



COMPREHENSIVE HOUSING MARKET ANALYSIS

Fort Worth-Arlington, Texas

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of April 1, 2021



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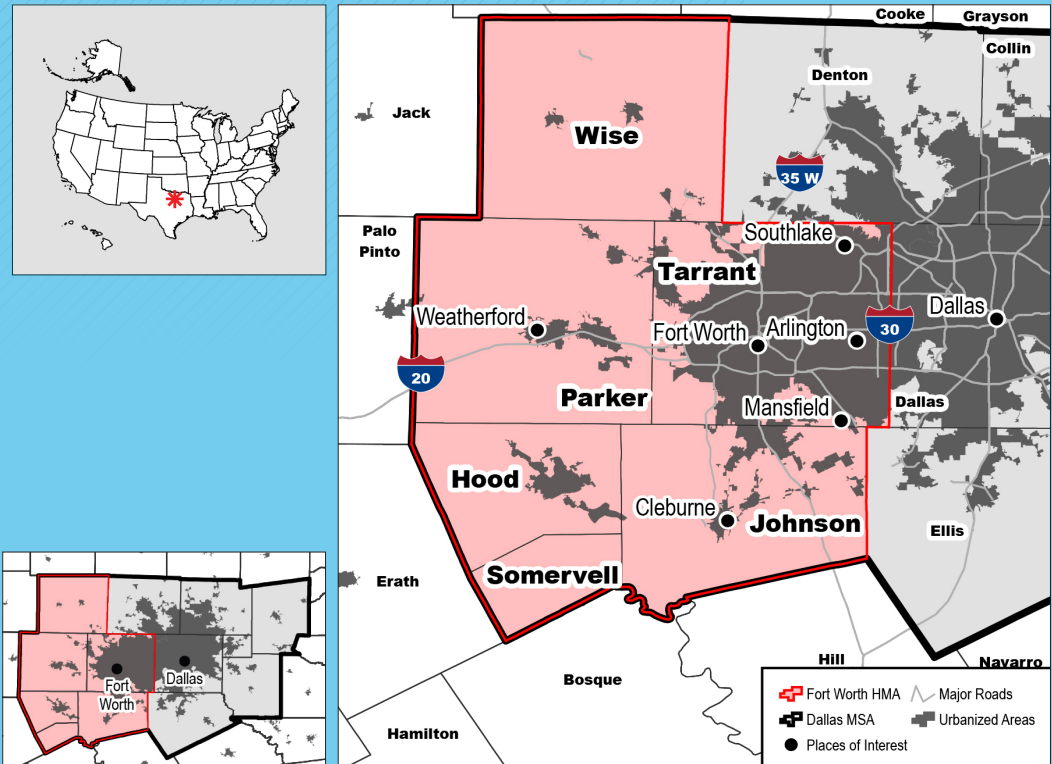
Executive Summary

Housing Market Area Description

The Fort Worth-Arlington Housing Market Area (hereafter, Fort Worth HMA) is coterminous with the Fort Worth-Arlington, TX Metropolitan Division, which makes up the western portion of the Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area (MSA) in north central Texas. The HMA has six counties: Hood, Johnson, Parker, Somerville, Tarrant, and Wise. The principal cities of Fort Worth and Arlington are located in Tarrant County.

The current HMA population is estimated at 2,614,000.

Because of its cattle drive history and the construction of the Texas and Pacific Railway in the late 1800s, the principal city of Fort Worth became a livestock and meatpacking center, earning the moniker of “Cowtown.” The Dallas Fort Worth International Airport—primarily in Tarrant County—serves as the main hub for the American Airlines Group Inc. and in 2020 was the fourth busiest airport in the world.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Weak, but Improving: Although 69 percent of jobs lost due to the effects of the COVID-19 pandemic have been recovered, the pace of job recovery has been uneven in the Fort Worth HMA.

The pace of job growth slowed during the first quarter of 2021, partly due to a decline in nonfarm payrolls in February, when a catastrophic ice storm caused many businesses to temporarily close. During the 3 months ending March 2021, nonfarm payrolls in the HMA declined by 41,000 jobs, or 3.7 percent, to 1.06 million jobs; this decline followed an increase of 25,300 jobs, or 2.4 percent, during the same period a year earlier. During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 2.7 percent, with notable growth expected in both goods-producing and service-providing sectors.

Sales Market



Tight: The inventory of homes available for sale in March 2021 fell by nearly 66 percent from a year earlier.

The sales housing market in the HMA is currently tight, with an estimated vacancy rate of 1.3 percent, down from 2.1 percent in 2010. During the 12 months ending March 2021, the average existing home sales price increased 8 percent to \$283,600, and the average new home sales price increased 2 percent to \$322,800 (Zonda, with adjustments by the analyst). During the next 3 years, demand is estimated for 28,700 new homes. The 4,275 homes under construction will satisfy some of the demand in the first year of the forecast period.

Rental Market



Balanced: The overall rental vacancy rate is currently estimated at 7.2 percent, down from 11.7 percent in April 2010 when the market was soft.

Rental market conditions are balanced in the HMA as of April 1, 2021, due to an increased propensity to rent in the HMA since 2010. Apartment market conditions are also balanced, with a vacancy rate of 5.6 percent during the first quarter of 2021, nearly unchanged from a year ago. The average apartment market rent during the first quarter of 2021 increased 4 percent to \$1,132 from a year earlier (RealPage, Inc.). During the forecast period, demand is estimated for 18,000 new rental units; the 12,700 units currently under construction will meet part of that demand.

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3-Year Housing Demand Forecast			
		Sales Units	Rental Units
Fort Worth HMA	Total Demand	28,700	18,000
	Under Construction	4,275	12,700

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2021. The forecast period is April 1, 2021, to April 1, 2024.
Source: Estimates by the analyst



Economic Conditions

Largest Sector: Wholesale and Retail Trade

On a monthly basis, nonfarm payrolls in the wholesale and retail trade sector surpassed pre-pandemic (February 2020) levels in October 2020 and continued to increase through December but fell in January and February 2021.

Primary Local Economic Factors

Originally an outpost to the western frontier of Texas, Tarrant County evolved into a manufacturing and transportation hub in the 1900s and a burgeoning financial center for north Texas in the 2000s. Refineries moved to the HMA following the discovery of oil in 1901, and the aviation industry expanded around the Naval Air Station Joint Reserve Base (formerly known as Carswell Air Force Base) during World War II. Five of the six counties in the HMA are part of the Barnett Shale natural gas fields. Advances in natural gas extraction used in the fields led to the Barnett Shale becoming one of the most productive natural gas fields in the United States during the 2000s and contributed to an increase in mining, logging, and construction jobs in the HMA. Since the early 2000s, Fidelity Investments and Deloitte have opened large campuses in the Circle T Ranch portion of the AllianceTexas development.

