

# Texas Macro and Markets Update

May 22, 2025



TEXAS A&M UNIVERSITY  
Texas Real Estate  
Research Center

Prepared for:  
Texas Demographic Conference

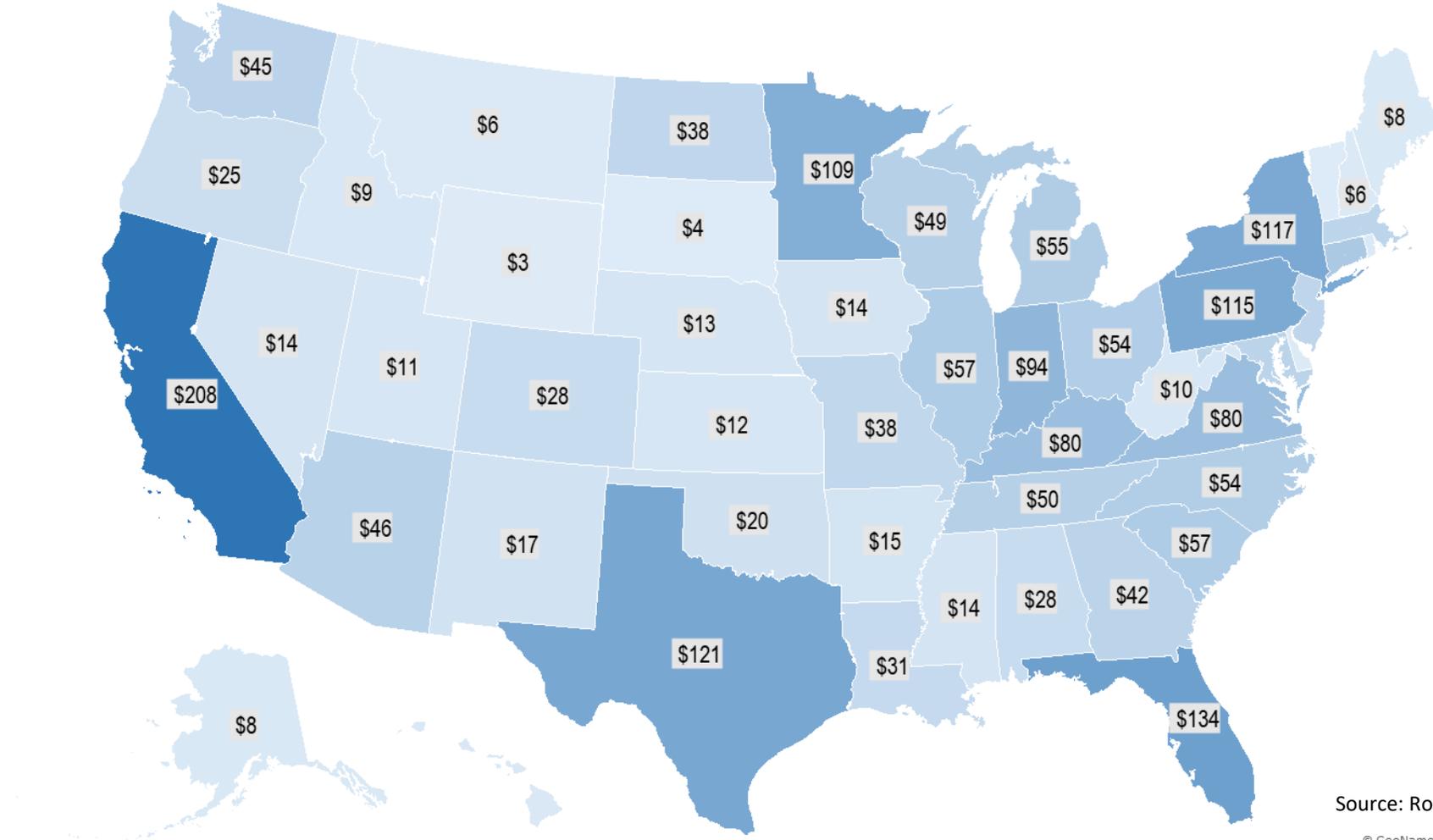
Dr. Daniel Oney  
Research Director

# Are we positioning Texas for success?

- A new domestic political economy?
  - DOGE
  - Loper Bright Enterprises v. Raimondo
- A new international geopolitics?
  - Permanent higher tariffs
  - Great power politics

# Texas is #3 total recipient of federal spending

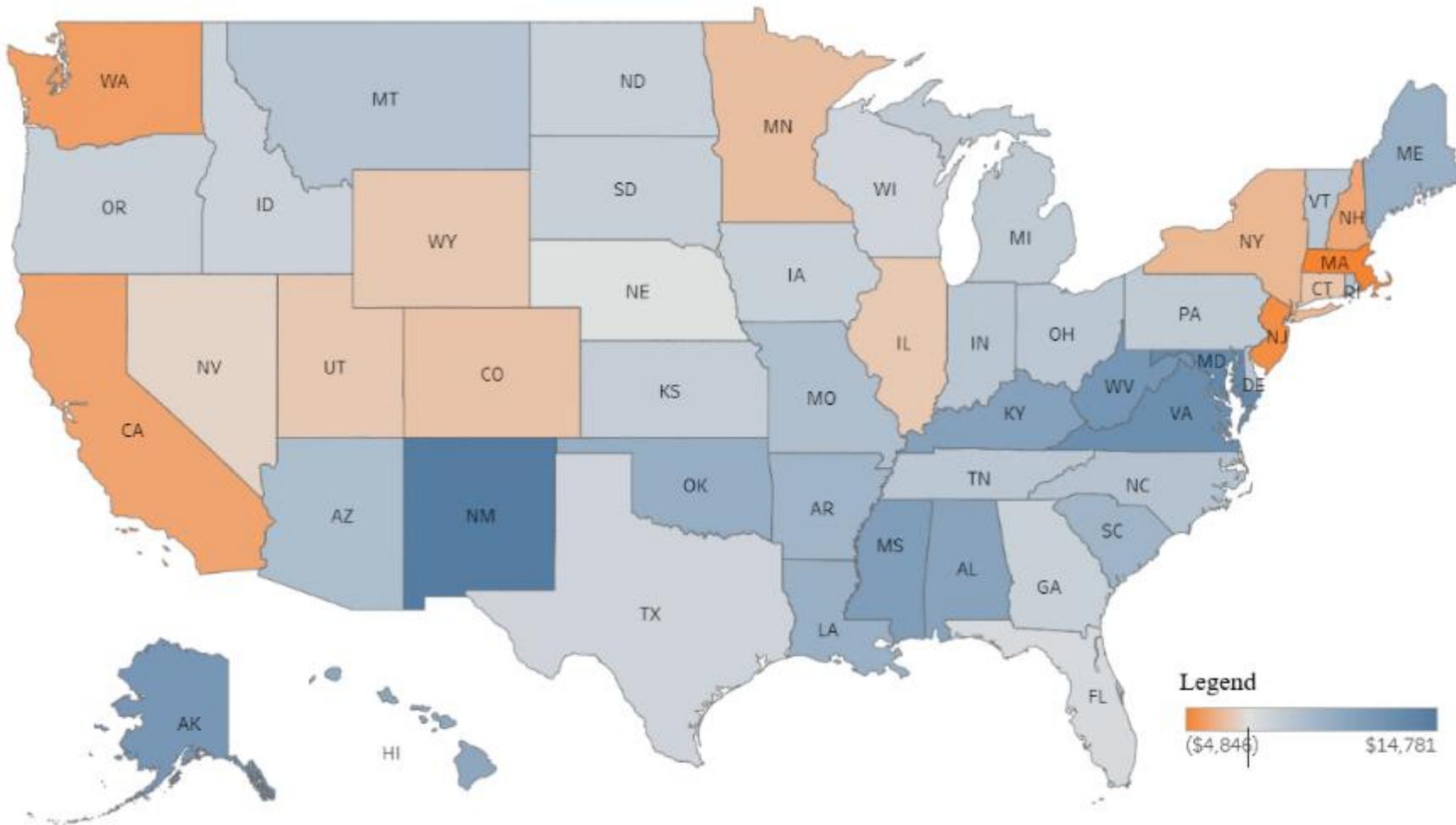
(\$Billion, 2025)



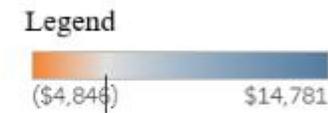
Source: Rockefeller Institute, SUNY.  
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# Texas is a moderate net recipient of federal spending

(Per capital balance of payments, receipts-contributions)

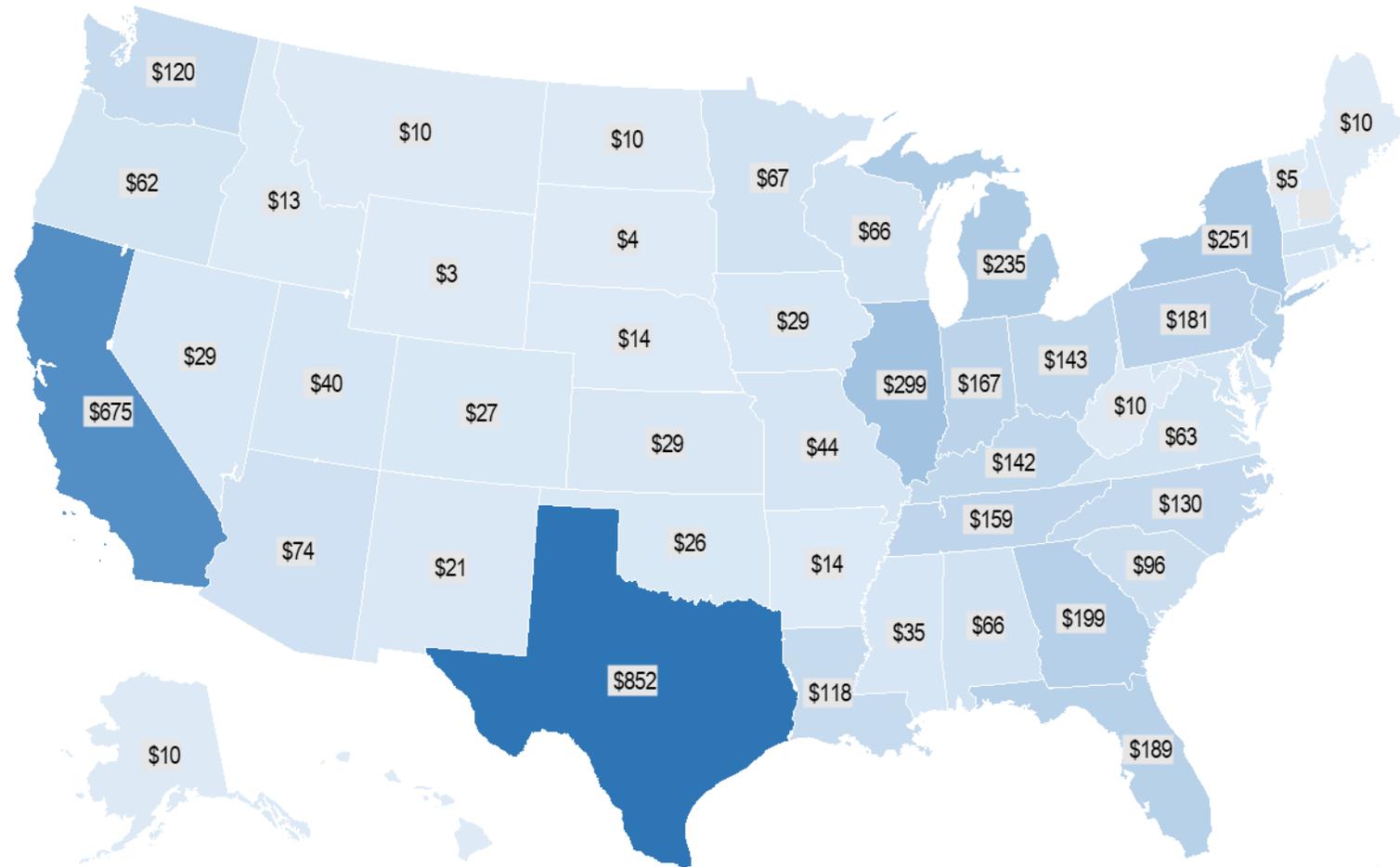


TX=\$1,486  
per person



Source: Rockefeller Institute, SUNY.

# Texas has been the #1 foreign trade state (2024 total imports + exports, \$B)

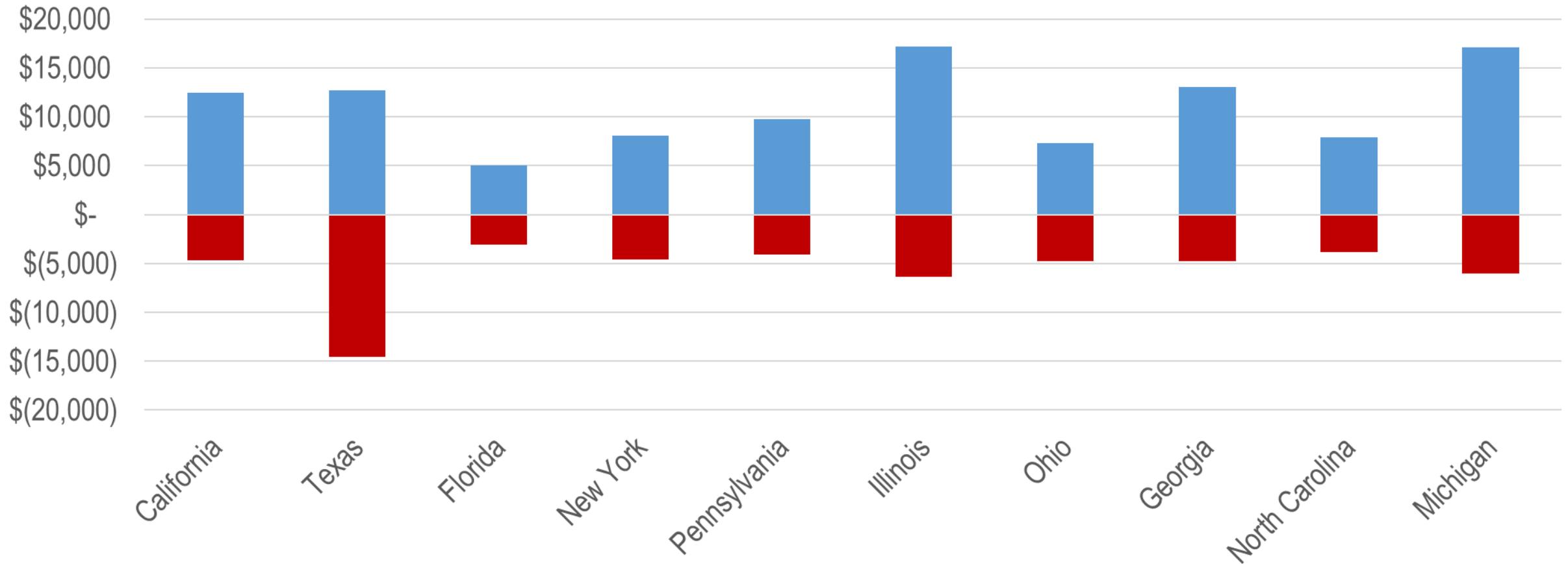


Source: TRERC analysis of US Census data.

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# Texas has a slight international “trade deficit”

(Per capita exports (blue) and imports (red))

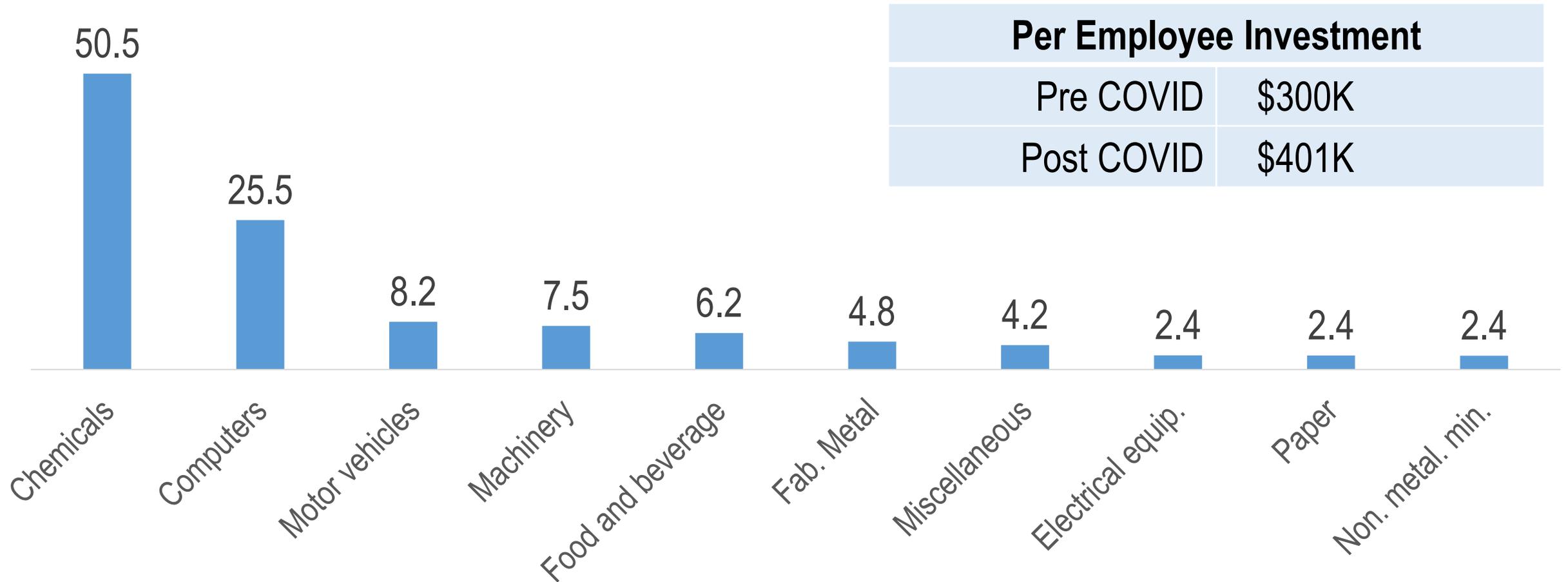


Source: TRERC analysis of Census data.



