

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, 2023



PD&R

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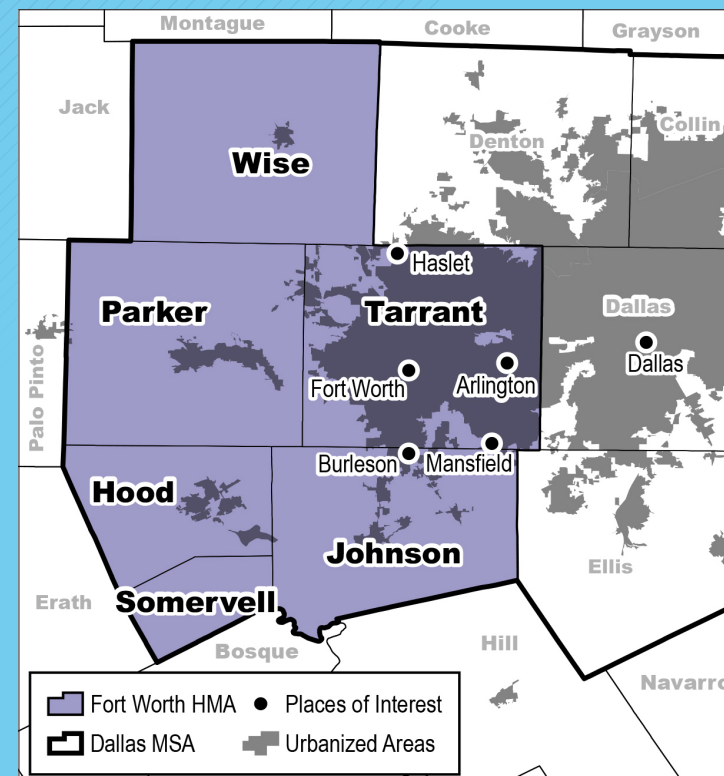
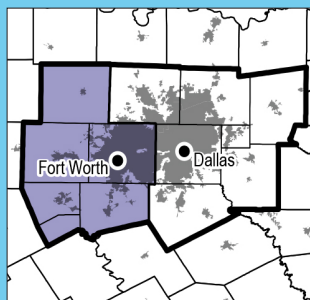
Executive Summary

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 includes the western portion of the Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area (hereafter, DFW MSA) in north central Texas. The HMA has six counties: Hood, Johnson, Parker, Somervell, Tarrant, and Wise. The principal cities of Fort Worth and Arlington are in Tarrant County.

The current population of the HMA is estimated at nearly 2.70 million.

The economic contribution of the tourism- and hospitality-related industries in the HMA is significant. The city of Arlington is home to Texas Live!, an entertainment and hospitality development situated between Globe Life Field (home of the Texas Rangers); Choctaw Stadium (formerly known as Globe Life Park, the previous home of the Texas Rangers); and AT&T Stadium (home of the Dallas Cowboys). In 2022, 10.8 million people visited the city of Fort Worth, resulting in an economic impact of more than \$3 billion (Visit Fort Worth, 2023). The film industry created jobs in the HMA and had an economic impact of \$555 million from 2015 through 2022 in the city of Fort Worth (Fort Worth Film Commission). Many scenes filmed for the show *1883* at the Fort Worth Stockyards National Historic District in the city of Fort Worth and other locations throughout the HMA contributed to the local film industry.



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



Strong: Economic conditions are strong following the recovery of total nonfarm payroll jobs lost during the 2020 national recession. During the 12 months ending March 2023, total payroll jobs exceeded 2019 levels by 7 percent.

During the 12 months ending March 2023, nonfarm payrolls averaged 1.18 million jobs, up by 61,800, or 5.5 percent, from the previous 12 months. Job gains occurred in every sector; the professional and business services and the leisure and hospitality sectors led job growth and accounted for a combined 39 percent of the job gains in the Fort Worth HMA. Job growth is expected to continue during the 3-year forecast period and average 3.4 percent annually.

Sales Market



Slightly Tight: New and existing home sales prices increased 12 percent during the 12 months ending March 2023, with new home sales prices increasing faster than existing home sales prices.

The sales housing market in the HMA is currently slightly tight, with an estimated vacancy rate of 1.3 percent, down from 2.1 percent in April 2010, when market conditions were soft. However, rising interest rates since March 2022 contributed to fewer home sales during the past 12-month period. During the 12 months ending March 2023, new home sales fell 18 percent to 9,350, and existing home sales fell 23 percent to 48,400 (CoreLogic, Inc.). During the next 3 years, demand is estimated for 32,400 new homes. The 5,725 homes currently under construction are expected to satisfy some of that demand in the first year of the forecast period.

Rental Market



Balanced: The current overall rental housing market has an estimated vacancy rate of 8.3 percent, down from 11.7 percent in April 2010.

Rental housing market conditions in the HMA are currently balanced compared with soft conditions in 2010. Apartment market conditions are also balanced, with a vacancy rate of 6.8 percent during the first quarter of 2023 (RealPage, Inc.), up from 2.9 percent a year earlier, when conditions were tight. The apartment rent averaged \$1,414 during the first quarter of 2023, up 7 percent from a year ago. During the 3-year forecast period, demand is estimated for 20,900 new rental units. The 10,350 units currently under construction are expected to satisfy some of the demand through the second year of the forecast period.

TABLE OF CONTENTS

Economic Conditions 4

Population and Households 9

Home Sales Market 11

Rental Market 16

Terminology Definitions and Notes 20

3-Year Housing Demand Forecast			
		Sales Units	Rental Units
Fort Worth HMA	Total Demand	32,400	20,900
	Under Construction	5,725	10,350

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2023. The forecast period is April 1, 2023, to April 1, 2026.
Source: Estimates by the analyst



Economic Conditions

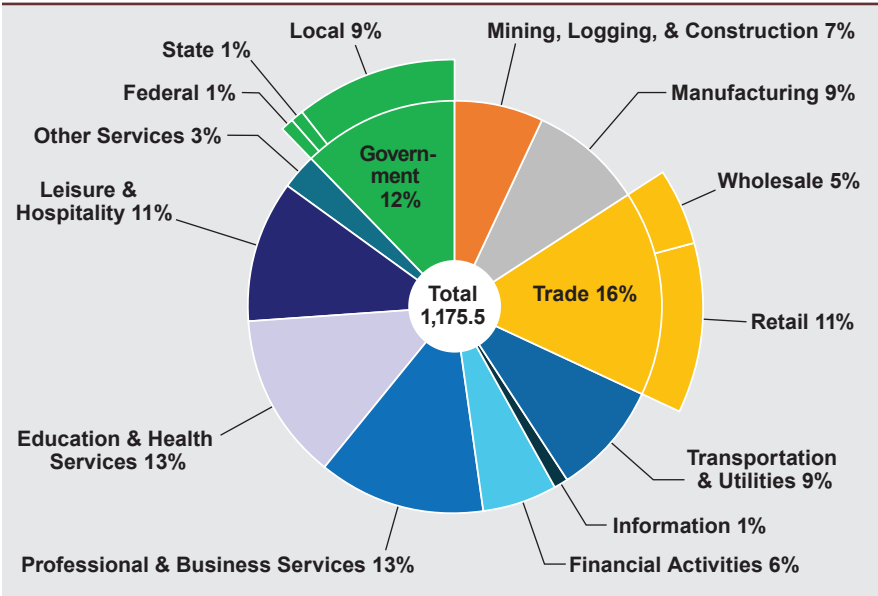
Largest Sector: Wholesale and Retail Trade

The wholesale and retail trade sector accounts for 16 percent of nonfarm payroll jobs in the Fort Worth HMA and has been the largest sector since at least 2000.

