REGIONS

Dallas-Fort Worth-Arlington TX

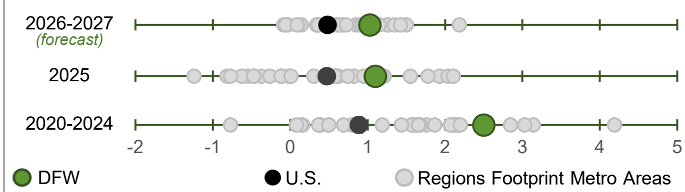
Metro Area Economic Update - Q2 2026

Overview: Economic growth in the Dallas-Fort Worth-Arlington (DFW) metro area has decelerated over the last two years, hindered by moderating migration into the region. While this pressure has narrowed the local economy's lead over the national average, we look for robust business investment to help DFW regain momentum.

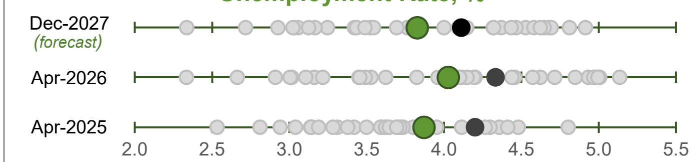
Demographics: Between 2021 and 2024, DFW experienced a surge in net migration that lifted local population growth to third-best among U.S. metro areas with populations of at least one million. This momentum, though, has come under pressure more recently and is likely to soften further over the coming year. Inflows of residents from other U.S. cities – led by Los Angeles, Chicago, and New York City – began to fade in late-2023 as slowing wage gains and rising housing costs, exacerbated by higher mortgage interest rates, reduced mobility. Net domestic migration added just 0.2 percent to total population growth last year, compared to an average of roughly 0.7 percent per year over the prior decade. Population growth has also been hindered by stricter controls on cross-border flows. After adding an average of 1.2 percent to population growth in 2023 and 2024, the contribution from net international migration eased to 0.7 percent in the latest data, which cover the 12-month period ending in July 2025. With last year's changes to immigration policy only partially represented over this span, support from international inflows has weakened further this year. Diminished inflows to the metro area have dampened job growth by weighing on demand for local services – such as health care, education, and leisure and hospitality – and limiting growth in the labor force, which, in turn, constrains local employers' ability to fill open positions. Reflecting these pressures, net job gains slowed to 0.7 percent on a year-over-year basis in April, which, while ahead of the U.S. average of 0.2 percent, was roughly half the pace of the prior 12 months.

Labor Market: Ongoing efforts to deepen DFW's position within the finance sector could pave the way for stronger job gains. With 8.9 percent of the local workforce employed within financial services – the second-largest such concentration among U.S. metro areas with population of at least one million – DFW has become a natural choice for banks and wealth management firms looking to expand into the Texas market. Fidelity Investments, Goldman Sachs, and J.P. Morgan, for instance, each maintain regional hubs in the metro area that cater to the growing cohort of affluent households across the state. The metro area's influence is set to broaden further as the Texas Stock Exchange opens for trading this summer to compete with Nasdaq and the NYSE, which are also growing their DFW-based operations. With extended ties to capital markets, DFW could attract an increased presence among investment banks while drawing in corporate finance functions from a wider range of companies to the metro area.

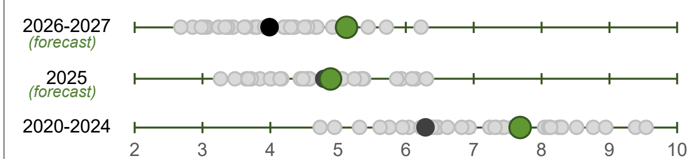
Nonfarm Employment, average annual % change