# An American manufacturing boom?

(Pre/Post COVID change annual average capital investment, \$B)



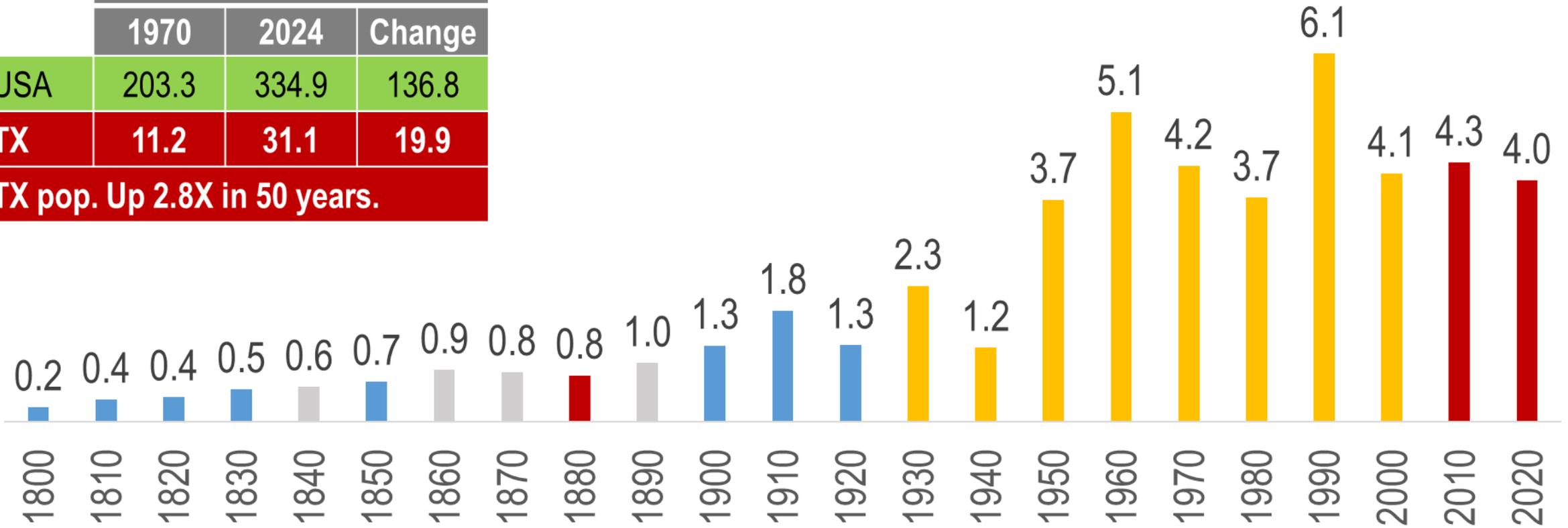
**Total manufacturing increase = \$117B Annually**

Source: TRERC analysis of BEA data.

# Will Texas have an 80-year run at #1?

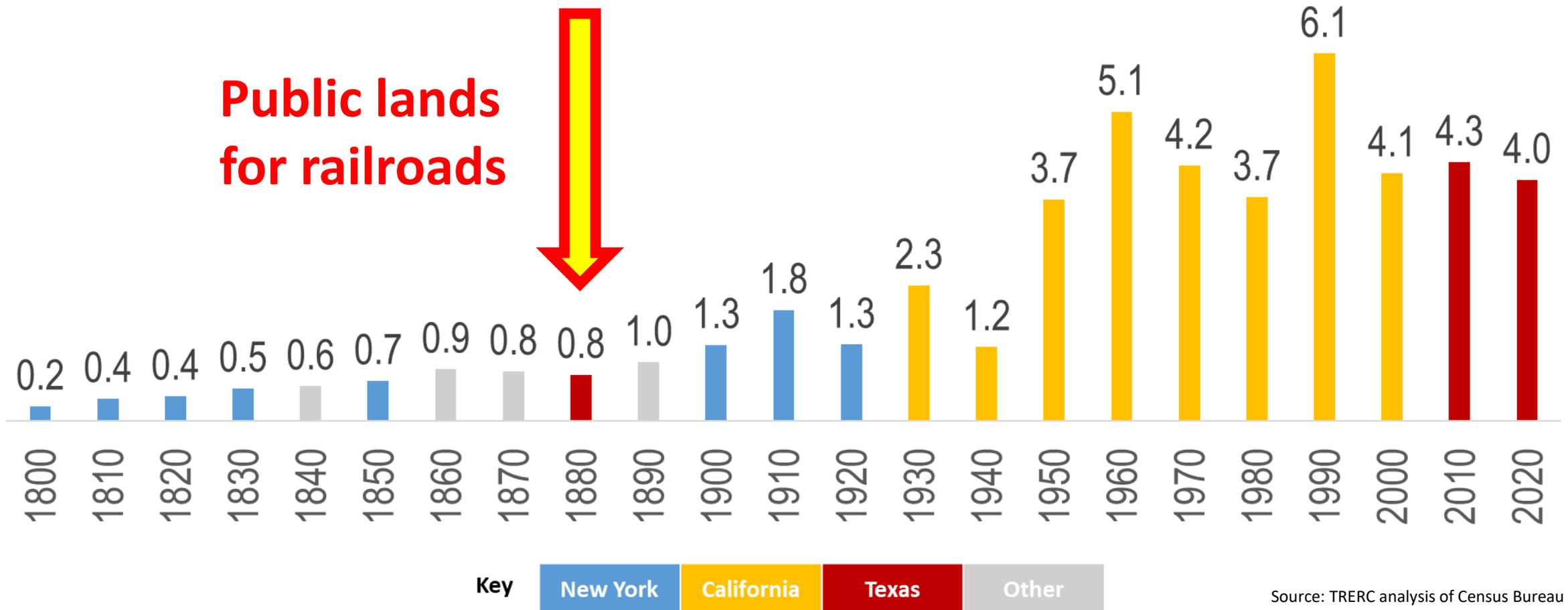
(Largest state population increase, millions)

	Millions		
	1970	2024	Change
USA	203.3	334.9	136.8
TX	11.2	31.1	19.9
TX pop. Up 2.8X in 50 years.			



# What happened in the 1870s?

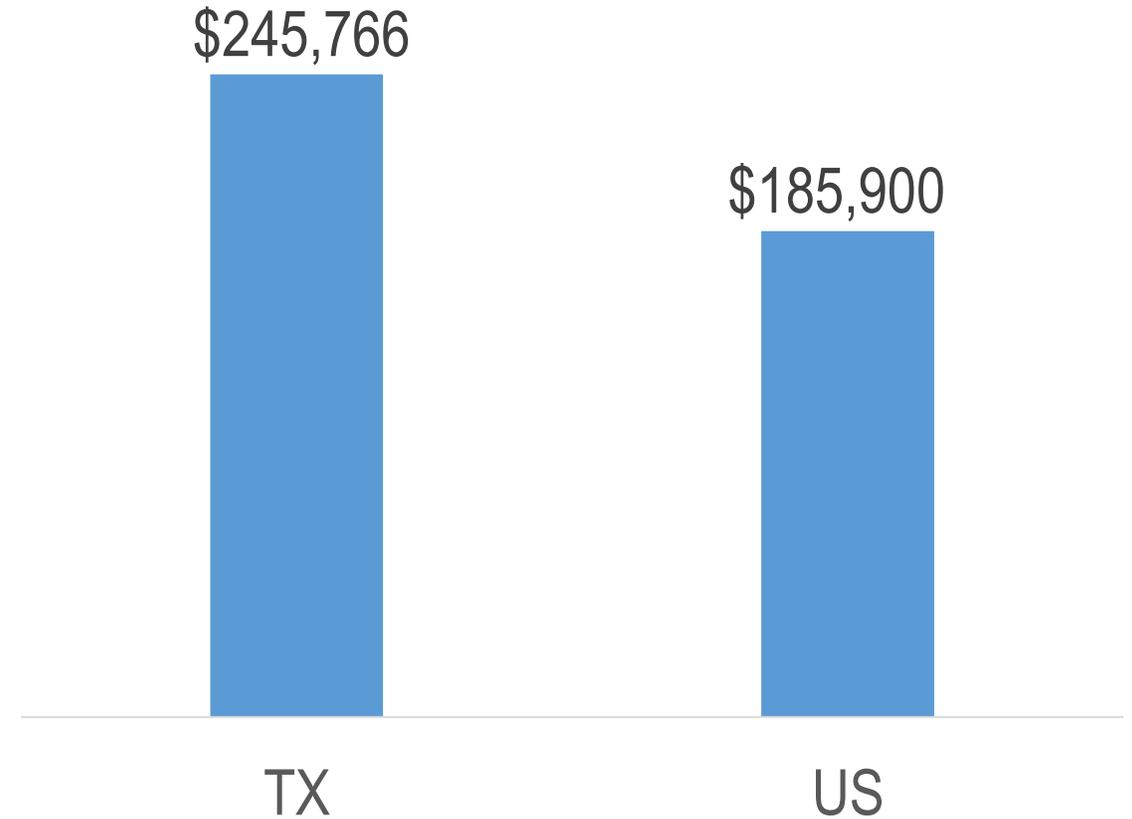
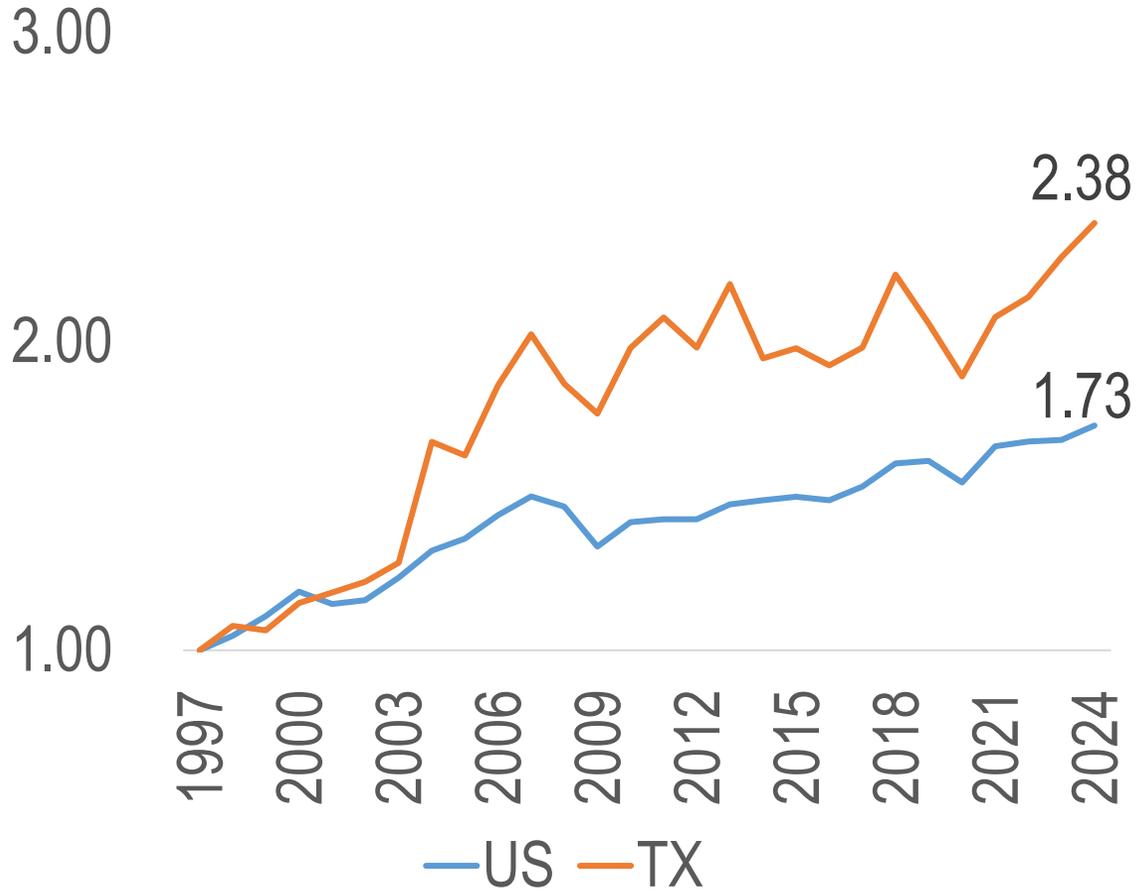
(Largest state population increase, millions)



Source: TRERC analysis of Census Bureau Data.

# Texas has outperformed US in manufacturing

(Left=manuf. output (1997=1.0), Right = manuf. output per job)

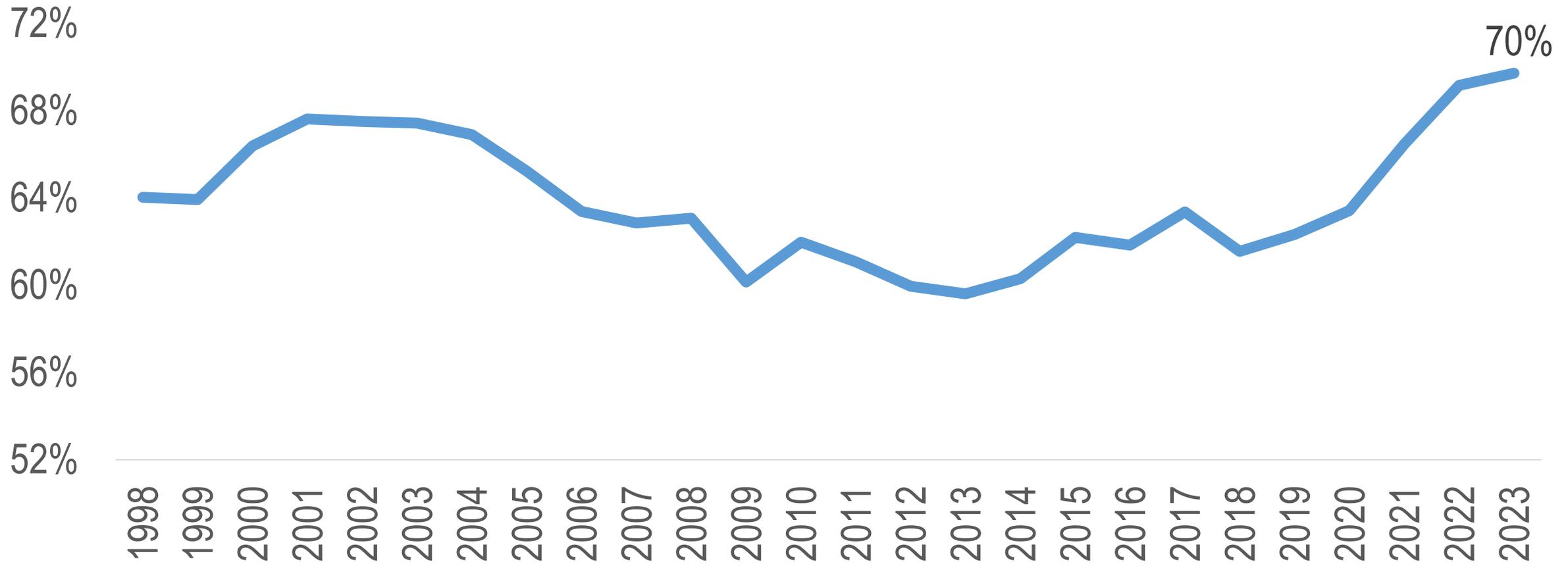


Total manufacturing LQs: Output = 1.08, Employment = 0.85.

Source: TRERC analysis of BEA and BLS data.

# Texas lags, but improving in electric capacity

(TX per capita generating capacity as pct. of US)

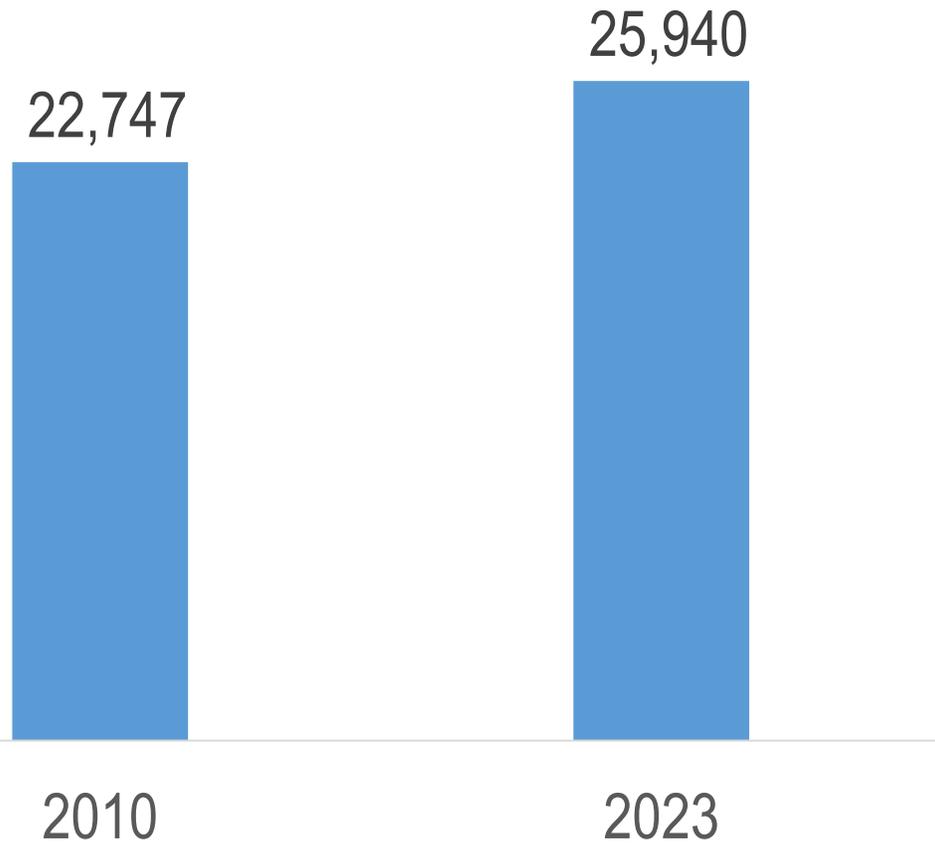


Source: TRERC analysis of EIA data.



# Texas highway capacity is slipping, as lane miles grow

(Left=TX lane miles, Right=lane miles per capita)

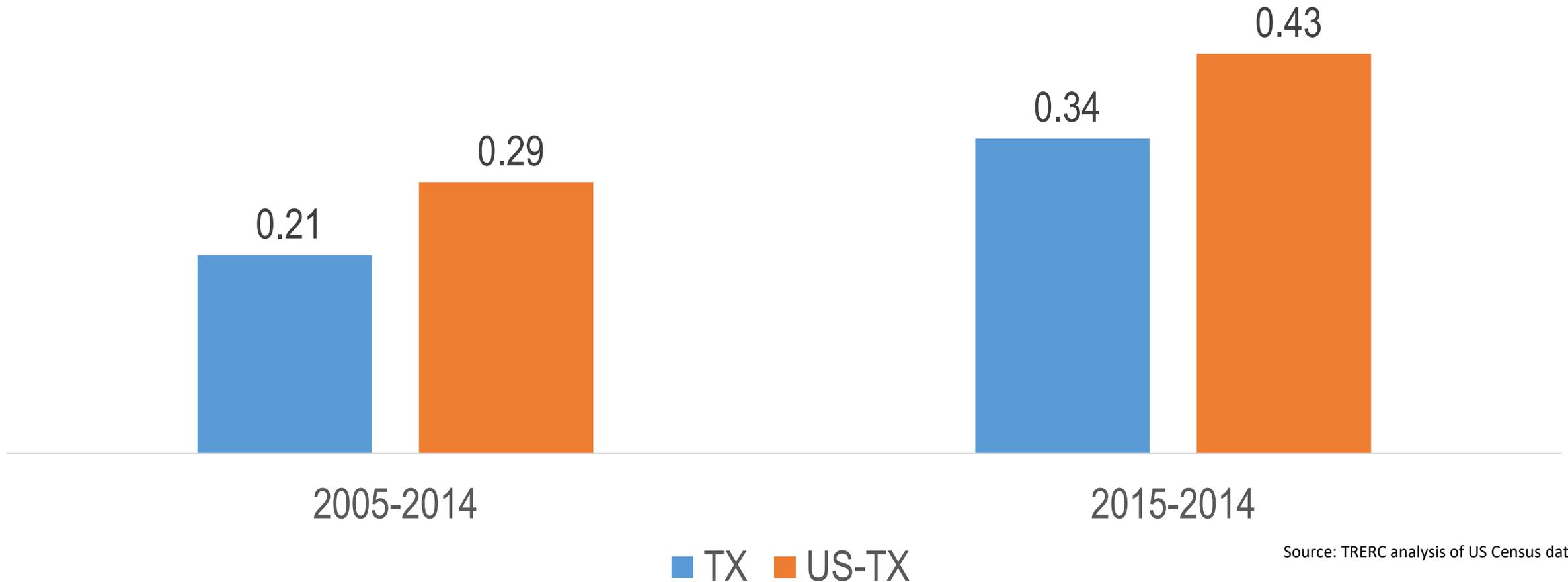


	2010	2023	Change
US-TX	0.99	0.95	-4.2%
TX	0.90	0.85	-5.8%

Source: TRERC analysis of US DOT data.