Primary Local Economic Factors

The local economy is diversified; the seven largest nonfarm payroll sectors each account for at least 9 percent of total payroll jobs in the HMA. The professional and business services and the education and health services sectors are the second and third largest nonfarm payroll sectors in the HMA, respectively, each accounting for 13 percent of the payroll jobs in the local economy (Figure 1). The professional and business services sector has been the second fastest growing sector since 2015, mostly due to increased professional services required to support commercial, manufacturing, and

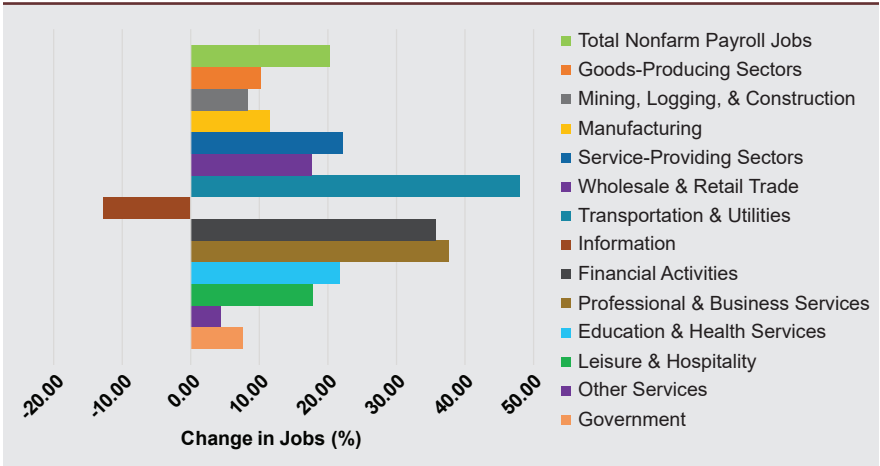
Figure 1. Share of Nonfarm Payroll Jobs in the Fort Worth HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through March 2023. Source: U.S. Bureau of Labor Statistics

warehouse expansion, and corporate office expansions and relocations to the HMA (Figure 2). Before the pandemic, the education and health services sector added jobs every year from 2000 through 2019. The government sector, which includes 2 of the 10 largest employers in the HMA, the Naval Air Station Joint Reserve Base Fort Worth and The University of Texas at Arlington (Table 1), accounts for 12 percent of the jobs in the HMA. The leisure

Figure 2. Sector Growth in the Fort Worth HMA, 2015 to Current



Note: The current date is April 1, 2023. Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Fort Worth HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Lockheed Martin Corporation	Manufacturing	18,700
Dallas Fort Worth International Airport	Transportation & Utilities	14,000
Naval Air Station Joint Reserve Base Fort Worth*	Government	10,500
General Motors Company Arlington Assembly*	Manufacturing	5,428
BNSF Railway Company	Transportation & Utilities	4,900
John Peter Smith Hospital	Education & Health Services	4,600
Alcon Inc.	Manufacturing	4,500
The University of Texas at Arlington	Government	4,383
General Motors Financial Company, Inc.	Financial Activities	4,371
Texas Health Harris Methodist Hospital Fort Worth	Education & Health Services	4,100

*Data include military personnel, who are generally not included in nonfarm payroll survey data. Note: Excludes local school districts. Sources: (a) General Motors Company, 2023; all other employers—Tarrant County, Texas/North Central Texas Council of Governments Regional Data and Analysis Center, 2023

and hospitality sector is the fifth largest sector in the HMA. Since opening in 2018, the Texas Live! development has supported more than an estimated 1,000 permanent jobs, an estimated 2,000 construction jobs, and an additional \$1 billion of infrastructure expansion.

Although the manufacturing and the transportation and utilities sectors each account for only 9 percent of total payroll jobs in the HMA, those sectors have a significant impact on the local economy. With generally high-paying jobs, the manufacturing sector includes three of the largest employers in the HMA: Lockheed Martin Corporation, the General Motors Company Arlington Assembly facility, and Alcon Inc. The transportation and utilities sector has been the fastest growing sector since 2015, partly because of the growing popularity of e-commerce. The Dallas Fort Worth (DFW) International Airport—mostly in Tarrant County—and the Perot Field Fort Worth Alliance Airport are Foreign-Trade Zone ports of entry. The Perot Field Fort Worth Alliance Airport in northern Tarrant County and neighboring Denton County is in the AllianceTexas mixed-use development, which also includes the BNSF Railway Company Alliance Intermodal Facility and numerous commercial and residential developments.

2020 to Current–Nonfarm Payrolls

Economic conditions in the HMA are strong after recovering the 129,200 nonfarm payroll jobs lost during the economic downturn of March and April 2020 (monthly data, not seasonally adjusted), a period coinciding with the brief national recession. Job recovery on a month-to-month basis began in May 2020; however, payrolls fell by 40,200, or 3.7 percent in 2020, ending 9 consecutive years of annual job gains. The combination of the leisure and hospitality, the other services, and the education and health services sectors accounted for nearly 70 percent of the job losses in the HMA. Those sectors fell by 19,300, 4,500, and 4,200 jobs, respectively, or 15.4, 10.7, and 3.0 percent. The transportation and utilities sector was the only sector to add jobs; it increased by 3,300, or 3.6 percent, partially offsetting job losses in the HMA during the period.

On a month-to-month basis, total payroll jobs in the HMA had recovered by October 1, 2021; and on an annual basis, nonfarm payrolls increased in 2021 by 41,400 jobs, or 3.9 percent, to nearly 1.1 million jobs, surpassing 2019 levels. In 2021, all nonfarm sectors added jobs, and payrolls exceeded 2019 levels in the financial activities, the professional and business services, the wholesale and retail trade, and the transportation and utilities sectors.

Job growth in the HMA has been strong since 2021; however, the pace of growth slowed recently. During the 12 months ending March 2023, nonfarm payrolls increased by 61,800, or 5.5 percent, to nearly 1.18 million jobs (Table 2). By comparison, payrolls increased by 67,400, or 6.4 percent, during the same period a year earlier, a period that partly included the recovery of payrolls lost during the 2020 national recession. During the recent period, job gains were greatest in the professional and business services sector, which increased by

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

	12 Months Ending March 2022	12 Months Ending March 2023	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	1,113.7	1,175.5	61.8	5.5
Goods-Producing Sectors	176.5	186.2	9.7	5.5
Mining, Logging, & Construction	74.2	78.3	4.1	5.5
Manufacturing	102.3	107.9	5.6	5.5
Service-Providing Sectors	937.2	989.3	52.1	5.6
Wholesale & Retail Trade	176.7	183.6	6.9	3.9
Transportation & Utilities	100.3	104.1	3.8	3.8
Information	10.2	11.3	1.1	10.8
Financial Activities	71.1	76.0	4.9	6.9
Professional & Business Services	141.2	156.8	15.6	11.0
Education & Health Services	141.7	148.7	7.0	4.9
Leisure & Hospitality	118.9	127.5	8.6	7.2
Other Services	39.0	40.8	1.8	4.6
Government	138.2	140.5	2.3	1.7

Notes: Based on 12-month averages through March 2022 and March 2023. Numbers may not add to totals due to rounding. Data are in thousands.

