The Dallas–Fort Worth economy continued to expand in November and has grown at a moderately strong pace year to date. Through November, Dallas–Fort Worth employment grew 2.6 percent, slightly above the state’s rate of 2.5 percent and well above the U.S. pace of 1.7 percent. Residential activity remains at high levels, and home inventories remain low. Strong leasing activity has kept apartment vacancies at historically low levels despite strong construction. The Dallas and Fort Worth unemployment rates remain below those of the U.S. and Texas, and the Dallas Fed Business-Cycle Indexes suggest continued expansion for the Dallas–Fort Worth metroplex.

Dallas–Fort Worth employment continued to increase in November but at a slower pace. November jobs grew at an annual rate of 1.0 percent following more robust growth in October. For the year, Dallas–Fort Worth has added 73,700 jobs. Currently, Dallas–Fort Worth employment stands at 3.14 million, according to the Bureau of Labor Statistics’ payroll survey.

The metroplex has seen job growth in all major sectors this year. Construction and mining, professional and business services, and financial activities have recorded the strongest growth year to date. In November, the largest sector—trade, transportation and utilities—recorded annualized job growth of 12.4 percent. Manufacturing employment increased by 6.2 percent during the month.

Third quarter data from the Federal Home Finance Agency (FHFA) suggest Dallas and Fort Worth home prices continue to rise at a swift pace. Compared to third quarter 2012, prices rose 11.2 percent in Dallas and 8.9 percent in Fort Worth, higher than the state’s average pace and close to the national rate. Prices in Texas and in the metroplex have risen to levels above their prehousing bust peak. Low inventories and moderate demand have contributed to rising prices.
In November, the Dallas unemployment rate held steady at 6.1 percent, and the Fort Worth unemployment rate edged down to 5.9 percent. Both metros have rates lower than Texas and the U.S., which were 6.1 percent and 7.0 percent in November.

Overall economic activity continues to expand in Dallas and Fort Worth, according to the Dallas Fed metro business-cycle indexes. Through November, the Dallas index rose 4.7 percent, while the Fort Worth index increased by 4.9 percent, both about a percentage point slower than during the same time last year. The Dallas and Fort Worth economies have grown at a faster pace than the state overall this year.

The Dallas Fed produces business-cycle indexes for Texas, its major metros and border metros to help gauge the current state of the economy. The business-cycle indexes are constructed using payroll employment, the unemployment rate, inflation-adjusted real wages and inflation-adjusted retail sales.

Apartment vacancy rates in Dallas and Fort Worth fell to 4.9 and 5.9 percent respectively in the third quarter. Along with the single-family housing market, apartment demand has benefitted from population and job growth. Demand has been strong enough to keep vacancies low despite strong construction activity.

NOTE: Data may not match previously published numbers due to data revisions.

SOURCES: Employment: Bureau of Labor Statistics’ Current Employment Statistics (CES); Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas. Housing: FHFA; Multiple Listing Service; U.S. Census Bureau; Bank of Tokyo-Mitsubishi UFJ; S&P Case-Shiller. All housing data are seasonally adjusted.


Business-Cycle Indexes: Federal Reserve Bank of Dallas. Data are seasonally adjusted.

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