Metro Houston Outlook for Trendlines

Presented by

Patrick Jankowski

Chief Economist and SVP, Research

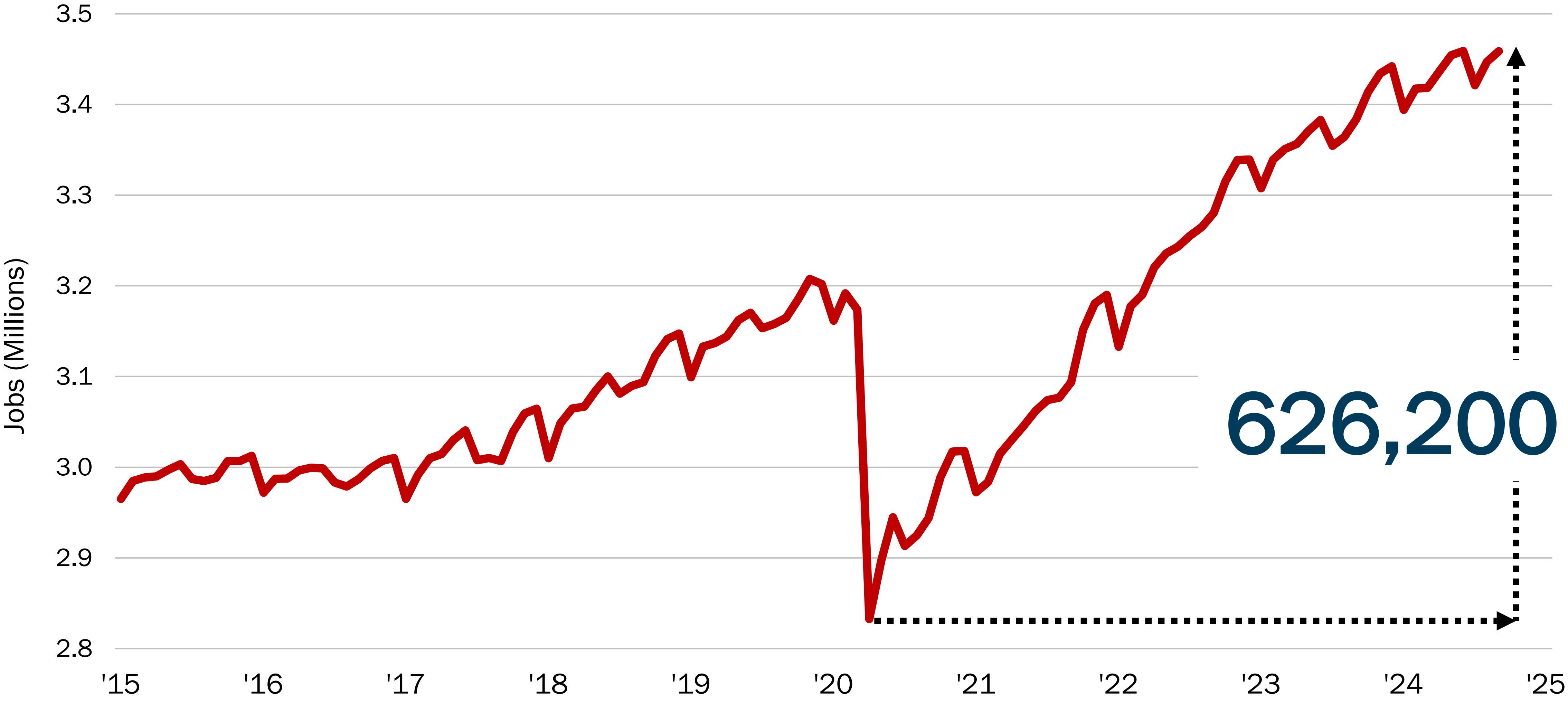
626,200

626,200

Houston Job Gains

May ’20 – Sep ’24

Metro Houston Employment*



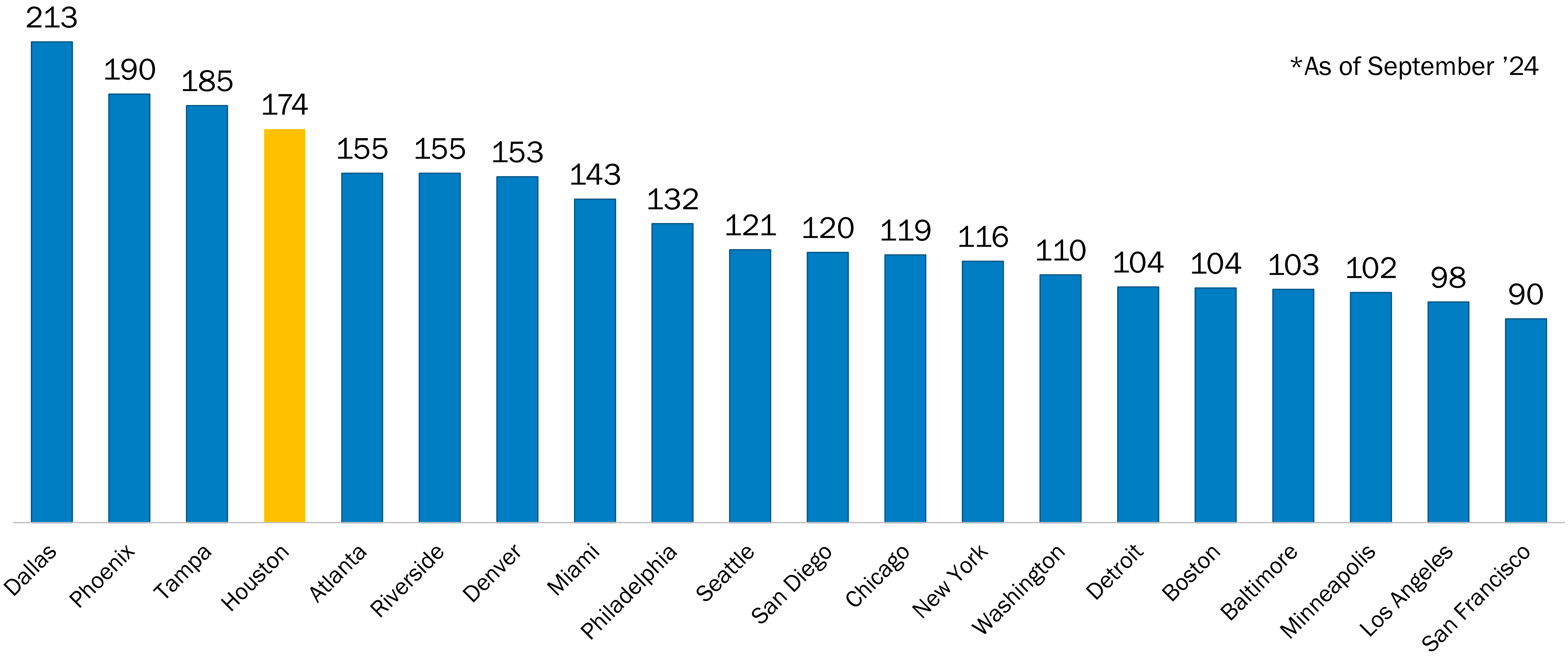
* Not seasonally adjusted

Source: Texas Workforce Commission

GREATER HOUSTON **PARTNERSHIP**.