Source: U.S. Bureau of Labor Statistics



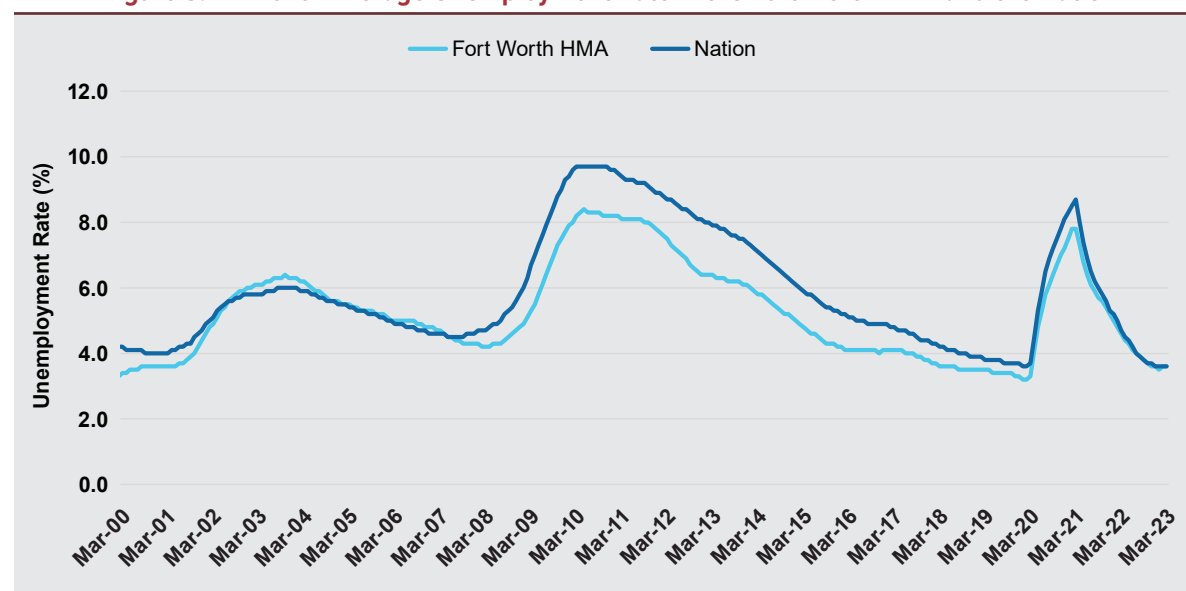
15,600 jobs, or 11.0 percent, compared with the 12 months ending March 2022, when they increased by 17,400 jobs, or 14.1 percent. Corporate office expansions boosted jobs in the sector. Clevon AS, an autonomous delivery vehicle manufacturing company, opened its U.S. headquarters, and oneworld, an airline alliance, opened an office in the HMA in 2022. Elevated tourism in the city of Fort Worth supported 30,000 jobs during the 2022 fiscal year (Visit Fort Worth, 2023), contributing to strong job growth in the leisure and hospitality sector. The leisure and hospitality sector increased by 8,600 jobs, or 7.2 percent, during the 12 months ending March 2023, compared with an increase of 17,200 jobs, or 17.0 percent, a year earlier. The opening of the 245-room Sandman Signature Fort Worth Downtown Hotel and the 113-room Four Points by Sheraton Fort Worth North hotel, located near the AllianceTexas development, accounted for a portion of the increase of jobs in the sector. The pace of job growth in the goods-producing sectors was nearly as fast as in the service-providing sectors during the recent period. The manufacturing sector increased by 5,600 jobs, or 5.5 percent, during the 12 months ending March 2023, mostly because jobs in the durable goods manufacturing subsector rose by 3,900 jobs, or 5.2 percent, from a year earlier. The mining, logging, and construction sector increased by 4,100 jobs, or 5.5 percent, compared with an increase of 2,800 jobs, or 3.9 percent, a year earlier. Several construction

projects underway in the HMA supported jobs in this sector, including a 416,000-square-foot distribution center expansion for Mouser Electronics, Inc., in the city of Mansfield, and foundational construction work near the Texas Live! development for the estimated \$70 million, 300-unit apartment community, One Rangers Way, and the National Medal of Honor Museum.

Current Conditions—Unemployment

The unemployment rate in the HMA averaged 3.6 percent during the 12 months ending March 2023, compared with an average of 4.6 percent a year earlier and down from the recent peak of 7.8 percent during the 12 months ending March 2021 (Figure 3). By comparison, the national unemployment rate averaged 3.6 percent during the 12 months ending March 2023, down from 4.7 percent a year earlier. The unemployment rate decreased in the HMA during the recent 12-month period because the 4.0-percent resident employment growth outpaced the 3.0-percent labor force increase.

Figure 3. 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

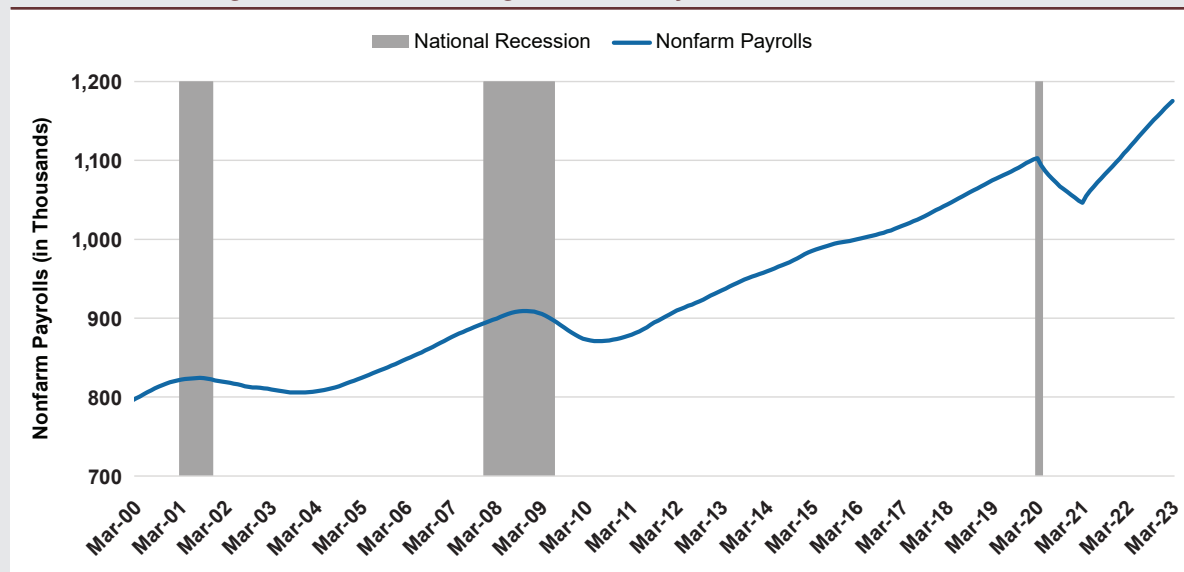
2001 Through 2008

Nonfarm payroll growth fluctuated during the early 2000s. Payrolls remained virtually unchanged from 818,800 jobs in 2000 to 819,100 jobs in 2004 before reaching a decade peak of 908,700 jobs in 2008 (Figure 4). From 2005 through 2008, payroll growth reflected the rising population; payrolls increased by an average of 22,400 jobs, or 2.6 percent, annually, with growth occurring in 10 of the 11 nonfarm sectors. The mining, logging, and construction sector led job gains in the HMA, accounting for 22 percent of total payroll job growth and increasing by an average of 5,000 jobs, or 8.4 percent, annually. Increased natural gas production in the portion of the Barnett Shale natural gas fields in the HMA contributed to the rise of jobs in the sector. During this time, the professional and business services and the education and health services sectors also expanded significantly, increasing by an average of 4,100 and 3,800 jobs, or 4.3 and 4.0 percent, annually.

2009 Through 2010

Economic conditions in the HMA weakened because of the national recession beginning in late 2007. During 2009 and 2010, nonfarm payrolls fell by an average of 17,000 jobs, or 1.9 percent, annually to a low of 874,700 jobs in 2010. Job losses were greatest in the mining, logging, and construction sector, which fell by an average of

Figure 4. 12-Month Average Nonfarm Payrolls in the Fort Worth HMA



Note: 12-month moving average.

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

7,900 jobs, or 11.7 percent, annually, accounting for 46 percent of all jobs lost during this period, partly because residential construction in the HMA declined. The effects of the national recession were moderate 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 3,400 and 3,000 jobs on average, or 3.3 and 2.4 percent, respectively. By contrast, during the same period, national nonfarm payroll jobs fell by an average of 3.44 million, or 2.5 percent, annually; the only sector to add jobs nationally was the education and health services sector, which increased by an average of 373,500 jobs, or 1.9 percent, annually.

2011 Through 2019

Economic conditions in the HMA began to improve in 2011, and the economy expanded each year through 2019. From 2011 through 2014, job growth was strong, increasing by an average of 25,900 jobs, or 2.8 percent, annually. The mining, logging, and construction sector grew fastest, increasing an average of 6.6 percent, or by 4,100 jobs, annually, partly due to relatively strong natural gas production in the HMA. Nonfarm payrolls continued increasing during 2015 and 2016 by an average of 16,500 jobs, or

1.7 percent, annually; growth in the service-providing sectors offset average annual declines in the goods-producing sectors of 3,500 jobs, or 2.1 percent. The transportation and utilities and the wholesale and retail trade sectors led growth during this period, averaging 5,200 and 4,600 jobs annually, or 7.1 and 2.9 percent, respectively. Amazon.com, Inc., added 900 jobs at its fulfillment center at the AllianceTexas development in the city of Haslet. The nearby Presidio Towne Crossing shopping center was built during this period, with a Target Corporation retail store as the anchor. However, both the manufacturing and the mining, logging, and construction sectors lost jobs. In the latter sector, job losses caused by declining natural gas production in the Barnett Shale were offset partially by the commencement of the \$233 million Interstate 30 and State Highway 360 interchange construction project and the

\$250 million first phase of the Texas Live! development in the city of Arlington. Nonfarm payroll growth accelerated from 2017 through 2019, averaging 28,400 jobs, or 2.7 percent, annually. The financial activities sector grew the fastest, increasing an average of 5.3 percent, or 3,300 jobs, annually. The professional and business services and the leisure and hospitality sectors had the largest numerical job gains, averaging annual increases of 3,900 and 3,800 jobs, or 3.3 and 3.2 percent, respectively. The latter sector benefited from the opening of Texas Live! in 2018, which created more than 1,000 permanent jobs, and the 300-room Live! by Loews – Arlington resort in 2019. The education and health services and the transportation and utilities sectors also grew substantially, adding respective averages of 3,600 and 3,400 jobs, or 2.7 and 4.0 percent, annually.

