

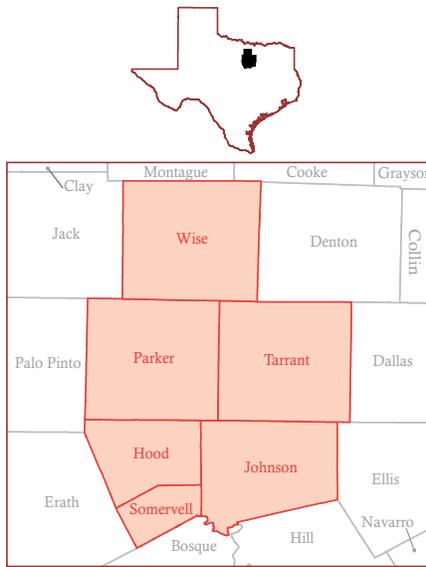


Fort Worth-Arlington, Texas

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of June 1, 2016



Housing Market Area



The Fort Worth-Arlington Housing Market Area (HMA) is coterminous with the Fort Worth-Arlington, TX Metropolitan Division and encompasses six counties in north-central Texas. The principal city of Fort Worth is in Tarrant, Parker, and Wise Counties. Hood, Johnson, and Somervell Counties are south of Parker and Tarrant Counties. The city of Arlington, in Tarrant County, is home to the Dallas Cowboys and the Texas Rangers.

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Summary

Economy

Economic conditions in the Fort Worth-Arlington HMA have been strong since 2010, but nonfarm payroll gains have slowed during the past year. During the 12 months ending May 2016, nonfarm payrolls increased by 15,700, or 1.6 percent, compared with an increase of 24,100, or 2.5 percent, during the previous 12 months. The 12-month average unemployment rate has declined each month since May 2010 to a current rate of 4.1 percent, the lowest rate since the average of 2001. Nonfarm payrolls are projected to increase at an average annual rate of 2.1 percent during the 3-year forecast period.

Sales Market

The sales housing market in the HMA is tight, with an estimated sales vacancy rate of 1.5 percent, down from 2.1 percent during April 2010. During the next 3 years, demand is expected for 29,250 new homes (Table 1). The 2,500 homes currently under construction will satisfy part of that demand. In addition, a portion of the estimated 23,000 other vacant units will likely reenter the sales housing market and satisfy some of the forecast demand.

Rental Market

Rental housing market conditions in the HMA are balanced because of job growth and subsequent population growth, which helped the market absorb high levels of apartments completed during 2014 and 2015. The current overall rental vacancy rate is estimated at 7.0 percent, down from 11.7 percent in April 2010. During the forecast period, demand is estimated for 15,900 new market-rate rental units in the HMA (Table 1). The 3,100 units currently under construction will meet a portion of the forecast demand.

Table 1. Housing Demand in the Fort Worth-Arlington HMA During the Forecast Period

	Fort Worth-Arlington HMA	
	Sales Units	Rental Units
Total demand	29,250	15,900
Under construction	2,500	3,100

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of June 1, 2016. A portion of the estimated 23,000 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is June 1, 2016, to June 1, 2019.

Source: Estimates by analyst

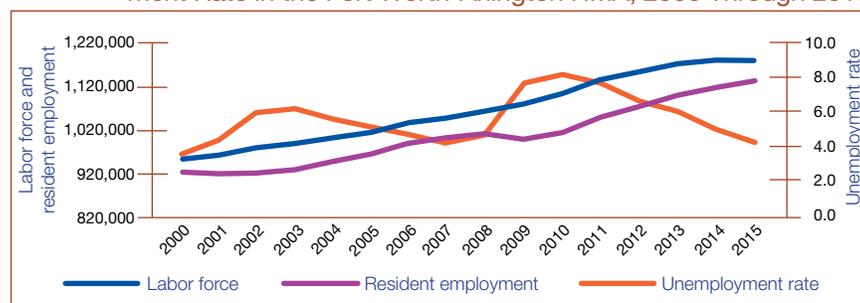
Economic conditions in the Fort Worth-Arlington HMA have improved since 2010, with nonfarm payrolls expanding at a decreasing rate each subsequent year. Payrolls increased by an average of 20,600 jobs, or 2.4 percent, annually from 2004 through 2008 and reached a high of 907,100 jobs. During the same period, the mining, logging, and construction sector accounted for approximately 20 percent of the jobs added when natural gas production from the Texas Barnett Shale increased from 1,041 to 4,441 million cubic feet (per day). As a result of the national recession, which lasted from December 2007 until June 2009, payrolls in the HMA declined during 2009 and 2010 by an average of 16,600 jobs, or 1.8 percent.