% Covid Job Losses Recovered*

20 Most Populous U.S. Metros



Source: Partnership calculations based on U.S. Bureau of Labor Statistics data

75,100

75,100

Houston Job Growth

Sep ’23 – Sep ’24

U.S. Metros Adding Most Jobs

Sep '23– Sep '24

Metro	Jobs (000s)	Metro	Jobs (000s)
New York	149.6	Tampa	25.5
Dallas	83.3	Boston	24.3
Los Angeles	81.8	Washington, DC	21.1
Houston	**75.1**	San Diego	15.6
Miami	63.0	San Francisco	15.1
Phoenix	43.5	Denver	6.8
Atlanta	43.0	Baltimore	5.4
Philadelphia	41.8	Chicago	4.6
Riverside	33.2	Detroit	3.3
Seattle	25.8	Minneapolis	-6.8

Source: U.S. Bureau of Labor Statistics

4.4%

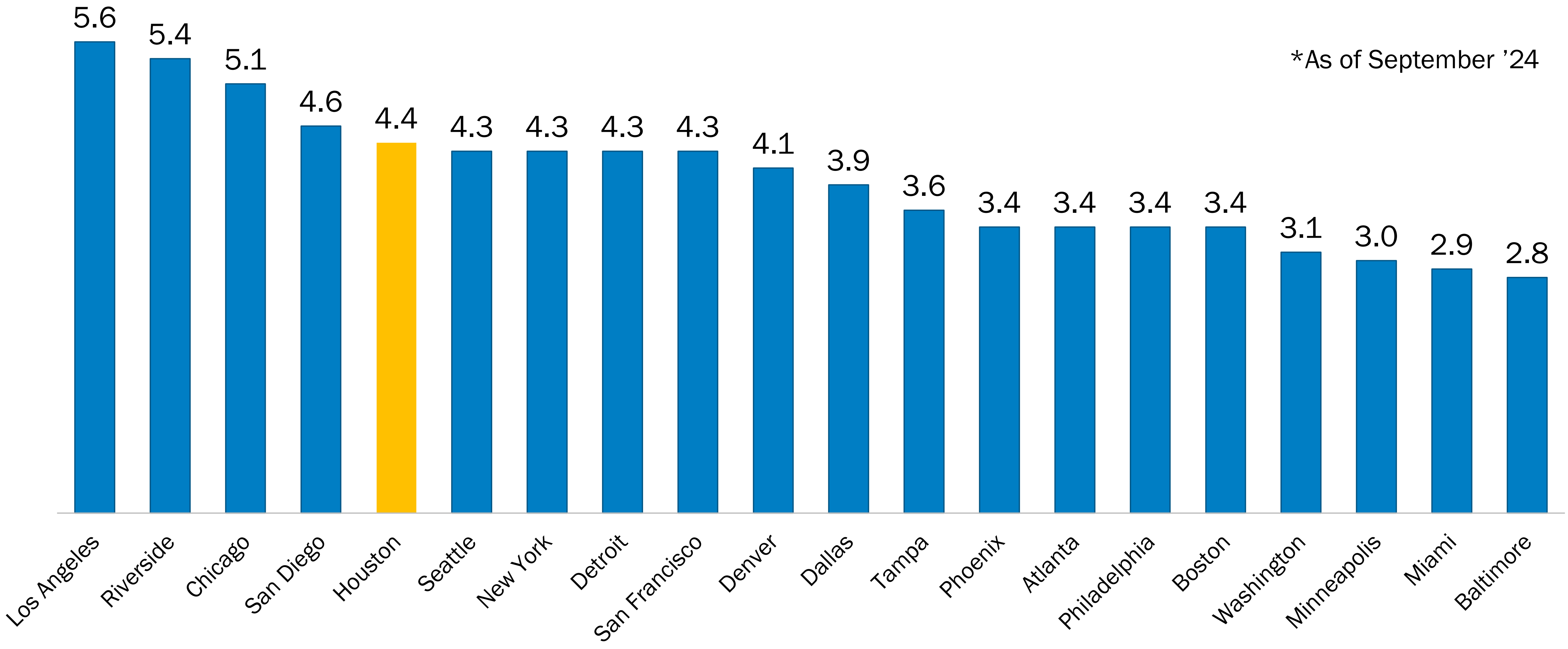
4.4%

Unemployment Rate

Metro Houston, Sep ’24

Unemployment Rate

20 Most Populous U.S. Metros



Source: U.S. Bureau of Labor Statistics data

Initial Claims for Unemployment Benefits, Metro Houston

4-Week Moving Average

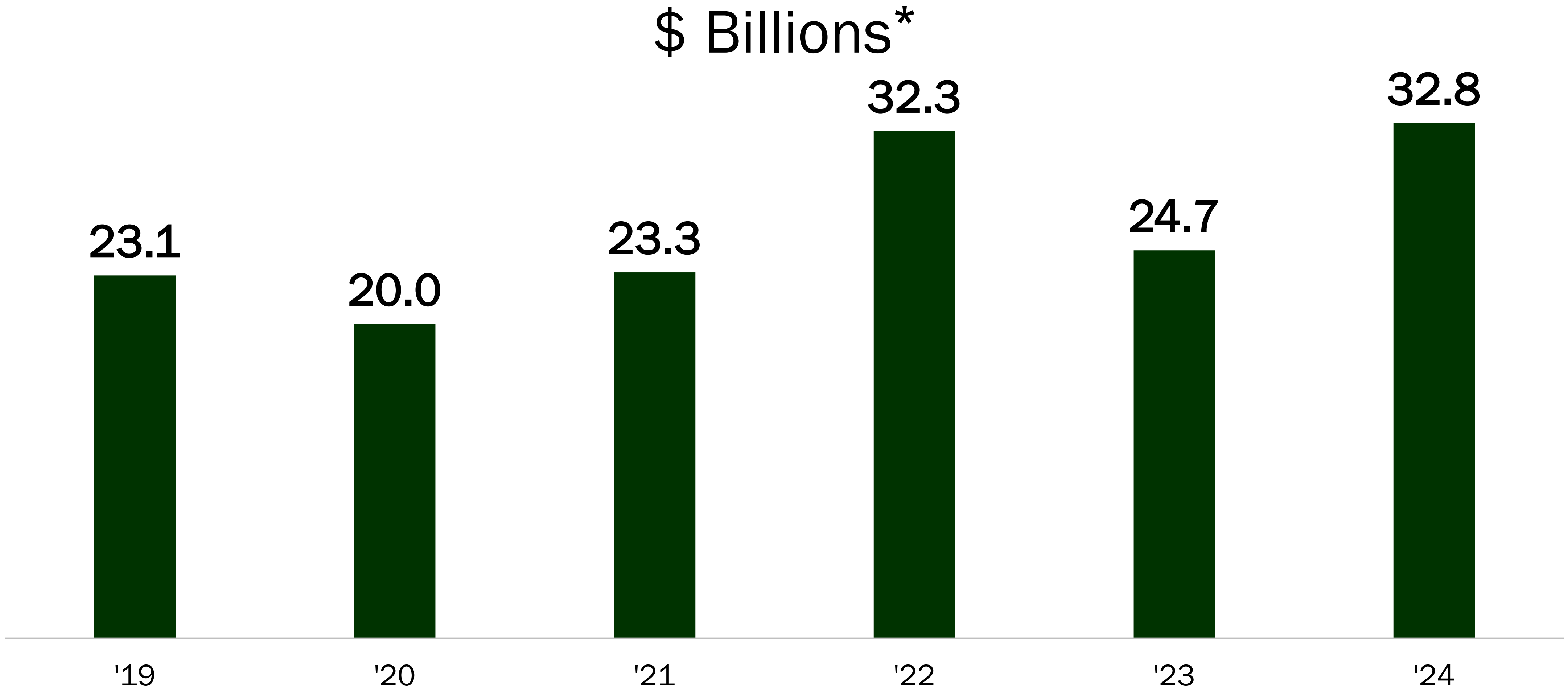
Source: Partnership calculations based on Texas Comptrollers data