Commuting Patterns

With a well-developed highway system, including two interstate highways that traverse the DFW MSA from east to west, many residents of the HMA, particularly from Tarrant and Johnson Counties, commute to the Dallas Metropolitan Division. The share of employed people commuting to Dallas County has remained relatively constant since 2010. In 2020, approximately 23 percent of employed residents from Tarrant County commuted to Dallas County, a proportion that has remained unchanged since at least 2010 (U.S. Census Bureau, OnTheMap 2020 and 2010 data). Likewise, the percentage of employed residents commuting from Johnson County to Dallas County during 2020 was 13 percent, up 1 percentage point from 2010.

Forecast

During the 3-year forecast period, nonfarm payrolls in the HMA are expected to increase an average of 3.4 percent annually. Both the goods-producing and service-providing sectors are expected to contribute to payroll growth, with

the greatest job growth occurring during the first year of the forecast period. Job gains are expected to be strong in the mining, logging, and construction sector because of commercial and industrial construction. Projects include the completion of the One Rangers Way apartment development and the National Medal of Honor Museum in the Texas Live! development and construction of the mixed-use development Village at Southpointe, in the city of Mansfield. When complete, the Village at Southpointe is expected to contain at least 800 apartment units and 80,000 to 100,000 square feet of medical office, restaurant, and retail space, creating an estimated 630 jobs. Growth in the professional and business services sector is expected to continue due to corporate relocations and expansions in the HMA. Leisure and hospitality sector jobs are expected to increase, partly due to the completion of the Loews Arlington Hotel and Convention Center in 2024, which is expected to create 1,200 permanent jobs.



Population and Households

Current Population: 2.70 Million

After population growth slowed during 2020, the population of the Fort Worth HMA has grown more quickly since July 2021, compared with the prepandemic growth from 2017 to 2019.

Population Trends

As of April 1, 2023, the population of the HMA is estimated at nearly 2.70 million, an average increase of 38,600, or 1.6 percent, annually since April 2010 (Table 3). From 2000 to 2008, the population grew by an average of 44,300, or 2.3 percent, annually (Figure 5). During this period, net natural increase averaged 19,550 people each year, whereas net in-migration averaged 24,750 people each year, accounting for 56 percent of population growth. From 2008 to 2013, population growth slowed to an average of 36,700 people, or 1.7 percent, annually due to the economic downturn in the HMA stemming from the effects of the national recession in the late 2000s. During that period, net in-migration slowed to an average of 17,800 people each year, whereas net natural increase averaged 18,900 people each year, accounting for 51 percent of the population change. Due to the economic expansion in the HMA beginning in 2011, the population grew steadily from 2013 to 2016, averaging 43,950

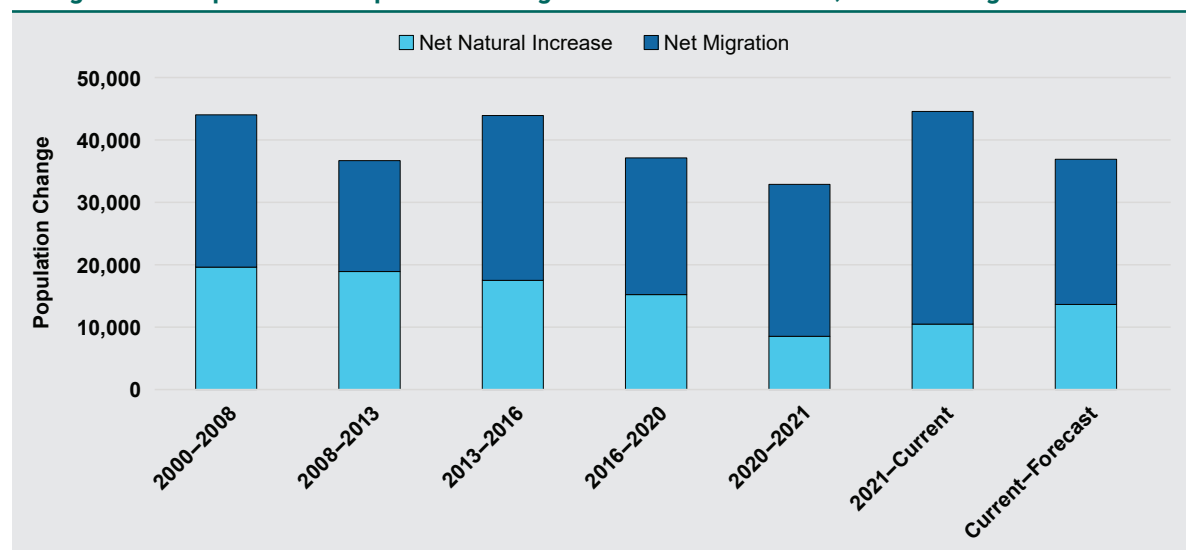
Table 3. Fort Worth HMA Population and Household Quick Facts

Population Quick Facts	2010	Current	Forecast
	Population	2,195,694	2,697,000
	Average Annual Change	43,750	38,600
	Percentage Change	2.2	1.6
Household Quick Facts	2010	Current	Forecast
	Households	796,284	974,400
	Average Annual Change	15,200	13,700
	Percentage Change	2.1	1.6

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, 2023) to April 1, 2026.

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

Figure 5. 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, 2023) to April 1, 2026.

Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

people, or 1.9 percent, annually, with net in-migration accounting for 60 percent of the growth and averaging 26,400 people each year. Although the economy strengthened from 2016 through the beginning of 2020, population growth slowed to an average of 37,150 people, or 1.5 percent, annually from 2016 to April 2020. Net in-migration accounted for 59 percent of the population growth and averaged 21,900 people each year;

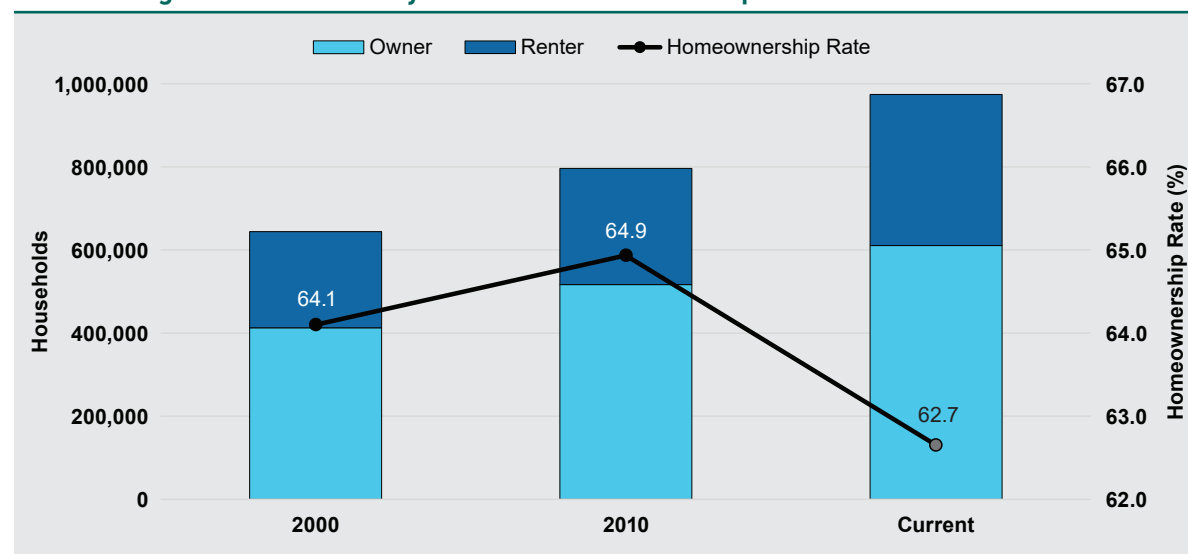
net natural increase averaged 15,250 people each year. From April 2020 to July 2021, the population grew by an average of 32,950, or 1.3 percent, annually. Net in-migration increased to an average of 24,400 people annually, accounting for 74 percent of the population growth, because the local economy was quickly recovering jobs lost from the recession, and many were people moving to the HMA for work during most of that period. The net natural increase fell to an average of 8,550 people annually, with the slowdown attributed to a slower pace of resident births and an increased rate of resident deaths due to COVID-19. Since July 2021, the population has increased by an average of 44,550, or 1.7 percent, annually. Due to strong job growth, net in-migration averaged 34,050 people annually, accounting for 76 percent of population growth, and net natural increase averaged 10,500 people annually.