The effects of the national recession were delayed and moderate in the HMA compared with the effect on the national economy, in part because of strong growth in the education and health services sector and the stability of the government sector. The education and health services and the government sectors recorded job gains of 3,400 and 3,000, or 3.3 and 2.4 percent, respectively, from 2009 through 2010. Gains in the education and health services sector during that period occurred, in part, because of the expansion of medical facilities

at Baylor All Saints Medical Center, Cook Children's Medical Center, and Texas Health Harris Methodist Hospital. By contrast, during the same period, the mining, logging, and construction and the manufacturing sectors lost the most jobs, with losses of 7,900 and 5,400, or 11.7 and 5.6 percent, respectively, primarily a result of a 17-percent decline in home construction in the HMA.

In 2011, the economy began to recover. From 2011 through 2013, nonfarm payrolls in the HMA grew by an average of 26,500 jobs, or 2.9 percent, annually, and the 2009 and 2010 job losses were fully recouped by 2012. During 2014, nonfarm payrolls increased by 22,500 jobs, or 2.4 percent. In the 12 months ending May 2016, nonfarm payroll growth continued but slowed to 15,700, or 1.6 percent. During the 12 months ending May 2016, the unemployment rate averaged 4.1 percent, down from 4.6 percent during the previous 12 months. By comparison, from 2004 through 2008 and from 2009 through 2013, the unemployment rate averaged 4.8 and 7.2 percent, respectively. Figure 1 shows trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2015.

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Fort Worth-Arlington HMA, 2000 Through 2015



Source: U.S. Bureau of Labor Statistics

The wholesale and retail trade sector, the largest sector in the HMA, added more jobs than any other sector during the 12 months ending May 2016, expanding by 6,100 jobs, or 3.8 percent, to total 164,700 jobs. A notable addition to the wholesale and retail trade sector occurred in early 2016, when Wal-Mart Stores, Inc., built a second \$30 million e-commerce fulfillment center in the city of Fort Worth, adding 400 jobs, based on the success of its fulfillment center built in late 2013, which added 600 jobs. Increased population and employment growth has resulted in increased retail sales in the HMA. During 2015, gross retail sales increased 14.9 percent in the HMA compared with an increase of 5.0 percent during 2014 (Texas Comptroller of Public Accounts). Glade Parks, an 800,000-square-foot shopping center in Euless, is partially complete, with additional retail sites becoming available through 2016. The Shops at Clearfork and Waterside, two mixed-use developments, are both expected to open in 2017, adding 385,000 and 185,000 square feet of retail space, respectively, in the city of Fort Worth.

The military has a notable presence in the Fort Worth-Arlington HMA,

and the impact on the local economy is significant. The U.S. Department of Defense had an annual economic impact of \$6.6 billion on the HMA during 2015 (Texas Comptroller of Public Accounts). The fourth largest employer in the HMA is Naval Air Station (NAS) Fort Worth Joint Reserve Base (JRB), with an estimated 11,000 military and civilian personnel (Table 2). NAS Fort Worth JRB was formed in 1994 by consolidating Naval Air Station Dallas and Carswell Air Force Base, a recommendation of the 1993 Base Closure and Realignment (BRAC) Commission. The 2005 BRAC recommendations resulted in the military increasing troop levels by 300 by 2008. Across-the-board federal spending cuts mandated by the Budget Control Act of 2011 (also known as sequestration) have limited the growth of NAS Fort Worth JRB during the past 3 years, resulting in a net decline of 400 jobs. Although civilian employment at the base is limited, the government sector has expanded during the past year. During the 12 months ending May 2016, the government sector added 1,600 jobs, an increase of 1.2 percent, to total 132,700 jobs (Table 3). The gains

Table 2. Major Employers in the Fort Worth-Arlington HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
American Airlines Group Inc.	Transportation & utilities	24,000
Lockheed Martin Aeronautics Company	Manufacturing	13,690
Texas Health Resources	Education & health services	12,000
Naval Air Station (NAS) Fort Worth Joint Reserve Base (JRB)	Government	11,000
City of Fort Worth	Government	6,161
JPS Health Network	Education & health services	6,000
Alcon Laboratories Inc.	Manufacturing	5,922
Cook Children's Health Care System	Education & health services	5,876
Tarrant County College	Government	5,625
Burlington Northern Santa Fe (BNSF) Railway Company	Transportation & utilities	4,500

Notes: Excludes local school districts. Data for NAS Fort Worth JRB include 10,000 uniformed military personnel, who are not included in nonfarm payroll survey data.