# Texas lags US in housing permits, gap widening

(1-unit permits per new resident, cumulative over intervals)



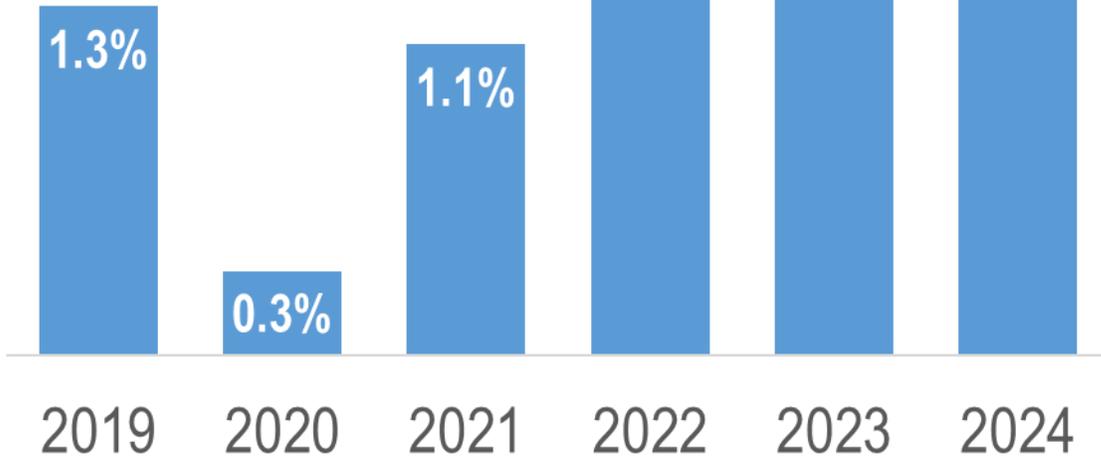
Source: TRERC analysis of US Census data.

# Demographic Trends

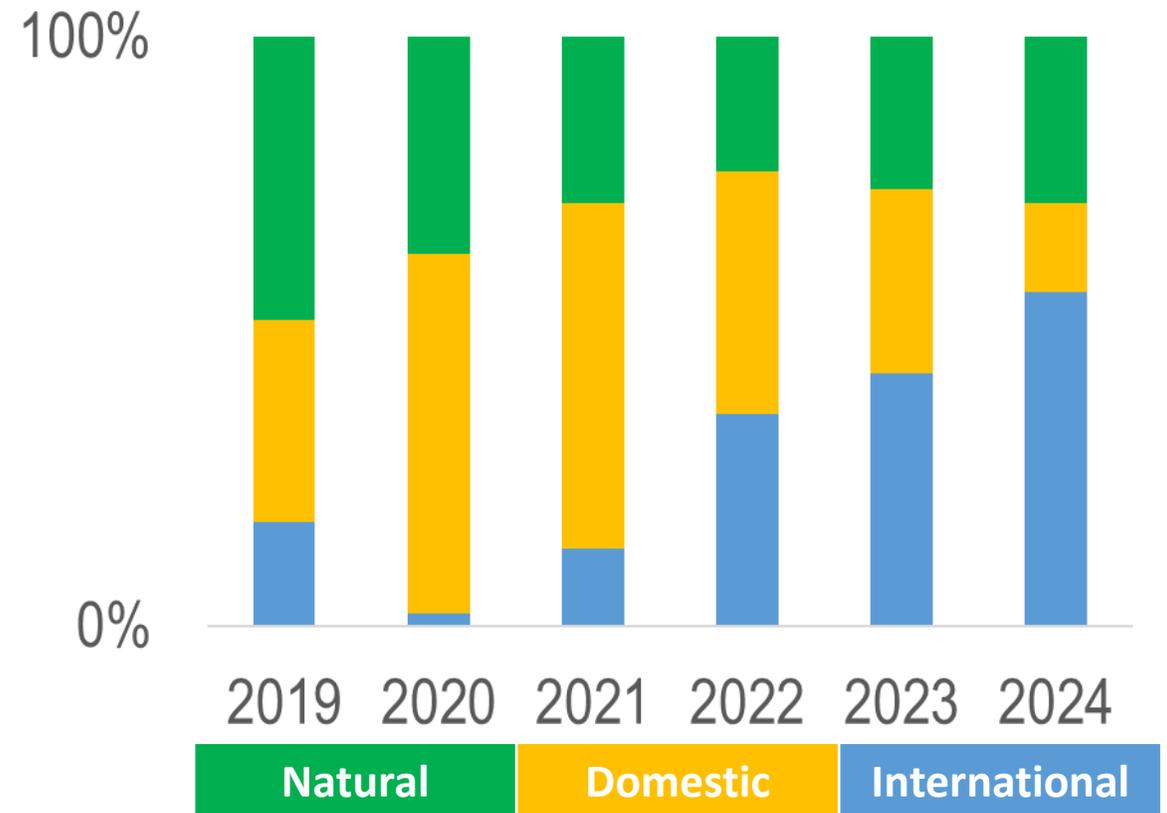
Population growth has strengthened since 2020. The source has changed.

# Texas population grew faster from changing sources of growth

## Change



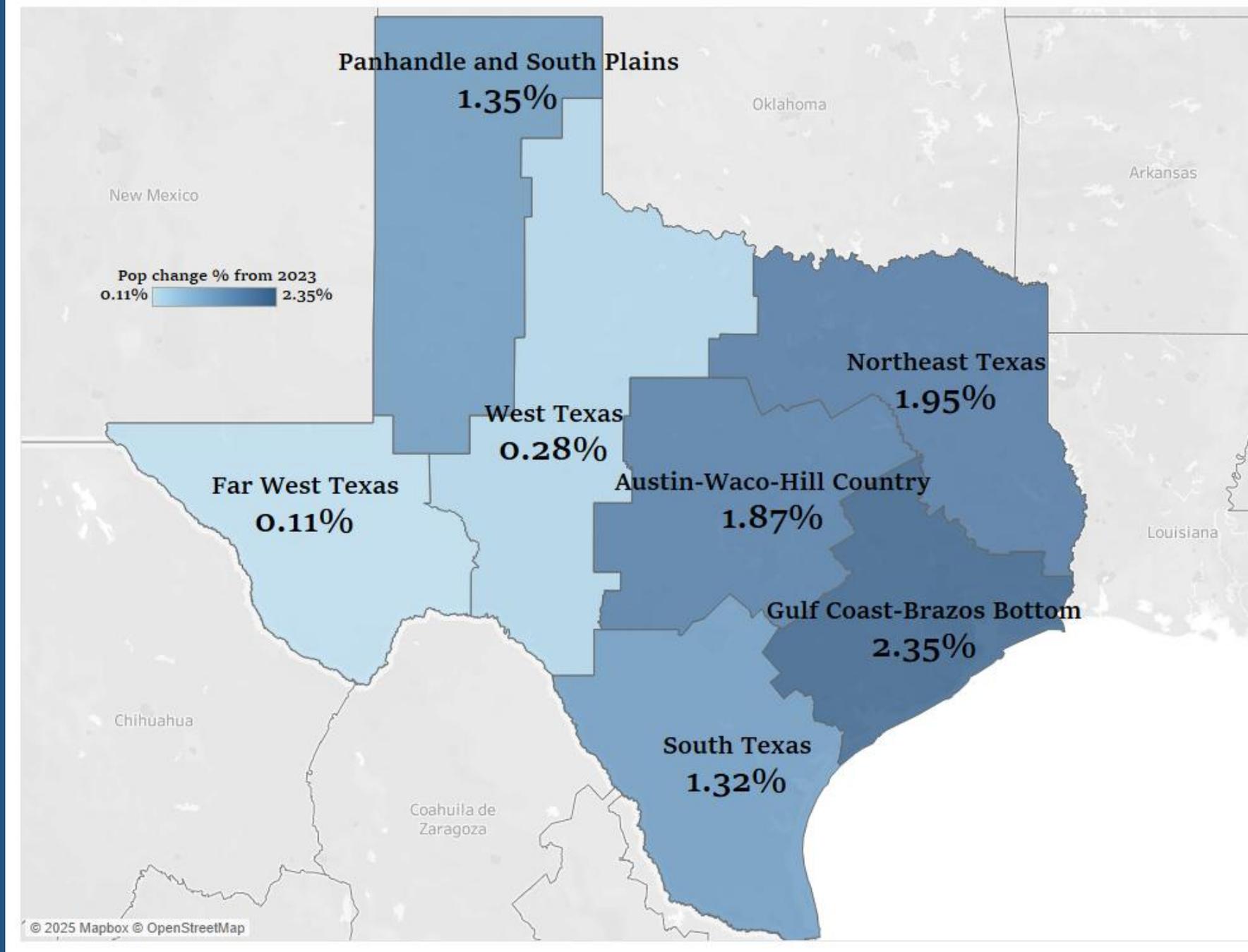
## Source



Total population = 31.1 million, July 2024.

Source: TRERC analysis of US Census data.

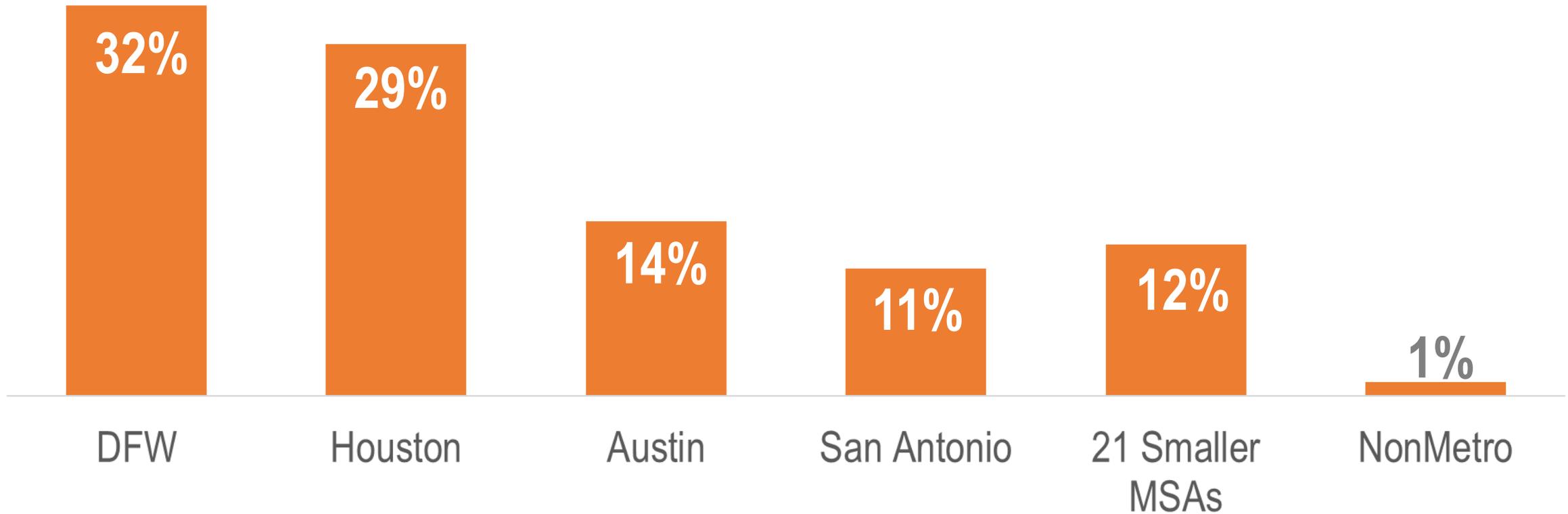
**SE TX grew fastest, all regions grew**  
(Annual percent population change, 2024)



# Growth is concentrated in the larger MSAs

(Share of total Texas population change since 2010)

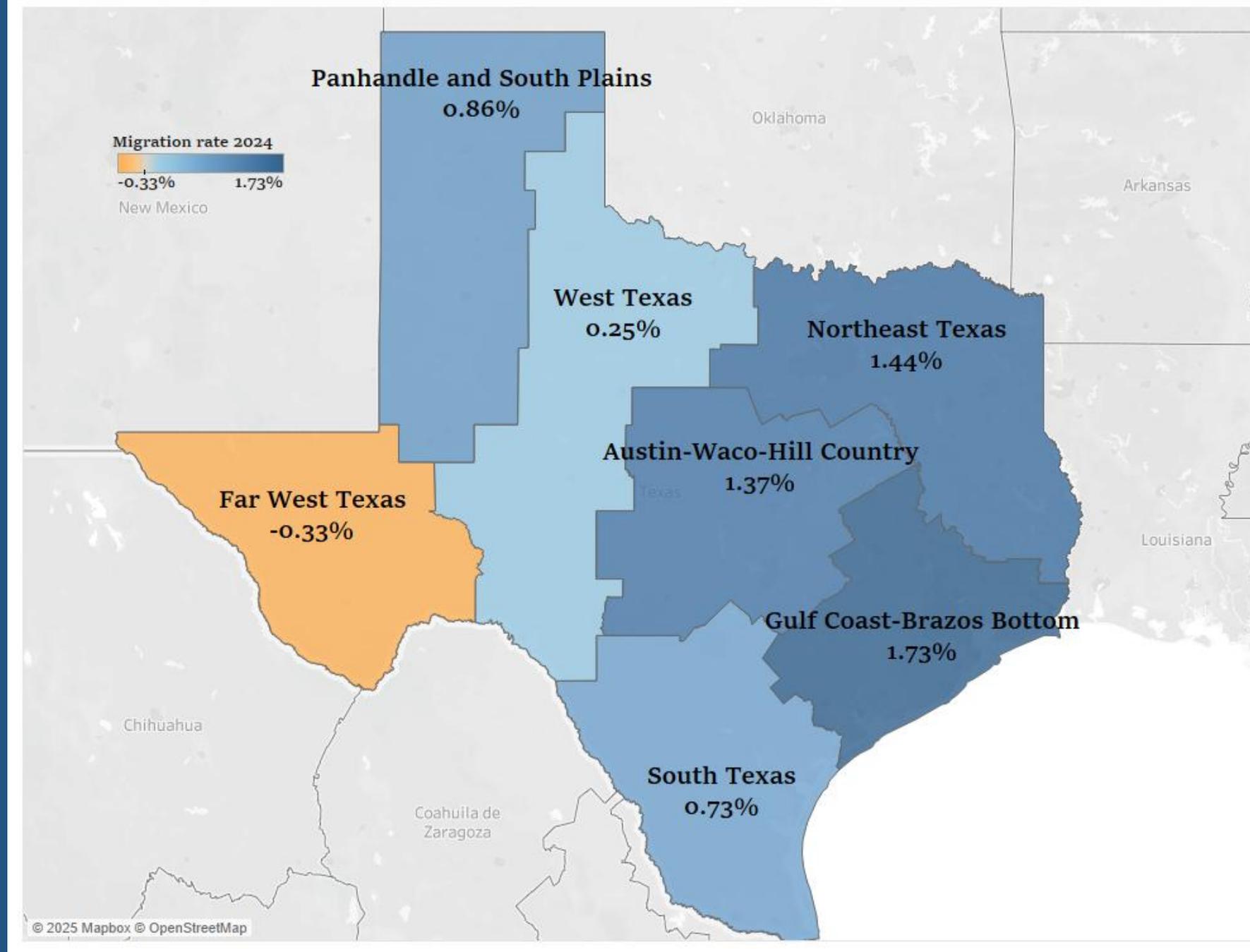
86 percent in Big-4



Source: TRERC analysis of Census Bureau data.

# SE and NE TX take migration lead

(Net migration as  
pct. of 2024  
population)



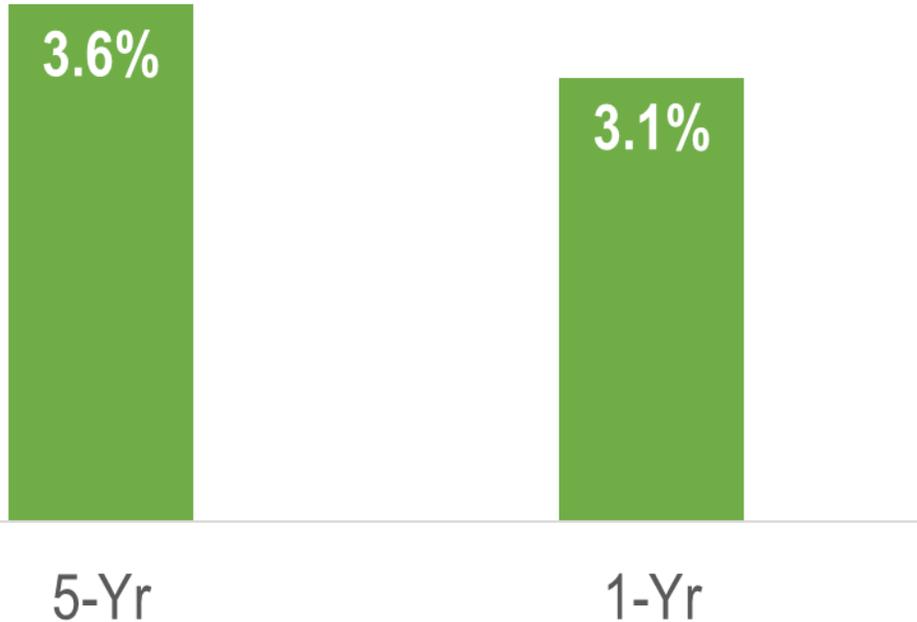
# Economic Trends

Economic growth has slowed some  
Relative performance poorer

# Texas economic growth slowed last year

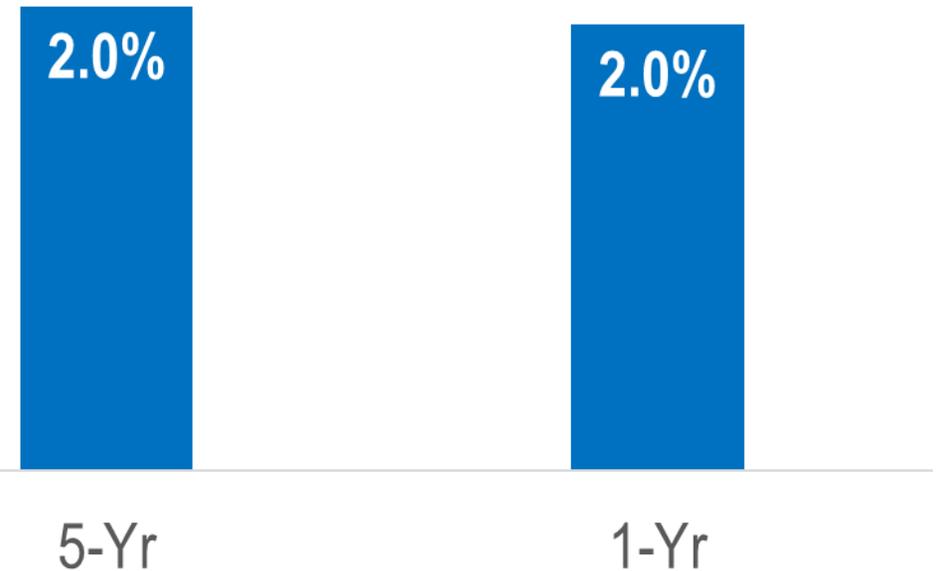
(Texas compound annual growth rates)