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 974,400, an average annual increase of 13,700 households, or 1.6 percent, since April 2010—the same pace as the population growth rate in the HMA during the same period. By comparison, the number of households increased by an average of 15,200 households, or 2.1 percent, annually during the 2000s, slightly slower than the

2.2-percent population growth during the same period. Renter households account for a larger share of households than in 2000 or 2010, reflected in the homeownership rate decline. Currently, renter households account for 37.3 percent of all households in the HMA, up from 35.1 percent in 2010 (Figure 6).

Figure 6. Households by Tenure and Homeownership Rate in the Fort Worth HMA



Note: The current date is April 1, 2023.

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 2.81 million by April 1, 2026, reflecting an average increase of 36,950 people, or 1.4 percent, annually. Net in-migration is expected to decline each year of the forecast period, averaging 23,250 people annually and accounting for 63 percent of population growth because of slowing job growth in the HMA. Household growth is expected to average 14,200, or 1.4 percent, annually, with the number of households in the HMA reaching 1.02 million by the end of the forecast period—a pace comparable to the forecast population growth.

Home Sales Market

Market Conditions: Slightly Tight

New and existing home sales in the Fort Worth HMA fell during the past 12 months, but home sales price growth remained strong.

Current Conditions

The sales housing market in the HMA is slightly tight, with an estimated sales vacancy rate of 1.3 percent, down from 2.1 percent in April 2010, when market conditions were soft (Table 4). Sales housing market conditions became tight in 2021 when demand for homes rose, and the inventory of homes for sale fell. Rising mortgage interest rates since March 2022 have decreased homebuying affordability and led to a decline in home sales and an increase in for-sale inventory during the past year. The supply of for-sale homes in March 2023 was 1.8 months, up from 1.2 months a year ago (CoreLogic, Inc.). New and existing home sales in the HMA declined 22 percent to approximately 57,750 during the 12 months ending March 2023 compared with a year ago, when sales increased 9 percent to 74,400 homes sold. Despite declining sales in the HMA, the average home sales price increased; however, the pace of rising prices has slowed recently. During the 12 months ending March 2023, the average home sales price increased by approximately \$39,950, or 12 percent, to \$370,200. By comparison, the average home sales price increased by \$41,900, or 15 percent, to \$330,200 during the 12 months ending March 2022.

Existing Home Sales and Prices

Existing home sales fell sharply from 2007 through 2011 before trending upward during most subsequent periods through the first quarter of 2022. Existing home sales peaked at 56,650 homes in 2006, when lending standards were lenient during the early 2000s (CoreLogic, Inc.; Figure 7). During the next 5 years, existing home sales fell by an average of 4,125 homes, or 9 percent, annually to 36,000 homes in 2011, partly because of

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

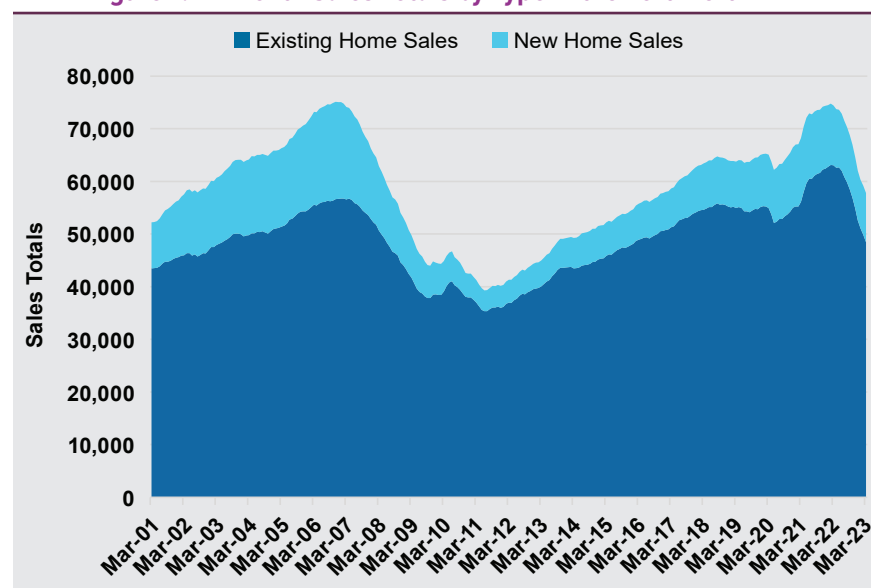
	Fort Worth HMA	Nation
Vacancy Rate	1.3%	NA
Months of Inventory	1.8	1.9
Total Home Sales	57,750	5,861,000
1-Year Change	-22%	-23%
New Home Sales Price	\$437,400	\$495,200
1-Year Change	17%	12%
Existing Home Sales Price	\$357,200	\$393,200
1-Year Change	11%	4%
Mortgage Delinquency Rate	1.1%	1.1%

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 2023; and months of inventory and mortgage delinquency data are as of March 2023. The current date is April 1, 2023.

Sources: Vacancy rate—estimates by the analyst; home sales and prices, months of inventory, and mortgage delinquency rate—CoreLogic, Inc.

Figure 7. 12-Month Sales Totals by Type in the Fort Worth HMA

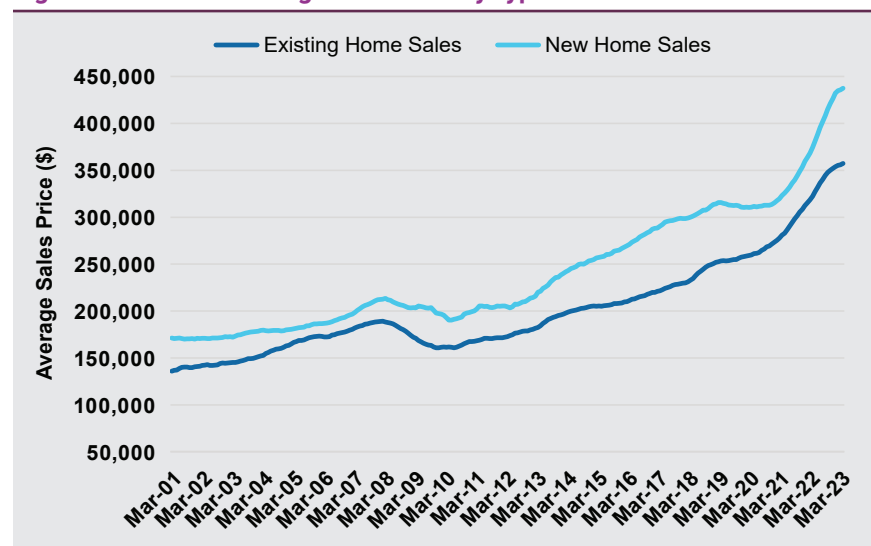


Source: CoreLogic, Inc.

tighter mortgage lending standards combined with the economic downturn in the HMA during 2009 and 2010. Thereafter, the local economy expanded, and existing home sales trended upward by an average of 2,400 homes, or 5 percent, annually, from 39,550 homes in 2012 to 55,100 homes in 2019. Existing home sales briefly declined because of the onset of the COVID-19 pandemic due to social distancing behavior among buyers and sellers in the HMA; however, historically low mortgage interest rates incentivized homebuying, and annual existing home sales fell only slightly to 55,000 homes in 2020 before rising nearly 14 percent to 62,450 homes in 2021. Since the first quarter of 2022, rapidly rising interest rates have tempered home sales demand, and existing home sales have begun falling. During the 12 months ending March 2023, existing home sales declined 23 percent to 48,400 homes, compared with a nearly 13-percent increase during the same 12-month period a year earlier.