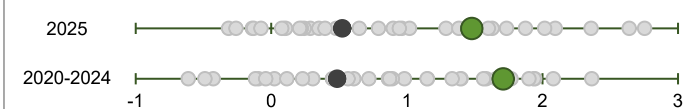
Unemployment Rate, %



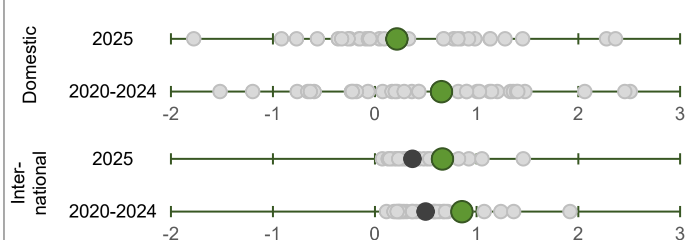
Aggregate Personal Income, average annual % change



Population, average annual % change



Net Migration, average annual % of population



Average Household Income, 2024, Ths. $

	First Quintile	Second Quintile	Middle Quintile	Fourth Quintile	Fifth Quintile
DFW	21.7	57.5	93.0	143.9	317.8
Texas	17.0	48.1	80.2	126.5	286.7
U.S.	17.1	48.9	82.2	129.1	294.1

3-month moving average for Unemployment Rate; Annual totals for all others

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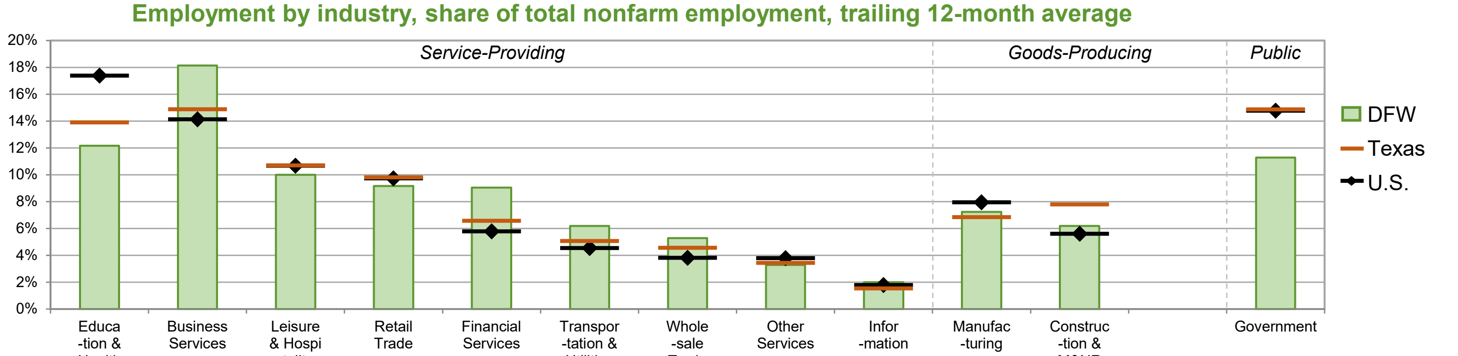
Employment by industry, share of total nonfarm employment, trailing 12-month average



Employment data for the Construction, Mining, and Natural Resources industries are published only as a combined total for the DFW metro area.

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; U.S. Census Bureau; Regions Financial Economics Division. Forecast as of June, 2026.