## Economic Output



Total 5-Year Increase: Texas: 20%; U.S.: 12%

## Payroll Employment

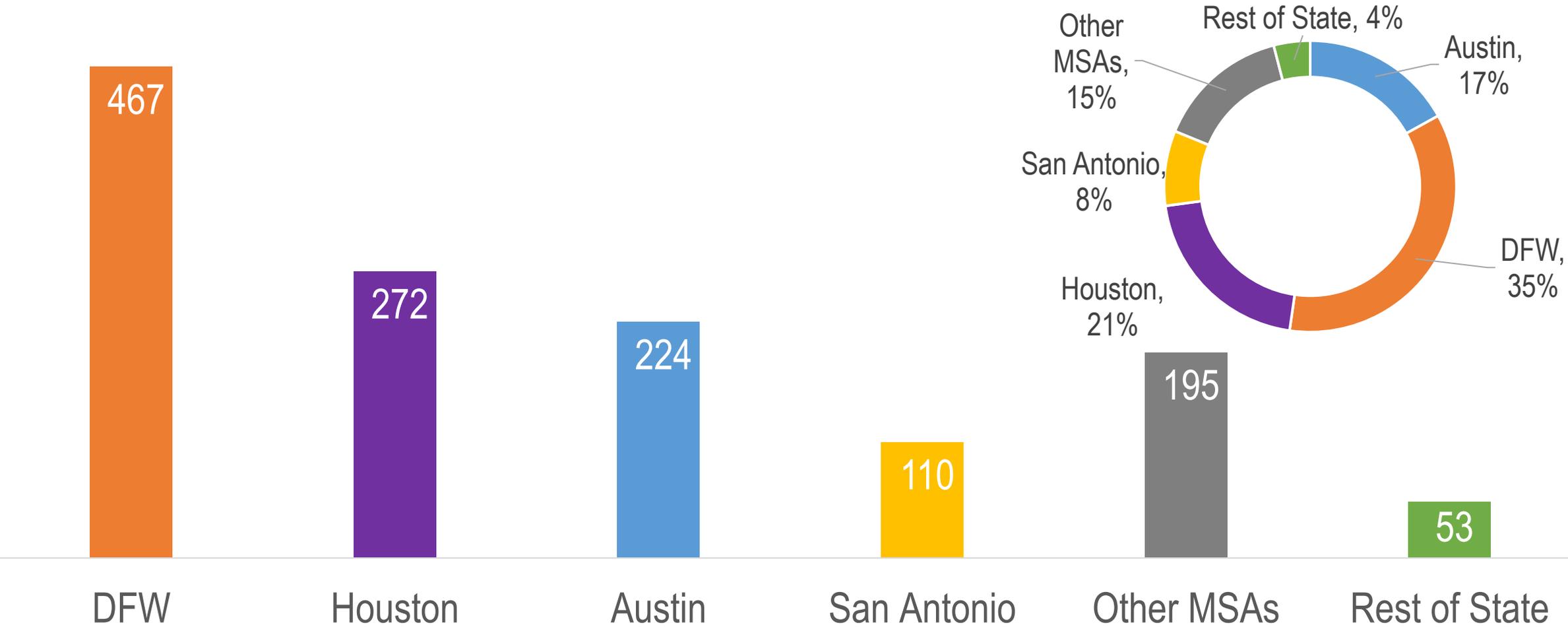


Total 5-Year Increase: Texas: 10%; U.S.: 5%

Source: Texas Real Estate Research Center analysis of BEA and BLS data.

# Total payroll employment up, but concentrated\*

(Change since March 2020, 1,000s; Pct. of total)

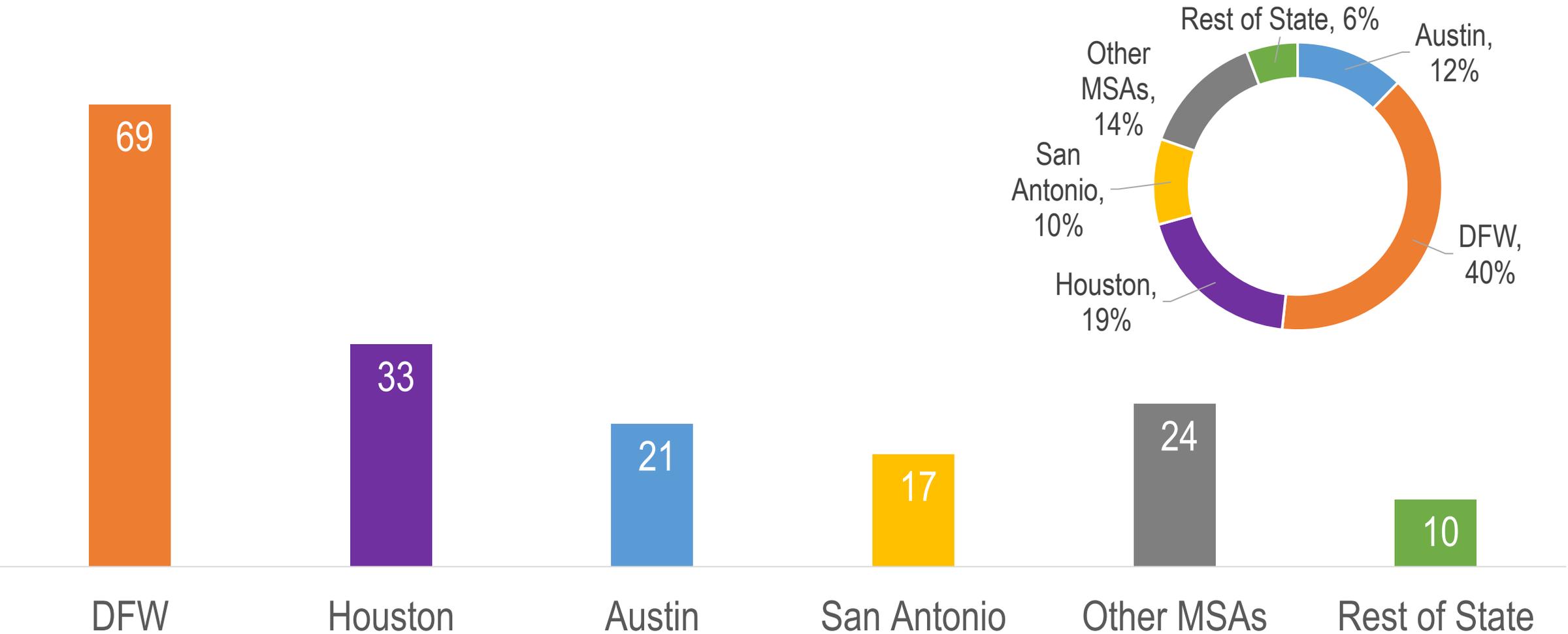


\*Other MSAs = 21 smaller metro areas. Rest of State = 177 remaining non-metro counties.

Source: TRERC analysis of BLS data.

# Dallas, Houston lead industrial job gains\*

(Change since March 2020, 1,000s; Pct. of total)

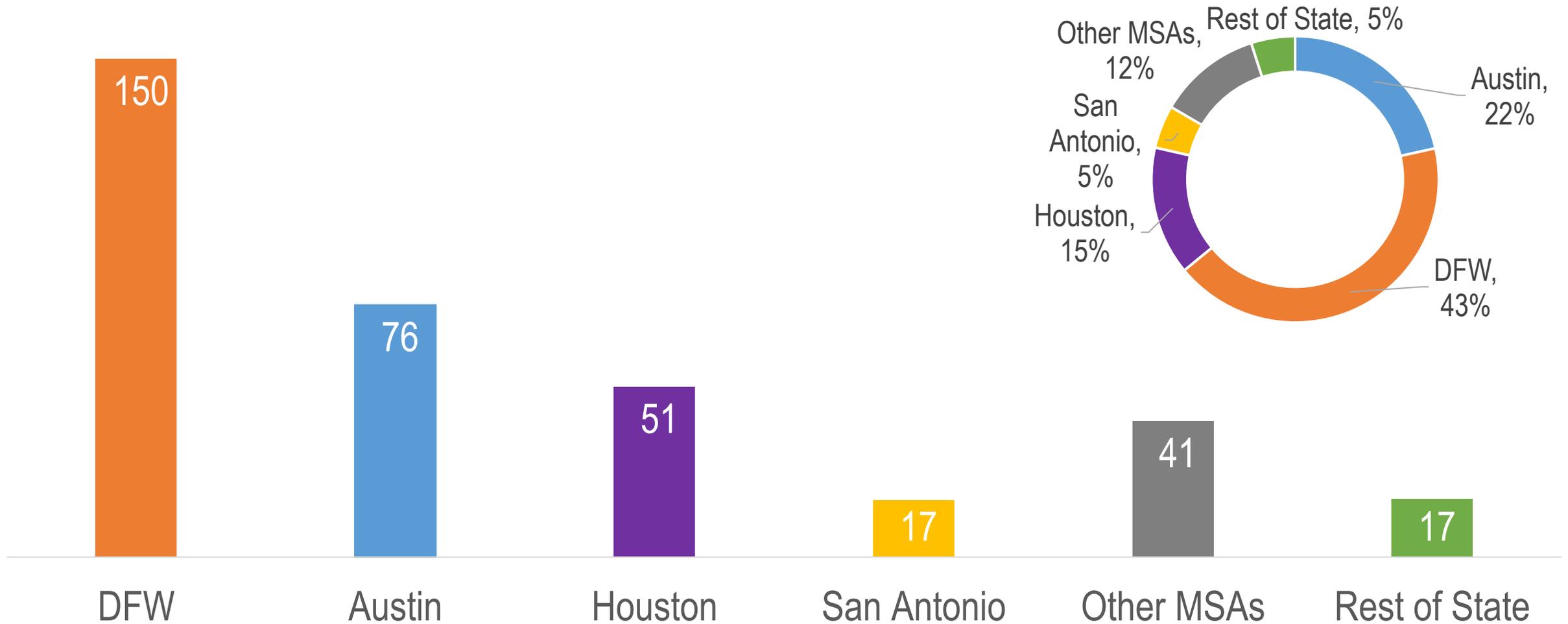


\*Other MSAs = 21 smaller metro areas. Rest of State = 177 remaining non-metro counties.

Source: TRERC analysis of BLS data.

# DFW office job growth 2X Austin and 3X Houston\*

(Change since March 2020, 1,000s; Pct. of total)

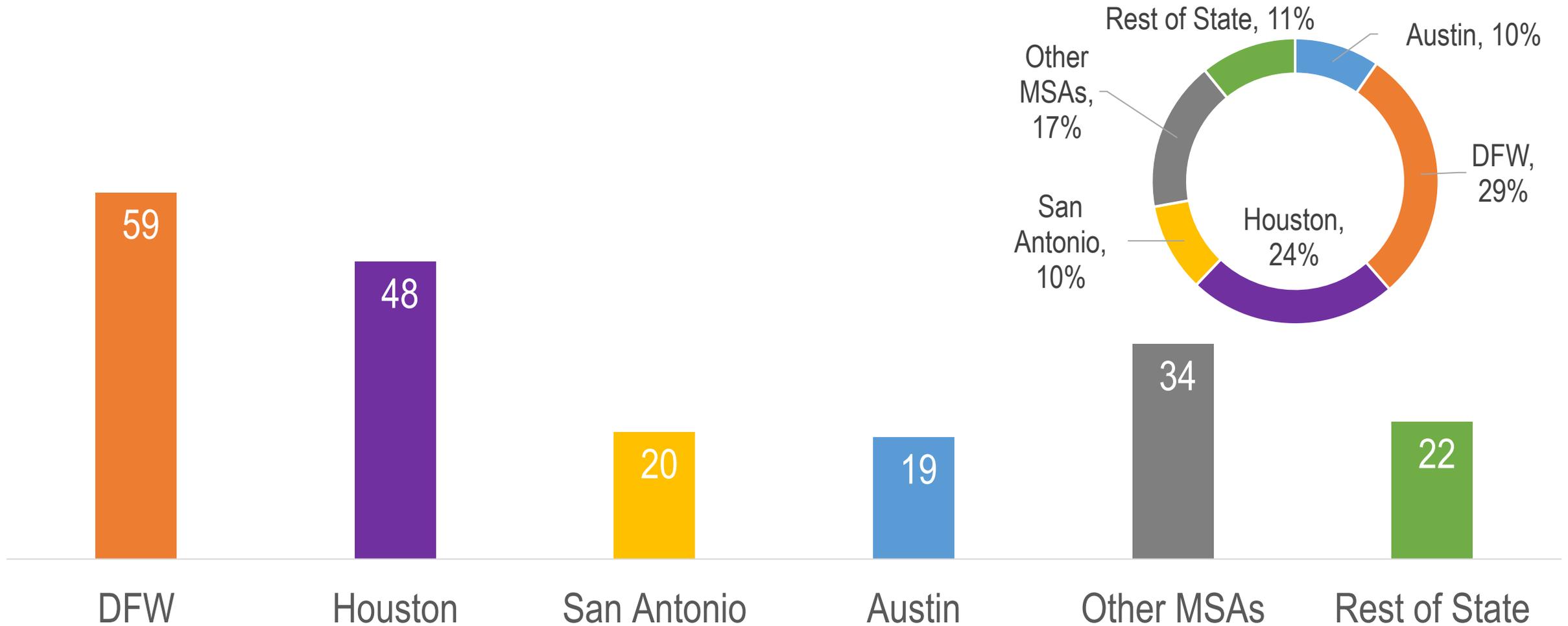


\*Other MSAs = 21 smaller metro areas. Rest of State = 177 remaining non-metro counties.

Source: TRERC analysis of BLS data.

# Retail job growth more evenly distributed\*

(Change since March 2020, 1,000s; Pct. of total)



\*Other MSAs = 21 smaller metro areas. Rest of State = 177 remaining non-metro counties.

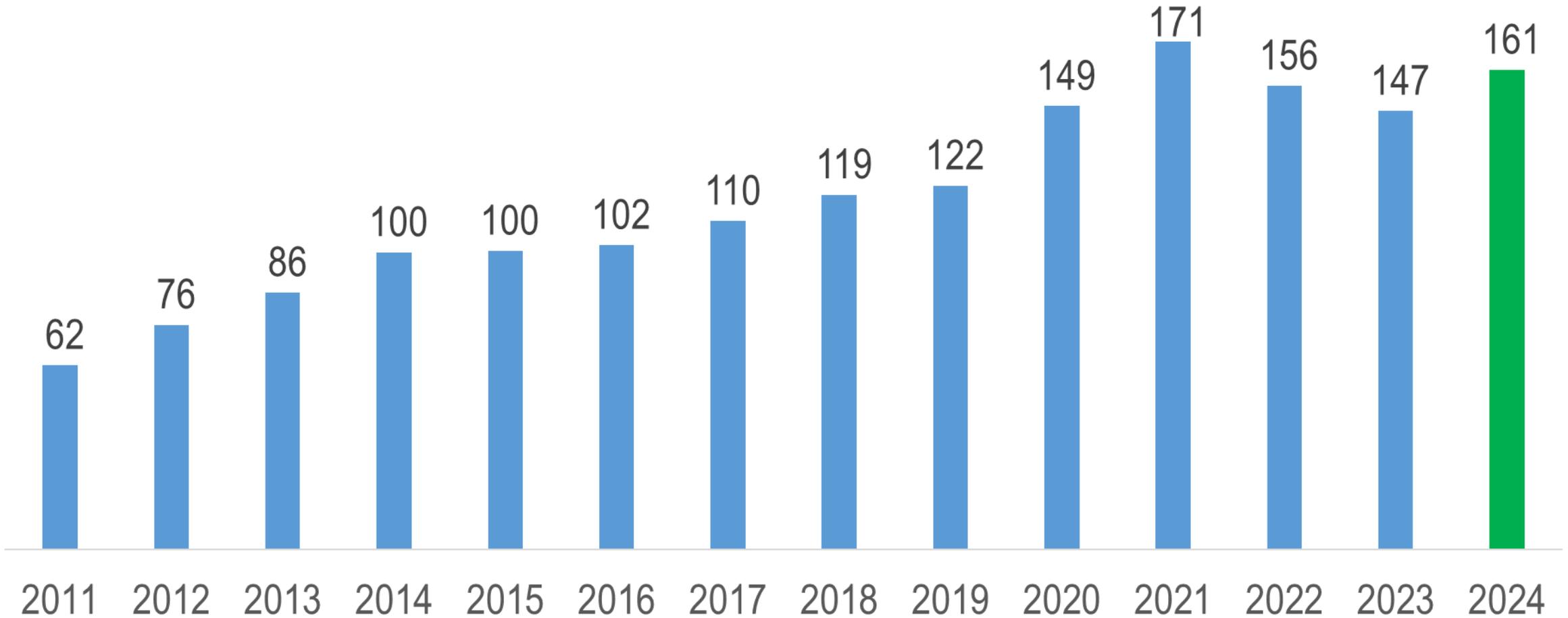
Source: TRERC analysis of BLS data.

# Texas Housing Markets

A positive 2024 after consecutive sales declines  
Strong sales start to 2025

# Texas permit levels increasing again

(1-Unit permits in thousands)

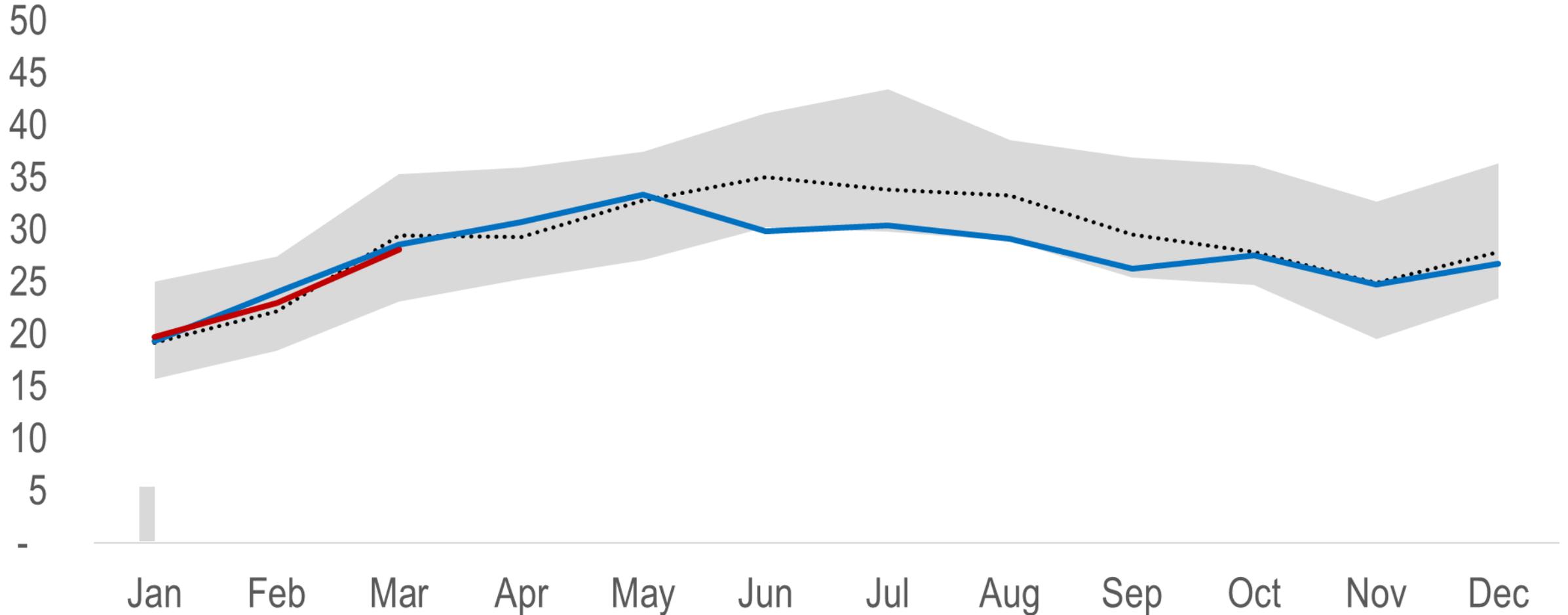


Source: U.S. Census Bureau.



