GREATER HOUSTON PARTNERSHIP

THE ECONOMY AT A GLANCE
HOUSTON

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Welcome, Welcome, Welcome —Houston added 125,005 residents, a 1.9 percent increase, in the 12 months ending July 1, 2016, according to recent estimates by the U.S. Census Bureau. Houston saw the second largest gain of any U.S. metro. Dallas-Fort Worth led the nation and metro Phoenix came in third.[1]

About half Houston's growth came from what demographers refer to as the "natural increase," *i.e.*, more births than deaths, and half from "net migration," *i.e.*, more people moving into Houston than moving out. The breakout for the year:

- 61,616 residents from the net natural increase (102,152 births, 40,536 deaths)
- 63,090 residents from net migration (35,000 from abroad, 28,090 from the U.S.)[2]

Analysts expected smaller gains since population growth tends to align with job growth. Houston lost 1,500 jobs over the period covered by the bureau's estimates, but people moved here anyway.[3] A combination of factors likely contributed to the better-than-expected performance. News of Houston's slowdown may have not yet reached economic migrants overseas. Energy firms may have recalled ex-pat workers to Houston. Domestic migrants may have relocated here for non-energy jobs. And many may have come here for non-economic reasons, *e.g.*, to be closer to family or escape a cold climate.

POPULATION CHANGE, 20 MOST POPULOUS U.S. METRO AREAS, 7/1/15 TO 7/1/16

Rank	Metro Area	Population As of 7/1/16	Population △since 7/1/15	Rank	Metro Area	Population As of 7/1/16	Population △since 7/1/15
1	New York	20,153,634	35,571	11	San Francisco	4,642,227	36,939
2	Los Angeles	13,310,447	41,619	12	Phoenix	4,567,857	93,680
3	Chicago	9,512,999	-19,570	13	Riverside	4,475,437	52,400
4	Dallas-Ft Worth	7,233,323	143,435	14	Detroit	4,297,538	79
5	**Houston**	**6,772,470**	**125,005**	15	Seattle	3,727,097	71,805
6	Washington, D.C.	6,131,977	53,508	16	Minneapolis	3,518,252	32,784
7	Philadelphia	6,070,500	8,197	17	San Diego	3,290,245	27,504
8	Miami	6,066,387	64,670	18	Tampa	2,971,086	61,085
9	Atlanta	5,789,700	90,650	19	Denver	2,808,816	44,261
10	Boston	4,794,447	27,692	20	St. Louis	2,808,330	-1,328

Source: U.S. Census Bureau

[1] Metro Houston includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller Counties.
[2] Totals do not sum due to rounding and other factors.
[3] Houston lost jobs in the 12 months ending June '16, and again in July and August, but it finished the year with a net increase of 18,700 jobs. For a detailed discussion of job growth in '16, see the March issue of *Houston: The Economy at a Glance*.

Houston has added 851,971 residents since the ’10 census. That’s more than the current population of McAllen-Edinburg-Mission (849,843) or metro El Paso (841,971). A combination of births, domestic and international migration has driven Houston’s growth. That’s not the case for other metros, however. Eleven of the nation’s 20 largest have seen an outflow of residents. International migration has been strong enough to offset the losses in five of them. For the remaining six, however, an influx of immigrants hasn’t stemmed the outflow. If not for the resident births as well, those metros would have lost population. That’s especially true for the nation’s three largest metros—New York, Los Angeles, and Chicago.

COMPONENTS OF POPULATION CHANGE, 20 MOST POPULOUS US METROS, 4/1/10 TO 7/1/16

Metro Area	Cumulative Change	Vital Events			Net Migration		
		Natural Increase	Births	Deaths	Total	Interna-tional	Domestic
Houston	851,971	372,983	599,542	226,559	476,857	193,618	283,239
Dallas-Ft Worth	807,082	357,825	611,857	254,032	444,944	140,476	304,468
New York	587,163	671,717	1,564,247	892,530	-53,912	848,704	-902,616
Atlanta	502,975	241,489	455,443	213,954	257,589	104,223	153,366
Miami	500,089	120,947	419,349	298,402	374,706	381,468	-6,762
Washington, D.C.	495,561	297,395	504,490	207,095	199,276	245,540	-46,264
Los Angeles	481,486	554,435	1,048,792	494,357	-57,111	315,879	-372,990
Phoenix	468,410	181,548	371,027	189,479	276,953	61,506	215,447
Seattle	359,094	138,356	286,468	148,112	219,950	114,434	105,516
San Francisco	343,605	142,355	326,874	184,519	207,374	164,527	42,847
Denver	309,477	114,694	218,000	103,306	191,814	36,967	154,847
Riverside	302,872	205,740	382,981	177,241	93,298	33,845	59,453
Tampa	248,657	10,936	196,969	186,033	230,607	67,450	163,157
Boston	241,852	103,093	323,794	220,701	145,718	182,201	-36,483
San Diego	222,407	147,776	276,631	128,855	74,361	89,838	-15,477
Minneapolis	202,177	147,515	285,404	137,889	57,080	65,095	-8,015
Philadelphia	104,838	115,420	450,964	335,544	-4,729	123,139	-127,868
Chicago	51,449	321,530	752,946	431,416	-260,662	148,505	-409,167
St. Louis	19,243	53,414	212,784	159,370	-32,609	25,293	-57,902
Detroit	1,304	62,557	314,182	251,625	-58,684	71,848	-130,532

Note: Totals may not sum due to rounding and other factors
Source: U.S. Census Bureau

The robust growth of the past year underscores a Houston maxim—the region finds a way to grow, even when faced with low oil prices. Over the past 30 years, oil prices ranged from $12 to $150 per barrel, yet the metro population has nearly doubled, from 3.6 million in ’87 to 6.8 million in ’16. Houston should top 7.0 million by ’18. When will it top 8.0 million?