Net In-Migration, July '22 – July '23

Metro	Change	Metro	Change
Dallas-Ft Worth	101,419	Riverside	3,012
Houston	92,198	Seattle	-1,099
Tampa	54,660	Baltimore	-5,714
Atlanta	42,512	Detroit	-7,979
Phoenix	35,892	Philadelphia	-6,630
Miami	32,663	San Diego	-19,978
Denver	6,913	San Francisco	-23,654
Washington, DC	6,508	Chicago	-36,706
Boston	6,348	Los Angeles	-101,387
Minneapolis	5,703	New York	-133,571

Source: U.S. Census Bureau

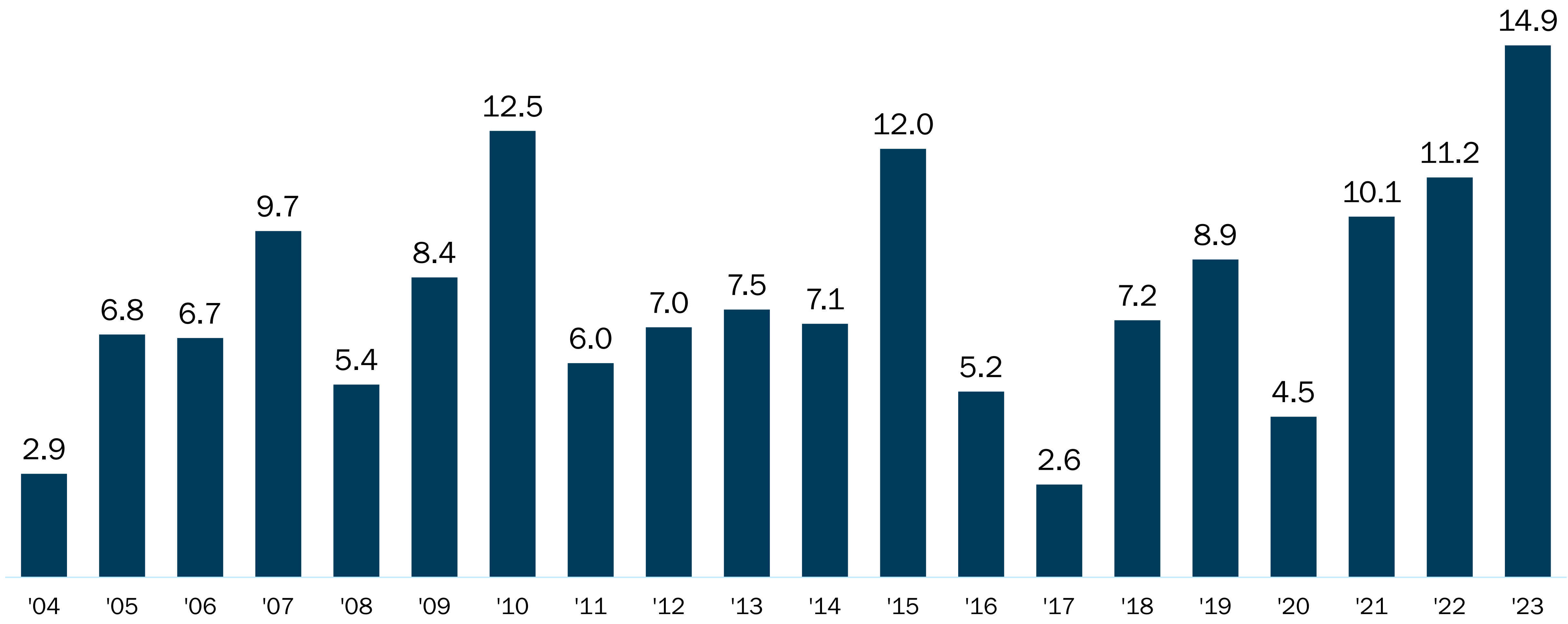
Construction Contract Awards, Sep YTD



* Nominal dollars
Source: Dodge Data & Analytics

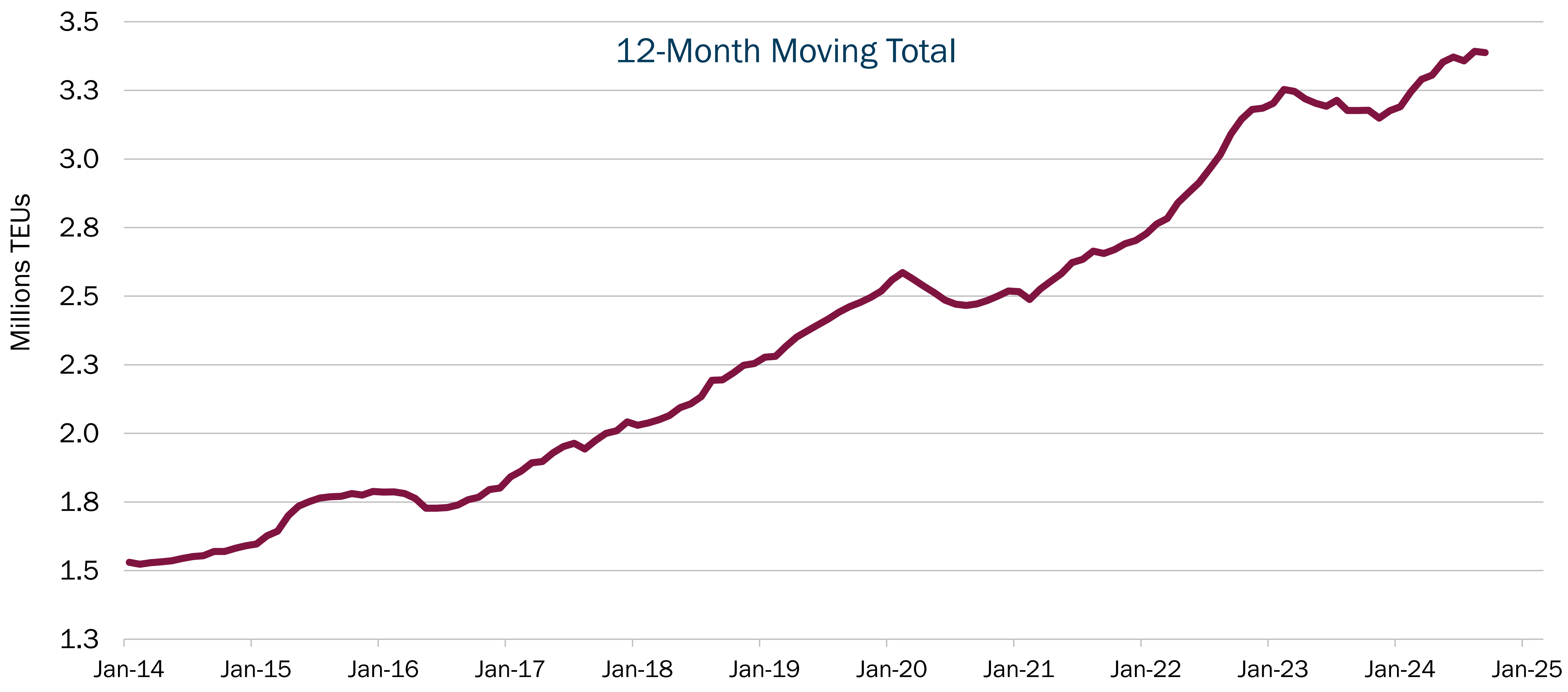
Health Care

Annual Job Gains, '000s



Source: Texas Workforce Commission

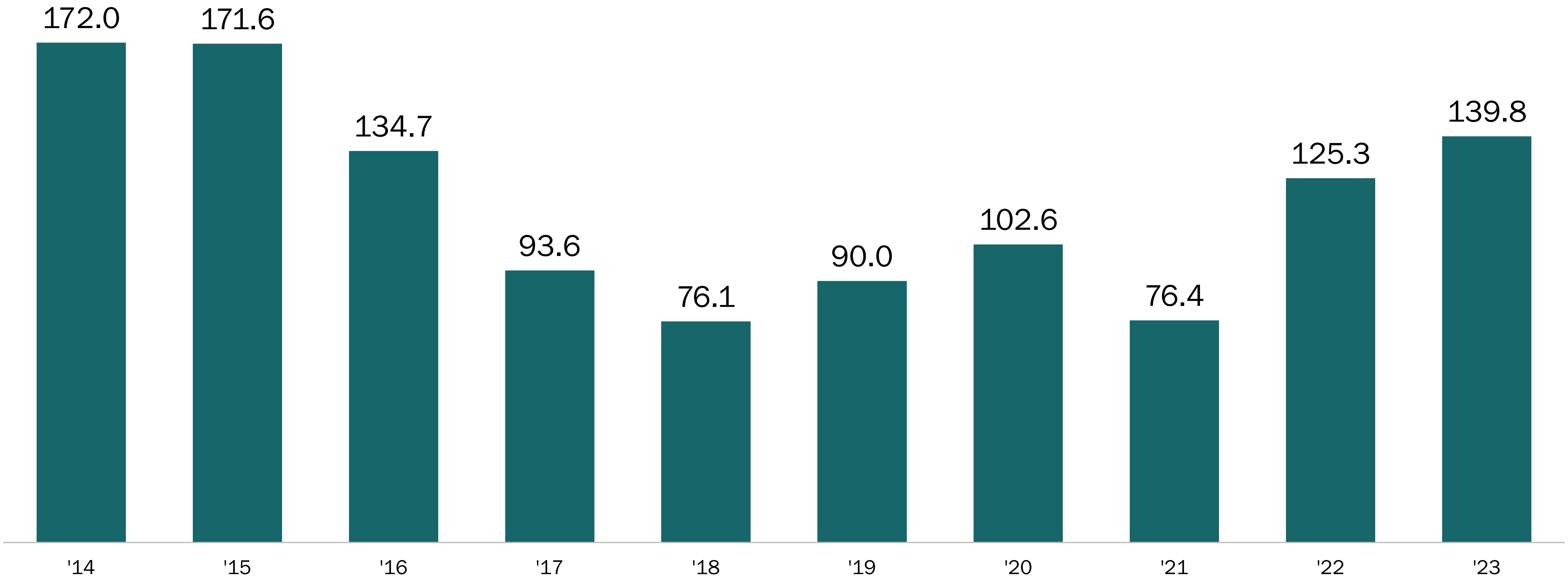
Container Movements, Port Houston



Source: Port Houston Authority

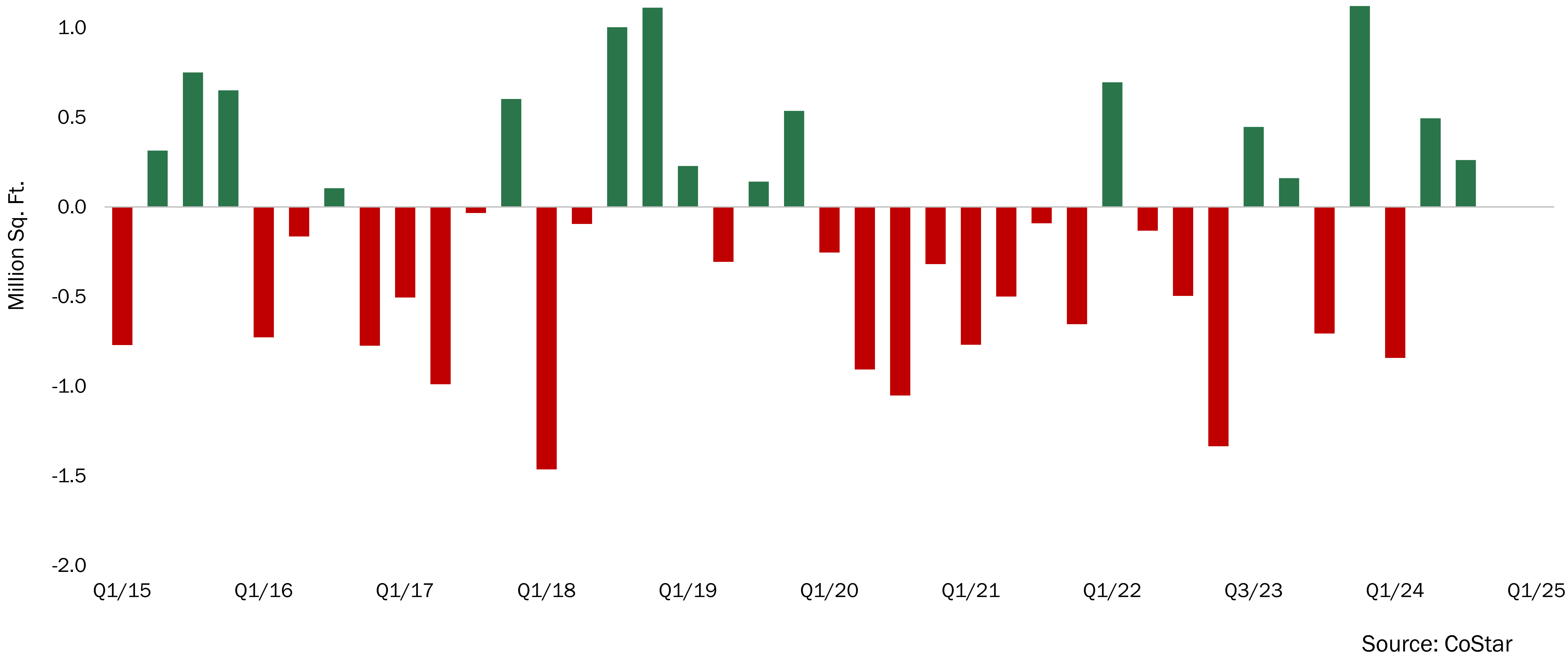
