



The DFW Market Report

What you need to know about Dallas - Fort Worth, Texas in 2024



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Your Guide to the Dallas-Fort Worth Real Estate Market in 2024

The Dallas - Fort Worth (DFW) area shines as one of the most dynamic and growth-oriented real estate markets in the U.S. Offering robust demand, competitive rental yields, and significant economic diversity, DFW is a prime target for both new and experienced investors. This report covers the DFW real estate landscape, highlighting the area's rapid population growth, economic strength, and unique investment opportunities.

Key Investment Highlights

- ✓ **Strong Economic Growth:** The DFW economy is diverse, with growth across technology, finance, healthcare, and logistics.
- ✓ **Expanding Population:** DFW's population has surged by 20% over the past decade, one of the fastest growth rates among major U.S. metro areas.
- ✓ **Affordable Entry Points:** The average property price, while rising, remains accessible compared to other major markets, especially for single-family homes and rental properties.
- ✓ **Stable Rental Yields and High Demand:** The DFW area consistently attracts investors due to its high rental demand and yields, fueled by a thriving economy and consistent population influx. Dallas-Fort Worth ranks among the top regions for rental income stability, presenting an ideal climate for real estate investment.



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Economic Overview:

Dallas-Fort Worth's Thriving Economy

The Dallas-Fort Worth (DFW) area is a major economic hub with a diverse economy and steady GDP growth, attracting corporations like Toyota and AT&T. The region's rapid population growth has created high demand for housing, making it a prime spot for real estate investment. Rental properties are in high demand due to a large student and young professional population, ensuring low vacancy rates and rising rental prices. Additionally, DFW's market stability, business-friendly policies, and significant infrastructure investments further enhance its appeal for investors.



Economic Overview: Dallas-Fort Worth's Thriving Economy

The DFW region is a financial powerhouse, boasting one of the most diverse economies in the U.S. It has evolved into a hub for multiple industries:

- **Technology:** Major tech companies, including Google, Amazon, and Facebook, have expanded operations in DFW.
- **Finance and Banking:** The financial sector remains strong, with institutions like JPMorgan Chase and Goldman Sachs having significant presences.
- **Healthcare and Education:** Large employers such as Texas Health Resources and the University of Texas System provide economic stability and attract educated professionals to the area.

This diversity enhances DFW's resilience against market volatility, positioning it as a robust investment destination.





Employment Growth and Resilience

Dallas-Fort Worth boasts one of the lowest unemployment rates in the nation, supported by a 3.5% job growth rate as of 2024, outpacing the national average. This stable employment landscape boosts demand for housing, as more professionals and families flock to the region.

- **Unemployment Rate:** 3.0% (lower than the national average).
- **Median Household Income:** \$80,000, providing significant purchasing and rental power.



ECONOMIC COMPARISON:

What DFW Has Compared to Other Large Cities in the US

Pull up a chair, and dive deep into the economic waters of DFW compared to New York, Los Angeles, and Chicago, revealing some surprising truths about their real estate markets.

Dallas-Fort Worth (DFW) stands out among mid-sized U.S. cities for its robust economic growth and potential. It ranks among the top metro areas for job creation and GDP growth, driven by a diverse economy that includes technology, finance, healthcare, and logistics.

The region benefits from a relatively low cost of living and business-friendly policies, making it an attractive destination for both businesses and residents. Additionally, DFW's significant investments in infrastructure and its high quality of life further enhance its appeal.

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DFW's economy has grown faster than those of its largest rivals, including New York, Los Angeles, and Chicago. The area has also demonstrated resilience, recovering from economic downturns more quickly than other major metros. With a population of over 8 million, DFW is one of the fastest-growing regions in the U.S., contributing significantly to the national GDP.

The combination of a strong labor market, high median income, and a thriving business environment makes DFW a standout among mid-sized cities.



Economic Takeaways for Investors



Diverse and Resilient Economy

DFW has an economic base which includes health care, education, finance and manufacturing which is likely to withstand and cushion recession and support housing demand in the long run.



Job Market Strength: The City has low unemployment and an expected job growth rate of 1.4% for the coming years and actively expanding job market augers well for the capital real estate market.



Increasing Young Professional Population: It is the rental preference of some younger newcomers that is leading to increased demand for rental properties especially in prime districts.



Low Barrier to Entry: Investors aiming for consistent and long-term returns on their investments are able to enter the market in DFW at a much lower entry level compared to other rapidly growing markets where property prices are at a peak.



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DFW'S Housing & Rental Market

In 2024, according to the Home Buying Institute, home prices continue to rise, and inventory remains low with demand high, bolstered by steady population growth. Zillow predicts home values to increase by 3.6%.



