennial Census

Current date: 4/1/2006—Analyst's estimates

Forecast period: 4/1/2006–4/1/2009—Analyst's estimates

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

For additional data pertaining to the housing market for this HMA, go to: [www.huduser.org/publications/pdf/CMARtables\\_DallasTX.pdf](http://www.huduser.org/publications/pdf/CMARtables_DallasTX.pdf).

## Contact Information

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This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to  
[www.huduser.org/publications/econdev/mkt\\_analysis.html](http://www.huduser.org/publications/econdev/mkt_analysis.html).