Net Gains in Population

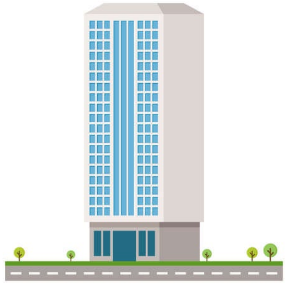
Metro Houston (‘000s)



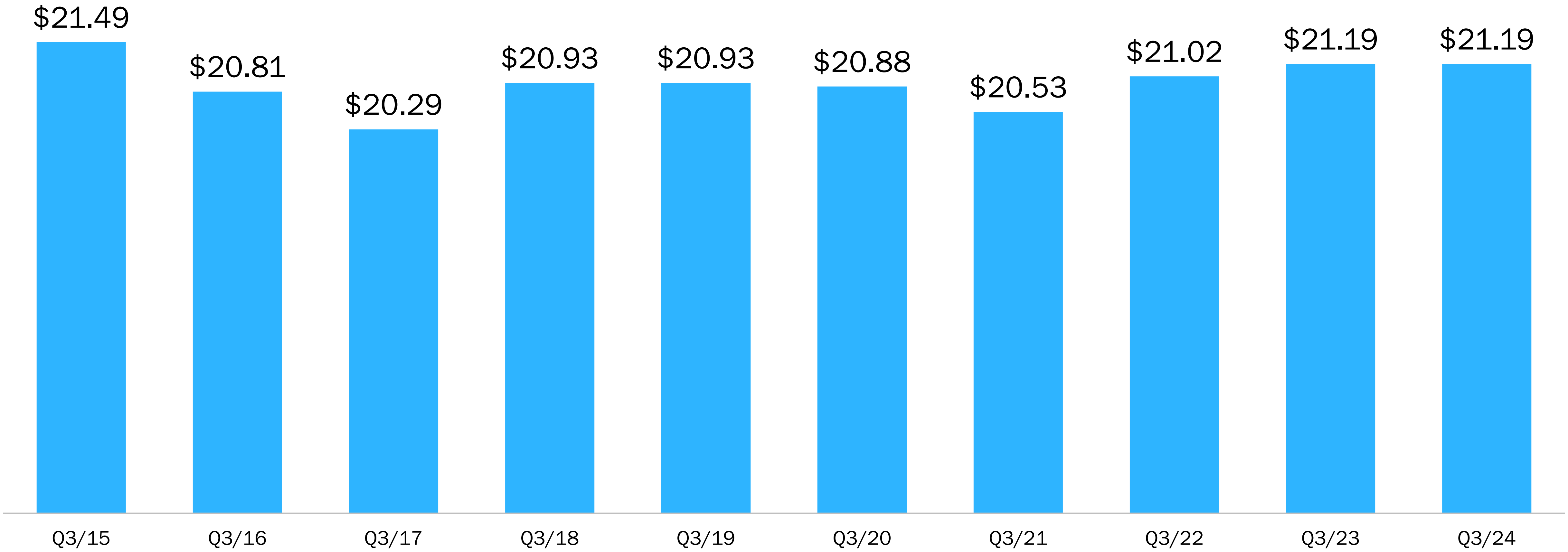
Source: U.S. Census Bureau

Metro Houston, Net Office Absorption





Houston Office Base Rents
Average Annual Rate, $/Sq. Ft.



Source: CoStar

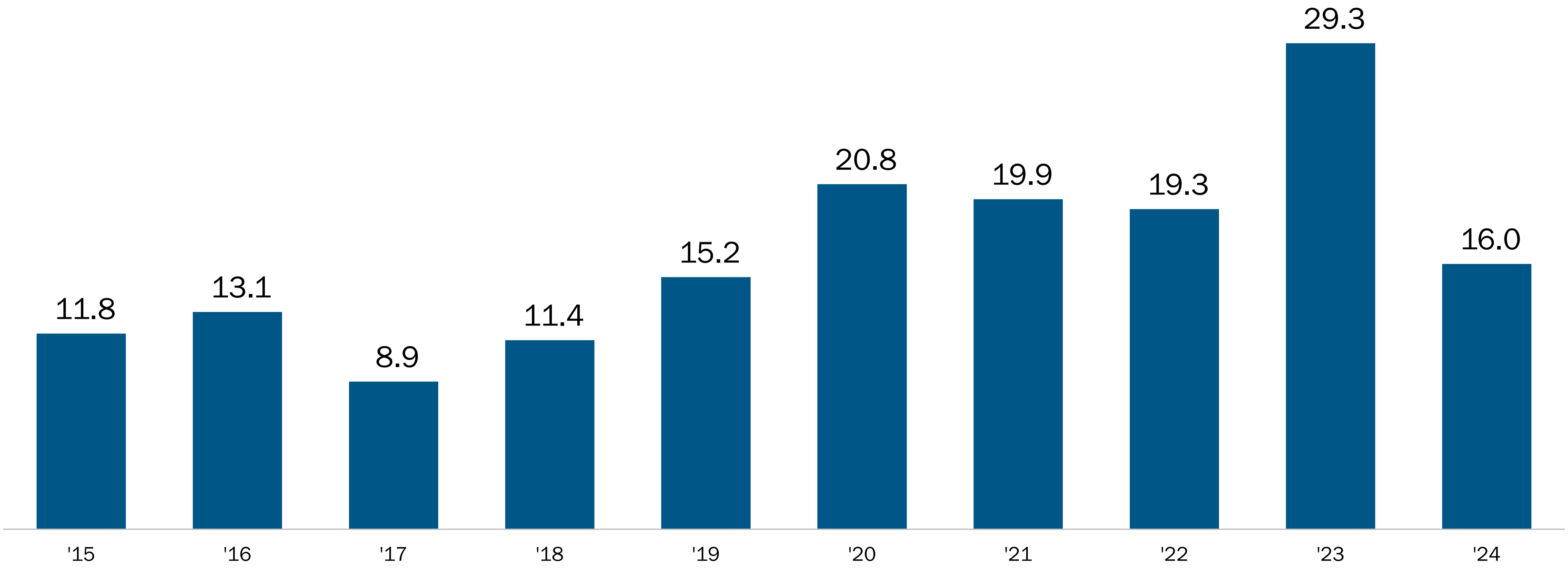
Bosses Are Calling Workers Back to the Office. That's Good News for Landlords.