# 2025 sales a little off 2024, which had a summer slump

(Existing + new sales in thousands; YTD tracking forecast)

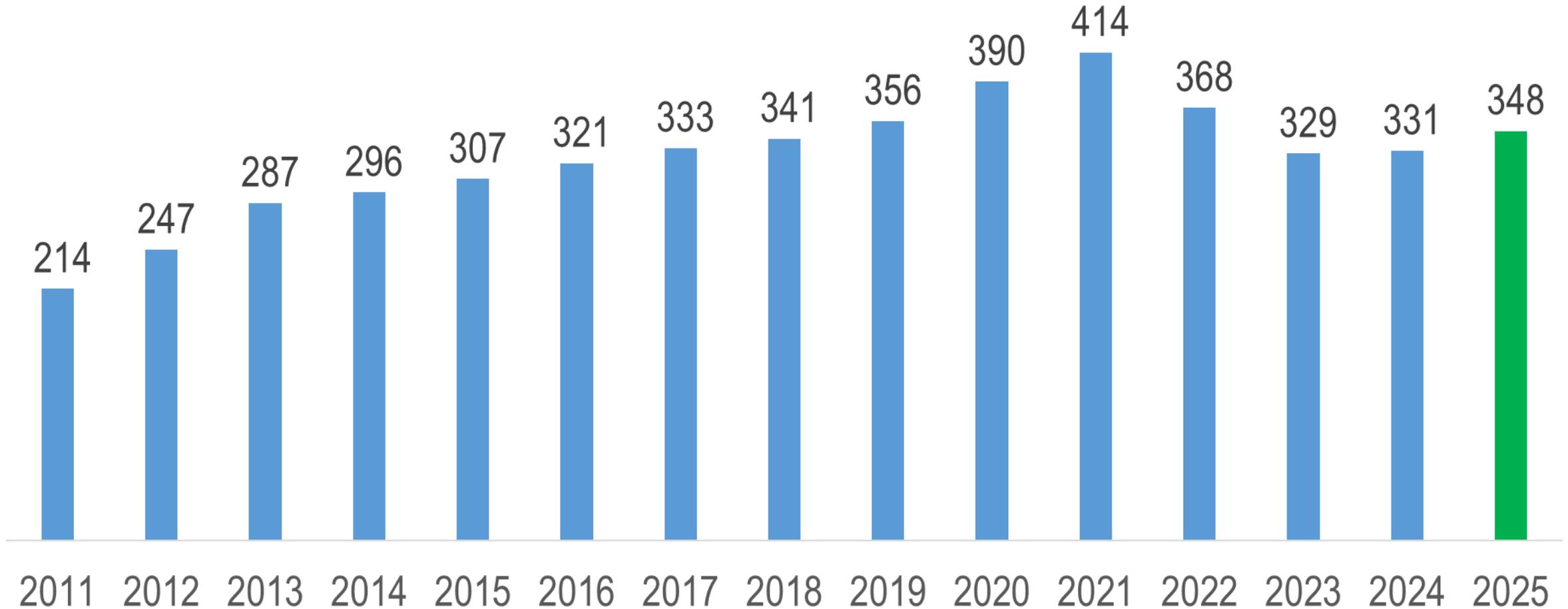


Source: TRERC analysis of Data Relevance Project, Texas REALTORS data.



# Tracking toward a better 2025 so far\*

(Existing + new sales, 1,000s)

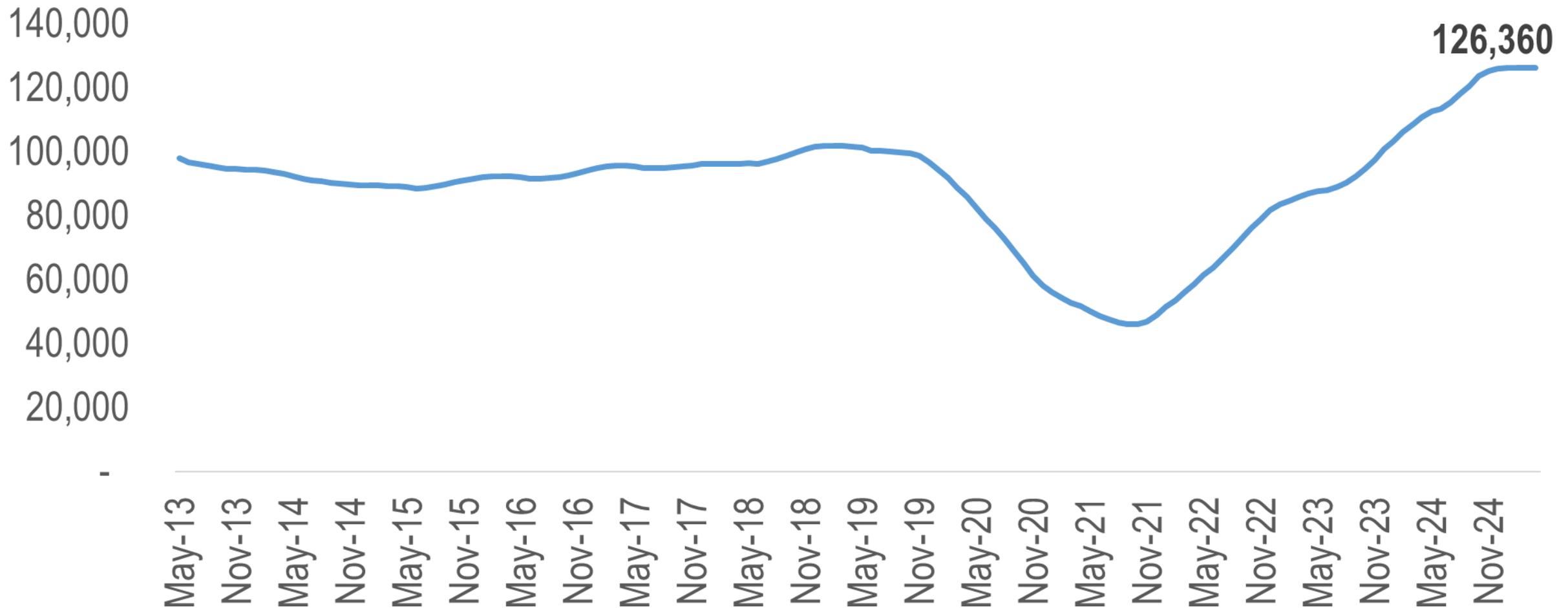


\*2025 estimated year end sales based on year-to-date tracking model.

Source: TRERC analysis of Data Relevance Project, Texas REALTORS data.



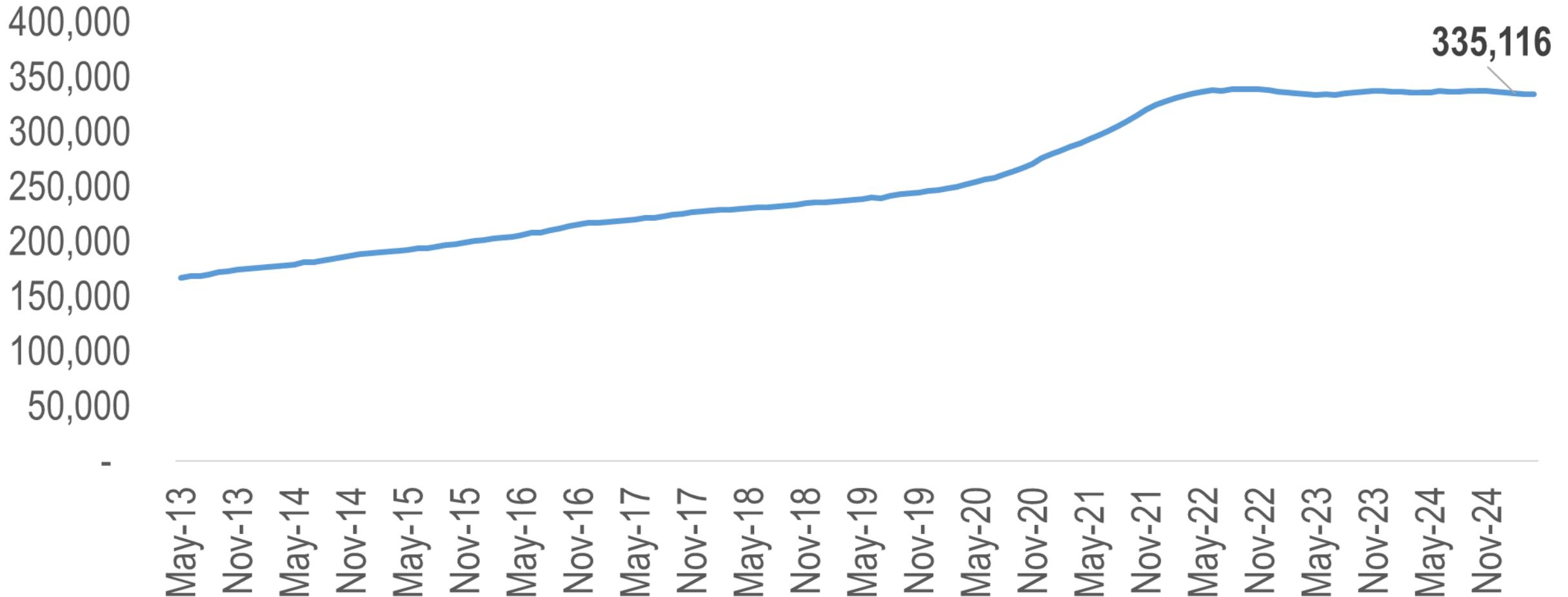
# Listings growing out of the pandemic (Active listings)



Source: TRERC analysis of Data Relevance Project, Texas REALTORS data.

# Prices have remained flat for three years

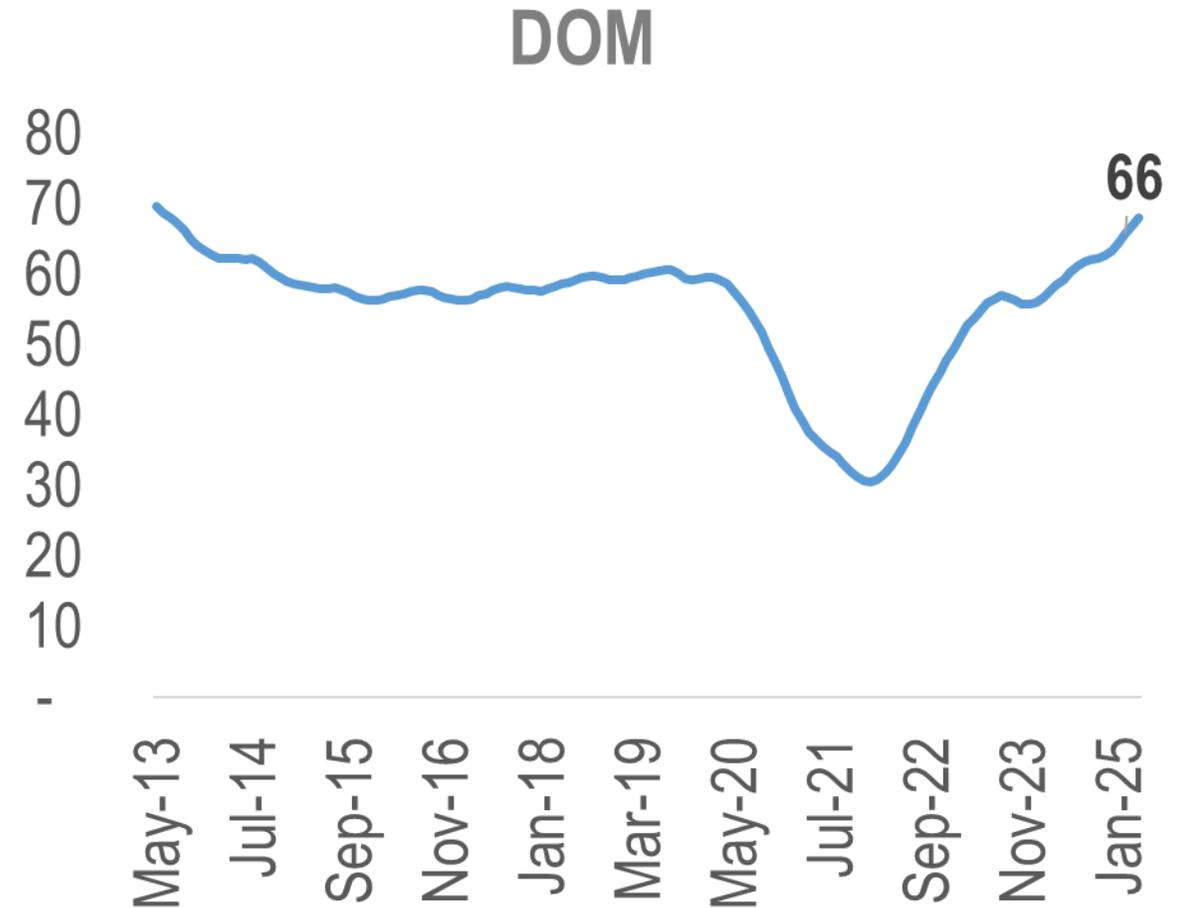
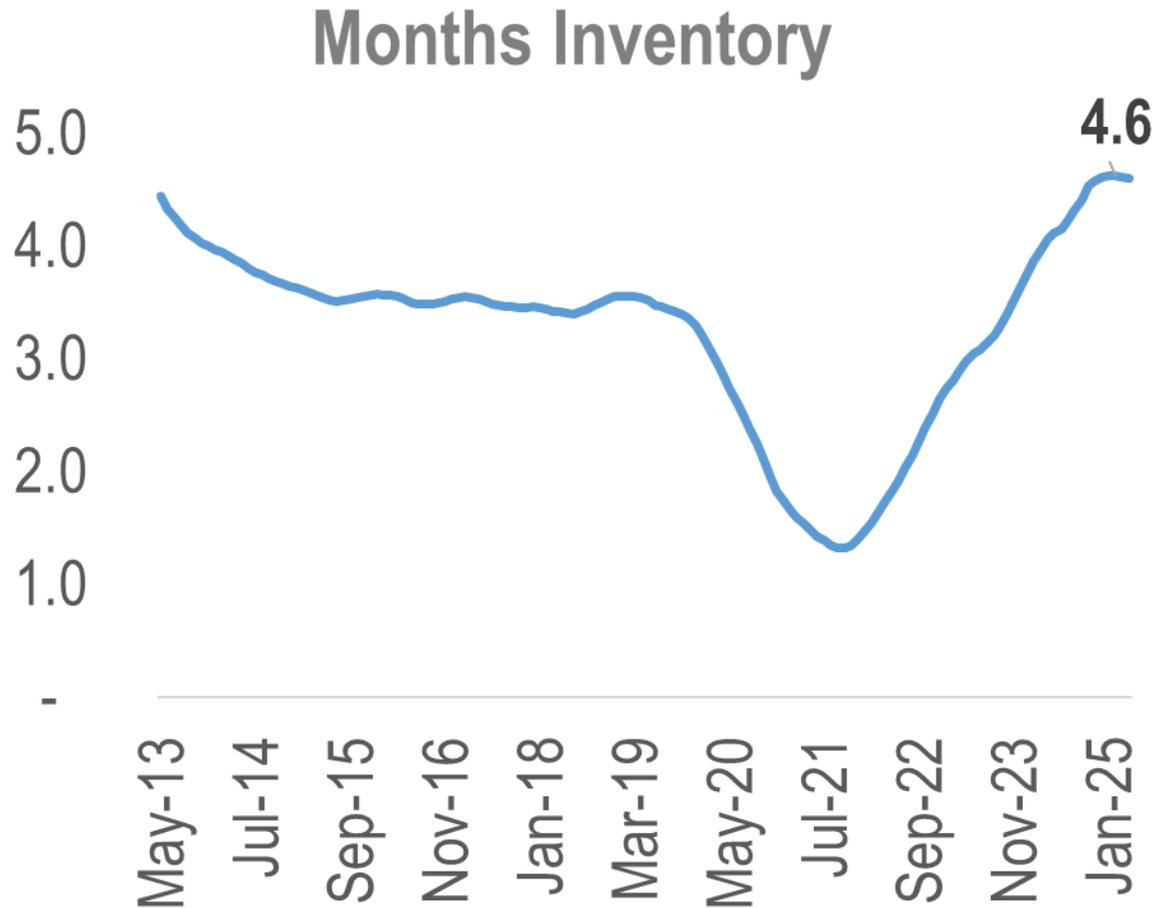
(Median price)



Source: TRERC analysis of Data Relevance Project, Texas REALTORS data.



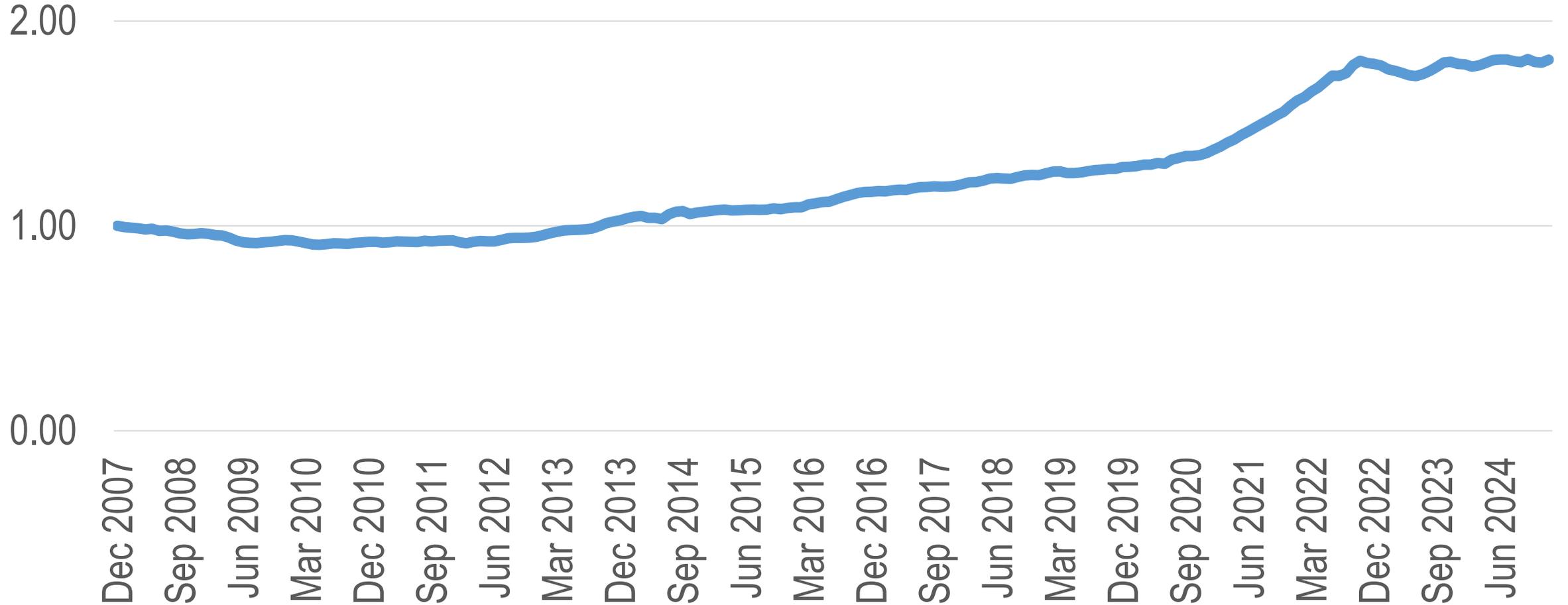
# Inventory above GFC/COVID interim, DOM up less



Source: TRERC analysis of Data Relevance Project, Texas REALTORS data.