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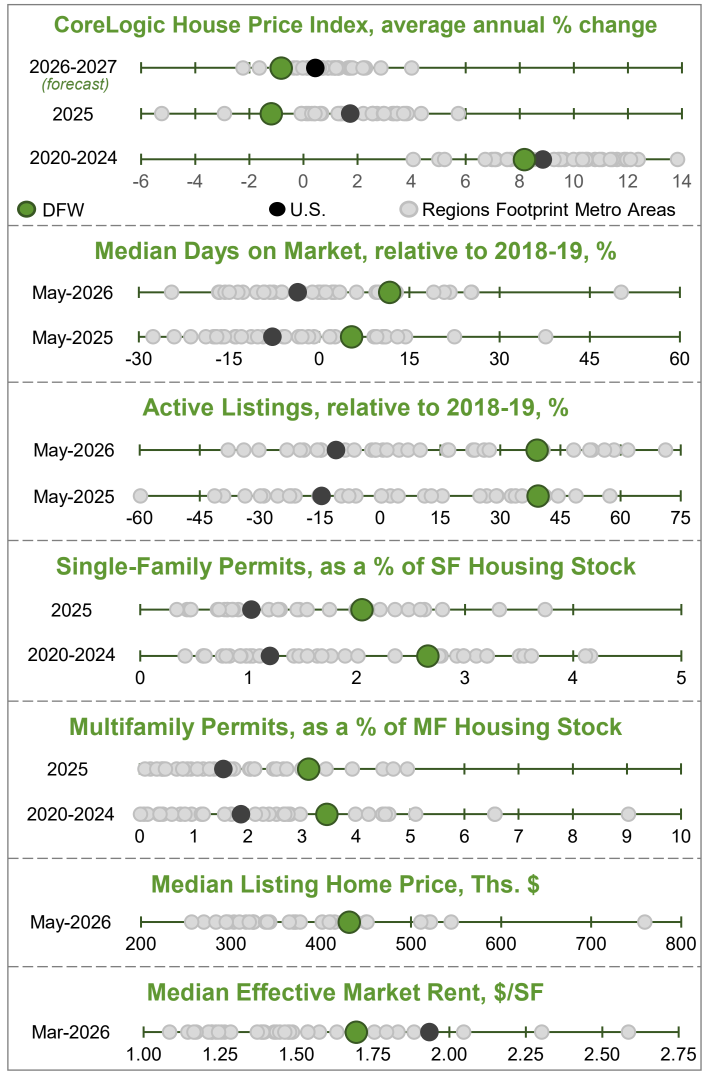
The local economy also maintains greater exposure to the tech sector and advanced manufacturing. After rapidly expanding payrolls at the start of the pandemic, tech companies have implemented multiple waves of layoffs since 2023 to rein in expenses, yielding sizable job losses among West coast markets. DFW, however, has largely been spared, with tech-based employment remaining steady over the last three years. Compared to these markets, average salaries are generally lower in Texas, partly due to lighter household tax burdens and living costs, which provides incentive for businesses to maintain or expand operations in DFW. Further, the state's relatively low electricity costs, paired with the metro area's skilled workforce, have invited investments in cloud computing, with DFW hosting nearly 300 data centers and welcoming two supercomputer assembly lines supporting next-generation AI applications. Advanced manufacturing also stands to benefit from proposed increases in federal spending on missiles and fighter aircraft, boosting output at Lockheed Martin's local facilities. While ongoing headwinds from slower net migration may broadly pressure job growth in the coming year, we expect further business investment to generate high-paying jobs in the metro area, restoring stronger outperformance over time.

Housing: The pace of house price appreciation in DFW has sharply decelerated under the weight of elevated mortgage interest rates, averaging 2.2 percent over 2023 and 2024 before conceding 1.3 percent last year. Homebuilders, meanwhile, have continued to provide a steady supply of new homes to the market even as net migration slowed. As a share of the existing single-family housing stock, the pace of single-family construction, at 2.0 percent in 2025, remained twice the national average last year, helping to lift active market inventories to 39.2 percent above the pre-pandemic level as of May. Market pricing for rental units has followed a similar trajectory. According to data from CoStar, vacancy rates climbed to 12.4 percent in March – the highest level since 1989 – following a surge in apartment deliveries, dragging down median rents to 5.1 percent below their 2023 peak. With excess inventories plaguing each segment of the housing market, we look for house prices and market rents to soften further this year before stabilizing in 2027 as the pace of job growth improves.