Source: Fort Worth Chamber of Commerce

Table 3. 12-Month Average Nonfarm Payroll Jobs in the Fort Worth-Arlington HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	May 2015	May 2016		
Total nonfarm payroll jobs	984,100	999,800	15,700	1.6
Goods-producing sectors	170,600	165,300	-5,300	-3.1
Mining, logging, & construction	73,300	70,400	-2,900	-4.0
Manufacturing	97,300	94,900	-2,400	-2.5
Service-providing sectors	813,500	834,500	21,000	2.6
Wholesale & retail trade	158,600	164,700	6,100	3.8
Transportation & utilities	73,800	77,700	3,900	5.3
Information	12,400	11,700	-700	-5.6
Financial activities	55,800	56,400	600	1.1
Professional & business services	111,100	111,400	300	0.3
Education & health services	123,500	129,100	5,600	4.5
Leisure & hospitality	109,300	113,700	4,400	4.0
Other services	37,800	37,200	-600	-1.6
Government	131,100	132,700	1,600	1.2

Notes: Based on 12-month averages through May 2015 and May 2016. Numbers may not add to totals because of rounding.

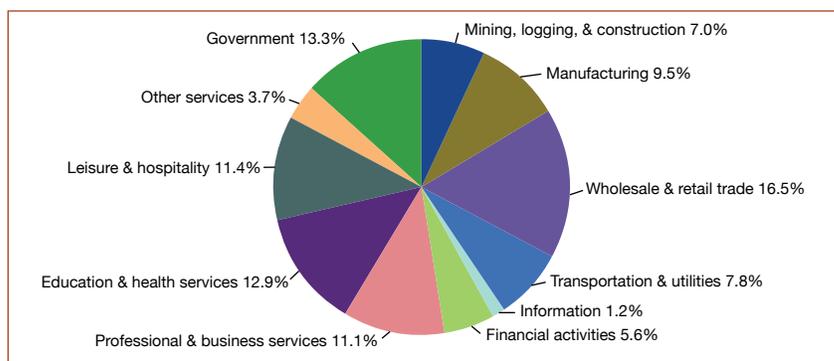
Source: U.S. Bureau of Labor Statistics

were concentrated in the local government subsector, which gained 1,200 jobs, or 1.2 percent, to total 104,500 jobs, primarily a result of continuous population growth increasing the demand for teachers.

The education and health services sector has grown steadily, increasing every year since 2000, to become the third largest sector in the HMA (Figure 2). From 2000 through the current date, the education and health services sector grew 63 percent (Figure 3). The sector includes three

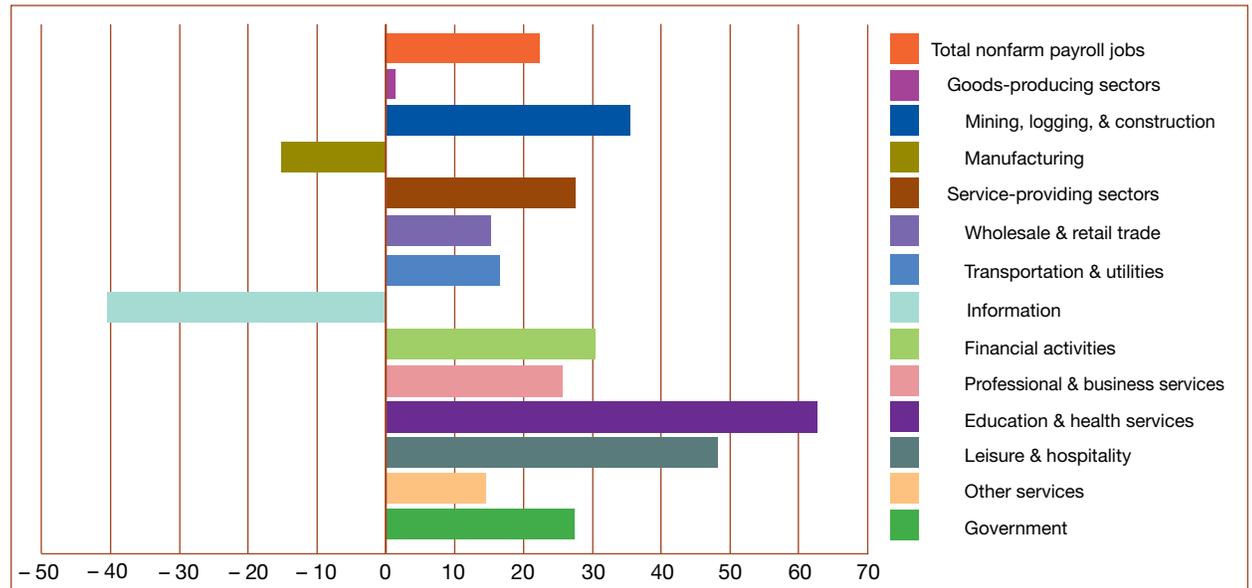
of the top eight major employers in the HMA—Texas Health Resources, JPS Health Network, and Cook Children's Health Care System, with 12,000, 6,000, and 5,876 employees, respectively. In 2013, Cook Children's Health Care System began a \$349 million expansion of its main campus in the city of Fort Worth that will be complete in 2016. During the 12 months ending May 2016, the education and health services sector gained 5,600 jobs, or 4.5 percent, to total 129,100 jobs.