# Single family construction costs up 43% in five years

(Index Jan December 2007 = 1.0)

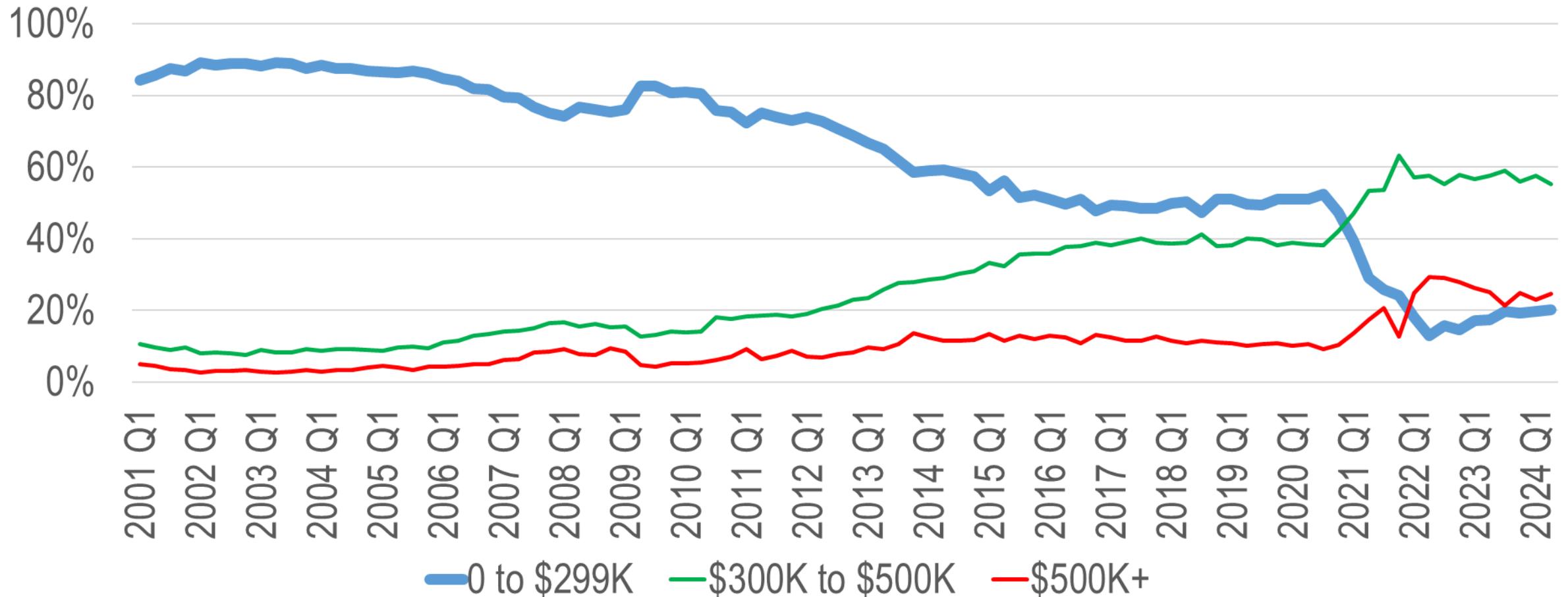


Source: TRERC analysis of U.S. Census Bureau data.



# Starts under \$300K fade from the market after 2020

(Share of SF starts)

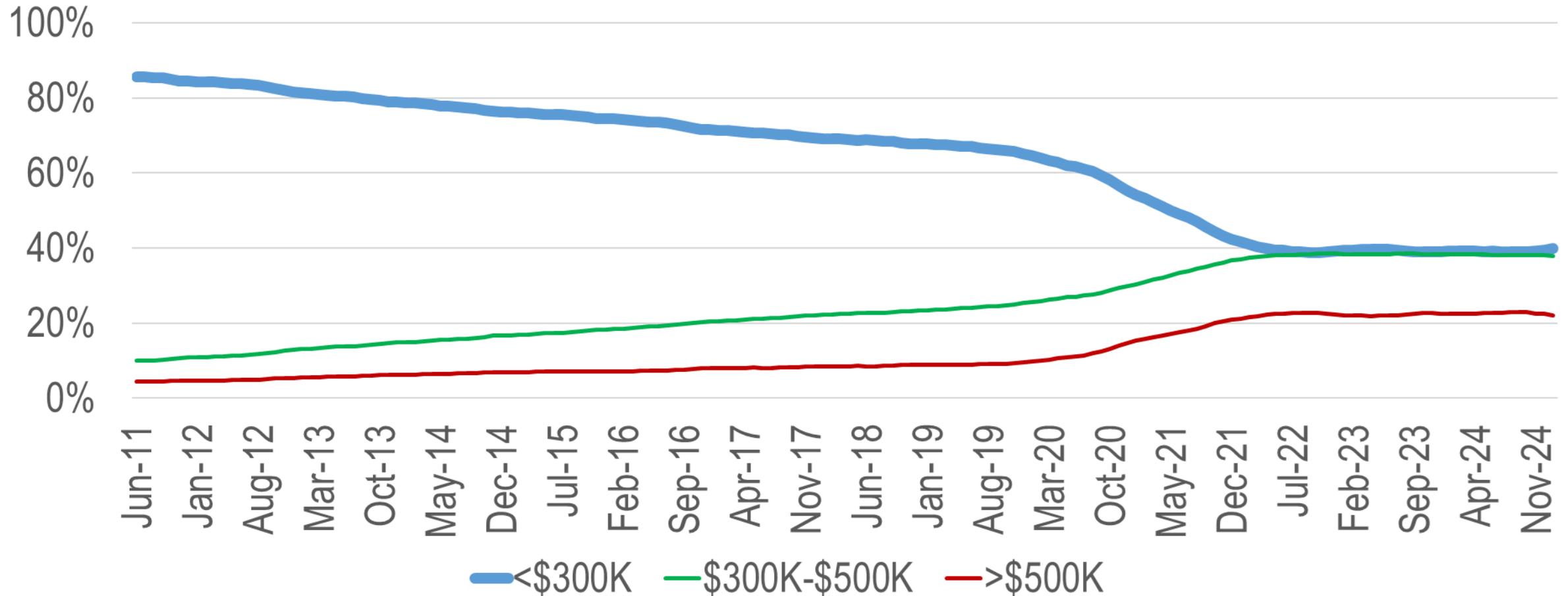


Source: TRERC Analysis of Zonda data.



# Share home sales under \$300K drop 50 pct. 2020

(Share of existing + new sales)

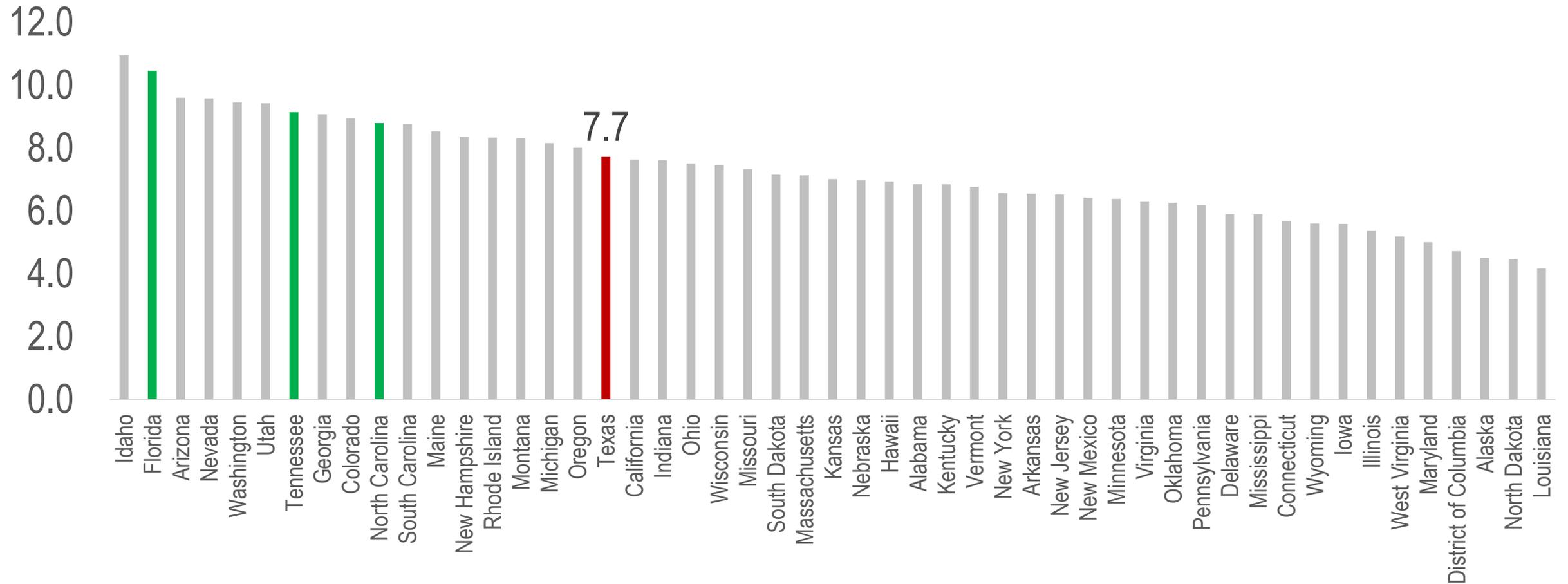


Source: TRERC analysis of Data Relevance Project, Texas REALTORS data.



# Texas 10-year price increases ranked 18<sup>th</sup> among states

(Price index compound annual growth rate)

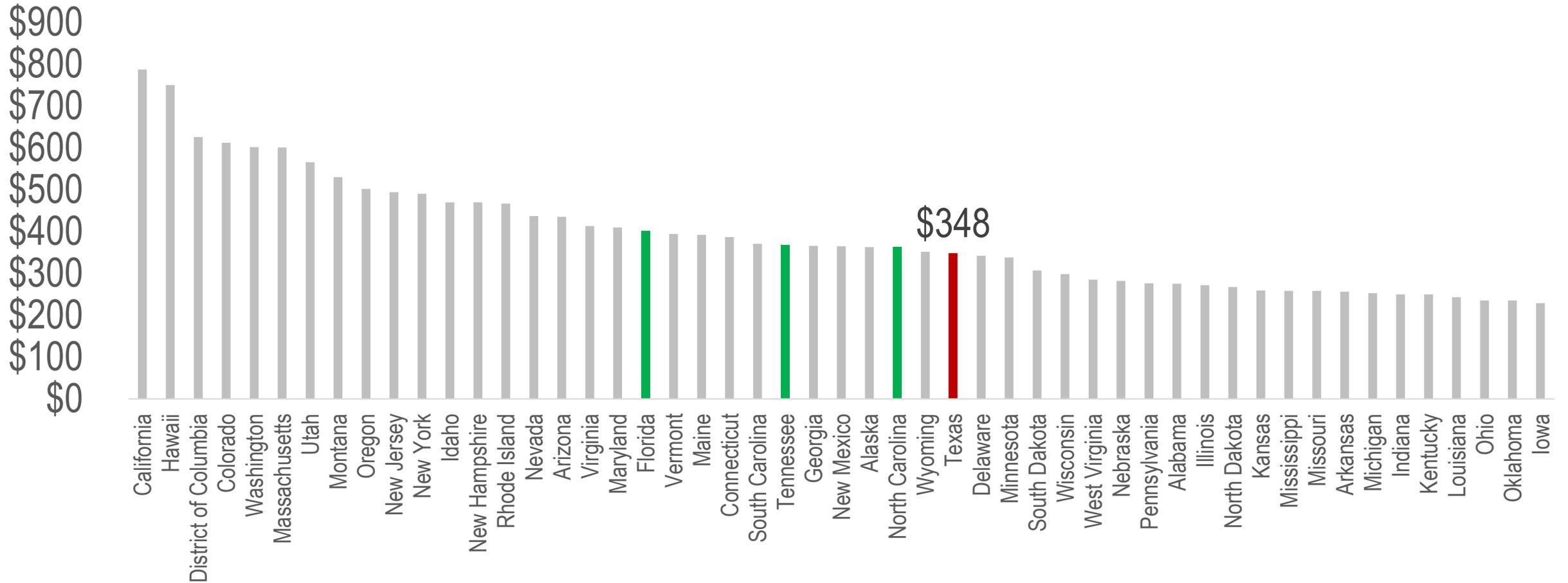


Source: TRERC analysis of FHFA, Census and BEA data.



# Texas median price ranks 30<sup>th</sup> nationally

(SF median price, \$1,000's)



Source: TRERC analysis of FHFA, Census and BEA data.

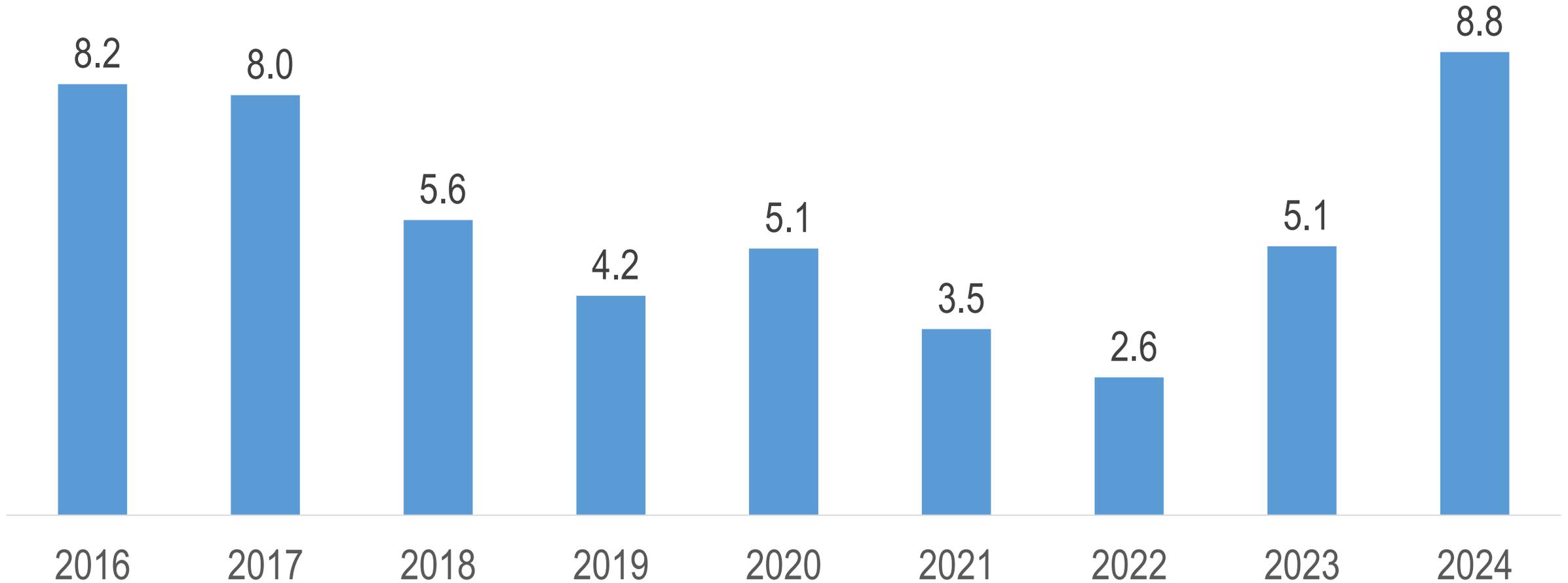


# Texas Commercial Markets

A mixed bag with oversupply in most assets

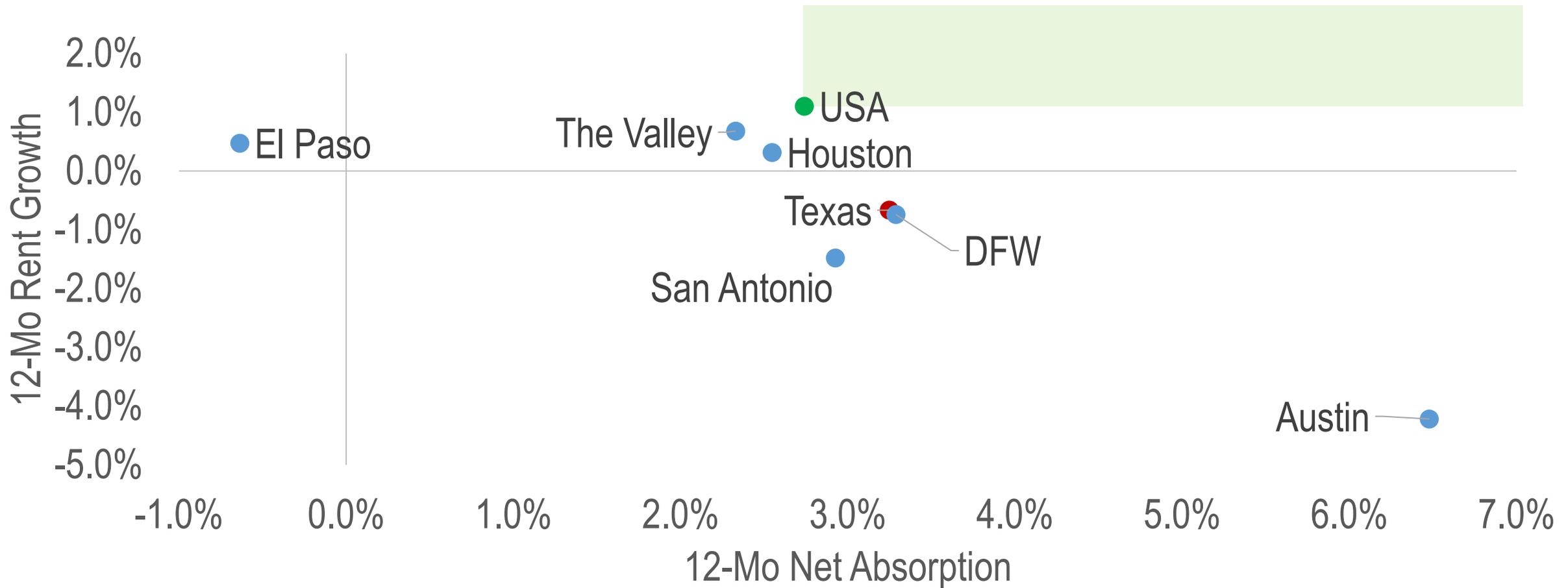
# Apartment starts return to more normal level

(New residents per MF start, statewide)



Source: TRERC analysis of CoStar data.