THE WALL STREET JOURNAL.

Oct. 29, 2024 5:30 am ET

Houston Industrial Space Deliveries

Million Sq. Ft., September YTD



Source: CoStar

Houston Industrial Space Absorption

4-Quarter Moving Total

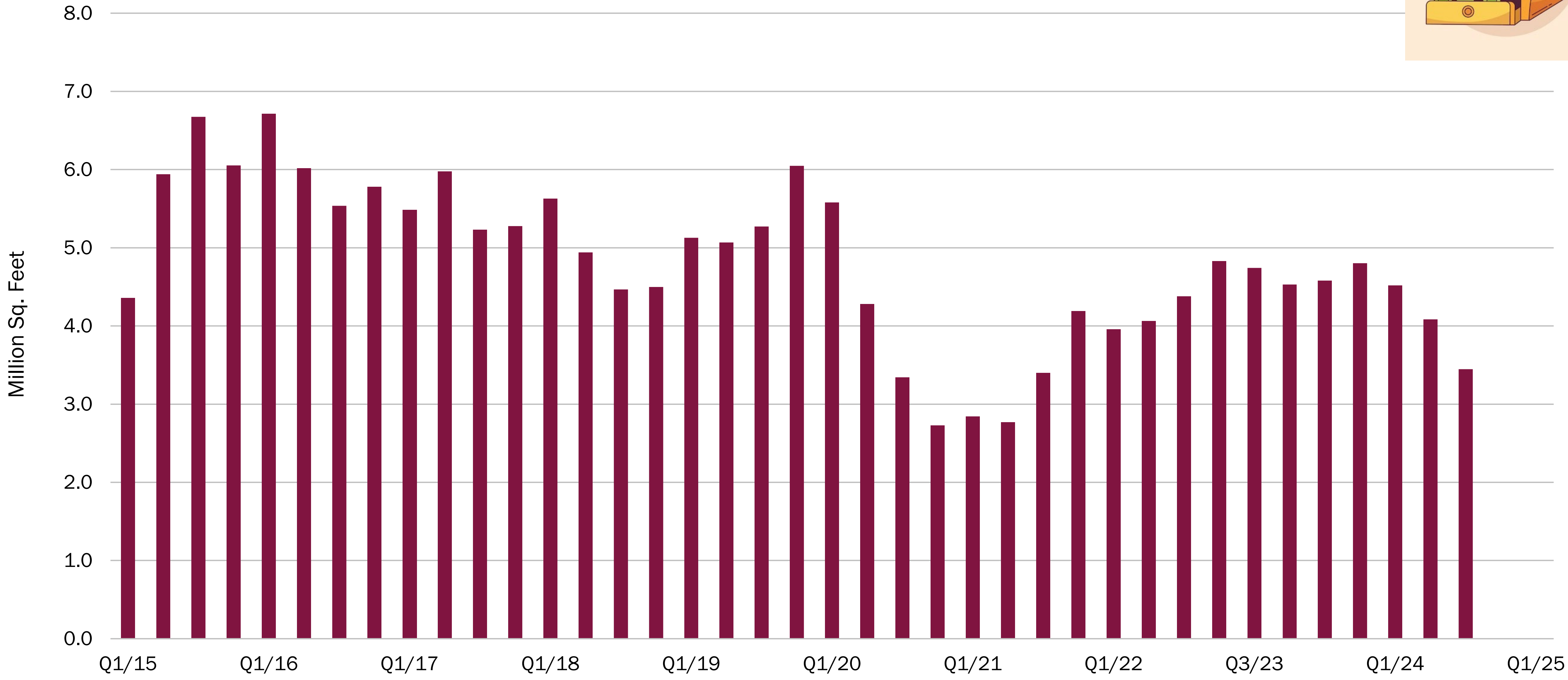
Source: CoStar

Warehouse Construction Is Tumbling as Vacancy Rates Rise

THE WALL STREET JOURNAL.

Oct. 4, 2024 2:18 pm ET

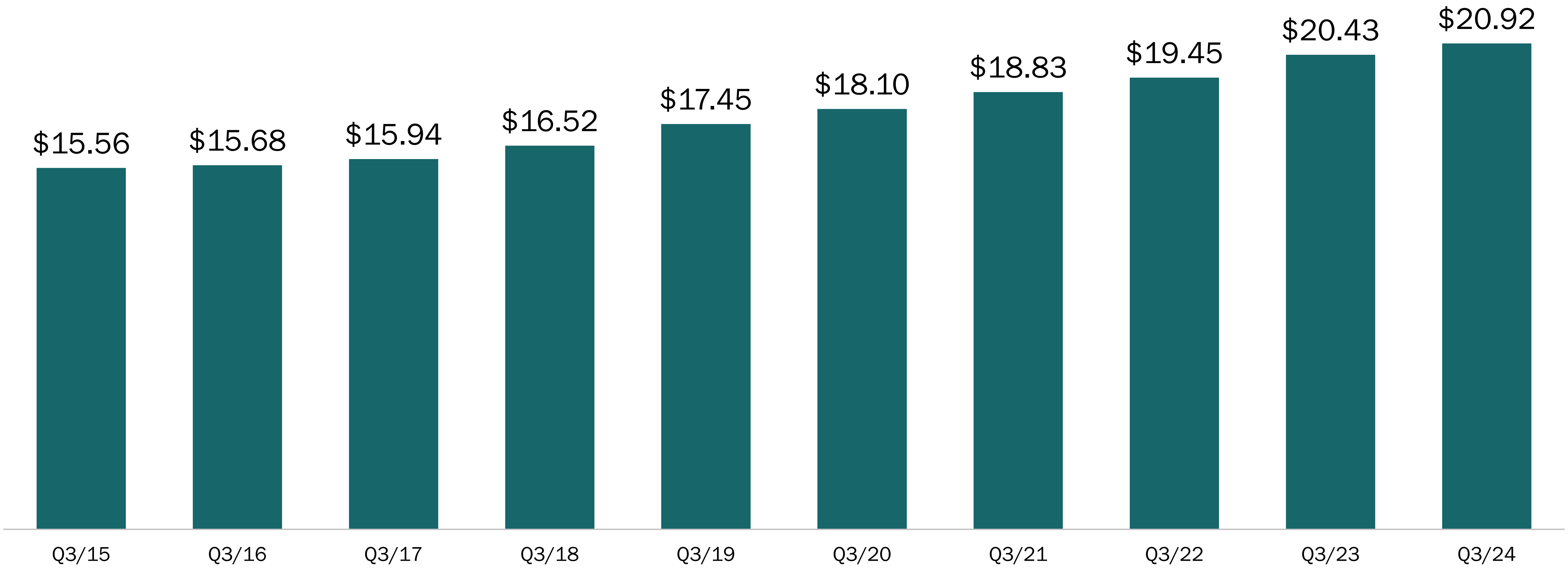
Metro Houston, Retail Space Under Construction