The manufacturing and the transportation and utilities sectors have a significant impact on the

local economy. With generally high-paying jobs, the manufacturing sector has been historically centered around the aerospace and defense industry in the HMA. Companies such as Lockheed Martin Corporation, which is the second largest employer in the HMA, and Bell Textron Inc. have manufacturing facilities in the HMA (Table 1). In 2020, Bell Textron Inc. built a new manufacturing technology center in the city of Fort Worth. The company is collaborating with Lockheed Martin Corporation to build the V-280 Valor, a tiltrotor aircraft for the United States Army Future Vertical Lift program. Since 2015, the transportation and utilities sector has grown the fastest of all the sectors, with an average growth rate of 4.4 percent, or 3,500 jobs, annually, because of the growing popularity of e-commerce. Some of this job growth has been at companies located in AllianceTexas, a master-planned mixed-use community based around the Fort Worth Alliance Airport in northern Fort Worth. The UPS Ground Hub, J.B. Hunt Transport Services, Inc., BNSF Railway Company Alliance Intermodal Facility, and two The Kraft Heinz Company warehouses are some of the facilities located in the development. Since 2015, the financial activities sector was the second fastest growing sector in the HMA. The Charles Schwab Corporation opened a temporary office in AllianceTexas in 2015, prior to moving their corporate offices to the northern part of the Circle T Ranch development. In 2018, TD Ameritrade, Inc., moved its two Fort Worth offices to a new, \$123-million complex in the city of Southlake to accommodate future expansion and expand their potential employee base to include people from Dallas County.

Table 1. Major Employers in the Fort Worth HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
American Airlines Group Inc.	Transportation & Utilities	25,000
Lockheed Martin Corporation	Manufacturing	13,700
Texas Health Resources	Education & Health Services	12,000
Naval Air Station Joint Reserve Base Fort Worth*	Government	10,000
The University of Texas at Arlington	Government	8,500
JPS Health Network	Education & Health Services	6,500
City of Fort Worth	Government	6,150
Cook Children's Health Care System	Education & Health Services	6,050
Tarrant County College	Education & Health Services	6,000
Alcon Inc.	Manufacturing	5,400

*Data include military personnel, who are generally not included in nonfarm payroll survey data.

Note: Excludes local school districts.

Source: Fort Worth Chamber of Commerce



Current Conditions— COVID-19 Related Restrictions and Nonfarm Payrolls

In March 2020, executive orders intended to mitigate the spread of COVID-19 were issued by the governor of Texas. Since April 2020, the governor issued a series of executive orders aimed at achieving less restrictive COVID-19 countermeasures while continuing certain social-distancing restrictions to safely reopen the Texas economy. By October 2020, most establishments were allowed to operate at 75 percent capacity, and in March 2021, the governor allowed establishments in the state to operate at 100 percent capacity, with a caveat allowing county judges to use some COVID-19 mitigation strategies restricting businesses to 50 percent capacity under highly defined circumstances of increased COVID-19 hospitalizations.

Although nonfarm payrolls are down considerably year-over-year, 69 percent of the 126,200 jobs lost during March and April of 2020—as a consequence of the efforts used to slow the spread of COVID-19, including enforcing social distancing and health safety standards—were recovered by March 2021 (not seasonally adjusted). Despite this partial recovery of jobs, economic conditions remain weak. During the 3 months ending March 2021, payrolls declined by 41,000 jobs, or 3.7 percent, compared with the

same 3-month period a year earlier. Those losses, however, were less than the job decline that occurred during the 12 months ending March 2021, which captured all of the initial job losses due to the pandemic. During the 12 months ending March 2021, payrolls totaled 1.04 million, reflecting a decrease of 56,100 jobs, or 5.1 percent (Table 2), compared with the same 12-month period a year ago. During the 12 months ending March 2021, 10 of the 11 employment sectors lost jobs, with the majority of job losses in the service-providing sectors. The leisure and hospitality sector, which fell by 24,200 jobs, or 19.2 percent, led the decline and accounted for 43 percent of the total job losses in the HMA.

Approximately 79 percent of jobs lost in this sector were in the accommodation and food services industry, which declined by 19,100 jobs, or 17.8 percent. The decline is due to limited travel to the HMA during this period, as well as the countermeasures used to limit the contagion of COVID-19. The countermeasures to limit COVID-19, however, resulted in a rise in the demand for e-commerce goods, which caused an increase in warehouse construction and jobs in the transportation and utilities sector. The construction

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Fort Worth HMA, by Sector

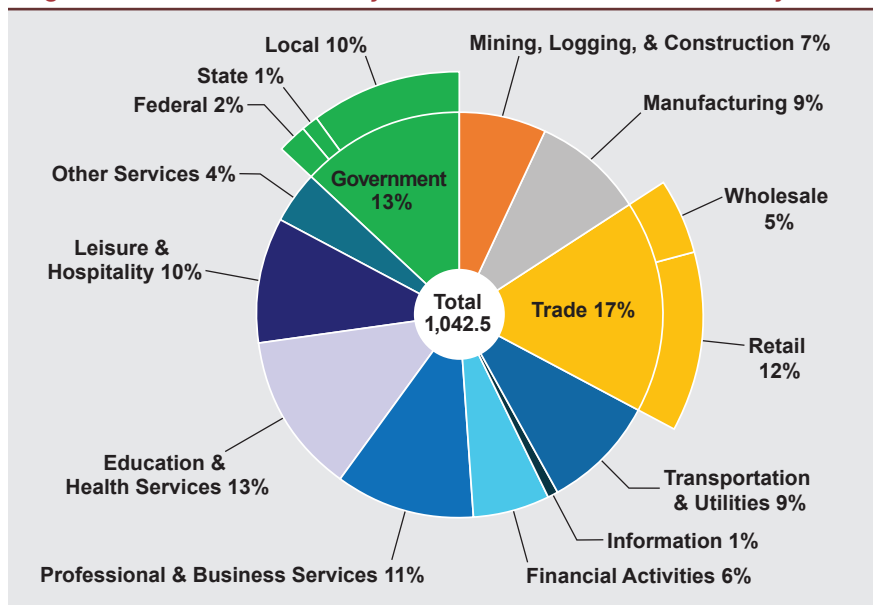
	12 Months Ending March 2020	12 Months Ending March 2021	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	1,098.6	1,042.5	-56.1	-5.1
Goods-Producing Sectors	179.2	171.2	-8.0	-4.5
Mining, Logging, & Construction	76.5	72.6	-3.9	-5.1
Manufacturing	102.7	98.6	-4.1	-4.0
Service-Providing Sectors	919.3	871.3	-48.0	-5.2
Wholesale & Retail Trade	176.1	174.2	-1.9	-1.1
Transportation & Utilities	91.4	91.9	0.5	0.5
Information	10.8	9.4	-1.4	-13.0
Financial Activities	68.5	67.5	-1.0	-1.5
Professional & Business Services	123.6	118.7	-4.9	-4.0
Education & Health Services	142.1	135.4	-6.7	-4.7
Leisure & Hospitality	125.8	101.6	-24.2	-19.2
Other Services	42.3	36.6	-5.7	-13.5
Government	138.7	136.1	-2.6	-1.9

Notes: Based on 12-month averages through March 2020 and March 2021. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics



of industrial warehouses and facilities in the HMA increased during this time and partly offset the decline of jobs in the mining, logging, and construction sector, which were down by 3,900 jobs, or 5.1 percent, during the 12 months ending March 2021. The transportation and utilities sector, which accounts for 9 percent of the jobs in the HMA, was the only sector to expand (Figure 1). Partly attributed to the growth of e-commerce, the transportation and utilities sector increased by 500 jobs, or 0.5 percent, compared with 4,500 jobs, or 5.2 percent, added a year earlier.