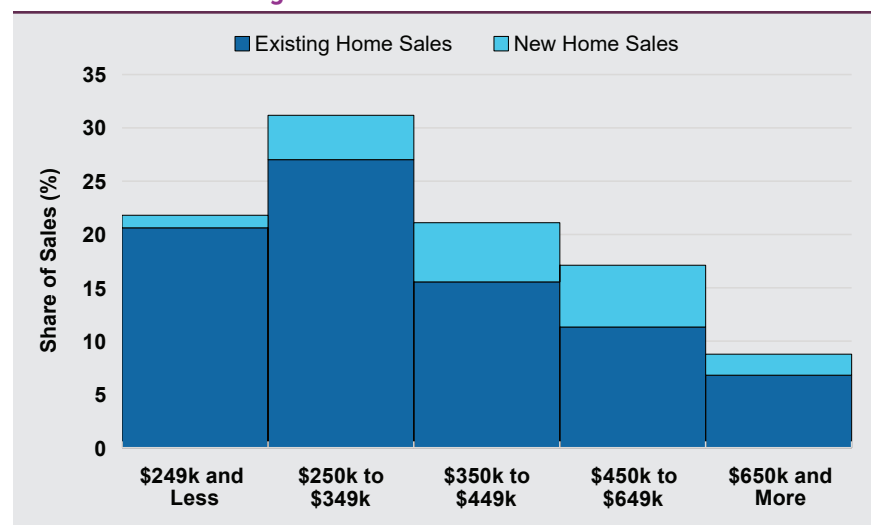
After falling during 2008 and 2009, the average sales price for an existing home has increased every subsequent year in the HMA. From 2001 to 2007, the average existing home sales price rose from \$140,700 to \$188,700 before falling to \$160,800 in 2009 (Figure 8), a result of the housing crisis and the contraction of the local economy in the HMA. After 2009, existing home prices stabilized and then began to rise; the average price for an existing home increased to \$167,500 by the end of 2010. As the local economy expanded and more people moved to the HMA, the existing home sales price rose by an average of \$10,100, or 5 percent, annually during the next 9 years to \$258,200 in 2019. Although sales moderated slightly in 2020, the average existing sales price rose 6 percent to \$273,500 before rising 14 percent in 2021 to \$312,300, when demand for existing homes was strong. The pace of price growth has slowed recently because higher mortgage interest rates made purchasing a home more expensive. During the 12 months ending March 2023, the average price of an existing home increased approximately 11 percent to \$357,200, compared with an increase of 15 percent during the previous 12-month period. Nearly one-third of existing home sales during the 12 months ending March 2023 were in the \$250,000–\$349,000 price range (Zonda; Figure 9).

Figure 8. 12-Month Average Sales Price by Type of Sale in the Fort Worth HMA



Source: CoreLogic, Inc.

Figure 9. Share of Overall Sales by Price Range During the 12 Months Ending March 2023 in the Fort Worth HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.

Source: Zonda

New Home Sales and Prices

New home sales trends have generally followed existing home sales trends in the HMA. Annual new home sales in the HMA peaked at 18,400 homes in 2006 (CoreLogic, Inc.), when relaxed lending standards and job and population growth contributed to strong home sales demand. Due to the national housing crisis and the economic downturn in the HMA, new home sales fell an average of 26 percent annually during the next 5 years to a low of 4,150 homes in 2011, despite economic expansion that year. The local economy continued to expand during the next 8 years, and new home sales rose by an average of 710 homes, or 11 percent, annually through 2019. During 2020, demand for new homes increased, and new home sales rose 16 percent to 11,500 homes. During 2021, shortages of building materials and supply chain disruptions that increased construction times hindered new home sales, and demand began to shift to existing homes. New home sales increased nearly 4 percent to a recent peak of nearly 12,000 homes in 2021, before falling. New home sales continued to fall because recent higher mortgage interest rates exacerbated the decline in sales. During the 12 months ending March 2023, new home sales fell 18 percent to 9,350 homes compared with a decline of nearly 7 percent to 11,350 homes during the previous 12-month period.

Since 2021, the average new home sales price in the HMA has risen at the fastest pace since at least 2000. The average new home sales price rose an average of 3 percent annually from 2001, peaking at \$212,200 in 2007 before trending downward to \$198,300 during weak local economic conditions in 2010. As economic conditions in the HMA improved, new home sales prices trended upward, rising by an average of \$14,400, or 6 percent, annually to reach \$313,600 in 2018 before falling to \$310,400 in 2019, when more affordably priced homes were purchased than in 2018. Despite increased demand for new homes in 2020, the average new home sales price increased less than 2 percent before rising 14 percent to \$359,600 in 2021, when rising costs for home building supplies led to higher new home sales prices. The average new home sales price has continued to rise; during the 12 months

ending March 2023, the average new home sales price rose nearly 17 percent to \$437,400 compared with an increase of nearly 16 percent during the previous 12-month period, when the average price of a new home in the HMA was \$374,500. Since mid-2022, the pace of price increases has slowed; as of the first quarter of 2023, the average new home sales price had risen nearly 5 percent from a year ago to \$431,000, compared with an increase of 19 percent during the same period in the prior year.

Investor Sales

Home sales to investors have generally risen as a share of total sales in the HMA since the mid-2010s. From 2016 through 2020, the proportion of investor sales in the HMA fluctuated from a low of 21.6 percent in 2016 to 25.3 percent in 2018 before falling to 22.3 percent in 2020 (John Burns Real Estate Consulting LLC). In response to strong rental demand in the HMA, investor purchases—as a portion of total sales—rose to a 34.7-percent peak in the first quarter of 2022 before falling to 29.0 percent in the first quarter of 2023.

Seriously Delinquent Mortgages and REO Properties

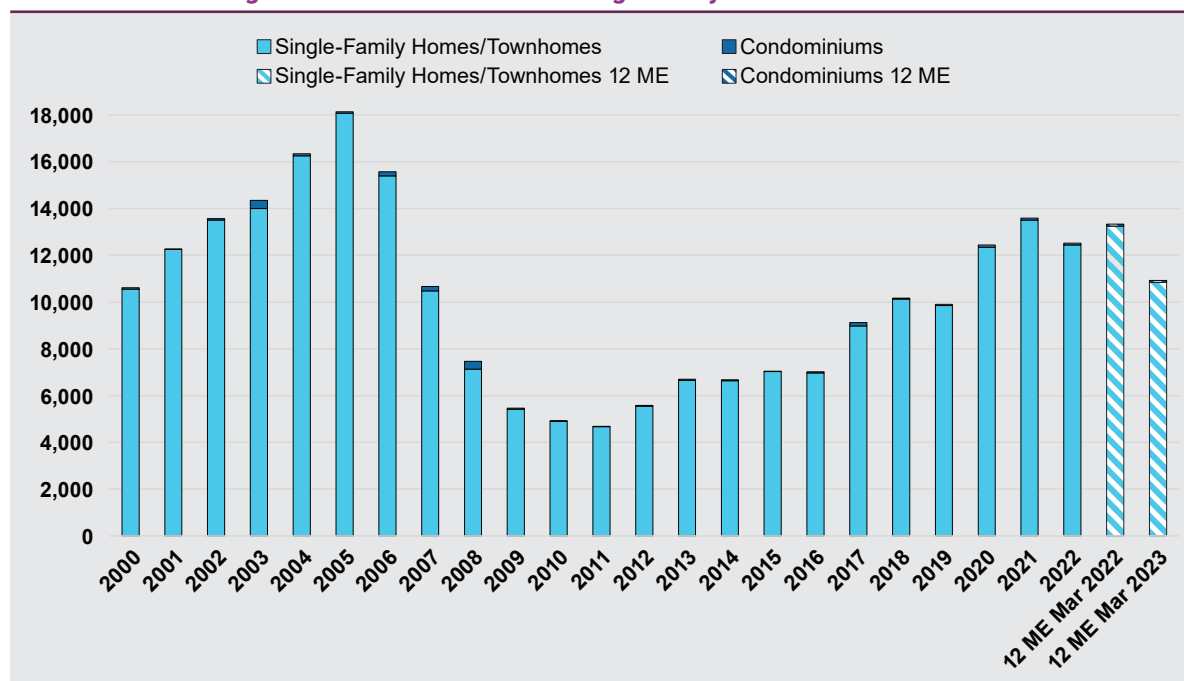
The percentage of seriously delinquent mortgages and real estate owned (REO) properties increased significantly during the early stages of the COVID-19 pandemic because weakened economic conditions made it more difficult for many homeowners to stay current on their mortgage payments, and many homeowners participated in mortgage forbearance. The percentage of seriously delinquent mortgages and REO properties increased from 1.1 percent in March 2020 to a 4.8-percent high in August 2020, due entirely to a rise in the number of delinquent mortgages (CoreLogic, Inc.). The percentage of seriously delinquent mortgages and REO properties fell as local economic conditions improved. In March 2023, 1.1 percent of home loans in the HMA were seriously delinquent or had transitioned into REO status, down from 1.6 percent a year earlier—well below the 6.3-percent January 2010 peak. By comparison,