Source: CoStar

Houston Retail Lease Rates

Annual Cost, NNN. $/Sq. Ft.



Source: CoStar

Retail Space Is Going Fast and Pushing Out Local Shops

THE WALL STREET JOURNAL.

Oct. 21, 2024 9:00 pm ET

mri apartment data

Houston - November 4, 2024

Overview

Operating Supply	
3,237 Apartments	768,627 Units

Recently Opened (Past 12 months)	
100 Apartments	25,640 Units

Rental Rate & Occupancy	
1,279 $/mo	88.7% occupied
1.43 $/sf/mo	

Under Construction	
67 Apartments	16,661 Units

Performance (Past 12 months)	
19,433 Units Absorbed	▲1.3% Rental Rate Growth

Proposed	
118 Apartments	37,853 Units

mri apartment data

Houston - November 4, 2024

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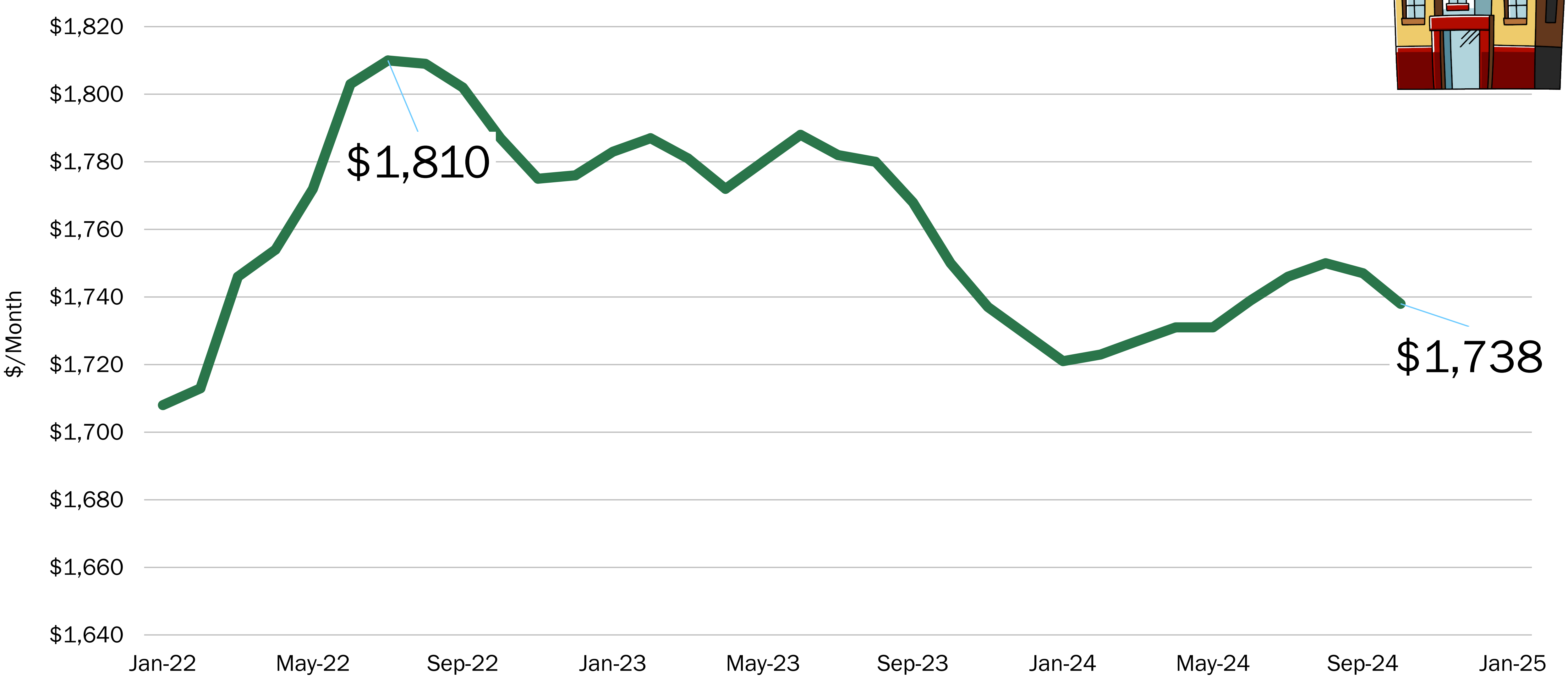
Average Class A Rent, Houston Market



Source: MRI Apartment Data

America's Empty Apartments Are Finally Starting to Fill Up

If that demand is sustained, landlords likely will have more pricing power starting sometime next year

THE WALL STREET JOURNAL.

