



CARROLLTON
TEXAS

Where Connections Happen

2018 Economic Review

City of Carrollton, Texas
Office of Economic Development

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ECONOMIC INDICATORS

In 2018, Carrollton’s population grew to an estimated **135,710** and its assessed value (value of real and personal property) grew to more than **\$14 billion** with industrial/commercial valuations continuing to represent a larger percentage of the overall valuation, as compared with residential valuations. More than 14,000 businesses currently call Carrollton home.

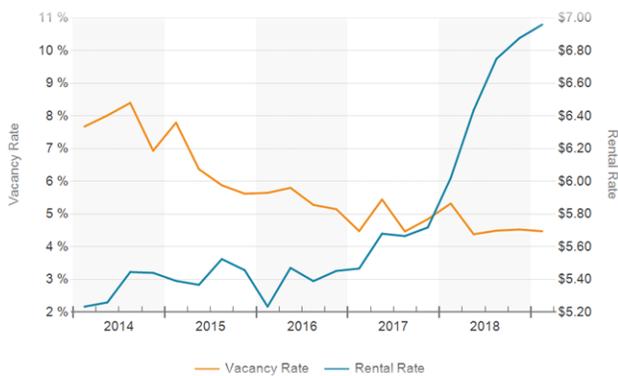
As of 2018Q3, total employment for Carrollton was **87,660**, a **1.5% increase** over the previous year. Average annual wages increased slightly during that past year with the average worker in Carrollton earning **\$63,060**. This is higher than the Texas average wage of \$56,053. Home values increased significantly in Carrollton in 2018, with the mean home value rising to **\$279,000**, a **13.2%** increase from the 2017 value of \$246,565. This increase is likely due to the large number of newly constructed homes in Denton County starting in the \$400-500Ks.

Consistent with last year, the largest industry sector in Carrollton is **Administrative and Support and Waste Management and Remediation Services**, employing 14,643 workers. This sector consists of companies performing routine support activities for the day-to-day operations of other organizations such as staffing, security and surveillance, business support services, etc. The next largest sectors are **Manufacturing** and **Construction**, employing 10,127 and 8,435 people, respectively.

Once again, **metal and product manufacturing** is the industry cluster in Carrollton with the highest relative concentration. 1,828 people are employed in this industry in Carrollton with an average salary of \$54,706. The location quotient is 2.75 (national average is 1.0), indicating a large concentration of metal and product manufacturing workers compared to the rest of the U.S. **Media** is the second largest industry cluster, followed by **electric/electronics manufacturing**.

MARKET SECTORS

Industrial: Carrollton’s Industrial Sector, represented by 690 industrial and flex buildings, grew to 44,167,451 SF with a vacancy rate of only 4.5%. Average rent grew 17% in the past year to \$6.96 (NNN). This chart indicates the historical trend of Carrollton’s industrial product, with rent currently at an all-time high and **vacancy near an all-time low**.



Developer **Core5 Partners** broke ground on a two-building industrial complex last year at Belt Line Rd and Luna Rd called **Valwood Crossroads**. The two buildings exceed 600,000 SF of industrial space and are already 100% pre-leased by an undisclosed tenant (awaiting tenant permission to announce). Completion and occupancy are anticipated in 2019.

With its high industrial occupancy rate and limited availability of land to develop, Carrollton continues to seek redevelopment opportunities. In 2016, **Prologis** began developing **Valwood Corporate Center** in Valwood Industrial Park, a four-building industrial complex on a 54-acre tract previously occupied by an outdated, 850,000-square-foot microchip manufacturer.

The first two buildings were completed and fully leased by 2017. The third building was completed in 2017 and fully leased by **Mopar** (153,814 SF), **Style Access** (81,103 SF), and **US Pack** (153,814 SF) the past year. The fourth building is near completion and serves as a prime candidate for a large manufacturing or distribution company at 235,900 SF.

Construction equipment supplier **Georgia Underground & Supply Inc.** leased 21,000 SF at 1515 Monetary Ln, spot cooler rental company **Preferred Climate Solutions** leased 9,000 SF of warehouse/distribution space at 1711 Briercroft Ct, and hobby products company MMD Holdings LLC d.b.a. **Squadron** renewed its lease for 50,979 SF at 1115 Crowley Dr. Plastic container manufacturer **Pretium Packaging** expanded its Carrollton presence at 1515 Champion Dr by 52,000 SF.

Additionally, luxury vehicle handling and logistics company **SWE Auto Prep/LAP Auto Transport** relocated from Los Angeles to 2720 Commodore Dr, which houses its logistics division and a studio.

Parks Coffee, a family-owned office coffee service provider established in Carrollton in 1986, completed the construction of its new 50,000-square-foot roaster, warehouse facility and storefront space at 1401 MacArthur Dr.

Office: Carrollton's Office Sector, represented by 249 buildings, grew to 4,172,888 SF, with a vacancy rate of 15.1% and an average lease rate of \$21.31 (NNN).