Figure 1. Share of Nonfarm Payroll Jobs in the Fort Worth HMA, by Sector

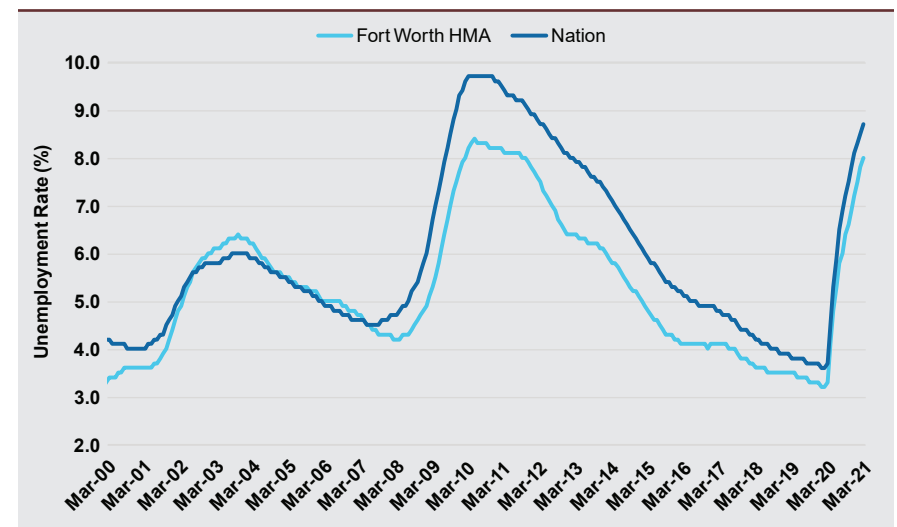


Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through March 2021. Source: U.S. Bureau of Labor Statistics

Current Conditions—Unemployment

Significant job losses occurred during the past year because of COVID-19 containment measures. The unemployment rate averaged 8.0 percent during the 12 months ending March 2021, up from 3.3 percent during the previous 12 months but down from the recent 12-month peak of 8.4 percent during May 2010 (Figure 2). By comparison, the unemployment rate in the nation averaged 8.7 percent during the 12 months ending March 2021, up from 3.7 percent a year earlier.

Figure 2. 12-Month Average Unemployment Rate in the Fort Worth HMA and the Nation



Note: Based on the 12-month moving average. Source: U.S. Bureau of Labor Statistics



Economic Periods of Significance

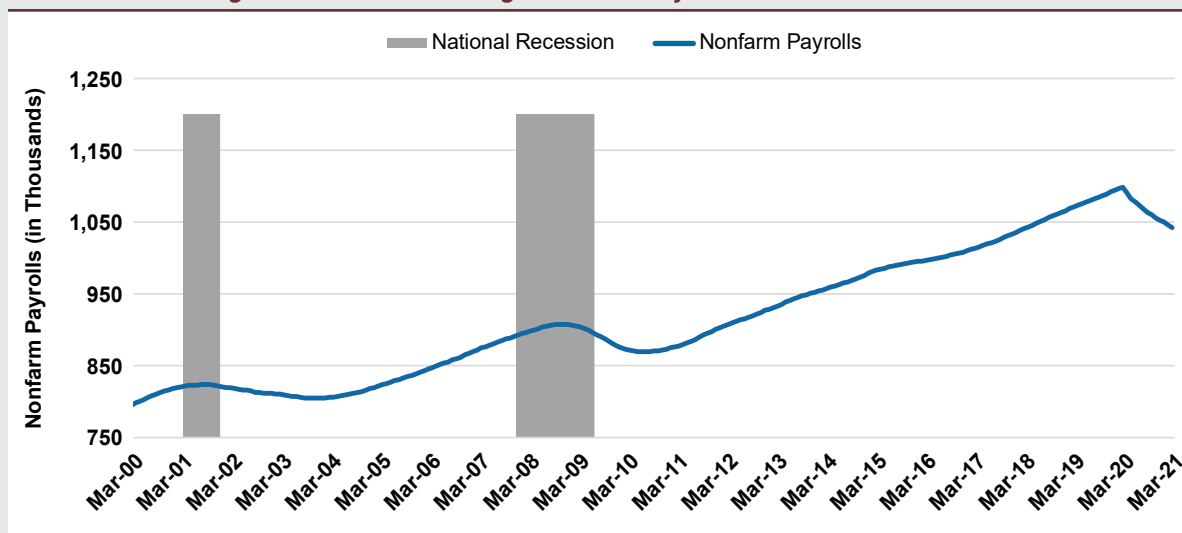
2001 Through 2008

Following an increase in nonfarm payrolls in 2001, mainly due to a rise in the financial activities sector of 3,000 jobs, or 6.9 percent, total nonfarm payrolls declined from 2002 through 2003 by an average of 7,800 jobs, or 0.9 percent annually (Figure 3). From 2004 through 2008, strong economic growth coincided with strong net in-migration, and payroll gains occurred in 7 of the 11 nonfarm payroll sectors. Payrolls increased by an average of 20,400 jobs, or 2.4 percent, annually, with the mining, logging, and construction sector leading job gains and accounting for 21 percent of the jobs added as natural gas production from the Barnett Shale natural gas fields increased. During this time, the professional and business services and the education and health services sectors significantly contributed to the expansion and increased by an average of 3,800 and 3,300 jobs, or 4.1 and 3.6 percent, annually.

2009 Through 2010

Economic conditions in the HMA weakened as a result of the national recession that began in late 2007. From 2009 through 2010, nonfarm payrolls fell by an average of 17,000 jobs, or 1.9 percent, annually, to a low of 873,700 jobs in 2010. The effects of the national recession were moderate

Figure 3. 12-Month Average Nonfarm Payrolls in the Fort Worth HMA



Note: Based on the 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

in the HMA compared with the nation, partly because of strong growth in the education and health services and the government sectors, which increased annually by averages of 3,400 and 3,000 jobs, or 3.3 percent and 2.4 percent, respectively. By contrast, job loss was greatest in the mining, logging, and construction sector, which fell by an average of 7,900 jobs, or 11.7 percent, annually, accounting for 46 percent of all jobs lost during this period, as residential construction in the HMA declined.

2011 Through 2019

Economic conditions in the HMA began to improve in 2011, and by 2012 nonfarm payrolls had surpassed the pre-recessionary high of 2008, reaching 927,300 jobs. From 2011 through 2014, job growth was strong, increasing by an average of 25,600 jobs, or 2.8 percent, annually. Gains were strongest in the mining, logging, and construction sector, which added an average of 4,100 jobs, or 6.6 percent, partly due to relatively strong natural gas production in the HMA. Nonfarm payrolls moderated from 2015 through 2016, increasing by an average of 16,000 jobs, or 1.6 percent, annually, with all of the growth occurring in the service-providing sectors. The transportation and utilities and the wholesale and retail trade sectors

led growth, both averaging 5,000 jobs annually, or 6.8 and 3.1 percent, respectively. During this time, Amazon.com, Inc. built an e-fulfillment center at AllianceTexas, which created 400 jobs. Close to the AllianceTexas development, the Presidio Towne Crossing shopping center was built, with a Target Corporation retail store as the anchor.