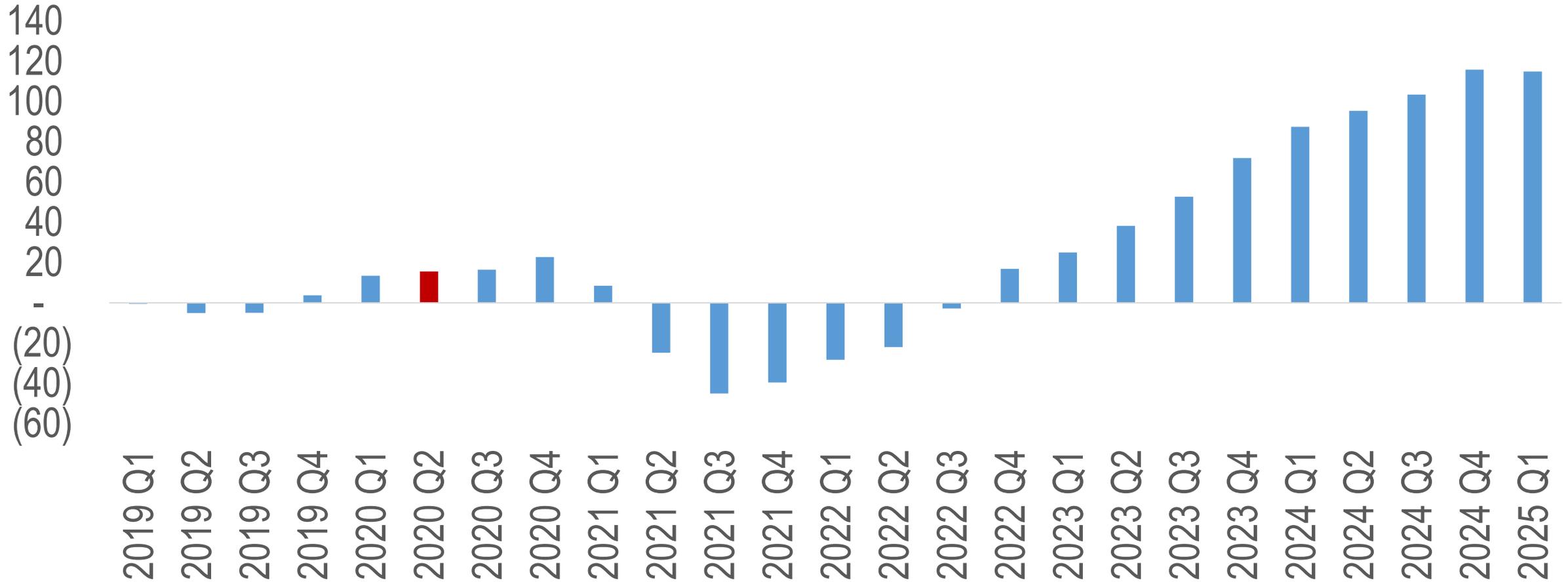
# No major Texas apartment market outperforms the US



Source: TRERC analysis of CoStar data.

# Smaller glut after 8 qtrs. worsening MF oversupply

(Texas MSA cumulative supply minus demand, 1,000s units)

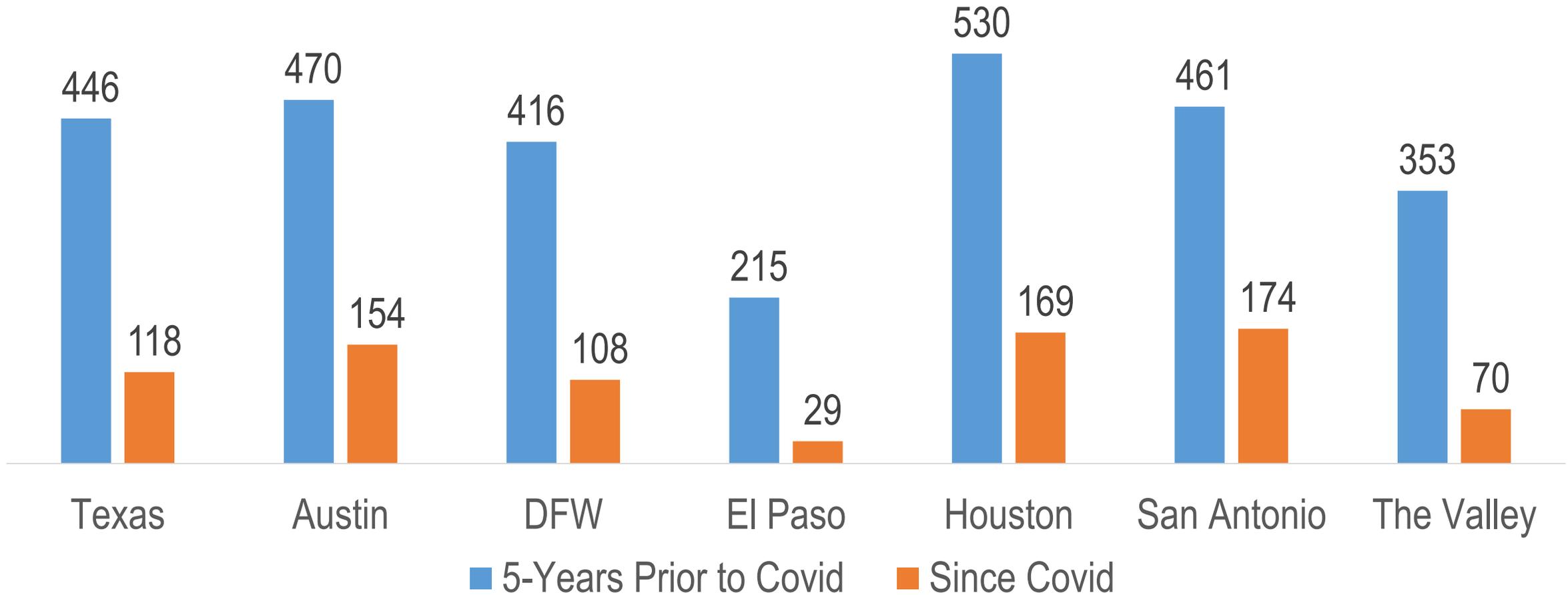


Source: TRERC analysis of CoStar data.



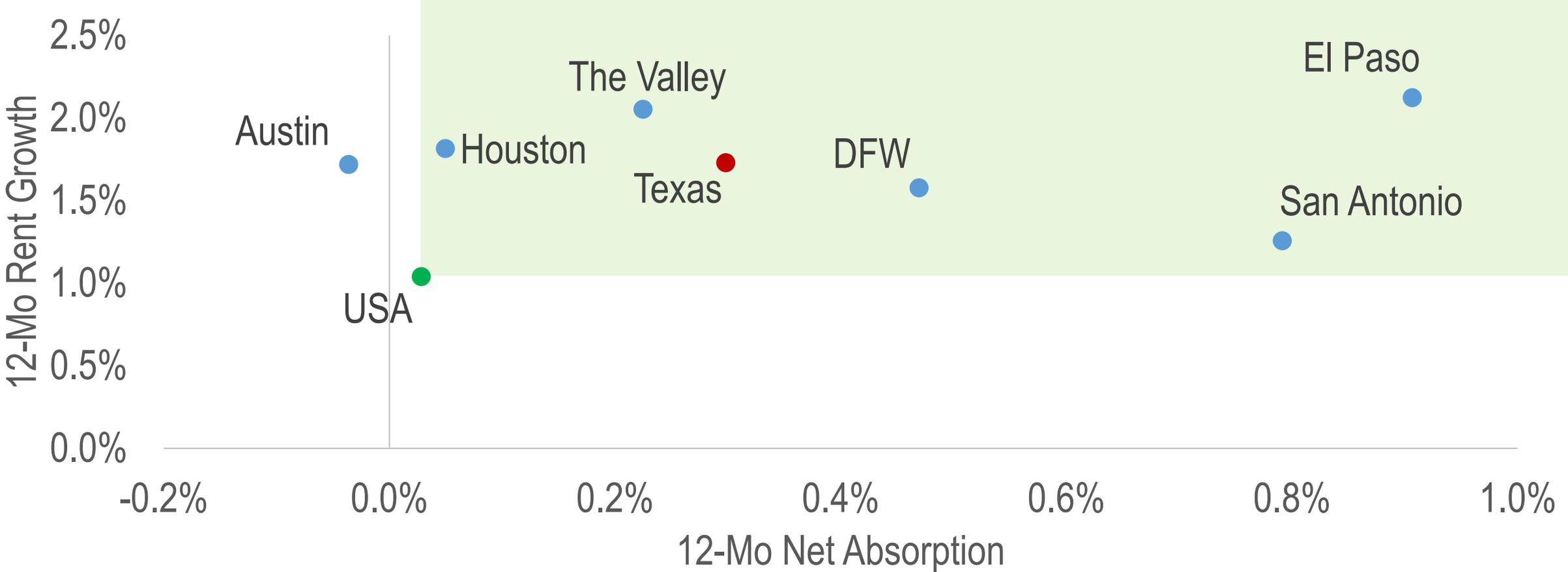
# Office starts impacted by WFH

(Average square feet per new office-using job in prior 4 qtrs.)



Source: TRERC analysis of COSTAR and U.S. BLS data.

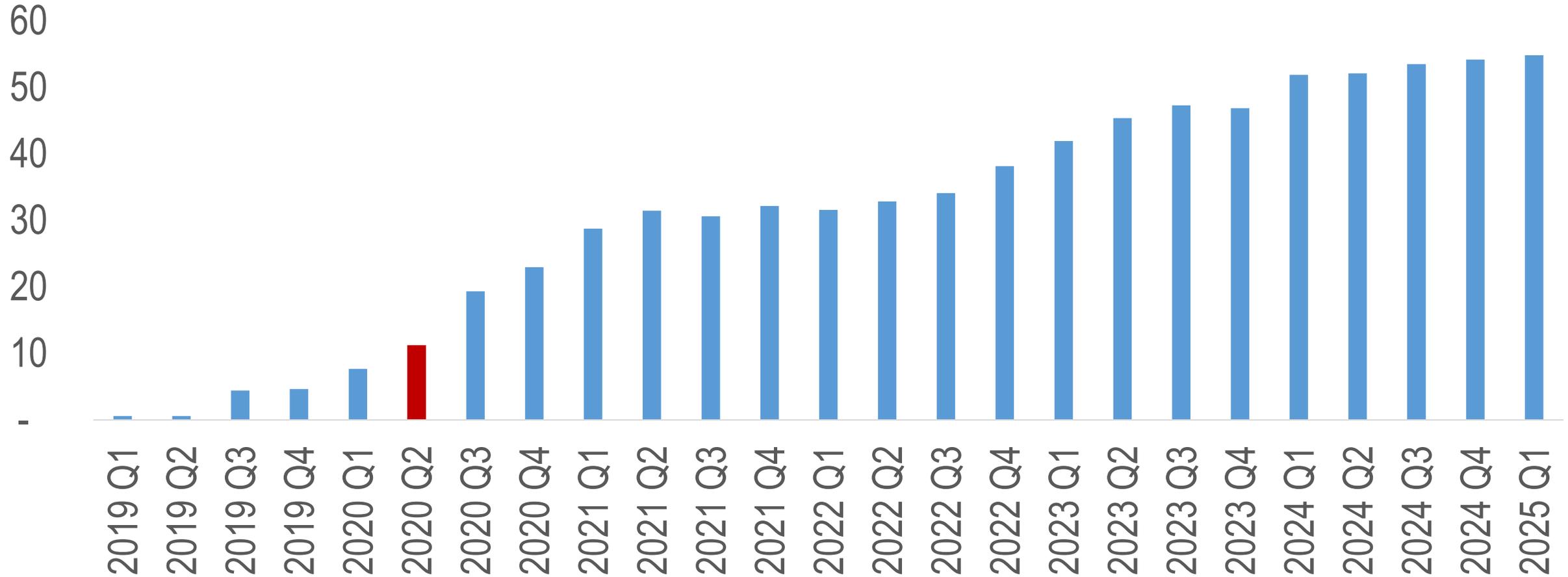
# Most major office markets beat US performance



Source: TRERC analysis of CoStar data.

# Office oversupply degrades some

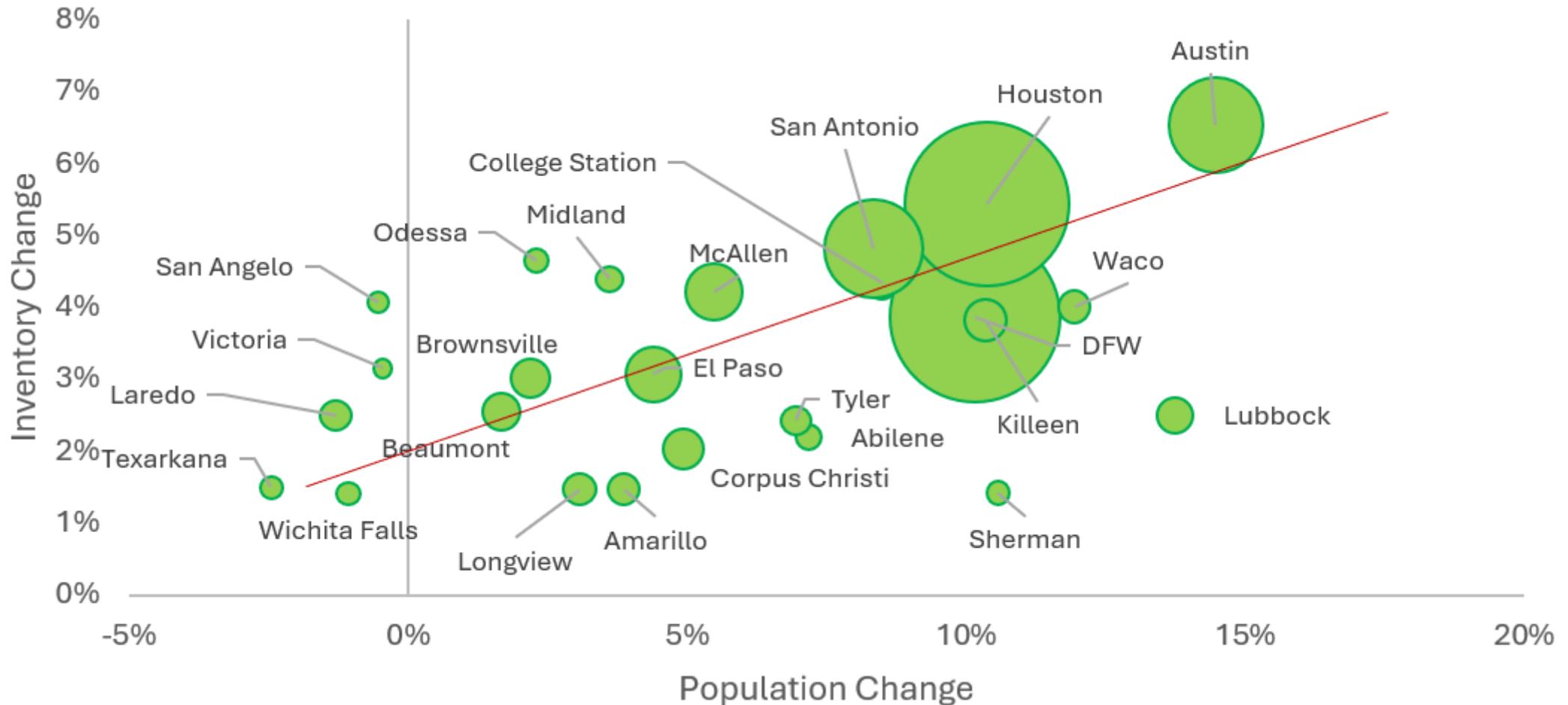
(Texas MSA cumulative supply minus demand, MSF)



Source: TRERC analysis of CoStar data.

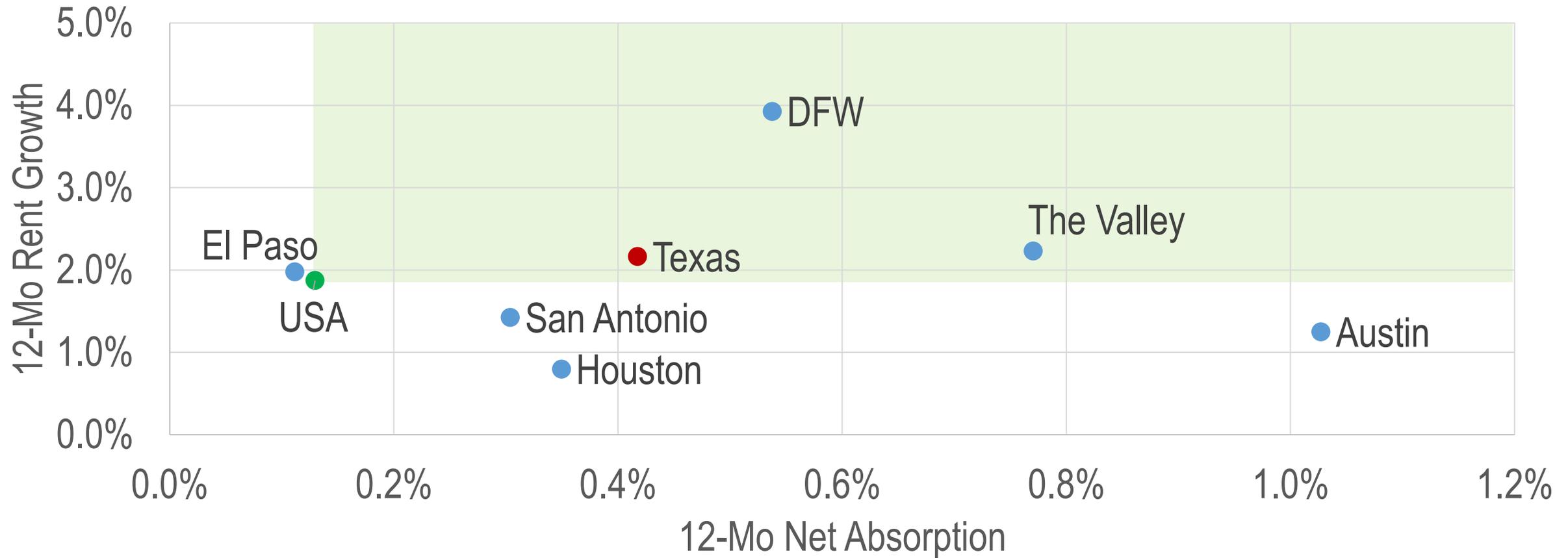


# Retail is 4X more responsive to population than income



Source: TRERC analysis of CoStar data.

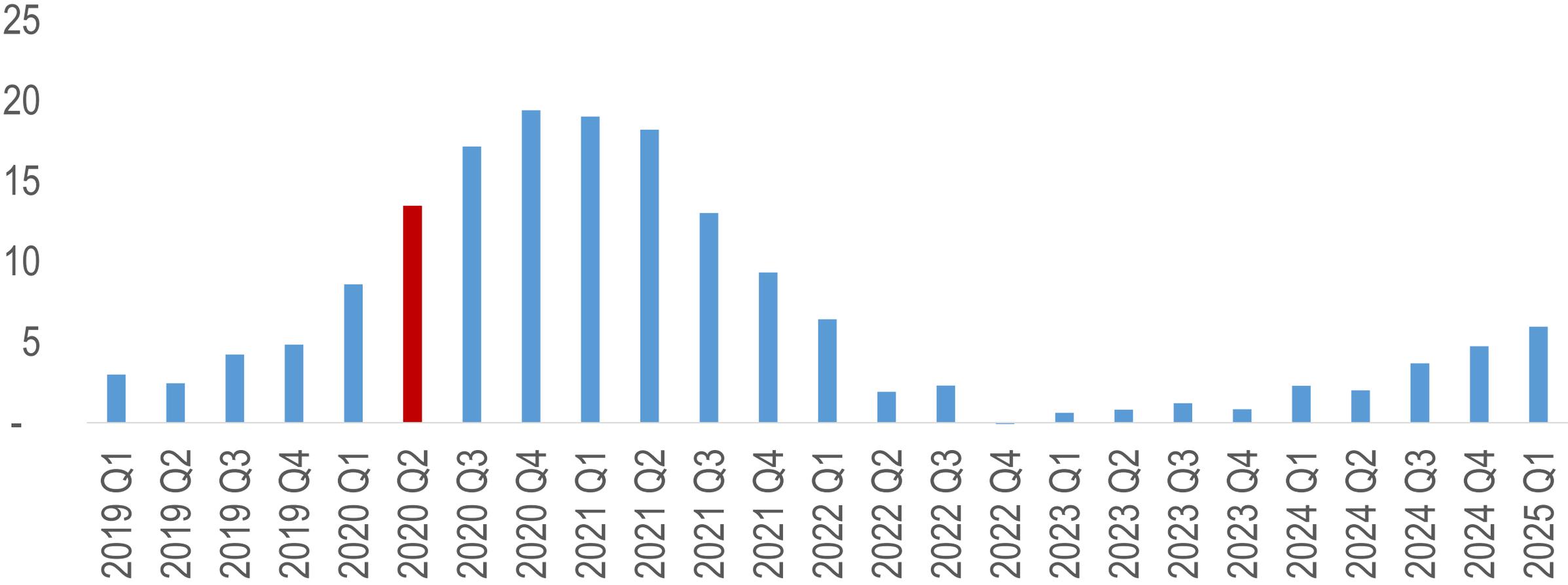
# DFW and The Valley have the best performing retail



Source: TRERC analysis of CoStar data.