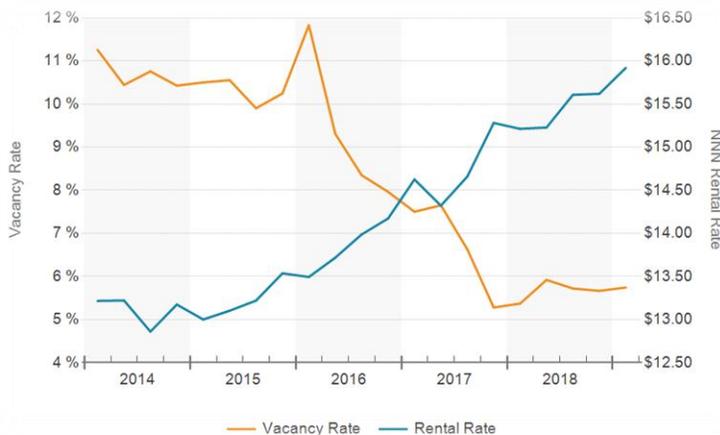
Pharmaceutical company **AmerisourceBergen Corp.** will begin occupying its brand new 300,000-square-foot facility at Austin Ranch in January, initially housing approximately 1,500 employees.

86,393-square-foot office building **2121 Midway Rd** received a facelift in 2018 after being acquired by JMTY Group. The company acquired and remodeled the building after it was vacated by BeautiControl, and subsequently leased 16,421 SF to civil engineering firm **JBI Partners**.



French medical hygiene product company **Cleanis** relocated its U.S. sales office from New York to 2245 Keller Way last spring, occupying 2,572 SF of office space.

Retail: Carrollton's Retail Sector grew slightly to 6,753,607 SF with vacancy rates remaining low at 5.7% and an average lease rate of \$15.92 (NNN). Retail rent is at an all-time high in Carrollton.



The new 87,077-square-foot **WinCo Foods** grocery store opened at **Trinity Valley Shopping Center** in March and has experienced steady crowds and positive reviews.

At the SW corner of President George Bush Turnpike and Josey Ln, **Trinity Plaza Shopping Center** received a significant makeover. Renovations included new exterior, landscaping, signs and new lighting.

Restaurants such as **Chipotle, Fajita Pete's, Munchiez, Zero Degrees, Musiro, Cow Tipping Creamery, Sunny Street Café, Halo Hawaiian BBQ and Poke**, and many others opened in 2018.

DOWNTOWN DEVELOPMENT

Downtown Carrollton continues to attract mixed-use development that appeals to both Carrollton residents and daytime employees and creates a destination atmosphere. In July, City Council authorized a development agreement with TCC High Street Development (Trammell Crow Company) for additional mixed-use development at 1415 S. Broadway St and 1105 Vandergriff Dr. This new Class A luxury apartment building, **Olympus on Broadway**, will have a minimum 300 units, minimum 5,000 SF of retail/commercial flex space, an elevated pedestrian bridge over Broadway connecting the two parcels, and a multi-level structured parking garage.

Three Nations Brewery recently announced it would relocate its Farmers Branch brewery to Downtown Carrollton at 1010 5th Ave, a historical grain storage shed built in 1950. The brewery plans to open in summer 2019 following significant renovations to the existing building.

In May 2018, Jay Jerrier, owner of Cane Rosso Neapolitan Pizza and Cow Tipping Creamery, took over the lease agreement for Monkey King Noodle Co. on 1309 S. Broadway St for a new restaurant concept, **Gipsy Danger Quality Sandwiches & Ice Cream**. Once the lease was executed, the restaurant immediately went live with Cow Tipping Creamery ice cream products, but will expand in the future to include East Coast-style sandwiches, parmesans, pastrami, cheesesteaks, and hamburgers alongside their standard offering of Cow Tipping Creamery ice cream, shakes and sundaes.

LOOKING FORWARD

Employment in Carrollton is projected to expand by **1,482** jobs next year and will soon exceed **90,000**. The fastest growing sector is expected to be **Mining, Quarrying, and Oil and Gas Extraction**. This industry is currently experiencing a 3.3% year-over-year growth rate. The fastest growing occupation group is **Healthcare Support Occupations** at 3.4% year-over-year projected growth.

While all employment in Carrollton is projected to grow 1.7% over the next ten years, occupations typically requiring a postgraduate degree are expected to grow 2.7% per year, those requiring a bachelor's degree are forecast to grow 2.0% per year, and occupations typically needing a 2-year degree or certificate are expected to grow 2.1% per year. These statistics provide our community and education partners valuable insight into the types of degrees and skill sets that are in demand for our future workforce.

One of Carrollton's greatest strengths is its transportation infrastructure, in particular its three DART light rail stations. The largest and arguably most exciting project on Carrollton's horizon is **Trinity Mills Urban Village**, a 26+ acre mixed-use project in partnership with DART and Integral Developers to transform former parking lots and other commercial land acquired by the City into an urban village that will spur further investment around the Trinity Mills DART station and the Broadway corridor to Downtown Carrollton. In addition to retail, multi-family, hotel, and entertainment, the project will include **600,000 SF of Class A office space** in three phases, of which 80,000 SF is currently available for pre-lease. KOA Brokerage is currently marketing the space, and construction is anticipated to begin after Phase I has been pre-leased.

In 2018, DART approved the proposed **Cotton Belt Rail Line**, a planned 26-mile commuter rail line that will run East-West connecting Downtown Plano to DFW International Airport, making a stop at the **Downtown Carrollton DART station**. The rail is scheduled to begin construction in 2019 and to be functional by December 2022.

Monthly updates from the Economic Development Department are available on the Economic Development page of the City of Carrollton website:

<http://www.cityofcarrollton.com/departments/departments-a-f/economic-development/economic-development-update>.