Nonfarm payroll growth accelerated from 2017 through 2019, averaging 28,100 jobs, or 2.7 percent, annually. During this time period, the service-providing sectors accounted for 80 percent of job growth. The financial activities sector grew the fastest during this time period, increasing 5.3 percent, or by an

average of 3,300 jobs, annually. The leisure and hospitality sector had the largest job gains during the period, increasing by an average of 3,800 jobs, or 3.2 percent. Texas Live!, an entertainment and hospitality district sited between Globe Life Park, Globe Life Field, and AT&T Stadium in the city of Arlington, opened in 2018, creating more than 1,000 permanent jobs. Other sectors that grew substantially were the education and health services and the professional and business services sectors, adding respective averages of 3,600 and 3,500 jobs, or 2.7 and 3.0 percent, annually.

Commuting Patterns

With a robust highway system, including two interstate highways that traverse the Dallas-Fort Worth-Arlington, TX MSA from east to west, many residents of the HMA, particularly from Tarrant and Johnson Counties, commute to Dallas County for work. The share of employed people commuting to Dallas County has remained relatively constant since 2010. In 2018, 23 percent of employed residents from Tarrant County commuted to Dallas County, which was unchanged from 2010 (Census Bureau, OnTheMap, 2018 and 2010 data). Likewise, the percentage of employed residents commuting from Johnson County to Dallas County during 2018 was 13 percent, which was up 1 percentage point from 2010.

Employment Forecast

During the 3-year forecast period, nonfarm payrolls in the HMA are expected to grow at an average of 2.7 percent annually. Job growth is expected to be greatest during the first year of the forecast, with the recovery of all jobs

lost during the pandemic anticipated by the end of the first year. The goods-producing and the service-providing sectors are both expected to contribute to payroll growth during the next 3 years. Job gains are expected to be strong in the transportation and utilities sector as demand for e-commerce goods continues to expand. Hillwood Development Company, LLC, is planning to begin construction on a 1.2 million square foot industrial building in the AllianceTexas development, which is expected to be completed in 2022. BNSF Railway Company announced an approximately \$200 million expansion to add a new double track from the Alliance Intermodal Facility in the city of Fort Worth to the city of Cleburne in the southern portion of the HMA. As the effects of the COVID-19 pandemic subside, the leisure and hospitality sector is expected to grow. The \$810 million second phase of the Texas Live! development is expected to begin during the forecast period and create more than 3,000 jobs. The second phase is expected to include 888 hotel rooms, a new convention center, office space, a mixed-use residential building, and additional dining, retail, and entertainment options.



Population and Households

Current Population: 2.61 Million

Population growth has slowed since 2016 due to a slowdown in both net natural change and net in-migration.

Population and Migration Trends

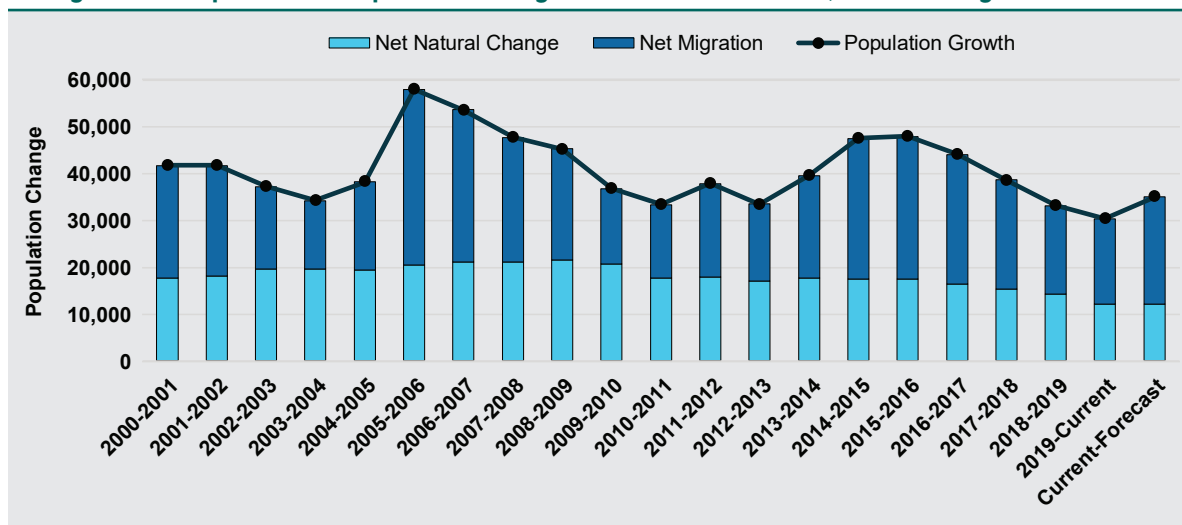
As of April 1, 2021, the estimated population of the Fort Worth HMA is approximately 2.61 million, representing an average increase of 38,050, or 1.6 percent, annually since April 2010 (Table 3). From 2000 to 2005, the population grew by an average of 39,250, or 2.1 percent, annually, as net in-migration slowed nearly every year (Figure 4) in response to the economic downturn during the early 2000s. The population increased by 53,100, or 2.6 percent, annually, from 2005 to 2008 as the economy in the HMA expanded. During this time period, net in-migration grew to its highest levels during the past two decades, averaging 32,250 people annually and accounting for 61 percent of the population growth. From 2008 to 2013, population growth slowed to 37,350 people, or 1.7 percent, annually, due to the economic downturn in the HMA stemming from the effects of the national recession of the late 2000s. During that period, net in-migration slowed to 18,450 people, whereas natural change

Table 3. Fort Worth HMA Population and Household Quick Facts

	2010	Current	Forecast
Population Quick Facts	Population	2,195,694	2,614,000
	Average Annual Change	43,750	38,050
	Percentage Change	2.2	1.6
Household Quick Facts	Households	796,284	936,900
	Average Annual Change	15,200	12,800
	Percentage Change	2.1	1.5

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (April 1, 2021) to April 1, 2024.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 4. Components of Population Change in the Fort Worth HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (April 1, 2021) to April 1, 2024.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

averaged 18,900 people and accounted for 51 percent of the population change. Due to the economic expansion in the HMA that began in 2011, the population grew steadily from 2013 to 2016, averaging 45,050 people or 1.9 percent annually, with net in-migration accounting for 61 percent of the growth, averaging 27,550 people a year. Although the economy strengthened from 2016 to 2019, population

