



## **2015 Economic Review**

In 2015, Carrollton continued to experience steady, diversified growth in all sectors of its economy, underpinned by ongoing growth in the Dallas MetroPlex and in North Texas. Carrollton's location, quality of life, low taxes, high level of city services, low crime rate, competitive housing choices, and reasonable lease rates for Industrial, Office, and Retail space continue to differentiate Carrollton as a unique value within the MetroPlex, *Where Connections Happen*.

### **ECONOMIC INDICATORS**

In 2015, Carrollton's assessed value of real and personal property grew to over \$11 billion with industrial/commercial valuations continuing to represent a larger percentage of the overall valuation, as compared with residential valuations. Because of good stewardship of taxpayers' dollars in managing expenses, managing municipal debt, and instituting a tax rate reduction in each of the past two years, Carrollton's bond rating continued to be "AAA" (Fitch Ratings).

Additionally, according to STI Popstats, Carrollton's estimated population in 2015 was 127,809, up from a population of 119,559, according to the 2010 Census (6.9% growth) and is projected to grow by 8.6% by 2020 to 138,817. Also, Carrollton's median household income, average home value, and workforce continued its steady growth trend.

### **MARKET SECTORS**

**Industrial:** Carrollton's Industrial Sector continued to grow slightly to 42,026,141 S.F., with a vacancy rate of under 6% and an average lease rate of \$5.51 (NNN).

In 2015, Billingsley Development Company announced it would build a new \$22 million, 330,000 square-foot headquarters facility at Austin Ranch for Interceramic, a top manufacturer and distributor of ceramic tile and natural stone. Interceramic will relocate approximately 150 employees from Garland to this new facility. Construction commenced immediately upon lease execution.

Prologis, the largest industrial developer/owner in the world, previously purchased a 54-acre tract in Valwood Industrial Park, which housed an 850,000 sq. ft. outdated microchip manufacturer. Prologis has since demolished the facility and is currently constructing two of the five proposed buildings. The first building is fully leased and will house an existing expanding Carrollton company. The second building is substantially leased. As many of the City's existing businesses look to expand to meet their specific market demands, the City is working closely with area real estate professionals to ensure that adequate product is available in Carrollton.

In 2015, the City also welcomed a number of new build-to-suit industrial projects including ABC Supply, WRG Warehouse, United Exports, and Rapid Power Management.

**Office:** Carrollton's Office Sector continued to grow slightly to 3,681,766 S.F., with a vacancy rate that shrunk significantly to under 3.5% and an average lease rate of \$21.68 (NNN).

Murata Electronics, a global technology company announced the relocation of their Dallas Area Product Development and Research & Development Division to Carrollton. Murata will locate in 30,000 sq. ft. of completely renovated office space and will bring 85 (growing to 130) highly paid executive and technology research-related positions to Carrollton. The City attracted Murata with the assistance of the City's newly created Job Creation Grant Program.

While 2015 brought the announcement that long-time Carrollton corporate citizen, RealPage, would be relocating to Richardson, positive news almost immediately followed with the re-lease of the majority of RealPage's space by Securus Technologies, a provider of communications solutions for the corrections industry. Generating approximately 1,000 jobs, Securus was also the second recipient to benefit from the City's Job Creation Grant.

**Retail:** Carrollton's Retail Sector continued to grow moderately to 6,643,120 S.F., with a vacancy rate that was down moderately to 10.8% with an average lease rate of \$13.54 (NNN).

The City's efforts to create fiscally-minded incentive programs to encourage the redevelopment of older shopping centers with gateway locations continues to generate results, with a number of new retail leases at both the redeveloped Northcrest Village Shopping Center and Carrollton Town Center. Additionally, Trinity Plaza owner, Weitzman, in conjunction with the City, spent time identifying and recruiting possible large-scale retail tenants to back-fill the space formerly occupied by Target. 2015 concluded with negotiations underway for the demolition of the former Target space and construction of a new Winco Foods.

Also this year, the City's retail sector saw continued growth with a number of new restaurants, banks, auto dealerships and service centers, mini-storage facilities, neighborhood retailers, and speculative retail centers.

Lastly, in an effort to maintain the City's retail momentum, the City enlisted the services of Catalyst Commercial, a retail consultant, who will perform a retail assessment, prioritization of the City's retail districts, and ultimately a final retail strategy.

**Hospitality, Medical and Residential:** 2015 continued to show significant growth in the hospitality, medical, and residential markets in Carrollton.

Construction continued on the new the Carrollton Hotel & Conference Center consisting of a 155-room Marriot Courtyard Hotel with a 20,000 square foot conference center (anticipated to open June 2016), as well as the new, 55-bed North Texas Regional Hospital (opened January 2016), and a 170-home, upscale planned housing community, The Parks at Raiford Crossing. Carrollton's remaining available land is quickly being developed, with much of that being residential.

The City experienced an increase in both the number of single family dwelling unit permits and residential remodeling permits over 2014. While all residential sectors (townhouse, single family, etc.) are being developed in Carrollton, the assisted living and multi-family market is extraordinarily active, with the addition of seven new assisted living facilities and nine new multi-family projects, in varying stages of development.

Also serving the City's growing residential base is the medical industry, which added several new physicians' offices and various specialized clinics/centers.

## **DOWNTOWN DEVELOPMENT**

Carrollton's Historic Downtown continues to see interest and activity with the completion of the newly revamped, award-winning Downtown Square, the addition of Cane Rosso Neapolitan Pizza, the announcement of Monkey King Noodle Co., new office and retail users, and new multi-family projects. While reconstruction of nearby I-35E has impacted Downtown Carrollton, and the upcoming year will be increasingly difficult with regard to access, the City and Downtown businesses continue to work together to market the area and ensure that visitors can reach their destination. With the completion of the new Square, additional event opportunities now exist that did not previously-Movies and Concerts on the Square, Santa Dash Event, and TexFest celebrating Texas' Independence Day, to name a few.

Downtown's attraction of multi-family developments will continue to bring the needed foot traffic to Downtown to maintain the current, and attract future, retailers and restaurants.

While not directly located in Downtown Carrollton, a nearby aged and blighted motel along I-35 was purchased and demolished by Sam Pack Chevrolet, paving the way for a new state-of-the-art

dealership; a testament to the City's extremely visible and desirable location along this major transportation corridor.

### **FUTURE GROWTH**

With Carrollton's strategic location in the Dallas Metroplex (15 minutes from DFW Airport; 20 minutes from Love Field; 30 minutes from Downtown Dallas), its three rapid transit stations on the Dallas Area Rapid Transit System (DART), its business-friendly regulatory environment, its low tax rate coupled with one of the highest rated public service delivery systems in the Metroplex, its low crime rate, and its high level of retail and entertainment choices, make Carrollton a solid investment for the future.

Monthly updates from the Economic Development Department are available on the Economic Development page of the City of Carrollton web site: [www.cityofcarrollton.com](http://www.cityofcarrollton.com).