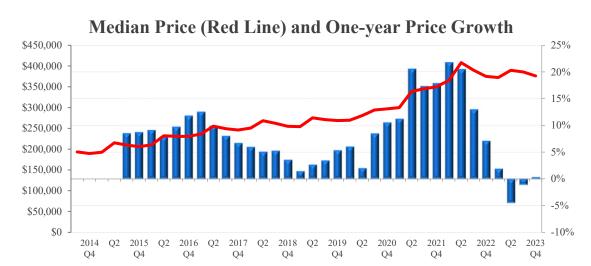


## **Dallas-Fort Worth-Arlington Area**

### **Local Market Report, Fourth Quarter 2023**

## Today's Market...



Local Price Trends				
Price Activity	Dallas	U.S.	Local Trend	
Current Median Home Price (2023 Q4)	\$376,200	\$387,300		
1-year (4-quarter) Appreciation (2023 Q4)	0.3%	3.9%	Prices continue to grow relative to last ye	
3-year (12-quarter) Appreciation (2023 Q4)	26.7%	24.5%		
3-year (12-quarter) Housing Equity Gain*	\$79,300	\$76,300	Gains in the last 3 years have extended the	
7-year (28 quarters) Housing Equity Gain*	\$145,600	\$153,367	trend of positive price growth after the	
9-year (36 quarters) Housing Equity Gain*	\$186,600	\$179,667	recession	
*Note: Equity gain reflects price appreciation only				

	Dallas	U.S.		
Conforming Loan Limit**	\$766,550	\$1,149,825	Most buyers in this market have access to	
FHA Loan Limit	\$563,500	\$1,149,825	government-backed financing	
Local Median to Conforming Limit Ratio	49%	not comparable	government-backed imancing	
Note: limits are current and include the changes made on January 1st 2024.				

#### **Local NAR Leadership**

The Dallas-Fort Worth-Arlington market is part of region 10 in the NAR governance system, which includes all of Louisiana and Texas. The 2024 NAR Regional Vice President representing region 10 is Marvin Jolly.



# **Benefits of Ownership: Total Equity Appreciation**

## Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2023 Q4 from quarter in which home was of purchased				
Price Activity	Dallas	U.S.	<b>Local Trend</b>	
1-year (4-quarter)	\$4,977	\$18,387		
3-year (12-quarter)*	\$97,303	\$95,158		
5-year (20-quarter)*	\$141,025	\$151,356	Price appreciation and principle payments in the last 3 years have boosted total equity	
7-year (28 quarters)*	\$175,580	\$183,780	growth since the recession	
9-year (36 quarters)*	\$218,934	\$215,076		

\*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity



11,600

## **Drivers of Local Supply and Demand...**

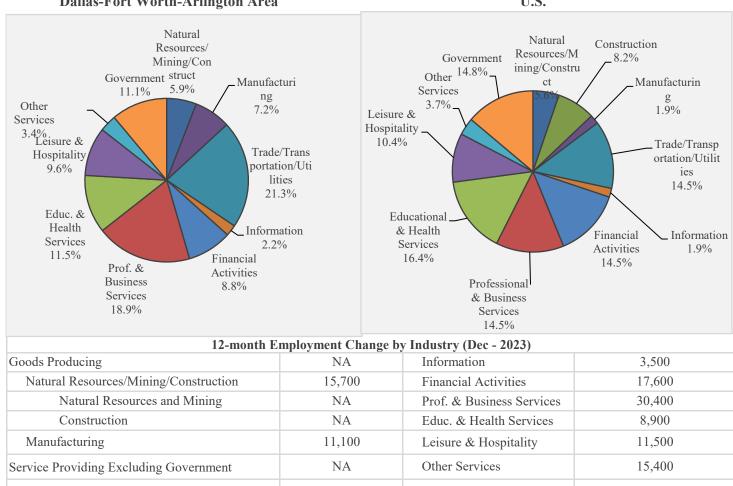
Local Economic Outlook	Dallas	U.S.	
12-month Job Change (Dec)	134,200	Not Comparable	Employment growth has eased, but remains
12-month Job Change (Nov)	137,400	Ñot Comparable	positive
36-month Job Change (Dec)	597,400	Not Comparable	Unemployment has risen since the same period last year, but Dallas's labor market
Current Unemployment Rate (Dec)	3.3%	3.7%	has been more resilient than the national average
Year-ago Unemployment Rate	3.1%	3.5%	Local employment growth is strong
1-year (12 month) Job Growth Rate	3.2%	2.3%	compared to other markets

#### **Share of Total Employment by Industry**

**Dallas-Fort Worth-Arlington Area** 

Trade/Transportation/Utilities

U.S.