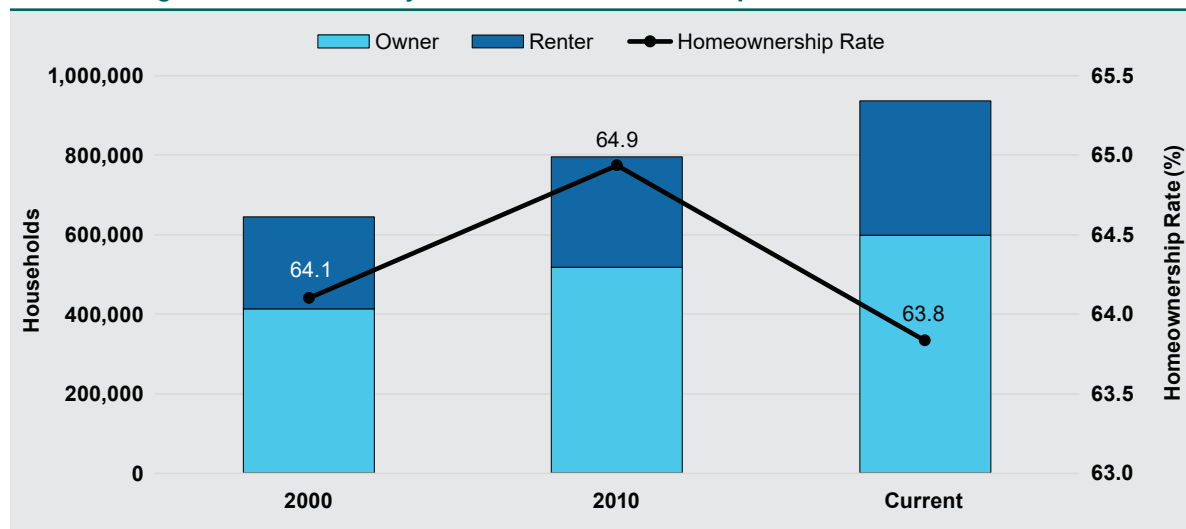


growth slowed to an average of 38,600 people annually, or 1.6 percent; both net in-migration and net natural change slowed during this period—averaging 23,350 and 15,250 people a year, respectively. From 2019 to current, the pandemic caused population growth to slow further to 30,400 people, or 1.2 percent, with a net in-migration of 18,350 people.

Household Trends

Household growth in the HMA has generally reflected population growth trends since 2000. The current number of households in the HMA is estimated at 936,900, representing an average annual increase of 12,800 households, or 1.5 percent, since April 2010—a pace slightly slower than the 1.6-percent population growth rate in the HMA during the same period. The number of households increased an average of 2.1 percent annually during the 2000s, slightly slower than the 2.2-percent population growth during the same period. Since 2010, there has been an increase in the propensity to rent, with renter households accounting for 36.2 percent of all households in the HMA, up from 35.1 percent during the 2000s (Figure 5).

Figure 5. Households by Tenure and Homeownership Rate in the Fort Worth HMA



Note: The current date is April 1, 2021.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Forecast

Population growth in the Fort Worth HMA is expected to continue during the 3-year forecast period, with the population reaching 2.72 million by April 1, 2024, reflecting average annual growth of 35,050 people, or 1.3 percent; that rate of growth is lower than the period since 2010 because net natural increase is expected to continue slowing. As jobs lost from the pandemic are recovered and moderate economic growth ensues, approximately 66 percent of the growth will come from net in-migration. Household growth is expected to average 13,100, or 1.4 percent, annually, with the number of households in the HMA reaching 976,200 by the end of the forecast period—a pace that is slightly faster than population growth.



Home Sales Market

Market Conditions: Tight

During the 12 months ending March 2021, total home sales and prices in the Fort Worth HMA increased 3 and 7 percent, respectively (Zonda).

Current Conditions

The sales housing market in the Fort Worth HMA is currently tight, with an estimated sales vacancy rate of 1.3 percent (Table 4), down from 2.1 percent in April 2010. The supply of homes in the HMA fell from a 2.3-month supply in March 2020 to a 0.8-month supply in March 2021 (CoreLogic, Inc.). New and existing home sales in the HMA increased to 63,650 homes sold during the 12 months ending March 2021, up 3 percent compared with the previous 12 months (Zonda) but slower than the increase of 5 percent a year earlier—partly because the number of existing homes for sale declined as many people did not want to show their homes to prospective buyers during the pandemic. During the same period, the average new and existing home sales price increased 7 percent to \$291,200.

New Home Sales and Prices

New home sales in the HMA peaked at 19,000 homes sold in 2006 (Figure 6) when job and population growth combined with relaxed lending standards contributed to strong home sales. The number of new home sales subsequently

Table 4. Home Sales Quick Facts in the Fort Worth HMA

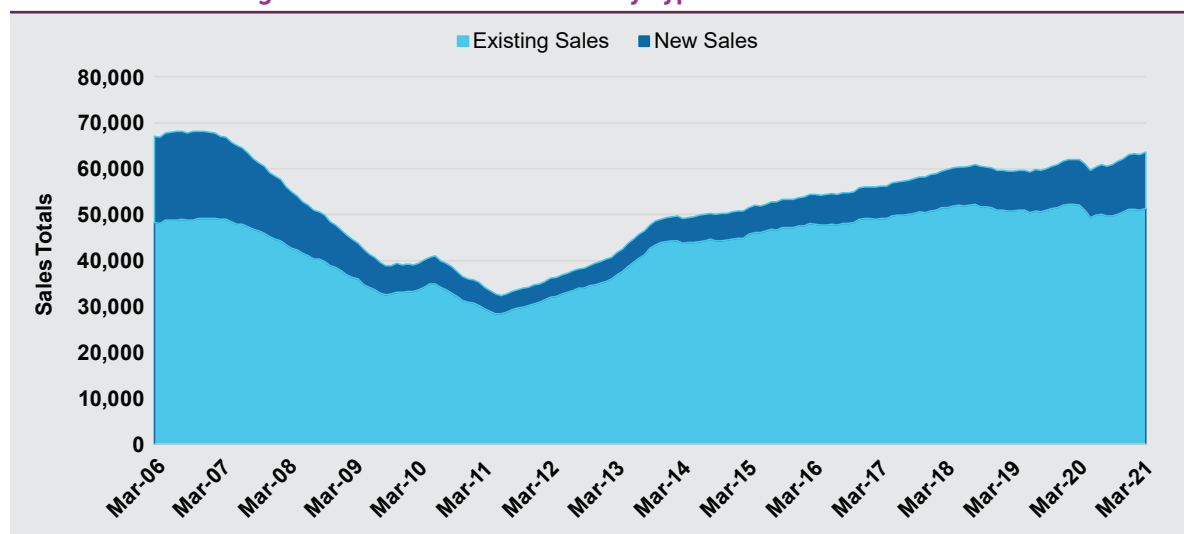
Home Sales Quick Facts	Fort Worth HMA	Nation
	Vacancy Rate	1.3%
Months of Inventory	0.8	1.3
Total Home Sales	63,650	6,927,000
1-Year Change	3%	16%
New Home Sales Price	\$322,800	\$392,100
1-Year Change	2%	3%
Existing Home Sales Price	\$283,600	\$353,100
1-Year Change	8%	12%
Mortgage Delinquency Rate	4.1%	3.7%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending March 2021; and months of inventory and mortgage delinquency data are as of March 2021. The current date is April 1, 2021.

