



JULY 2020

## DALLAS-FORT WORTH REAL ESTATE MARKET UPDATE

### INVENTORY CONTINUES TO DECLINE AS HOME SALES INCREASE THROUGHOUT THE DALLAS-FORT WORTH AREA

#### The DFW-Arlington Housing Market:

1. New Home Sales - John Burns Real Estate Consulting (JBREC) reported that sales of new single-family housing increased by 7% year-over-year in Dallas from 24,002 new home closings to 25,671 in May 2020.
2. New Home Sales Price - The median sales price of new houses sold in May 2020 was \$343,700, a decrease of 4.5% year-over-year.
3. With the availability of inventory shrinking, new home builders struggle to keep up with demand. In the second quarter of 2020, local builders started 10,579 new homes, a 17.9% jump from a year ago. The 12-month total for home starts in the Dallas Fort-Worth area, 39,847, is the **highest** point the area has hit since the Great Depression, according to the latest report from Residential Strategies.
4. Existing single-family home sales increased 13.08% year-over-year in June from 9,244 to 10,453 transactions. Year-to-date sales reached a total of 45,592 closed listings.
5. Average sales price for existing family homes rose 1.59% year over year from \$349,706 to \$355,722. Average price per square foot rose from \$139.92 to \$145.11.
6. Existing single-family home inventory declined from 3.3 months in 2019 to 2.3 months in June 2020. Days to

sell rose from 74 to 80. In a reversal from April and May, new listings of high-end homes in the DFW area surged as the area sees a severe shortage of affordable inventory.

#### The DFW-Arlington Economy:

1. As the effects of the COVID-19 pandemic continue, the unemployment rate in the DFW-Arlington MSA increased to 8.4% in June 2020, up from 3.5% a year prior. However, this is down from 12.3% in May.
2. The Dallas and Fort Worth business-cycle indexes showed further improvement in June following a slight rebound in May. The Fort Worth index rose strongly, climbing an annualized 89.9%, in part due to a larger employment increase than in Dallas. The Dallas index rose an annualized 41.2%, faster than May's rate. Year-over-year in June, the index is down 2.5% in Dallas and 4.6% in Fort Worth.
3. May employment decreased from 3,788,200 to 3,646,600, according to the latest figures published by the Texas Workforce Commission. This marks a 3.74% year-over-year decrease compared with June 2019, a net decrease of 141,600 existing jobs. Over the past five years, the job growth rate has increased by 0.75%.

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