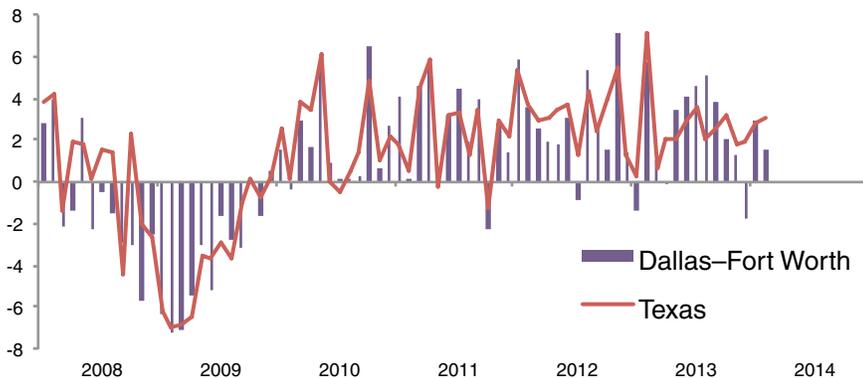


## Summary

The Dallas–Fort Worth economy expanded at a moderate pace in the first two months of 2014. DFW employment grew 2.3 percent, slower than the state’s 2.9 percent rate but a full percentage point faster than the U.S. pace of 1.3 percent. Home prices continued to rise. Strong leasing activity kept apartment vacancies at historically low levels despite strong construction. Unemployment rates in both Dallas and Fort Worth edged up slightly in February. The Dallas Fed business-cycle indexes posted increases, suggesting continued expansion for the Dallas–Fort Worth metroplex.

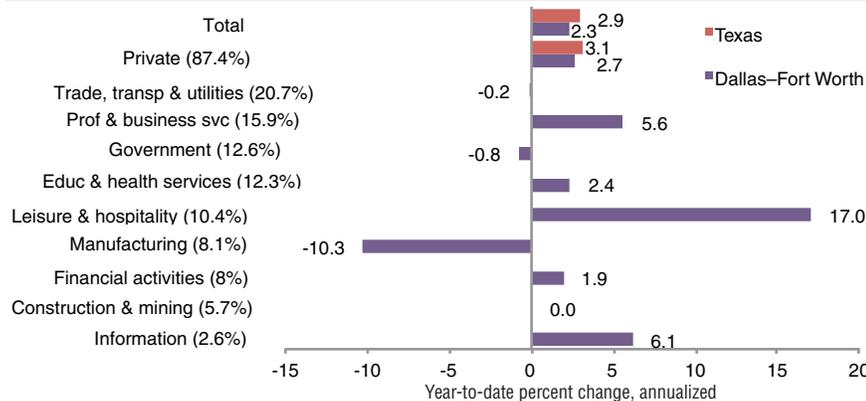
## Employment

Month-over-month percent change, annualized



► Dallas–Fort Worth employment continued to increase in February albeit at a slower pace than in January. Jobs grew at an annual rate of 1.5 percent in February, following a 3 percent increase in January. For the year, Dallas–Fort Worth has added 11,600 jobs—a 2.3 percent annualized pace.

## Employment Growth by Sector

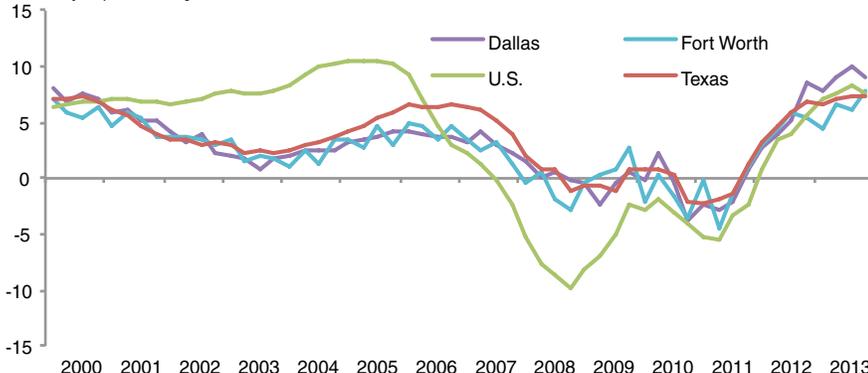


Note: Numbers in parentheses are shares of total Dallas–Fort Worth nonfarm employment.

► Year to date, job creation was mixed across major sectors. Leisure and hospitality recorded the strongest growth through February, followed by information, professional and business services and education and health services sectors. Employment growth in the largest sector—trade, transportation and utilities—was flat, and the manufacturing sector lost 4,600 jobs.