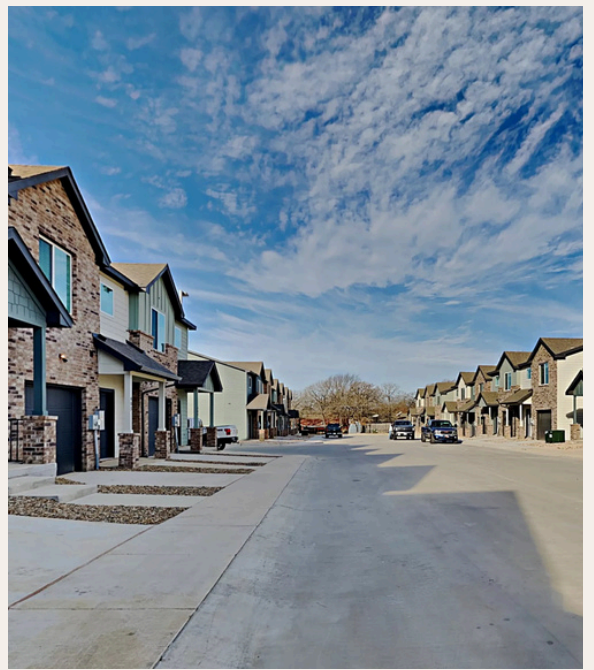
Housing and Rental Market

Dallas-Fort Worth offers a balanced real estate market. While property values have risen, the region's housing affordability remains higher than coastal cities.

Rental Demand: Driven by young professionals, students, and an influx of out-of-state residents, DFW's rental market sees consistent demand, especially in well-connected neighborhoods and suburbs.

Average Home Price: \$375,000, compared to the national average of \$433,229.

Rental Yields: DFW rental yields range between 6-8%, making it an attractive option for investors focused on cash flow.



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DFW's Growing Neighborhoods

DFW is no wallflower when it comes to neighborhood growth. Downtown Dallas, Fort Worth, Frisco & Plano, and Arlington are the hotspots where renters are flocking, drawn by their closeness to job centers, colleges, and lively entertainment scenes.



Downtown Dallas: The area has undergone revitalization, attracting young professionals and offering new apartment and condo developments.



Fort Worth: A prime investment market due to its strong population and job growth, affordable housing, and high demand for single-family rentals, promising both rental income and property appreciation.



Frisco and Plano: Known for excellent schools, family-friendly amenities, and job centers, these suburbs attract families and offer high rental demand.



Arlington: With a lower entry cost than other DFW cities, Arlington attracts renters seeking affordable options and investors looking for strong rental yields.

Demand is surging, but DFW's housing market has felt the pinch with supply, particularly in crowd favorites like Downtown and Fort Worth. Thankfully, the city is countering this by promoting new developments to cater to the rising demand for housing.



Investment Takeaways for Dallas-Fort Worth



High Rental Yields: Attractive rental returns between 6-8%.



Diverse Economy: DFW's broad economic base shields it from severe downturns.



Increasing Population: New residents and professionals keep the rental market vibrant, especially in popular neighborhoods.

In a nutshell, DFW's pocket-friendly housing market, coupled with strong demand and rental yields, positions it as an ace location for real estate investors. Bursting with opportunities for rental income and long-term property appreciation, DFW promises an exciting real estate future, particularly in the most desired neighborhoods. With the welcome additions of new developments and a robust economic base, DFW offers the potential for steady returns in today's volatile economy.