Sources: National Association of Realtors; Census Bureau /HUD; CoreLogic, Inc.; HMA Sales and Prices—Zonda, with adjustments by the analyst

Figure 6. 12-Month Sales Totals by Type in the Fort Worth HMA



Source: Zonda, with adjustments by the analyst

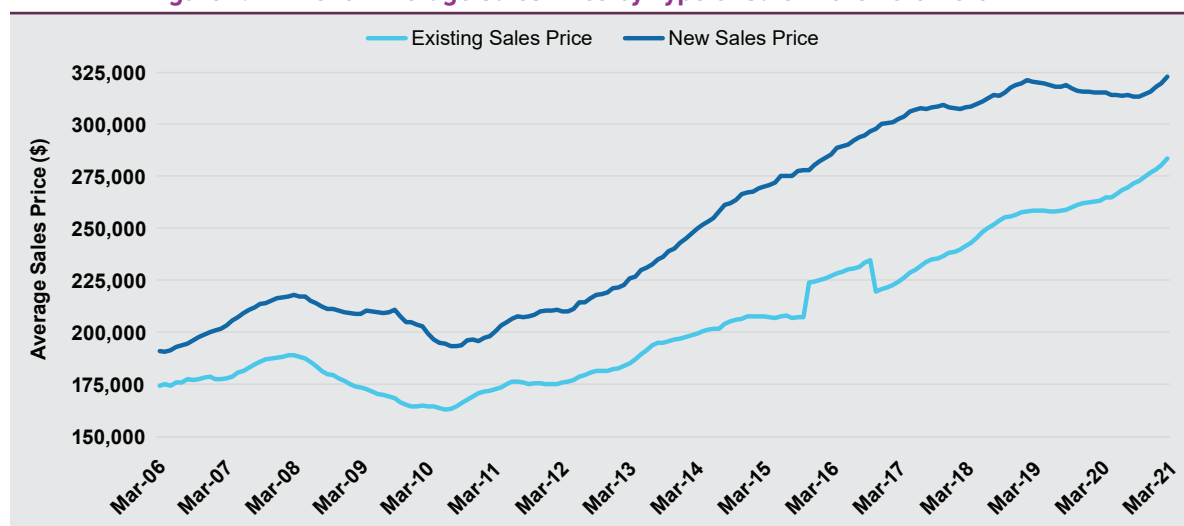
declined, however, each of the next 5 years to a low of 4,000 homes sold in 2011, as demand for homes fell due to the national housing crisis and economic downturn in the HMA. As economic conditions improved, new home sales increased every year in the HMA. From 2012 through 2014, new home sales



increased by an average of 650 homes, or 14 percent, annually, to 5,925 homes sold as job opportunities increased. As job growth in the HMA moderated in 2015 and 2016, new home sales increased by an average of 480, or 8 percent, annually. From 2017 through 2019, as the economy in the HMA expanded more rapidly with job growth occurring in many of the higher paying sectors, new home sales increased by an average of 880 homes, or 11 percent, annually, to 9,550 homes sold in 2019. Due to a lack of supply of existing homes available for sale and rising demand during the pandemic, new home sales during the 12 months ending March 2021 increased to 12,300, up 23 percent from a year earlier.

The average new home sales price rose from 2006 through 2007 by an average of \$13,700, or 7 percent, annually, to \$216,500, as demand for homes increased (Figure 7). After reaching a peak of \$218,200 in early 2008, the average new home price in the HMA trended downward to \$195,900 in 2010 because of the economic downturn during that time. As economic conditions in the HMA improved, new home sales prices increased each year from 2011 through 2018, averaging a gain of \$15,400, or 6 percent, annually to reach \$319,000 before falling 1 percent in 2019. During the 12 months ending March 2021, the average new home sales price increased to a peak of \$322,800, up by \$7,700, or 2 percent, from a year earlier.

Figure 7. 12-Month Average Sales Price by Type of Sale in the Fort Worth HMA



Note: From the 12 months ending November 2015 through October 2016, the average existing home sales price appears to break with the trendline because sales of higher priced existing homes were relatively higher in November 2015.
Source: Zonda, with adjustments by the analyst

Existing Home Sales and Prices

Existing home sales, which includes regular resale and real estate owned (REO) home sales, averaged 48,150 homes annually from 2005 through 2006 when in-migration to the HMA peaked. Due to the housing crisis and subsequent economic downturn in the HMA, existing home sales fell by an average of 3,700 homes, or 9 percent, annually from 2007 through 2011. From 2012 through 2019, as the economy in the HMA expanded, existing homes sales increased by an average of 2,675 homes, or 7 percent, annually. During the 12 months ending March 2021, existing home sales declined 1 percent from a year earlier to 51,350. By comparison, the 52,100 existing homes sold during the 12 months ending March 2020 was a 3-percent increase from a year prior. The recent decline in existing home sales has coincided with a decline in home sales inventory.

The average existing home sales price increased from 2006 through 2007 by an average of \$8,850, or 5 percent, annually to \$188,000, before falling 6 percent to a low of \$164,600 in 2009 as mortgage lending standards tightened and as the economy in the HMA began to contract. Beginning in mid-2010, existing home prices began to rise and increased to \$175,000 in 2011. Existing home prices increased by an average of \$10,850, or 6 percent, annually from 2012 through 2014 as the economy in the HMA

expanded. A relatively large number of existing homes sold in November 2015 were priced over \$2 million, which contributed to an increase in the average existing home sales price in 2015 by \$16,950, or 8 percent, to \$224,500, before adjusting to \$220,800 in 2016. As job growth began to accelerate, prices increased by an average of \$13,750, or 6 percent, annually from 2017 through 2019, reaching \$276,600 in 2020. During the 12 months ending March 2021, the average sales price for existing homes rose to \$283,600, up 8 percent from a year ago.

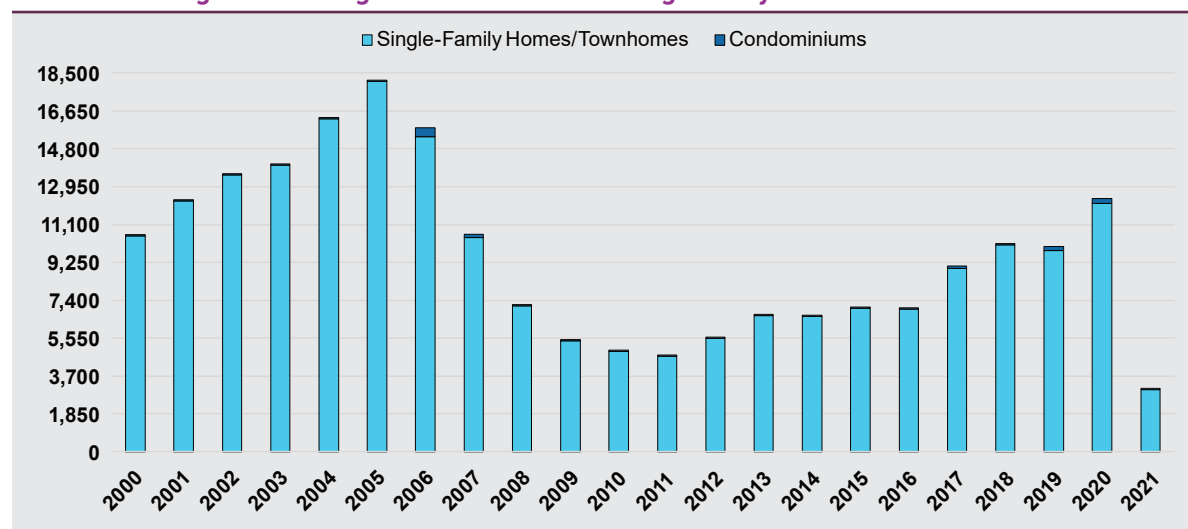
Delinquent Mortgages and REO Properties

In March 2021, 4.1 percent of home loans in the Fort Worth HMA were seriously delinquent or had transitioned into REO (real estate owned) status, up from 1.1 percent a year earlier but less than the peak of 6.3 percent in January 2010 caused by the recession and foreclosure crisis (CoreLogic, Inc.). By comparison, the national percentage of seriously delinquent mortgages and REO properties was 3.7 percent in March 2021, up from 1.3 percent a year earlier but significantly below the peak rate of 8.6 percent in January 2010. The rate of seriously delinquent mortgages and REO properties in the Fort Worth HMA and the nation have increased during the past year, primarily because homeowners had greater difficulty paying their mortgages due to job losses during the COVID-19 pandemic.