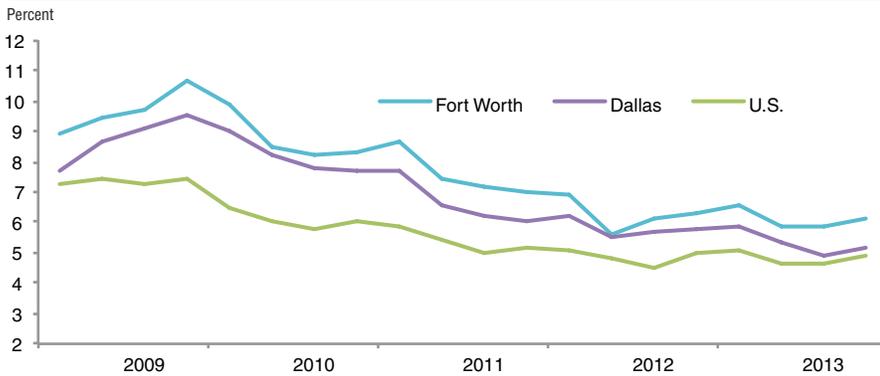
## Home Prices

Year-over-year percent change



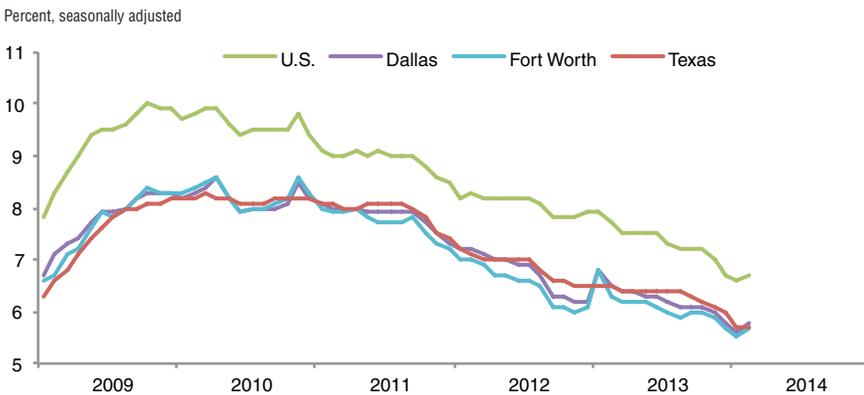
► The housing market in the metroplex remains strong. Fourth quarter 2013 data from the Federal Home Finance Agency (FHFA) purchase-only House Price Index suggest Dallas and Fort Worth home prices continue to rise at a swift pace. Compared with fourth quarter 2012, prices rose 9.2 percent in Dallas and 7.8 percent in Fort Worth, higher than the state and national rate of 7.3 percent and 7.7 percent, respectively. Prices in Texas and in the metroplex have risen to levels above their pre-housing-bust peak. Low inventories and moderate demand have contributed to rising prices.

## Apartment Vacancy Rates



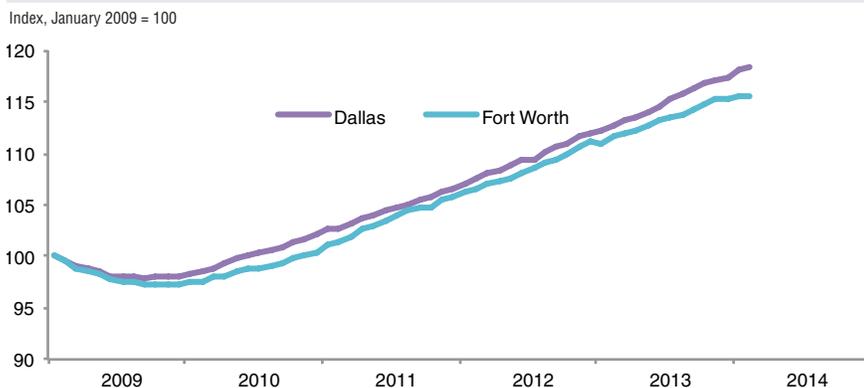
► Apartment vacancy rates in Dallas and Fort Worth edged up to 5.2 percent and 6.1 percent, respectively in fourth quarter 2013. Overall, vacancy rates are at historically low levels despite robust construction activity, as apartment demand has benefited from healthy population and job growth.

## Unemployment Rate



► In February, the unemployment rate in both metros ticked up from its January level to 5.8 percent in Dallas and 5.7 percent in Fort Worth. The unemployment rate in Fort Worth is in line with the state average of 5.7 percent, while Dallas' rate is slightly above. Both metros have rates lower than the 6.7 percent U.S. rate.

## Business-Cycle Index



► Overall economic activity continues to expand in Dallas and Fort Worth, according to the Dallas Fed's metro business-cycle indexes. Through February, the Dallas index rose an annualized 5.4 percent, and the Fort Worth index increased 1.3 percent. The Dallas economy grew at a faster pace than the state's year-to-date growth of 3.9 percent.

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

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: Federal Housing Finance Agency.

Commercial Real Estate: CBRE Econometric Advisors (CBRE-EA).

Unemployment: Census, seasonal adjustments made by the Federal Reserve Bank of Dallas.

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

Questions can be addressed to Laila Assanie at [laila.assanie@dal.frb.org](mailto:laila.assanie@dal.frb.org). Dallas-Fort Worth Economic Indicators can be found online at [www.dallasfed.org/research/update/dfw/index.cfm](http://www.dallasfed.org/research/update/dfw/index.cfm).