3-month moving average for Median Days on Market and Active Listings; 12-month moving average for Median Listing Home Price and Effective Market Rent; Annual totals for all others

Residential Sales and Construction	2019	2020	2021	2022	2023	2024	2025	2025 ytd*	2026 ytd*
Existing Home Sales, ths. units	150.9	155.6	180.1	153.7	125.7	125.4	121.1	27.9	25.6
New Home Sales, ths. units	33.5	39.7	43.4	40.3	39.3	37.9	28.0	7.1	4.9
Single-Family Permits, ths. units	34.9	44.0	52.0	43.9	44.4	46.4	40.0	15.1	13.3
Multifamily Permits, ths. units	27.8	16.8	26.7	34.2	23.7	25.3	26.4	8.6	9.0

	DFW			Texas			U.S.		
Housing Characteristics	**2014**	**2019**	**2024**	**2014**	**2019**	**2024**	**2014**	**2019**	**2024**
Occupied Housing Units, mil.	**2.346**	**2.553**	**2.892**	**9.014**	**9.692**	**10.993**	**116.211**	**120.756**	**129.227**
Homeownership rate, %	60.5	59.5	60.1	62.7	62.0	62.6	64.4	64.0	65.2
Occupied Single-Family Units, mil.	**1.613**	**1.737**	**1.957**	**6.297**	**6.714**	**7.557**	**80.136**	**83.028**	**88.845**
% renter-occupied	17.1	17.4	16.2	18.6	18.6	17.1	17.8	17.8	16.0
Occupied Multifamily Units, mil.	**0.649**	**0.733**	**0.846**	**2.090**	**2.342**	**2.753**	**29.188**	**30.921**	**33.621**
% of total occupied units	27.7	28.7	29.2	23.2	24.2	25.0	25.1	25.6	26.0
Demographics	**2005**	**2015**	**2025**	**2005**	**2015**	**2025**	**2005**	**2015**	**2025**
Population, mil.	**5.722**	**7.026**	**8.477**	**22.778**	**27.395**	**31.710**	**295.517**	**321.815**	**341.785**
10-year cumulative growth, %	30.4	22.8	20.7	22.7	20.3	15.8	12.3	8.9	6.2
15-24 age cohort share, %	14.3	13.7	13.8	15.3	14.4	14.2	14.4	13.6	13.2
25-44 age cohort share, %	31.8	29.1	29.8	29.1	28.1	28.8	28.0	26.3	27.0
45-64 age cohort share, %	22.4	24.6	23.8	22.7	23.7	23.0	24.7	26.1	24.2
65+ age cohort share, %	8.0	10.4	12.7	9.9	11.7	13.9	12.4	14.9	18.0

Age distribution data as of 2024

Shading relative to U.S.

* Year-to-date through March for home sales; year-to-date through April for building permits.

Sources: CoreLogic; CoStar; Realtor.com® Economic Research; U.S. Census Bureau; Regions Financial Economics Division.

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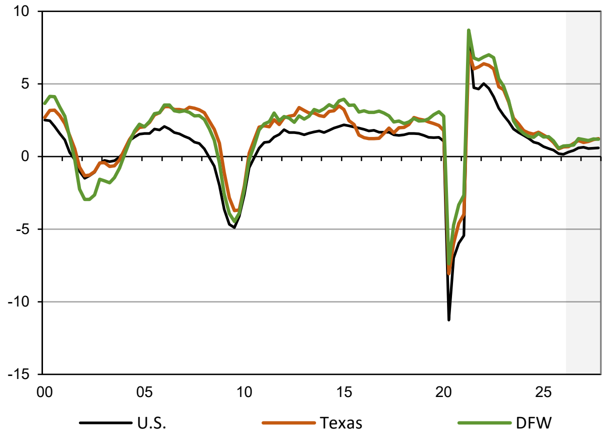
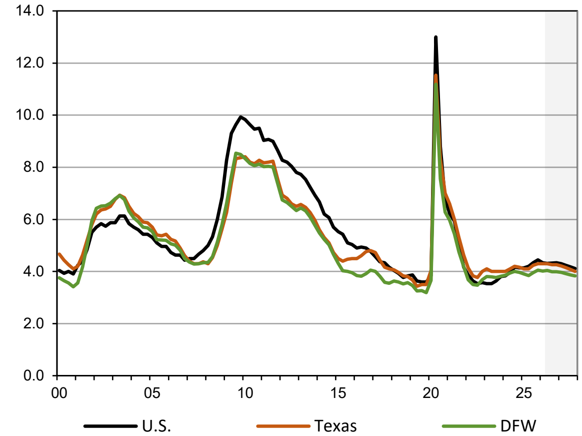
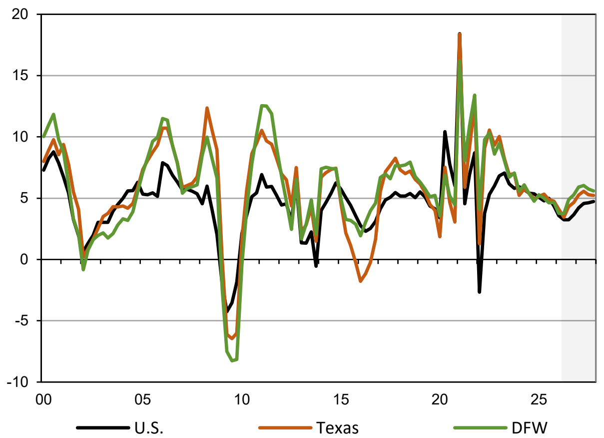
Total Nonfarm Employment, % change year ago