The transportation and utilities sector saw the biggest percentage increase in employment, with gains of 3,900 jobs, or 5.3 percent, during the 12 months ending May 2016. American Airlines Group, Inc.—the largest employer in the HMA, with 24,000 employees—is headquartered in the city of Fort Worth. American Airlines added 1,600 jobs in 2014, when the company opened an \$88 million operations center and began construction in 2016 on a \$350 million headquarters building, which

Figure 2. Current Nonfarm Payroll Jobs in the Fort Worth-Arlington HMA, by Sector

Note: Based on 12-month averages through May 2016.

Source: U.S. Bureau of Labor Statistics

Figure 3. Sector Growth in the Fort Worth-Arlington HMA, Percentage Change, 2000 to Current

Note: Current is based on 12-month averages through May 2016.

Source: U.S. Bureau of Labor Statistics

is expected to increase employment in the HMA by 3,000 jobs when complete in late 2018. The Burlington Northern Santa Fe (BNSF) Railway is also headquartered in the city of Fort Worth. BNSF Railway, with 4,500 employees, is in AllianceTexas, an 18,000-acre, master-planned, mixed-use community in north Fort Worth. AllianceTexas is home to more than 425 companies and 44,000 employees and includes the Alliance Global Logistics Hub, an inland port providing multimodal transportation options through BNSF's Alliance Intermodal facility and Fort Worth Alliance Airport, the first 100-percent industrial airport in the world, designed for air cargo and for corporate and military aviation only.

The decline in oil prices from the peak of \$102 a barrel in late 2013 to less than \$50 a barrel during December 2014 contributed to a decline in the mining, logging, and construction sector of 2,900 jobs, or 4.0 percent, during the 12 months ending May

2016. By comparison, the sector gained an average of 4,100 jobs, or 6.6 percent, annually from 2011 through 2014, before oil prices fell. Nearly 80 percent of the decline during the past year was in the specialty trade contractors industry, primarily because of a decline in energy-related construction and new home construction in the HMA.

During the 3-year forecast period, nonfarm payrolls are expected to increase by an average of 21,000 jobs, or 2.1 percent, annually, led by the transportation and utilities and the education and health services sectors. Galderma Laboratories has begun construction on a \$22 million, 100,000-square-foot research and development center, which is expected to add 340 jobs when complete in 2017. Lockheed Martin is upgrading its plant in the city of Fort Worth to increase production of F-35 jets. The \$1.2 billion expansion and renovation will triple the production capability of the plant and result in the addition

of approximately 1,000 jobs during the next 3 years. In 2015, the General Motors Arlington Assembly Plant began a \$1.4 billion plant expansion, which is expected to increase employment by 600 jobs during the next 3 years. Frost Tower, a 25-story, \$73.5

million project in downtown Fort Worth, will be the headquarters location of Frost Bank and Anthracite Realty Partners, which will occupy 73,000 and 70,000 square feet, respectively, of the 278,000-square-foot building when complete in 2017.

Population and Households

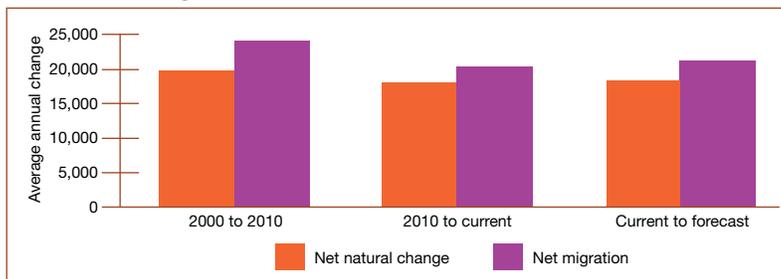
The population of the Fort Worth-Arlington HMA is currently estimated at 2.43 million, an average increase of 38,000, or 1.7 percent, annually since 2010. By comparison, from 2000 to 2010, the population increased at an average annual rate of 43,750, or 2.2 percent. Net in-migration accounted for 55 percent of all population growth from 2000 to 2010 and has remained relatively unchanged since 2010. Figure 4 shows the components of population change in the HMA from 2000 through the 3-year forecast period.

The fastest period of population growth in the HMA was from 2004 to 2009, as the population increased by an average of 48,550, or 2.4 percent, annually (U.S. Census Bureau, July 1

estimates). During the same period, net in-migration accounted for 57 percent of all population growth, primarily a result of job seekers moving into the HMA, when nonfarm payroll growth was strong and the unemployment rate ranged from 4.2 to 5.5 percent. From 2009 to 2010, when nonfarm payrolls were the weakest and the average unemployment rate increased to 8.2 percent, population growth slowed to 35,150, or 1.6 percent, annually, and net in-migration accounted for less than 42 percent of total population growth.