# Retail supply beginning to get a little ahead of demand

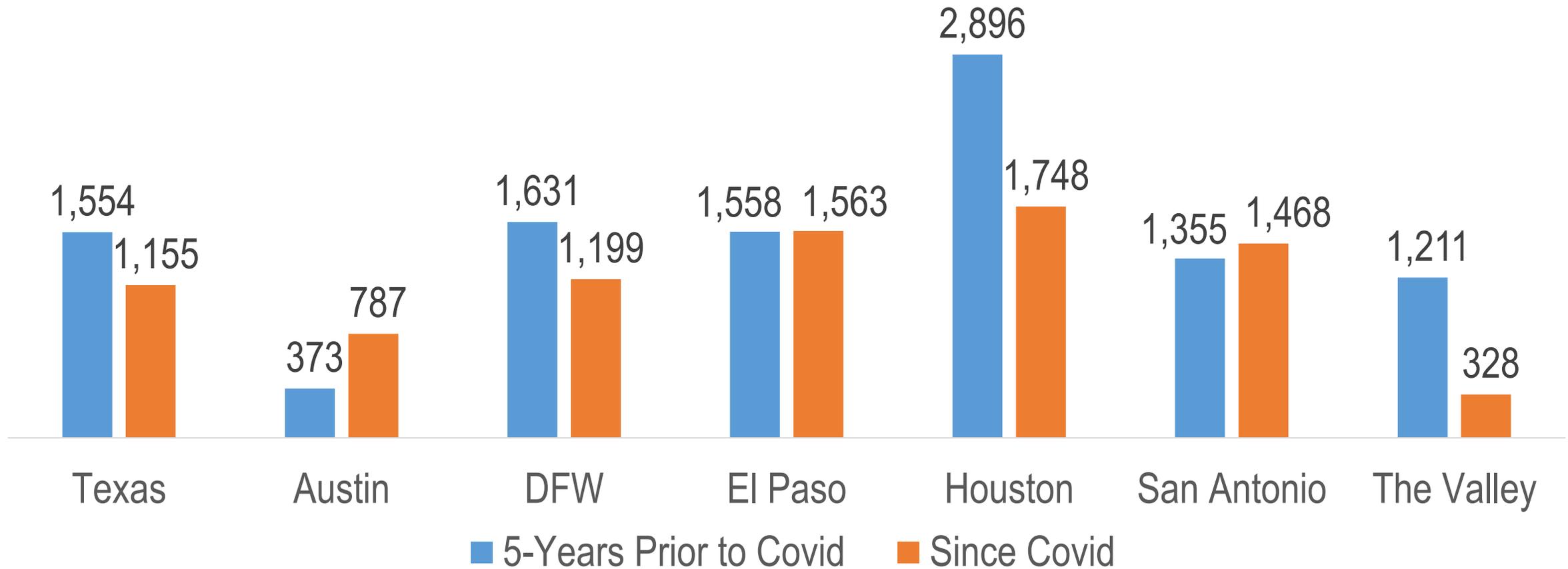
(Texas MSA cumulative supply minus demand, MSF)



Source: TRERC analysis of CoStar data.

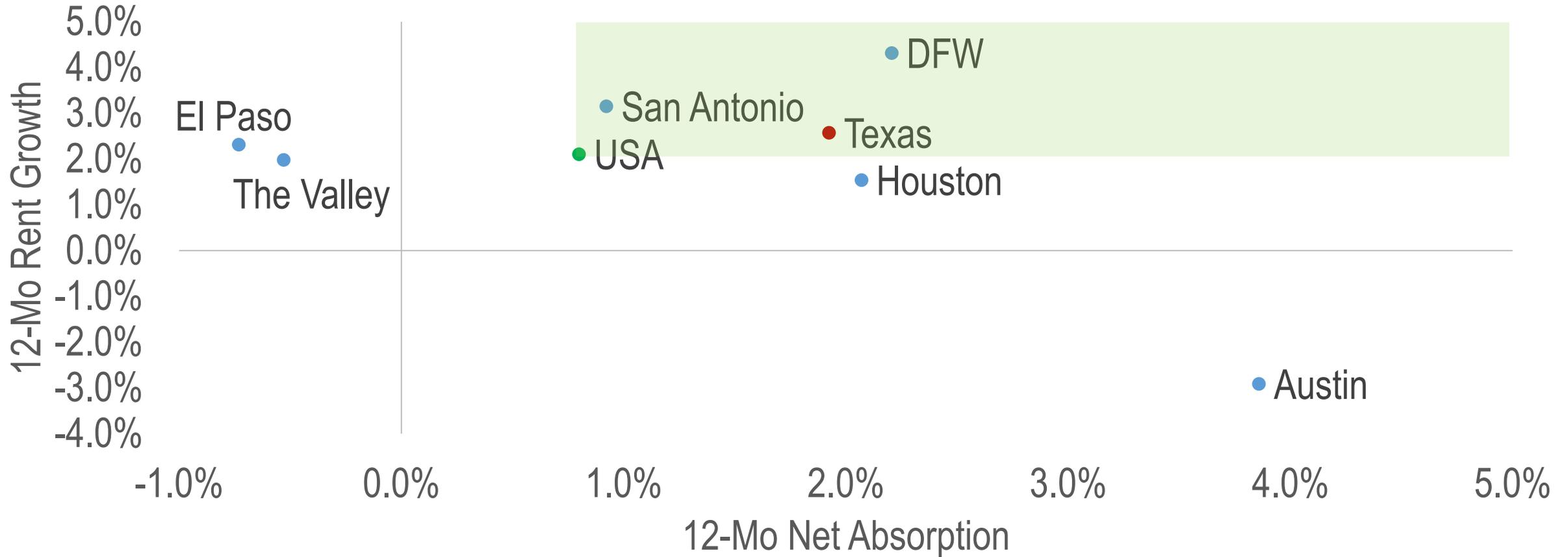
# Industrial response to job growth varies by market

(Square feet per new office-using job)



Source: TRERC analysis of COSTAR and U.S. BLS data.

# DFW and San Antonio are best performing Industrial markets

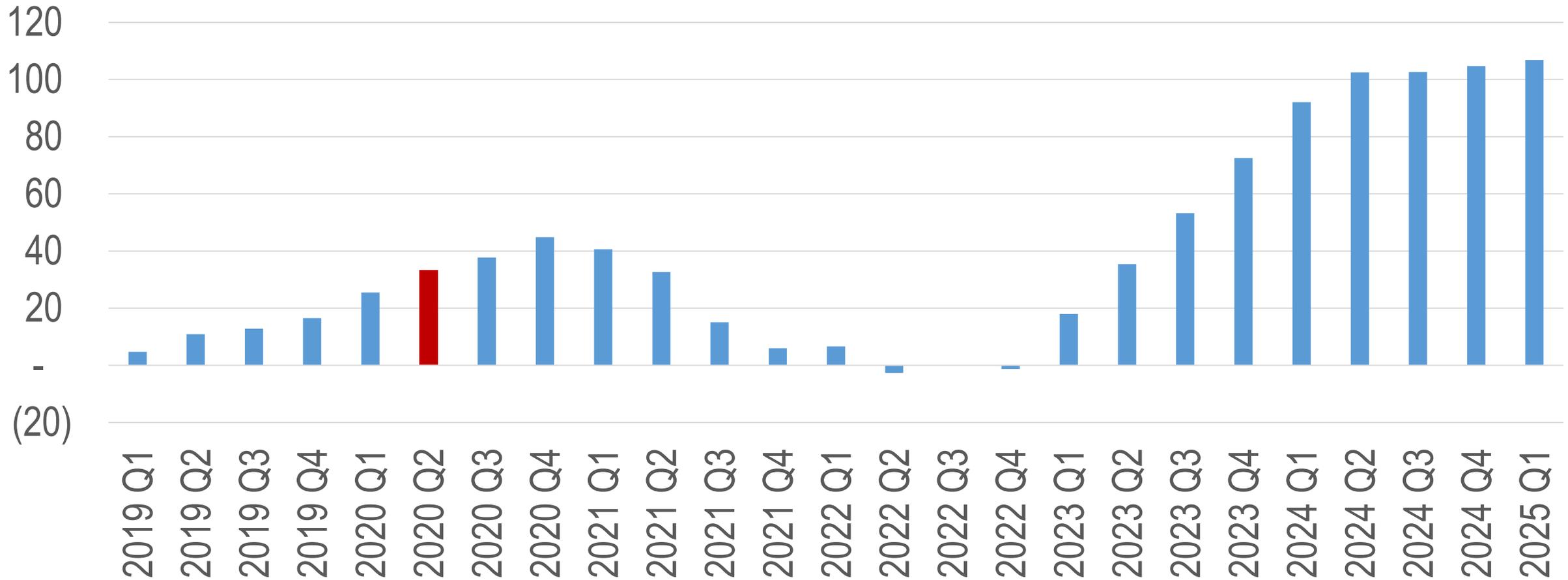


Source: TRERC analysis of CoStar data.



# Industrial oversupply persists

(Texas MSA cumulative supply minus demand, MSF)



Source: TRERC analysis of CoStar data.



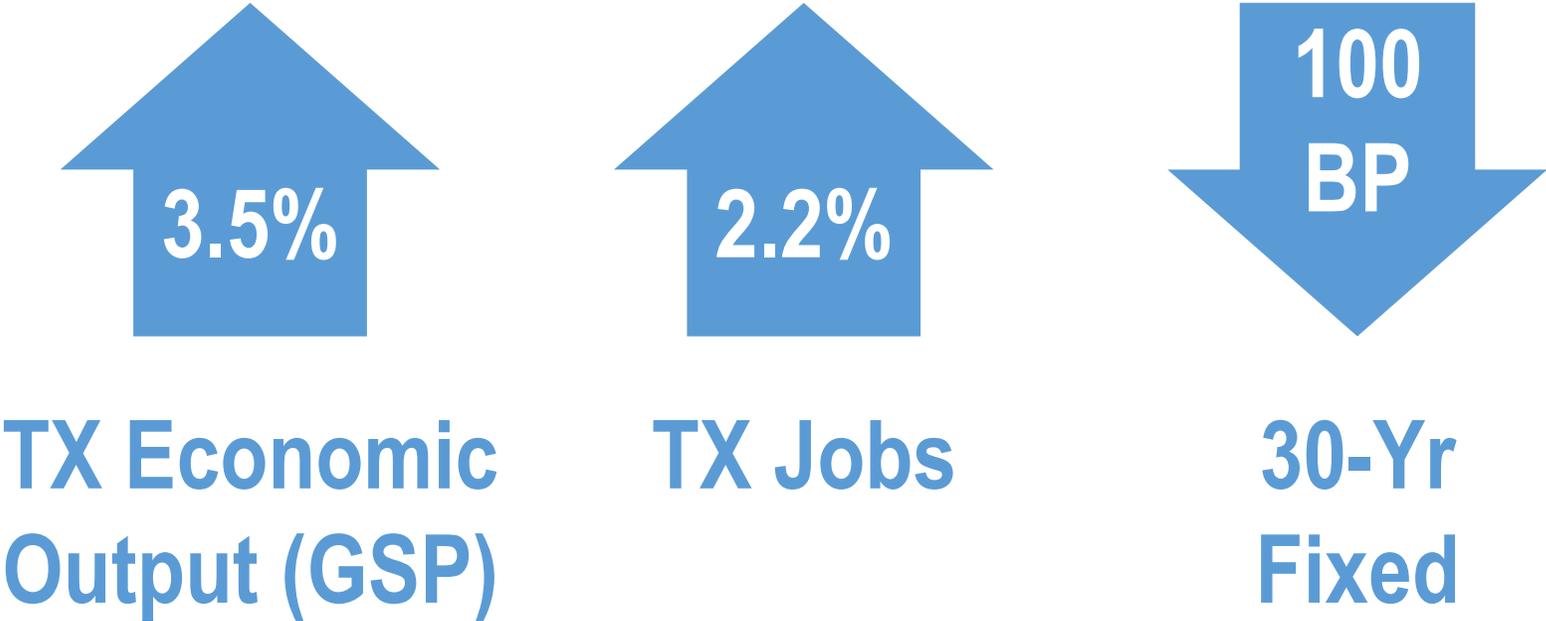
# 2025 Forecast



# 2025 Real Estate Forecast

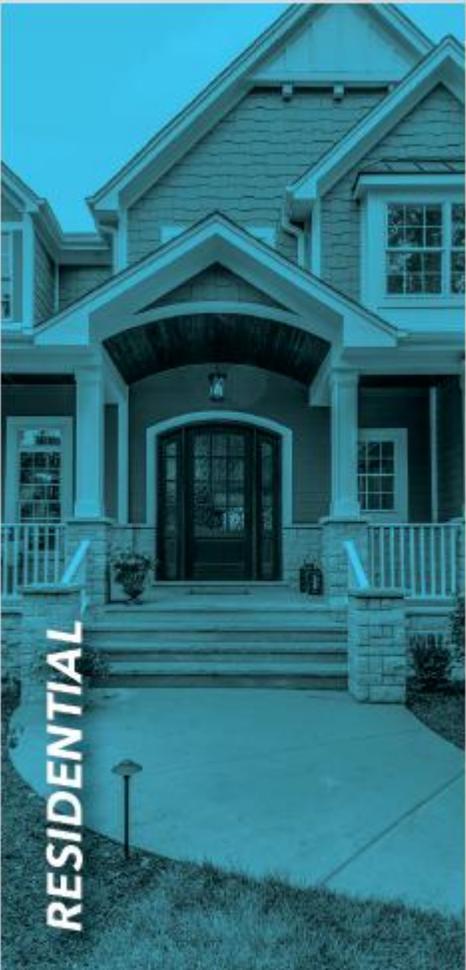


## Macro Drivers



Source: TRERC.

# 2025 Real Estate Forecast



## Single-Family Housing



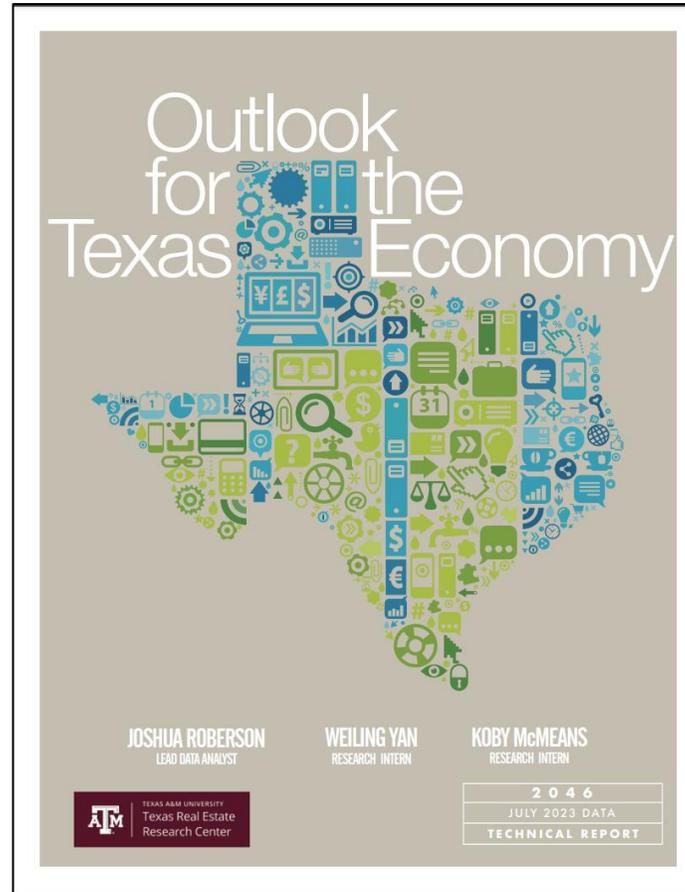
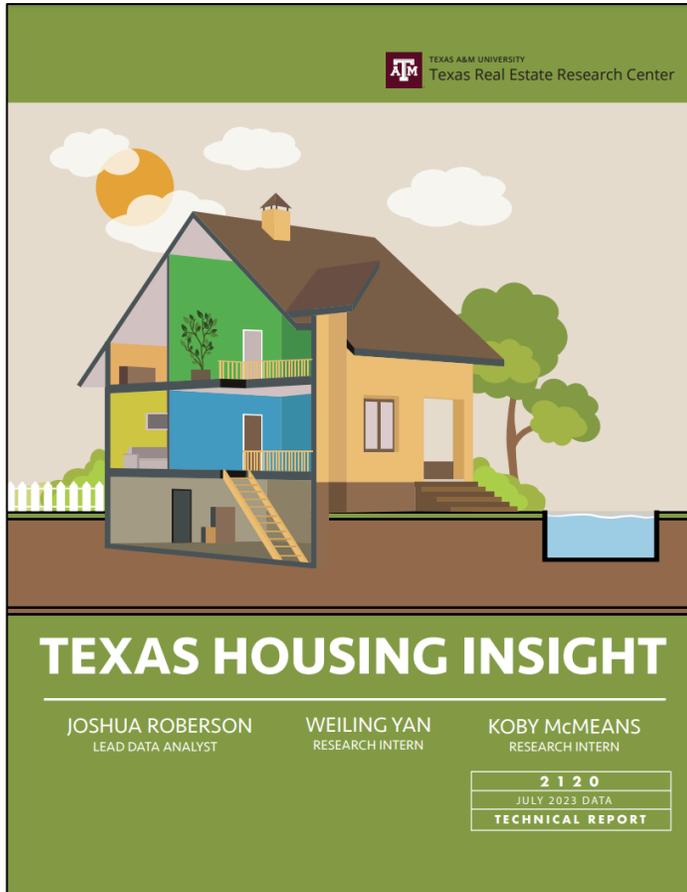
Source: TRERC.

# 2025 Real Estate Forecast

Single Family | Multifamily | Office | Industrial | Retail | Rural Land



<https://trerc.tamu.edu/>



# Questions



# Daniel Oney

- Dr. Daniel Oney
- Research Director
- Commercial market analysis, public finance, labor analytics
- Daniel joined the Texas Real Estate Research Center in 2022. He specializes in building forecasting and decision models to help public and private leaders make better economic and fiscal choices. Before joining the Center, Daniel was managing director in Newmark's Global Corporate Services division where he supported clients with site selection, labor analysis, and development strategy. Daniel was economic research manager for the City of Dallas and senior economist for the Virginia General Assembly. He holds MPA and Ph.D. degrees from the University of Texas at Dallas.
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