State Economic Activity Index	Texas	U.S.		
12-month change (2023 - Dec)	3.5%	3.0%	The economy of Texas has outpaced the rest of the nation and improved modestly	
36-month change (2023 - Dec)	16.4%	14.3%	from last month's 3.49% change	

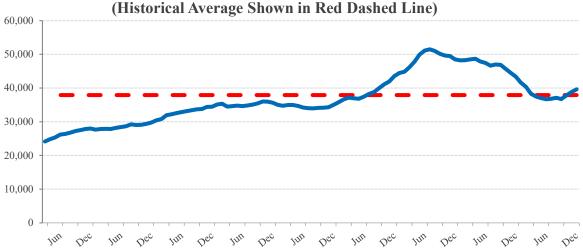
Government

11,700

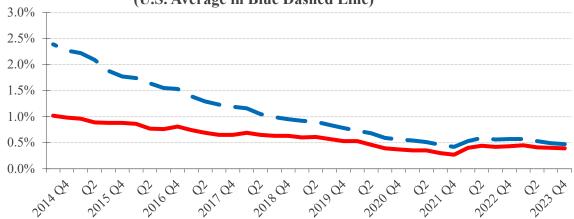


New Housing Construction				
Local Fundamentals	Dallas	U.S.		
12-month Sum of 1-unit Building Permits through Dec	39,629	not comparable	The current level of construction is 4.4% above the long-term average	
8-year average for 12-month Sum of 1-Unit Building Permits	37,951	not comparable	Production above trend for an extended period of time could cause prices to moderate as inventory is built up.	
Single-Family Housing Permits (Dec) 12-month sum vs. a year ago	-8.7%	-6.1%	Construction is down from last year, but appears to have bottomed.	







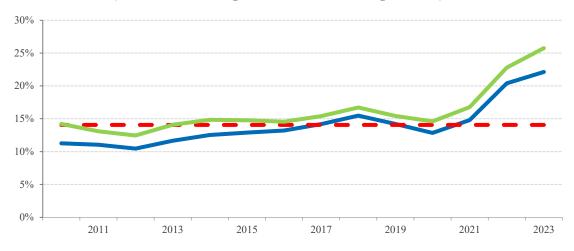


Source: Mortgage Bankers' Association

# **Affordability**

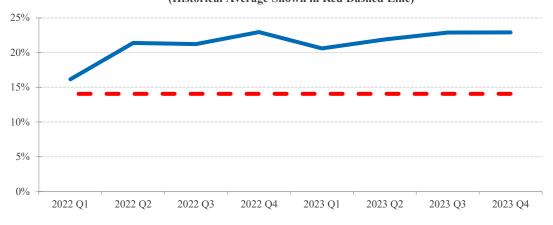


# Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income (Local Historical Average Shown in Red, U.S. Average in Green)



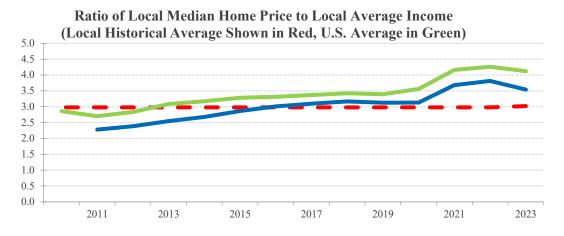
Monthly Mortgage Payment to Income	Dallas	U.S.		
Ratio for 2023	22.1%	25.8%	Weak by local standards and could weigh on demand	
Ratio for 2023 Q4	22.9%	25.5%		
Historical Average	14.1%	17.0%	More affordable than most markets	

# Recent Trend - Local Mortgage Servicing Cost to Income (Historical Average Shown in Red Dashed Line)

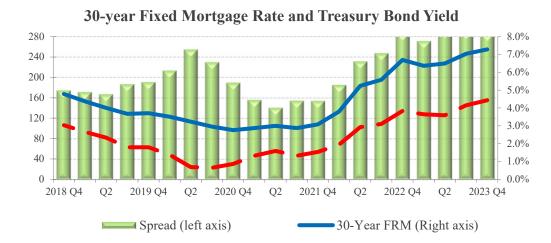


Median Home Price to Income	Dallas	U.S.	
Ratio for 2023	3.5	4.1	The price-to-income ratio eased, but could
Ratio for 2023 Q4	3.5	3.9	be better
Historical Average	3.0	3.4	Affordable compared to most markets





## The Mortgage Market



Throughout much of the final quarter of the year, mortgage rates remained elevated near 7.5 percent. According to the mortgage provider Freddie Mac, the 30-year fixed mortgage rate rose to 7.3 percent in the fourth quarter of 2023 from 6.7 percent the previous year. Nevertheless, rates fell below 7 percent at the end of year as the Federal Reserve continued to halt its interest rates hikes. With lower interest rates on the horizon, mortgage rates are expected to continue their downward trend in 2024, thereby enhancing affordability for potential homebuyers.

NAR forecasts the 30-year fixed mortgage rate to average 6.8 percent in the first quarter of 2024, with a further decline expected to bring them below 6.6% by the end of the first half.



# Geographic Coverage for this Report

The Dallas area referred to in this report covers the geographic area of the Dallas-Fort Worth-Arlington metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Collin County, Dallas County, Denton County, Ellis County, Hunt County, Hood County, Johnson County, Kaufman County, Rockwall County, Parker County, Somerville County, Tarrant County, and Wise County

More information on the OMB's geographic definitions can be found at https://obamawhitehouse.archives.gov/omb/bulletins\_default/