

THE BOUNCE-BACK

DALLAS-FORT WORTH

PROJECTED MEDIAN
SALES PRICES FOR
SINGLE-FAMILY HOMES

Q1 2008: \$161,530
Q4 2009: \$161,690

6.4
PERCENT

The Metroplex, as locals call the Dallas-Fort Worth region, is smoking, adding jobs at twice the national rate. Better yet, those new jobs are concentrated in well-paying fields like banking, advertising, and health care. Dallas-Fort Worth sits at the center of the Interstate 35 corridor, a "megapolitan" galaxy of urban development that Virginia Tech researchers estimate will add 6.4 million new people and 2.8 million units of housing over the next two decades. Dallas also serves as the North American headquarters for international high-tech employers like Nokia and Ericsson.

All of this makes Dallas one of the nation's nine most global metros—cities that are hubs for international trade and foreign investment—according to an analysis by Moody's Economy.com.

Dallas has largely avoided the boom-and-bust cycle, which is one reason this market is on track to post the best returns on housing of any major U.S. city during the next two years. An added bonus: The region's service sector has escaped the collateral damage that comes when the bubble bursts and equity-driven spending dries up. "Consumer spending is insulated from the housing market here," says Celia Chen, an economist at Moody's Economy.com. "Homeowners had less buildup in their property value, so they withdrew less in the form of home-equity loans."

During the dotcom boom, Dallas's sprawl turned bedroom communities like Plano into boomtown suburbs that

saw their populations skyrocket. But now that Plano has filled up—and most service workers have been priced out—the action in housing is pushing north along the I-35 corridor to more affordable "greenfield" towns like the former agricultural communities of Allen, Frisco, and McKinney.

Mary Frances Burleson, CEO of Ebby Halliday Realtors, Dallas's largest brokerage, advises buying into gated subdivisions. But she would also target older properties in more urban areas like Lakewood, a neighborhood east of downtown Dallas, as well as the nearby suburb of Richardson. "If I'd won the lottery last Friday, I'd be buying houses on 150-by-100-foot treed lots for \$200,000 to \$250,000," Burleson says. "Then I'd tear down the houses and build 3,500-square-foot luxury homes with swimming pools. They'd triple in value."