Although nonfarm payroll growth has slowed each year since 2010, strong growth has resulted in steady population growth in the HMA. From 2010 to 2013, when nonfarm payrolls were the strongest and the average annual unemployment rate declined to 6.0 percent, population growth continued at 35,600, or 1.6 percent, annually, and net in-migration accounted for less than 51 percent of total population growth. Since 2013, population growth has increased 1.7 percent annually, to 40,850, and net in-migration accounted for 57 percent of that growth. During that period, nonfarm payroll growth slowed and the average annual unemployment rate declined to the lowest rate since mid-2001.

Figure 4. Components of Population Change in the Fort Worth-Arlington HMA, 2000 to Forecast



Notes: The current date is June 1, 2016. The forecast date is June 1, 2019.
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

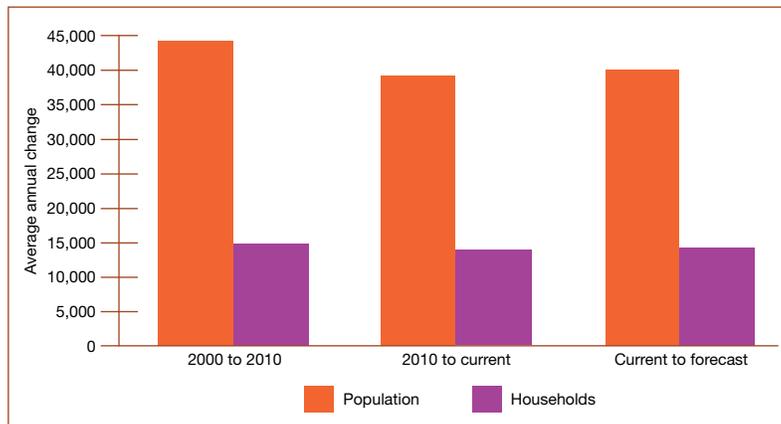
Strong population growth in the HMA is expected to continue through 2019 because of robust economic growth that is likely to attract new workers to the HMA. During the next 3 years, the population of the HMA is forecast to increase by an average of 39,350, or 1.6 percent, annually. Approximately 55 percent of the growth is expected to come from net in-migration caused, in large part, by job seekers moving to the HMA for better employment opportunities. Figure 5 shows population and household growth in the HMA

from 2000 through to the forecast date. Table DP-1 at the end of this report provides additional economic, population, and household data for the HMA.

Slower population growth since 2010 compared with growth during the 2000s has resulted in slower household growth. An estimated 874,400 households are currently in the HMA, an average increase of 12,650 households, or 1.5 percent, annually since 2010. By comparison, from 2000 to 2010, the number of households in the HMA increased from 644,423 to 796,284, an average annual rate of 2.1 percent. During the forecast period, the number of households is expected to increase by 13,700, or 1.5 percent, annually, to approximately 915,500 by June 1, 2019.

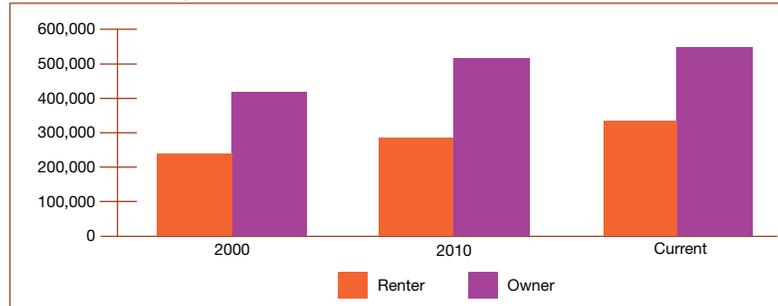
During the 2000s, renter households accounted for only 32 percent of the increase in households, resulting in the homeownership rate increasing from 64.1 percent in 2000 to 64.9 percent in 2010. Tighter lending standards, which followed high foreclosure rates in the late 2000s, have resulted in an increase in renter households in the HMA. Since 2010, renter households have accounted for more than 66 percent of the increase in households in the HMA, causing the homeownership rate to fall to a current level of 62.2 percent. The homeownership rate is likely to continue to decline, although at a much slower rate than from April 2010 to the current date because of significantly reduced levels of foreclosures and improving economic conditions. Figure 6 depicts the number of households by tenure from 2000 through the current date.

