

Texas was the top U.S. commercial real estate market last year

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More than \$41 billion was spent in the Texas commercial real estate market last year. (Tom Fox/The Dallas Morning News)

Last year was the best time for commercial real estate in seven years, according to a new study.

And Texas was the top commercial property market in the country, a report by NAIOP, the Commercial Real Estate Development Association, finds.

The industry group said that commercial real estate's contribution to the national economy rose by 40 percent in 2014 from the previous year.

Commercial property direct expenditures for 2014 added up to \$174.31 billion – the greatest volume since before the recession.

And the industry supported almost 4 million jobs nationwide.

“The industry is getting back to full health and making an even bigger contribution to our national economy, but it still has plenty of room to grow,” Thomas J. Bisacchino, NAIOP president and CEO, said in a statement. “Office and industrial were very strong and we believe the activity in these areas will keep accelerating.”

Texas by far had the largest direct commercial real estate expenditures last year – almost \$42 billion. And more than 776,000 of the state's jobs were derived in part or all from commercial real estate.

California was a distant second with \$13 billion, followed by New York with \$10.5 billion.

JOB GROWTH	Area New Jobs	1 Mo	6 Mo	12 Mo	
	Estimate	End 6/30	End 6/30	End 6/30	
	Dallas/Plano/Irving	19,000	61,000	91,400	
	Fort Worth/Arlington	5,000	23,400	26,400	
		24,000	84,400	117,800	
INTEREST RATES	Rates	END 7/31	Yr. Ago		
	10 Year Treasury		2.29%	2.47%	
	11th District COFI		0.69%	0.67%	
	1 Mo. LIBOR		0.19%	0.16%	
Spreads over the above indexes have been increasing as rates have decreased. Best all in rates for the best properties are around 3.50%.					
SUPPLY/ DEMAND	Units Added/ Absorbed	6 Mo	12 Mo	24 Mo	
		End 7/31	End 7/31	End 7/31	
	Dallas County				
	Added	5,245	11,453	19,922	
	Absorbed	8,335	11,823	19,890	
	Tarrant County				
	Added	1,935	4,216	6,849	
	Absorbed	3,210	4,054	7,709	
OCCUPANCY RATES	Dallas County	7/31/2015	6 Mo Ago	12 Mo Ago	
	2000's	86.2%	84.5%	86.8%	
	1990's	95.9%	94.8%	95.4%	
	1980's	95.0%	94.0%	94.4%	
	1970's or Older	93.0%	92.0%	91.6%	
	Tarrant County				
	2000's	90.5%	90.8%	92.4%	
	1990's	95.6%	95.2%	95.1%	
	1980's	95.1%	94.0%	94.1%	
	1970's or Older	93.0%	91.3%	92.3%	
RENTAL RATES	Dallas County	7/31/2015	6 Mo Ago	12 Mo Ago	
	2000's	\$1,368	\$1,311	\$1,302	
	1990's	\$1,216	\$1,160	\$1,148	
	1980's	\$808	\$763	\$744	
	1970's or Older	\$764	\$737	\$716	
	Tarrant County				
	2000's	\$1,160	\$1,104	\$1,080	
	1990's	\$1,093	\$1,033	\$1,010	
	1980's	\$772	\$731	\$713	
	1970's or Older	\$709	\$679	\$656	
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's	1 Texas Workforce Commission			
	2007	82,200	2 Banxquote.com		
	2008	2,500	3 ALNsys.com - Rental rates are after concessions.		
	2009	(94,900)	Approx. 25% of 70's or older are all bills paid.		
	2010	50,800			
	2011	51,200			
	2012	79,200			
	2013	95,000			
	2014	141,300			

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