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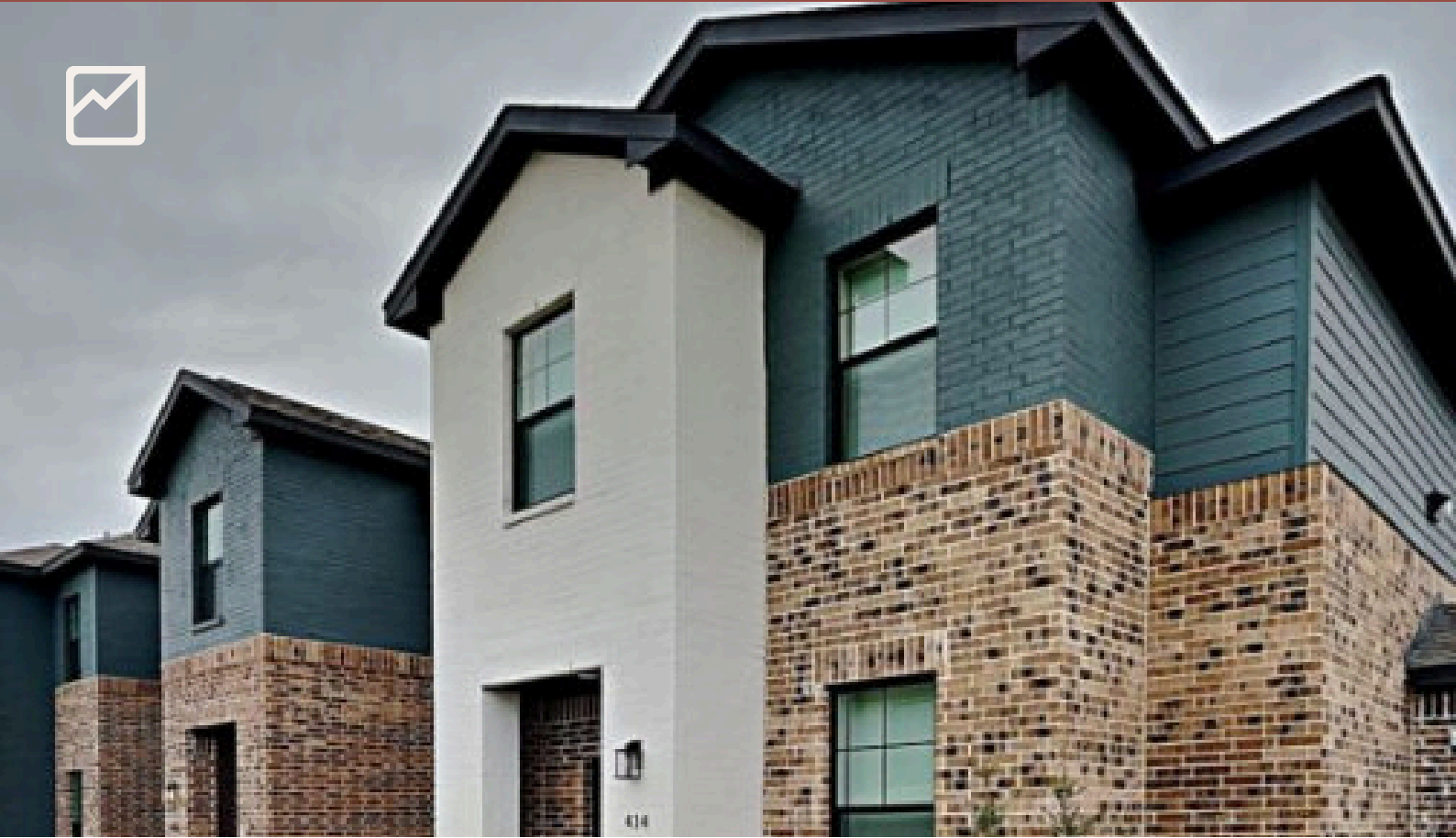




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Investment Risks & Market Challenges

DFW is more than just a city—it's a potential haven for property investors seeking a long-term, stable income and a market that offers fewer ups and downs compared to others. However, it's essential to understand that every city has its own set of challenges and DFW is no different. But don't fret, we're here to guide you through them and equip you with the right information to make informed decisions.



Understanding the Opportunities and Risks

In the DFW real estate market, rising property taxes present a significant risk, as increasing home valuations often lead to higher tax bills that can erode rental income and reduce cash flow. Additionally, other risks include:

1. **Market Volatility:** Rapid population growth and strong demand can lead to competitive bidding, overvaluation, and potential price corrections.
2. **Interest Rate Fluctuations:** Higher interest rates increase borrowing costs, potentially slowing property demand and impacting investor returns.
3. **Overbuilding and Supply Glut:** While demand is currently high, excessive new construction could eventually outpace demand, leading to decreased rental rates or property values.
4. **Regulatory Changes:** Texas has favorable landlord laws, but any shifts in property tax regulations, rent control measures, or zoning laws could impact returns.





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Next Steps

In conclusion, Dallas- Fort Worth, Texas offers a unique opportunity for real estate investors looking for long-term stability and strong rental yields. The city provides a steady, resilient market with lower entry costs, competitive rental yields, and a growing demand for housing driven by both economic and population factors.



Top Advantages for Investors



Affordability: Low property prices with a strong affordability index, making it accessible to a wide range of investors.



Economic Stability: A diversified economy with a growing healthcare, education, and manufacturing base ensures resilience during economic downturns.



Urban Revitalization: Opportunities for growth in neighborhoods undergoing redevelopment offer additional value for long-term investors.



Inflation Hedge: DFW's real estate market, like many others, acts as a hedge against inflation, with rental rates adjusting to maintain profitability.

For investors seeking a less volatile, cash-flow-focused market with long-term growth potential, DFW remains a highly viable option for 2024 and beyond. Whether you're looking for your first property or planning to expand your portfolio, The Peak Group can help you get started.



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Let's connect to
discuss how we can
help you find the
right investment
opportunities in this
vibrant market.