Figure 5. Population and Household Growth in the Fort Worth-Arlington HMA, 2000 to Forecast



Notes: The current date is June 1, 2016. The forecast date is June 1, 2019. Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the Fort Worth-Arlington HMA, 2000 to Current



Note: The current date is June 1, 2016. Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

The sales housing market in the Fort Worth-Arlington HMA is currently tight, with an estimated vacancy rate of 1.5 percent, down from 2.1 percent during April 2010 partly because of a shortage of developed subdivisions and vacant developable land on which to build new subdivisions. A 15-month supply of developed lots for construction of new homes priced less than \$250,000 is currently available in the HMA, compared with 52 months of supply during 2011, the earliest data available (Metrostudy, A Hanley Wood Company). During the 12 months ending May 2016, an average 1.9-month of supply of homes was on the market in the HMA, down significantly from an average 5.8 months of supply from 2011 through 2012 and an average 2.7 months of supply from 2013 through 2015.

During the 12 months ending May 2016, new home sales in the HMA totaled 6,000, unchanged from the previous 12 months, and the average sales price of a new home was \$285,800, an increase of \$21,700, or 8 percent, as new home sales were constricted by the scarcity of available lots (CoreLogic, Inc., with adjustments by the analyst). New home sales peaked in the HMA during 2006 with 18,700 sales and proceeded to decline for 5 consecutive years by an average of 2,900, or nearly 26 percent, annually to 4,175 sales during 2011. As the housing market recovered and new home construction began to increase, new home sales totaled 6,150 during 2014, an average annual increase of 660, or nearly 14 percent, since 2011. Although new home sales started to decline in late 2006, the average sales price of a new home continued to increase through

2007 as the construction of smaller, lower-priced homes virtually ceased, leaving higher-priced products for sale. During 2007, the average sales price of a new home was \$224,200. The average sales price of a new home began to decline during the next 2 years to \$198,300 by the end of 2009, which was an average decline \$12,950, or 6 percent, annually since 2007. The average sales price of new homes remained virtually unchanged during 2010, and new home construction continued to decline. By 2014, the average sales price of a new home was \$257,100, an average increase of \$14,700, or nearly 7 percent, annually from 2010.

During the 12 months ending May 2016, existing home sales in the HMA totaled 46,100—an increase of 1,225, or nearly 3 percent, from the previous 12 months—and the average sales price of an existing home was \$228,500, an increase of \$16,350, or 8 percent. The decline of real estate owned (REO) and short sales of homes helped to increase the price of existing home sales. During the 12 months ending May 2016, the average price of REO and short sales of homes was 17 and 22 percent, respectively, below the average resale home price, when sales of REO and short sales homes declined 27 and 19 percent, respectively, from the previous 12 months. The sale of existing homes in the HMA peaked during 2006, with 55,750 sales. Following that peak, and with the onset of the national economic downturn, the sale of existing homes declined for 5 consecutive years by an average of 4,025, or nearly 9 percent, annually to 35,650 sales during 2011.

Housing Market Trends

Sales Market *Continued*

During the next 3 years, when the economy began to improve, sales started to increase. By 2014, approximately 44,350 existing homes sold in the HMA, which was an average increase of 2,900 sales, or 8 percent, annually since 2011. The peak in the average sales price of an existing home came a year later than did the peak in the number of homes sold, primarily because tightening lending standards had a greater impact on people attempting to purchase lower-cost homes. The sales price for existing homes averaged \$199,600 during 2007 before declining by an average of \$17,800, or 9 percent, annually to \$164,000 in 2009. The average sales price of an existing home began to increase again in 2010 and by 2014 was \$208,800, an average increase of \$8,975, or 5 percent, annually during the 5-year period. In May 2016, 2.6 percent of all mortgage loans in the HMA were 90 or more days delinquent, were in foreclosure, or had transitioned into REO status, down from 3.0 percent in May 2015 and well below the peak level of 6.3 percent in January 2010 (CoreLogic, Inc.). By comparison, in May 2016, the rates for Texas and the nation were 2.4 and 2.9 percent, respectively, down from 2.6 and 3.6 percent in May 2015.

Single-family homebuilding, as measured by the number of homes permitted, decreased during the 12 months ending May 2016, partly

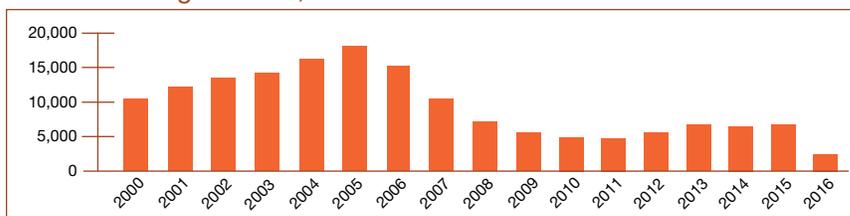
because of a lack of developable land in the HMA. During that period, 6,400 single-family homes were permitted, a decrease of 670 homes, or 9 percent, from the previous 12 months (preliminary data). The number of single-family homes permitted is below the average of 15,450 homes permitted annually from 2002 to 2005, when permitting peaked at 18,100 homes during 2005. From 2006 through 2009, construction in the HMA declined 29 percent, or an average of 3,325 homes permitted annually, to 5,425 homes permitted during 2009.