Sales Construction Activity

New home construction activity in the Fort Worth HMA, as measured by the number of single-family homes, townhomes, and condominiums permitted, was higher during the 2000s, averaging 12,400 units permitted annually, compared with the 2010s when an average of 7,650 units were permitted annually (Figure 8). The number of homes permitted was high from 2000 through 2006, when an average of 14,400 homes were permitted annually because of relaxed mortgage lending standards combined with job and population growth during the period. As lending standards became more stringent due to the housing crisis, and economic conditions weakened as a result of the national recession, new home construction activity in the HMA fell by 25 percent annually, from 2007 through 2010, to a low of 4,675 homes by 2011. Sales construction activity increased to an average of 6,575 homes permitted annually from 2012 through 2016 as the economy in the HMA continued to recover following the recession of the late 2000s and immigration increased, which contributed to more homebuyers in the HMA. Although migration to the HMA slowed beginning in 2017, a stronger pace of job growth contributed to greater demand for new homes in the HMA, and sales construction activity rose to an average of 9,750 homes permitted annually from 2017

Figure 8. Average Annual Sales Permitting Activity in the Fort Worth HMA



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2021 are through March 2021.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019—final data and estimates by the analyst; 2020 and 2021—preliminary data and estimates by the analyst



through 2019. During the 12-months ending March 2021, the number of homes permitted averaged 12,350, or a 16-percent increase from the same period a year earlier (preliminary data, with adjustments by the analyst).

New Home Developments

Although new homes are being built throughout the Fort Worth HMA, new home construction has been more prevalent in north Fort Worth as well as Wise and Parker Counties, which allow for easy access to the north Fort Worth/AllianceTexas area of the HMA. Portions of Johnson County and southern Tarrant County, which allow for easy access to north Fort Worth and Dallas County (located to the east of the HMA), have also had increased home construction. New developments in Parker County include the Silverstone Pearson Ranch development built by

Riverside Homebuilders in the city of Weatherford, which has 70 homes planned at buildout; currently, 67 homes have been sold. Homes at the development are currently priced between \$309,900 and \$394,900. In Tarrant County, the Silver Oak subdivision in the city of Mansfield, built by D.R. Horton, Inc., has 110 homes planned at buildout; currently, 100 homes have been sold, and the remaining 10 homes under construction are available for sale. Homes at the Silver Oak development are currently priced between \$382,500 and \$437,000.

Forecast

During the next 3 years, demand is expected for an estimated 28,700 homes in the Fort Worth HMA (Table 5). The 4,275 single-family homes currently under construction will satisfy a portion of the estimated demand during the forecast period. Demand is expected to be highest during the first year of the forecast period.

Table 5. Demand for New Sales Units in the Fort Worth HMA During the Forecast Period

Sales Units	
Demand	28,700 Units
Under Construction	4,275 Units

Note: The forecast period is from April 1, 2021, to April 1, 2024.
Source: Estimates by the analyst



Rental Market

Market Conditions: Balanced

Apartment vacancy rates have remained generally stable since 2019, and rents continue to increase due to a high number of newly completed market-rate apartment units being added to the rental stock.

Current Conditions and Recent Trends

Overall rental housing market conditions (which includes single-family homes, townhomes, and mobile homes for rent) in the Fort Worth HMA are currently balanced, with an estimated rental vacancy rate of 7.2 percent, down from 11.7 percent in 2010 when the market was soft (Table 6). During 2015 through 2019, 48 percent of the occupied rental units in the HMA were in structures with five or more units, typically apartments (2015–2019 American Community Survey, 5-year data). The apartment market is also balanced. During the first quarter of 2021, the HMA had a vacancy rate of 5.6 percent, up from 5.5 percent during the same period a year earlier (RealPage, Inc.). The apartment vacancy rate ranged from 9.7 percent during the first quarter of 2005 to 7.7 percent during the first quarter of 2008 (Figure 9). From the first quarter of 2009 through the first quarter of 2010, the average apartment vacancy rate increased by 0.9 of a percentage point to 9.4 percent as the rental market softened. As

Table 6. Rental and Apartment Market Quick Facts in the Fort Worth HMA

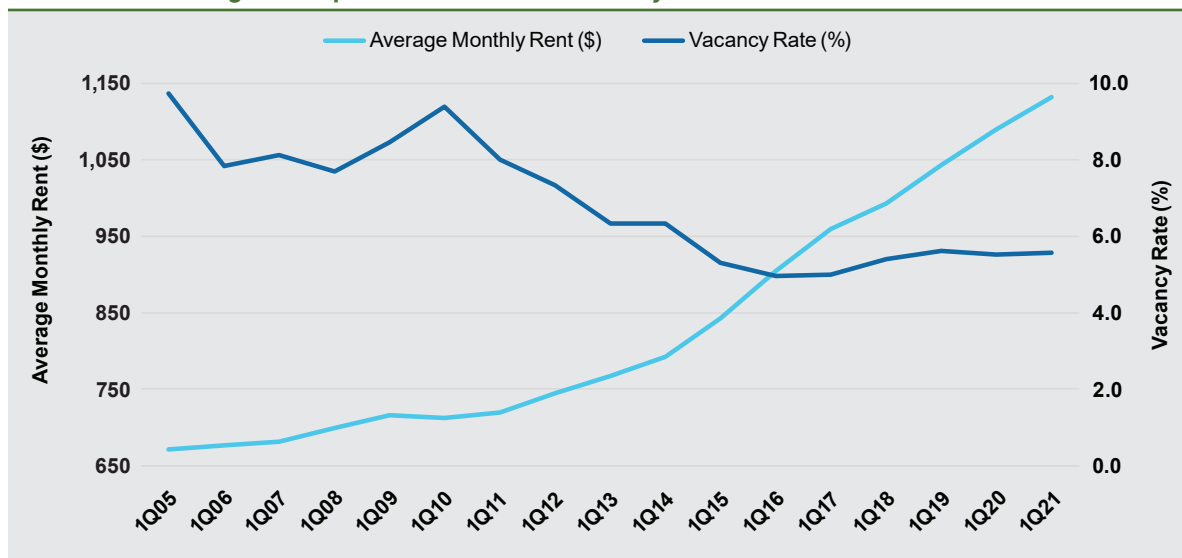
Rental and Apartment Market Quick Facts	2010 (%)	Current (%)	
	Rental Vacancy Rate	11.7	7.2
	2006–2010 (%)	2015–2019 (%)	
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	32.1	35.6
	Multifamily (2–4 Units)	14.7	12.5
	Multifamily (5+ Units)	48.8	47.9
	Other (Including Mobile Homes)	4.4	4.0
	1Q 2021	YoY Change	
	Apartment Vacancy Rate	5.6	0.1
Average Rent	\$1,132	4%	

1Q = first quarter. YoY= year-over-year.