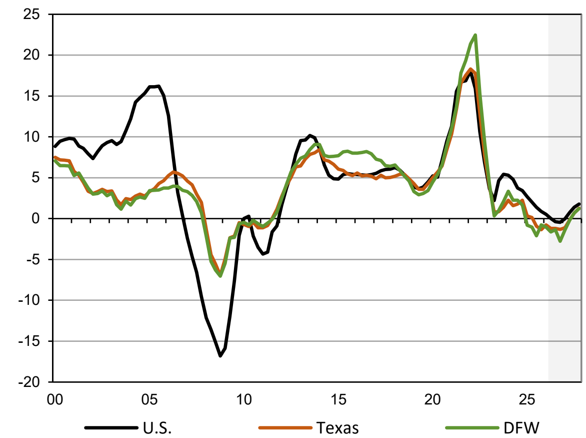
Unemployment Rate, %



Total Personal Income, % change year ago



CoreLogic House Price Index, % change year ago



Key Economic Indicators	2019	2020	2021	2022	2023	2024	2025	2026 (F)	2027 (F)
Total Employment, ths.	**3,767.4**	**3,647.7**	**3,820.4**	**4,068.4**	**4,200.6**	**4,262.4**	**4,309.2**	**4,347.3**	**4,398.2**
Annual % change	2.8	-3.2	4.7	6.5	3.2	1.5	1.1	0.9	1.2
Texas, annual % change	2.3	-4.2	3.7	5.9	3.3	1.7	1.1	0.8	1.1
U.S., annual % change	1.4	-5.8	2.9	4.3	2.2	1.2	0.5	0.4	0.6
Unemployment Rate, %	**3.3**	**7.2**	**5.1**	**3.6**	**3.8**	**3.9**	**3.9**	**4.0**	**3.9**
Texas, %	3.5	7.7	5.6	3.9	4.0	4.1	4.2	4.3	4.1
U.S., %	3.7	8.1	5.4	3.7	3.6	4.0	4.3	4.3	4.2
Personal Income, $ bil.	**448.4**	**470.9**	**527.9**	**571.1**	**615.7**	**649.2**	**680.9**	**711.0**	**752.4**
Annual % change	5.6	5.0	12.1	8.2	7.8	5.4	4.9	4.4	5.8
Texas, annual % change	5.0	4.3	11.4	7.5	8.0	5.3	5.0	4.1	5.3
U.S., annual % change	4.8	6.9	9.5	3.0	6.5	5.6	4.8	3.4	4.5
CoreLogic HPI, annual % change	**3.2**	**6.4**	**15.6**	**16.9**	**1.9**	**2.4**	**-1.2**	**-1.7**	**0.1**
Texas, annual % change	3.9	6.4	14.5	14.0	1.7	2.0	-0.5	-1.1	0.2
U.S., annual % change	4.0	6.8	15.2	12.7	4.0	4.3	1.7	-0.1	1.0

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; CoreLogic; Regions Financial Economics Division. Forecast as of June, 2026.

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