Construction continued to decline to an average of 4,775 in 2010 and 2011, a result of the economic downturn and the slowdown in the national housing market. Single-family home construction started to rebound from 2012 through 2015, when an average of 6,425 single-family homes were permitted annually. Figure 7 shows the number of single-family homes permitted in the HMA from 2000 to the current date.

New home construction has been most prevalent in the Metrostudy-defined North Fort Worth market area. During the 12 months ending May 2016, 1,750 homes were permitted in the North Fort Worth area, accounting for 28 percent of single-family permitting in the HMA, primarily because a 13-month supply of developed lots for homes priced less than \$299,000 currently is available. In the North Fort Worth market area, nearly 63 and 27 percent of new single-family construction is for homes priced less than \$250,000 and from \$250,000 to \$299,000, respectively.

Demand is estimated for 29,250 new homes in the HMA during the 3-year forecast period (Table 1), with

Figure 7. Single-Family Homes Permitted in the Fort Worth-Arlington HMA, 2000 to Current



Notes: Includes townhomes. Includes data through May 2016.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

demand expected to be consistent in all 3 years of the forecast period because of steady population and household growth. The 2,500 homes currently under construction will meet part of the demand during the first year. A portion of the 23,000 other vacant units in the HMA may

reenter the market and satisfy some of the forecast demand. Demand is expected to be the greatest for homes in the \$150,000-to-\$199,999 price range. Table 4 shows estimated demand for new market-rate sales housing in the HMA by price range.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Fort Worth-Arlington HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	1,475	5.0
150,000	199,999	6,725	23.0
200,000	249,999	5,550	19.0
250,000	299,999	4,975	17.0
300,000	349,999	3,500	12.0
350,000	399,999	2,350	8.0
400,000	499,999	2,350	8.0
500,000	and higher	2,350	8.0

Notes: The 2,500 homes currently under construction and a portion of the estimated 23,000 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is June 1, 2016, to June 1, 2019.

Source: Estimates by analyst

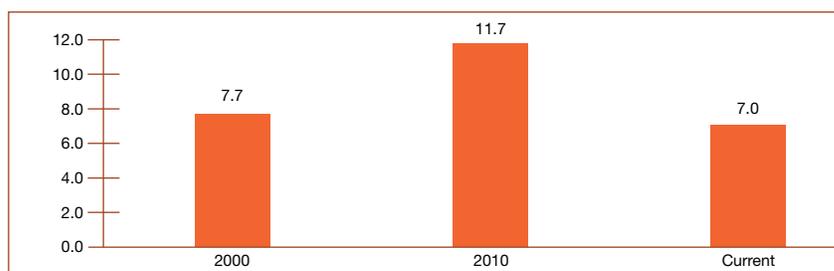
Rental Market

Rental housing market conditions in the Fort Worth-Arlington HMA are balanced because of job growth and subsequent population growth, which helped the market absorb high levels of apartments that were completed during 2014 and 2015. The current overall rental vacancy rate is estimated at 7.0 percent, which is lower than the rate of 11.7 percent in April 2010 (Figure 8). The apartment market is also balanced. The apartment vacancy

rate was 4.5 percent during the second quarter of 2016, down slightly from 4.7 percent in the same quarter a year ago but down significantly from 10.8 percent during the first quarter of 2010 (MPF Research). The Grapevine/Southlake and Haltom City/Meacham MPF Research-defined market areas recorded the lowest vacancy rates in the HMA during the second quarter of 2016, at 3.0 and 3.1 percent, respectively.

The apartment vacancy rate decreased during the past 12 months despite a large number of new units entering the market, a result of continued job growth and subsequent population growth. During the past 12 months, 3,350 apartment units were added, while 3,650 units were absorbed. By comparison, during the previous 3 years, an average of 2,100 apartment units

Figure 8. Rental Vacancy Rates in the Fort Worth-Arlington HMA, 2000 to Current



Note: The current date is June 1, 2016.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

were added annually and 2,800 units were absorbed annually. Apartment rents currently average \$808, \$1,015, and \$1,254 for one-, two-, and three-bedroom units, respectively. The average rent for all apartment units increased 7 percent, to \$926, from a year ago. The Intown Fort Worth-University, Grapevine-Southlake, and North Fort Worth areas recorded the highest average rents in the HMA during the second quarter of 2016, at \$1,235, \$1,207, and \$1,119, respectively. Approximately 2 percent of units are currently being offered with concessions, down from 7 percent a year ago and 48 percent during the first quarter of 2011. An estimated 36 percent of the current rental inventory consists of single-family homes, up from 29 percent during 2000. By comparison, apartments currently account for an estimated 47 percent of the rental inventory, down from 52 percent during 2000.