the national percentage of seriously delinquent mortgages and REO properties was 1.1 percent in March 2023, down from 1.6 percent a year earlier and significantly below the 8.6-percent January 2010 peak rate.

Home Sales Construction

Construction of new sales housing in the HMA, as measured by the number of single-family homes, townhomes, and condominiums permitted (building permits), was higher during the 2000s than the average annual permitting since the beginning of 2010. The number of homes permitted increased from 10,600 in 2000 to a peak of 18,100 in 2005, averaging 14,200 annually from 2000 through 2005 (Figure 10) because of relaxed mortgage lending standards combined with job and population growth during the period. During the next 6 years, new home construction activity in the HMA fell an average of 20 percent annually to a low of 4,675 homes permitted in 2011 because lending standards tightened and economic conditions weakened as a result of the national recession. From 2012 through 2019, economic growth and in-migration increased the number of homebuyers in the HMA. Sales construction activity generally trended upward, averaging 7,750 homes permitted annually. During 2020 and 2021, sales construction activity increased an average of 17 percent annually, peaking at 13,600 homes permitted in 2021. New home sales then began declining, and during the 12 months ending

Figure 10. Annual Sales Permitting Activity in the Fort Worth HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

March 2023, sales construction activity fell 18 percent to 10,900 homes permitted compared with the previous 12-month period, when 13,300 homes were permitted (preliminary data, with adjustments by the analyst).

New Home Developments

Although new homes are being built throughout most areas in the Fort Worth HMA, new home construction has been prevalent in portions of Johnson County and southern Tarrant County, which have easy access to the northern portion of the city of Fort Worth and Dallas County (located east of the HMA). Home construction has also increased in the northern portion of the city of Fort Worth and Parker and Wise Counties. New developments in Johnson County include the second phase of the Parks at Panchasarp Farms community in the city of Burleson; some of the homes are being built by Bloomfield Homes, with 86 homes planned at buildout. Currently, 60 homes have sold, and 10 homes are under construction,

with starting prices ranging from \$416,000 to \$572,000. In Tarrant County, construction is underway at the Talon Hills master-planned community in the city of Fort Worth. The Graham Hart Home Builder company is building a portion of the homes in the development, with 165 homes planned at buildout. Currently, 104 homes have sold, 13 homes are complete and available for sale, and 4 homes are underway. Starting prices range from \$380,000 for a three-bedroom home to \$668,000 for a four-bedroom home.

Forecast

During the next 3 years, demand is expected for 32,400 new homes in the Fort Worth HMA (Table 5). The 5,725 homes currently under construction are expected to satisfy a portion of the estimated demand during the first year of 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	32,400 Units
Under Construction	5,725 Units

Note: The forecast period is from April 1, 2023, to April 1, 2026.
Source: Estimates by the analyst



Rental Market

Market Conditions: Balanced

In the first quarter of 2022, the apartment market vacancy rate fell to its lowest level since at least 2005 before rising nearly 4.0 percentage points by the first quarter of 2023.

Current Conditions and Recent Trends

Rental housing market conditions in the Fort Worth HMA are currently balanced, with an estimated rental vacancy rate of 8.3 percent, down from 11.7 percent in 2010, when market conditions were soft (Table 6). Many renter households in the HMA live in multifamily structures with five or more units, typically apartments. In 2021, 46 percent of all renter households in the HMA lived in multifamily structures with five or more units, down from 49 percent in 2010 (American Community Survey [ACS] 1-year data). By comparison, approximately 38 percent of all renter households in the HMA lived in single-family homes in 2021, up from 33 percent in 2010. Most occupied rental housing in the HMA is in Tarrant County. In 2021, nearly 92 percent of all occupied rental units were in Tarrant County, which included nearly 89 percent of all occupied single-family rental homes and 96 percent of the occupied apartments in the HMA.

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

Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	11.7	8.3
		2010 (%)	2021 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	33	38
	Multifamily (2–4 Units)	15	13
	Multifamily (5+ Units)	49	46
	Other (Including Mobile Homes)	4	3
Apartment Market Quick Facts		1Q 2023	YoY Change
	Apartment Vacancy Rate	6.8	3.9
	Average Rent	\$1,414	7%

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

Notes: The current date is April 1, 2023. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2021 American Community Survey 1-year data; apartment data—RealPage, Inc.

Single-Family Rental Housing Market

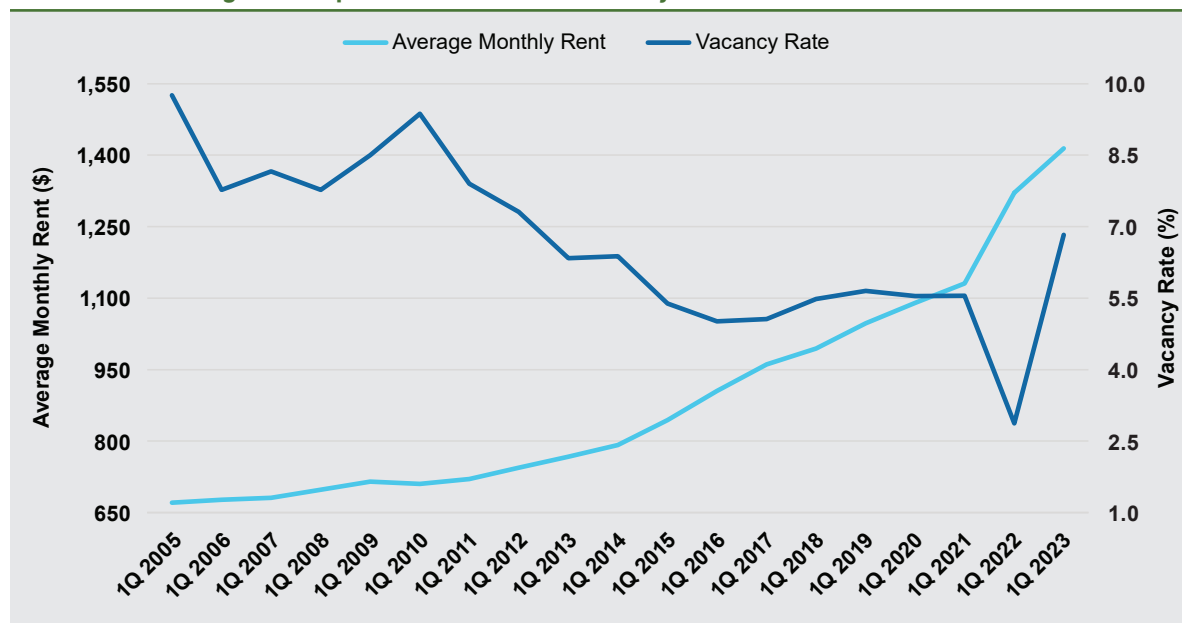
In 2021, approximately 78 percent of the occupied single-family rental units in the HMA were detached single-family homes, and nearly 22 percent were attached homes (ACS 1-year data). Since 2013, the monthly average single-family home vacancy rate for professionally managed detached homes has fluctuated within a narrow range from 2.0 to 2.8 percent (CoreLogic, Inc.). The average single-family home vacancy rate for professionally managed detached homes was 2.1 percent in March 2023, down slightly from 2.2 percent in March 2022; the average rent per square foot for a detached single-family home increased nearly 2 percent to \$1.43 per square foot compared with a year earlier. In March 2023, rents for professionally managed detached homes averaged \$1,609, \$1,652, \$1,986, and \$2,798 for one-, two-, three-, and four-bedroom homes, respectively.