Nov. 5, 2024 5:30 am *ET*

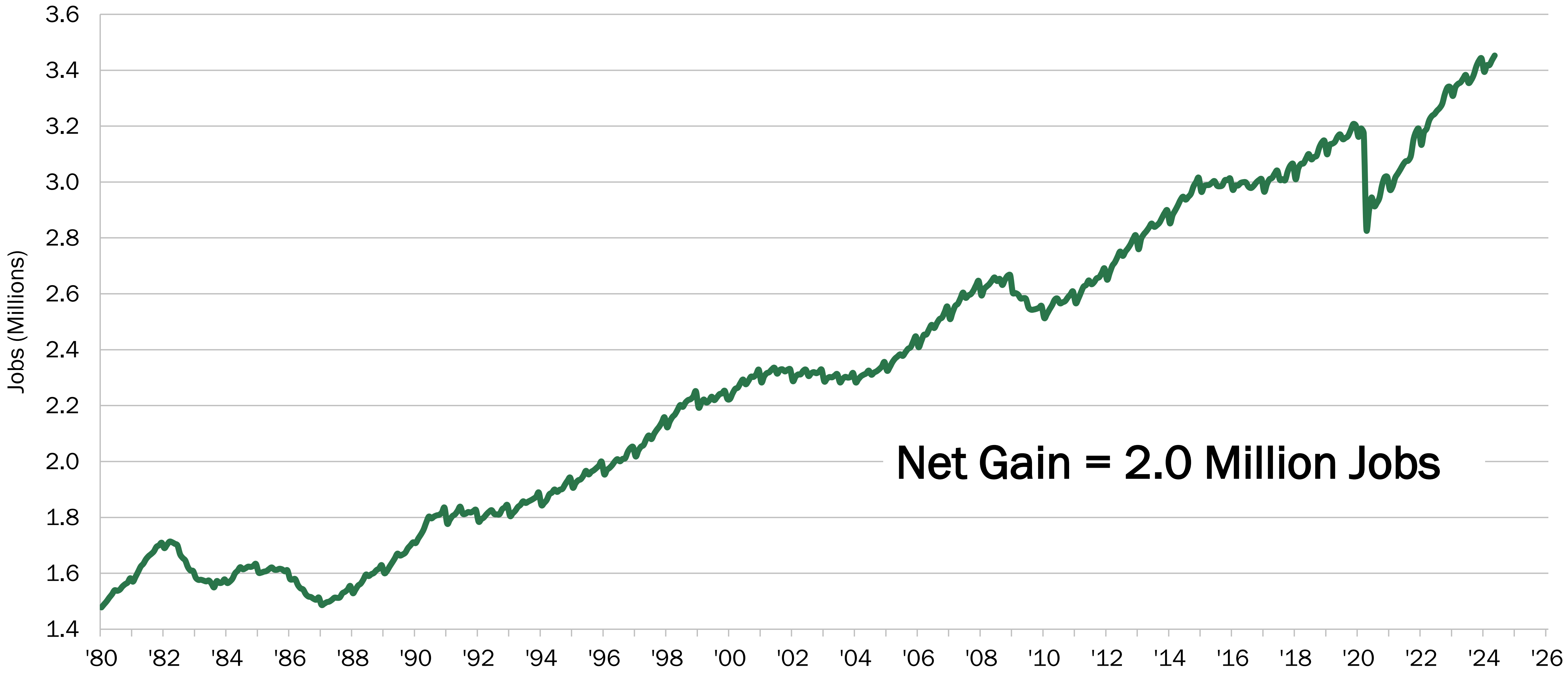
Long-Term Perspective

Hurricane Beryl's estimated damage is in the billions

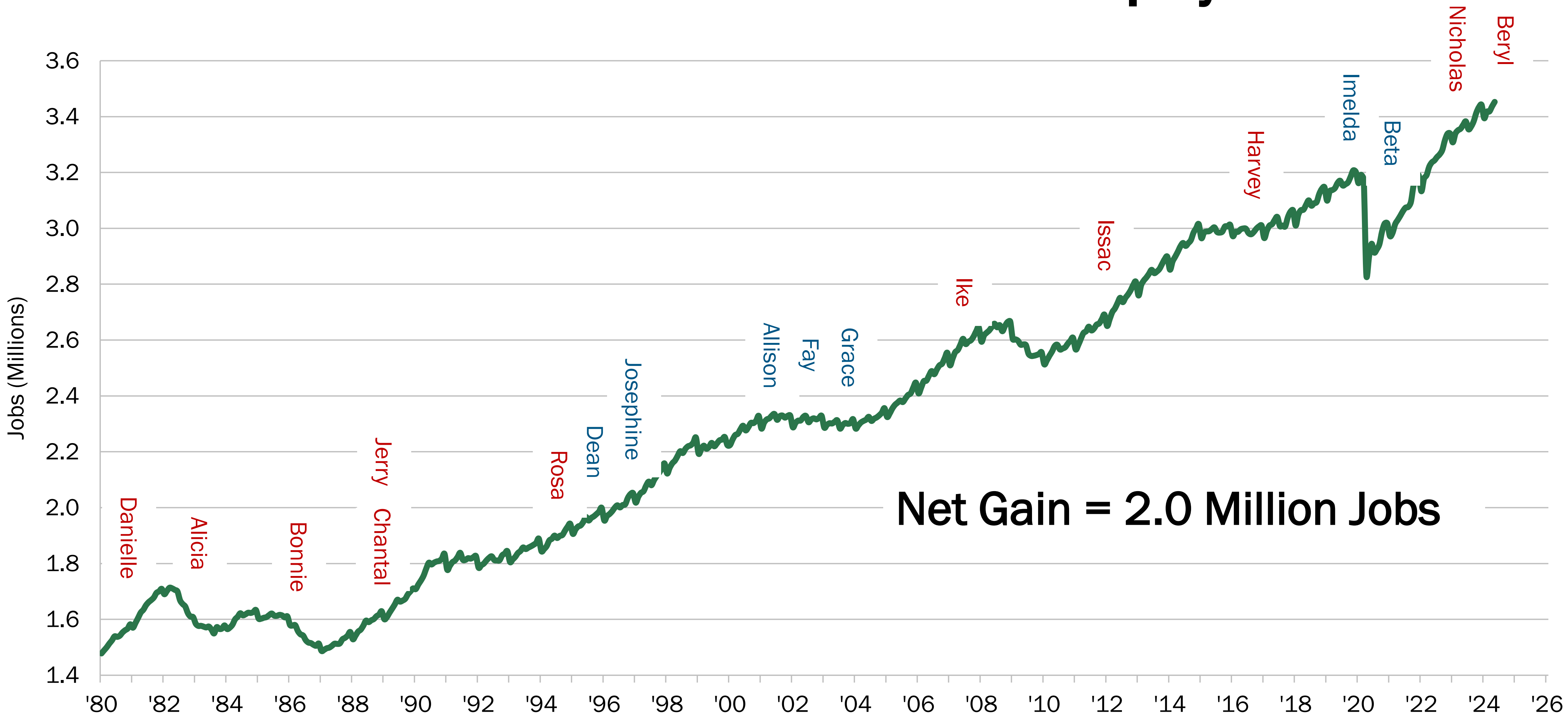
Jul 18, 2024

AXIOS

Metro Houston Employment



Named Storms and Metro Houston Employment



Incudes any storm or hurricane that impacted at least one of the Houston metro area counties.
Tropical storms in blue, hurricanes in red.

GREATER HOUSTON PARTNERSHIP.

Houston's economy is?

- ❑ Healthy
- ❑ Growing
- ❑ Resilient
- ❑ All the above

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Thank you

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