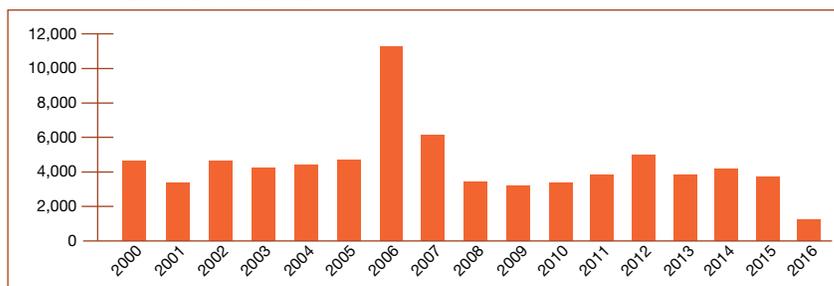
Multifamily construction activity, as measured by the number of units permitted, has increased from the level recorded from 2008 through 2010, when the HMA recorded lower levels of population growth and in-migration. From 2011 through 2014, an average of 4,175 multifamily units were permitted annually, up from 3,300 units permitted annually from 2008 through 2010 (Figure 9). The level

of multifamily units permitted since 2011 has been significantly lower than the average of 8,650 units permitted annually from 2006 through 2007, when the HMA had significant job growth and net in-migration—before the most recent recession. During the 12 months ending May 2016, the number of multifamily units permitted increased 33 percent, to 4,200 units permitted, compared with the number permitted the previous year (preliminary data).

Developments currently under construction in the city of Fort Worth include the 392-unit The Kelton at Clearfork, with rents for one-, two-, and three-bedroom units starting at \$1,325, \$1,835, and \$2,739, respectively, which is expected to be leasing by the third quarter of 2016 in the Intown Fort Worth-University area. The 132-unit Churchill at Champions Circle, with rents for one- and two-bedroom units starting at \$753 and \$906, respectively, is expected to begin leasing by the third quarter of 2016 in the North Fort Worth-Keller area. In the Intown Fort Worth-University area, the 227-unit Highpoint on South Main, with unspecified rents, is expected to begin leasing by the third quarter of 2016.

During the 3-year forecast period, demand is estimated for 15,900 new market-rate rental units in the HMA (Table 1). The 3,100 units currently under construction should satisfy a portion of the demand during the first year of the forecast period. Demand will be consistent in all 3 years of the forecast period because of steady population and household growth. Rental housing demand is expected to be greatest for one-bedroom units with rents ranging from \$950 to \$1,149 (Table 5).

Figure 9. Multifamily Units Permitted in the Fort Worth-Arlington HMA, 2000 to Current



Notes: Excludes townhomes. Includes data through May 2016.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Housing Market Trends

Rental Market *Continued*

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Fort Worth-Arlington HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
725 to 924	170	750 to 949	2,525	900 to 1,099	1,825	1,375 to 1,574	240
925 to 1,124	170	950 to 1,149	2,950	1,100 to 1,299	2,425	1,575 to 1,774	330
1,125 or more	140	1,150 to 1,349	1,700	1,300 to 1,499	1,200	1,775 to 1,974	240
		1,350 or more	1,275	1,500 or more	600	1,975 or more	140
Total	480	Total	8,450	Total	6,050	Total	960

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 3,100 units currently under construction will likely satisfy some of the estimated demand. The forecast period is June 1, 2016, to June 1, 2019.

Source: Estimates by analyst

Data Profile

Table DP-1. Fort Worth-Arlington HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	922,831	1,017,745	1,141,000	1.0	2.1
Unemployment rate	3.5%	8.2%	4.1%		
Nonfarm payroll jobs	817,400	873,900	999,800	0.7	2.5
Total population	1,758,227	2,195,694	2,430,000	2.2	1.7
Total households	644,423	796,284	874,400	2.1	1.5
Owner households	413,085	517,075	543,500	2.3	0.8
Percent owner	64.1%	64.9%	62.2%		
Renter households	231,338	279,209	330,900	1.9	2.8
Percent renter	35.9%	35.1%	37.8%		
Total housing units	687,280	870,556	930,500	2.4	1.1
Owner vacancy rate	1.6%	2.1%	1.5%		
Rental vacancy rate	7.7%	11.7%	7.0%		
Median Family Income	\$55,300	\$66,000	\$69,400	1.8	0.7

Notes: Median Family Incomes are for 1999, 2009, and 2016. Employment data represent annual averages for 2000, 2010, and the 12 months through May 2016.

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

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 6/1/2016—Analyst’s estimates
Forecast period: 6/1/2016–6/1/2019—Analyst’s estimates

The metropolitan division definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

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.

Other Vacant Units: In the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

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.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_FortWorth_ArlingtonTX_16.pdf.

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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.

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 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.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.