Apartment Market Conditions

Apartment market conditions in the HMA ranged from soft conditions during the first quarter of 2005 to tight conditions during the first quarter of 2022. The apartment vacancy rate trended downward from 9.8 percent during the first quarter of 2005 to 7.8 percent by the first quarter of 2008 (RealPage, Inc.). During this period, the average apartment rent increased by an average of \$9, or 1 percent, annually

from \$671 to \$698 (Figure 11). Local economic conditions began weakening in 2009; the apartment vacancy rate trended upward to 9.4 percent by the first quarter of 2010, but the average apartment rent continued to rise an average of 1 percent annually to \$710. Due to the economic growth that began in 2011 and strong net in-migration from 2013 through 2016, apartment market conditions strengthened. The apartment vacancy rate trended downward to 5.0 percent by the first quarter of 2016, when conditions were balanced, and the average apartment rent rose an average of 4 percent annually to \$905. The combination of net in-migration and new apartment units entering the market caused the apartment vacancy rate to rise to 5.7 percent by the first quarter of 2019. As new apartments were absorbed during this period, the average apartment rent rose an average of 5 percent annually to \$1,047. As more new apartment units entered the market, balanced apartment market conditions continued to prevail; the apartment vacancy rate fell slightly to 5.5 percent by the first quarter of 2020, and the average apartment rent rose 4 percent from a year earlier to \$1,090. Apartment market conditions were relatively unaffected during the early stages of the COVID-19 pandemic; the apartment vacancy rate rose slightly to 5.6 percent in the first quarter of 2021, and the average apartment rent rose 4 percent to \$1,131. Increased net in-migration, fewer new apartment units entering the market, and rising home sales

Figure 11. Apartment Rents and Vacancy Rates in the Fort Worth HMA



1Q = first quarter.
Source: RealPage, Inc.

prices partly contributed to the apartment vacancy rate falling to 2.9 percent by the first quarter of 2022, when apartment market conditions were tight. The average apartment rent rose 17 percent to \$1,321 during the period due to increased demand for apartment units. Since the first quarter of 2022, apartment market conditions have shifted from tight to balanced, partly because more new apartment units have entered the market. By the first quarter of 2023, the apartment vacancy rate had risen to 6.8 percent, and the average apartment rent had increased 7 percent to \$1,414.

Market Conditions by Geography

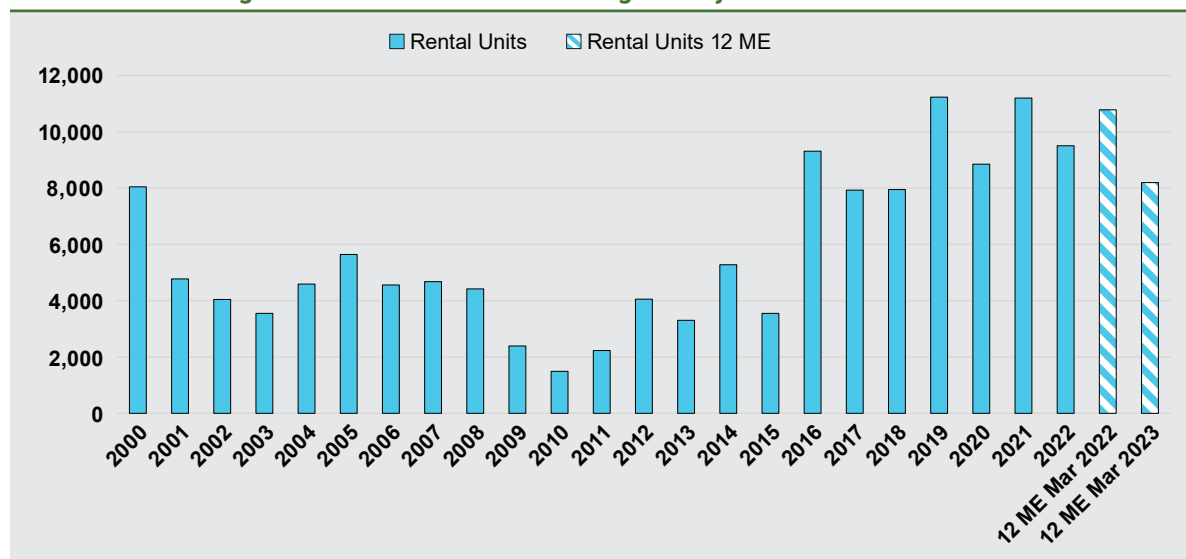
During the first quarter of 2023, the Grapevine/Southlake market area had the lowest average vacancy rate among the 14 RealPage, Inc.-defined market areas (hereafter, market areas) in the Fort Worth HMA at 5.0 percent, with an average rent of \$1,741. Partly because of its proximity to employment centers within the HMA and Dallas County, the Grapevine/Southlake market area was the most expensive market area in the HMA during the first quarter of 2023. By contrast, the highest vacancy rate of 8.6 percent was in the

East Fort Worth market area—the most affordable area of the HMA—where the average age of the apartment units is the oldest—and the average rent was \$1,149.

Rental Construction Activity

Since 2011, demand for additional housing and declining homeownership rates have contributed to rental demand and accounted for a larger total share of residential construction compared with the 2000s. Rental construction activity averaged 5,100 units permitted annually from 2000 through 2005 before slowing to an average of 3,500 units permitted annually from 2006 through 2010 (Figure 12). During the latter period, generally soft rental housing market conditions and weakened economic conditions in 2009 and 2010 limited demand for additional units. Continued soft apartment market conditions during the late 2000s caused rental construction activity to remain generally slow, averaging 3,675 units permitted annually from 2011 through 2015. From 2016 through 2019, rental construction activity averaged 9,100 units permitted annually because builders responded to balanced apartment market conditions by increasing production. Rental construction activity slowed slightly to 8,850 units permitted in 2020 before rising to 11,200 units permitted in 2021 because builders responded to recent increased migration to the HMA. Delays in project completion since the onset of the pandemic led to fewer new apartment units entering the rental housing

Figure 12. Annual Rental Permitting Activity in the Fort Worth HMA



12 ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

market, although the number of apartment units permitted continued to rise. Rental housing market conditions began easing in 2022 when new apartment units became available, and builders responded by slowing construction activity. During the 12 months ending March 2023, approximately 8,200 units were permitted, down 24 percent from the same period a year earlier, when 10,750 units were permitted (preliminary data, with adjustments by the analyst).

New Apartment Developments

Most of the recent apartment construction in the HMA has been in Tarrant County. Among recently completed apartment developments is the 331-unit Debbie Lane Flats in the city of Arlington. The market-rate property opened in June 2022, with rents starting at \$1,488, \$1,910, and \$2,774 for one-, two-, and three-bedroom units, respectively. The 247-unit Skyline Prairie Homes rental community in the city of Fort Worth began lease-up in January 2023; all units are expected to be complete and available for lease by October 2023. The property offers one-bedroom units in duplex-style buildings and two- and three-

bedroom units in single-family detached units. Five of the seven phases, totaling approximately 165 units, are complete; rents start at \$1,773, \$1,999, and \$2,553 for one-, two-, and three-bedroom units, respectively.

Forecast

Demand is estimated for 20,900 new rental units in the HMA during the 3-year forecast period

(Table 7). Demand is expected to be highest during the first year of the forecast period. The 10,350 units under construction are expected to satisfy the demand during the first and part of 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	20,900 Units
Under Construction	10,350 Units

Note: The forecast period is from April 1, 2023, to April 1, 2026.
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 a housing market area (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.
Existing Home Sales	Include resales, short sales, and real estate owned (REO) sales. Resales are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Forecast Period	4/1/2023–4/1/2026—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Increase	Resident births minus resident deaths.
Rental Housing Market/Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.

Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.
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B. Notes on Geography	
1.	The metropolitan statistical area 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's 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.

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