Notes: The current date is April 1, 2021. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; 2006–2010 and 2015–2019 American Community Survey, 5-year data; RealPage, Inc.

Figure 9. Apartment Rents and Vacancy Rates in the Fort Worth HMA



1Q = first quarter.

Source: RealPage, Inc.



many owner households shifted to renter status during the early 2010s, and as migration to the HMA increased, rental market conditions began to tighten. The average apartment vacancy rate fell from 8.0 percent during the first quarter of 2011, when the market was balanced, to 5.0 percent during the first quarters of 2016 and 2017, when the market was tight. A rise in new apartment units entering the market during the first quarter of 2019 increased the average vacancy rate to 5.6 percent.

The average apartment rent in the HMA increased nearly each year during the past 17 years, with the rent falling only in 2010. The average apartment rent increased an average of 2 percent annually from the first quarter of 2005 through the first quarter of 2009 before falling 1 percent during the first quarter of 2010, as the rental market softened. The average apartment rent increased an average of 3 percent annually from the first quarter of 2011 through the first quarter of 2014, before increasing by an average of 5 percent annually through the first quarter of 2020 as new apartment units offered at higher rents entered the market in the HMA. During the first quarter of 2021, the average rent was \$1,132, an increase of 4 percent from the same period a year earlier.

Market Conditions by Geography

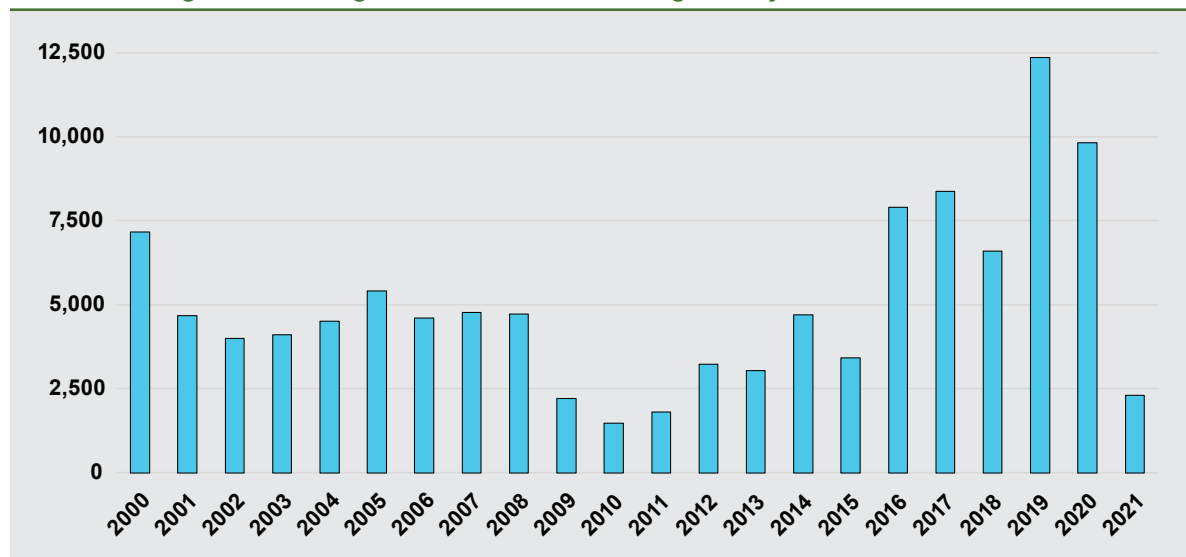
During the first quarter of 2021, the South Arlington/Mansfield market area had the lowest

average vacancy rate among the 14 RealPage, Inc.-defined market areas (hereafter, market areas) in the Fort Worth HMA at 3.9 percent, with an average rent of \$1,232, in part due to the proximity of employment centers within the HMA and Dallas County. By contrast, the highest vacancy rate, at 6.8 percent, was in the East Fort Worth market area, the second most affordable area of the HMA, where the average age of apartment units is the oldest, with an average asking rent of \$947 during the first quarter of 2021.

Rental Construction Activity

Rental construction activity in the Fort Worth HMA, as measured by the number of rental units permitted, has recently been at or above annual rental construction activity levels from the 2000s through mid-2010s, peaking in 2019 (Figure 10). During the 2010s, apartment construction notably increased in the north and central areas of the city of Fort Worth. During the 12 months ending March 2021, 9,650 units were permitted, down 18 percent compared with a year earlier (preliminary data, with adjustments by the analyst). From 2000 through 2008, rental construction activity averaged 4,875 units permitted annually. By comparison, from 2009 through 2011, rental construction activity averaged 1,825 units annually, as builders responded to

Figure 10. Average Annual Rental Permitting Activity in the Fort Worth HMA



Notes: Includes apartments and units intended for rental occupancy. Data for 2021 are through March 2021. Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019 final data and analyst estimates; 2020 and 2021—preliminary data and estimates by the analyst



increasing vacancy rates from 2009 through 2010. Rental demand increased as the economy in the HMA expanded, and rental construction activity averaged 5,100 units annually from 2012 through 2017. Rental construction activity slowed in 2018 as builders responded to the influx of new apartment supply from relatively high levels of construction during 2016 and 2017. As the pace of economic expansion in the HMA increased, construction activity increased by 88 percent in 2019 before beginning to slow in 2020.

New Apartment Developments

Among several recently completed apartment developments is the 250-unit Alleia at Presidio, a market-rate property that opened in late 2020 on

the north side of Fort Worth, with rents starting at \$1,213, \$1,849, and \$2,299 for one-, two-, and three-bedroom units, respectively. The 408-unit Presidium Revelstoke, a market-rate apartment development in Fort Worth, near the AllianceTexas area, was also built in 2020, with rents for one-, two-, and three-bedroom units starting at \$1,275, \$1,760, and \$2,455, respectively.

Forecast

During the forecast period, demand is estimated for 18,000 new rental units in the Fort Worth HMA (Table 7). Demand is expected to increase in the second and third years of the forecast period because of increasing net in-migration and improving economic conditions. The 12,700 units currently under construction are expected to satisfy demand through the second year of the forecast period.

Table 7. Demand for New Rental Units in the Fort Worth HMA During the Forecast Period

Rental Units	
Demand	18,000 Units
Under Construction	12,700 Units

Note: The forecast period is April 1, 2021, to April 1, 2024.

Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
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.
Forecast Period	4/1/2021–4/1/2024—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.



B. Notes on Geography

1.	The metropolitan division definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.

C. Additional Notes

1.	This analysis has been prepared for the assistance and guidance of 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.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. 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 expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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