If current migration trends continue, the official Texas state demographer expects Houston to reach that milestone in ’24. Washington-based Woods & Poole sets the event in ’26. The Perryman Group places that benchmark in ’29.

A Slice of the Pie — Every county in the nine-county Houston-The Woodlands-Sugar Land metro area has added population since the ’10 Census. The bulk of Houston’s growth has occurred in Harris, Fort Bend and Montgomery counties, the three accounting for nine out of every 10 new residents.

COMPONENTS OF POPULATION CHANGE, HOUSTON METRO COUNTIES, 4/1/2010 TO 7/1/16

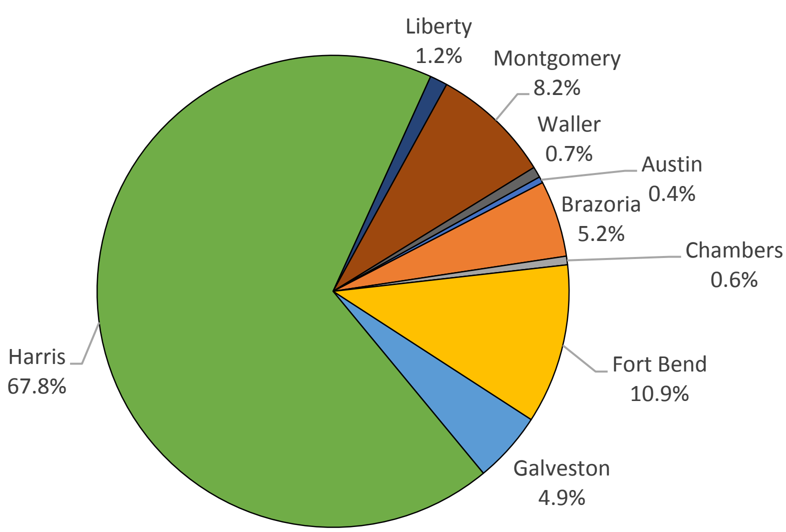
County	Cumulative Change	Vital Events			Net Migration		
		Natural Increase	Births	Deaths	Total Migration	Interna-tional	Domestic
Austin	1,347	478	2,153	1,675	907	206	701
Brazoria	41,068	16,135	29,538	13,403	24,329	2,915	21,414
Chambers	4,800	1,353	2,982	1,629	3,403	100	3,303
Fort Bend	156,534	37,334	54,353	17,019	116,489	23,750	92,739
Galveston	38,128	9,781	25,163	15,382	27,504	3,784	23,720
Harris	496,686	282,220	432,780	150,560	219,106	153,824	65,282
Liberty	6,063	2,061	6,689	4,628	3,901	299	3,602
Montgomery	100,453	21,620	42,104	20,484	76,465	8,641	67,824
Waller	6,892	2,001	3,780	1,779	4,753	99	4,654
Totals	**851,971**	**372,983**	**599,542**	**226,559**	**476,857**	**193,618**	**283,239**

Note: Totals may not sum due to rounding and other factors
Source: U.S. Census Bureau

Harris still commands the largest share of the region’s population, but that margin has slipped in recent years. City population estimates won’t be available until May, but Houston had 2.3 million residents in July ’15. As a rule of thumb, about one-third of the region’s population lives inside the city, one-third lives outside the city but inside Harris County, and one-third lives outside Harris County.

Houston-The Woodlands-Sugar Land Metro Area Population*

Share of Metro Houston Population



County	Population*
Austin	29,758
Brazoria	354,195
Chambers	39,899
Fort Bend	741,237
Galveston	329,431
Harris	4,589,928
Liberty	81,704
Montgomery	556,203
Waller	50,115
Total	6,772,470

*As of 7/1/16
Source: U.S. Census Bureau

Going Global — Three quick facts about Houston's ties to the global economy:

- Brookings Institution estimates that exports support one in every nine jobs in the region;
- The U.S. International Trade Administration (ITA) notes metro Houston has led the nation in exports the past four years ('12, 13,'14 and '15); and
- Fifty-eight of the world's 100 largest non-U.S. companies have operations in Houston.

With such strong ties, global trends can almost be viewed as regional trends. What happens in Moscow or Riyadh, Singapore of São Paulo, Johannesburg or Monterrey, impacts pocketbooks in Houston. Conversely, decisions made in Houston often impact the well-being of firms and families overseas. Please join the Partnership on Monday, May 22, when we present our third annual *State of Houston's Global Economy,* a frank discussion of the role trade, investment and immigration play in Houston's growth.

The event opens with a panel discussion among three executives who lead global institutions in Houston.

- Renu Khator, Chancellor and President, University of Houston,
- Jean-Francois Poupeau, Executive Vice President, Corporate Development, Schlumberger, and
- Manolo Sánchez, Chairman, BBVA Compass

They will discuss how well Houston is positioned to be a global education, corporate decision-making, and financial center. Bob Harvey, the Partnership's president and CEO, will lead the discussion.

Stuart P.M. Mackintosh, Executive Director, Group of Thirty, will deliver the luncheon keynote. The Group of Thirty is an international think tank whose membership includes senior figures from central banking, finance and academia, such as Paul Volcker, Ben Bernanke, Mario Draghi and Paul Krugman. Mackintosh will present the global outlook.

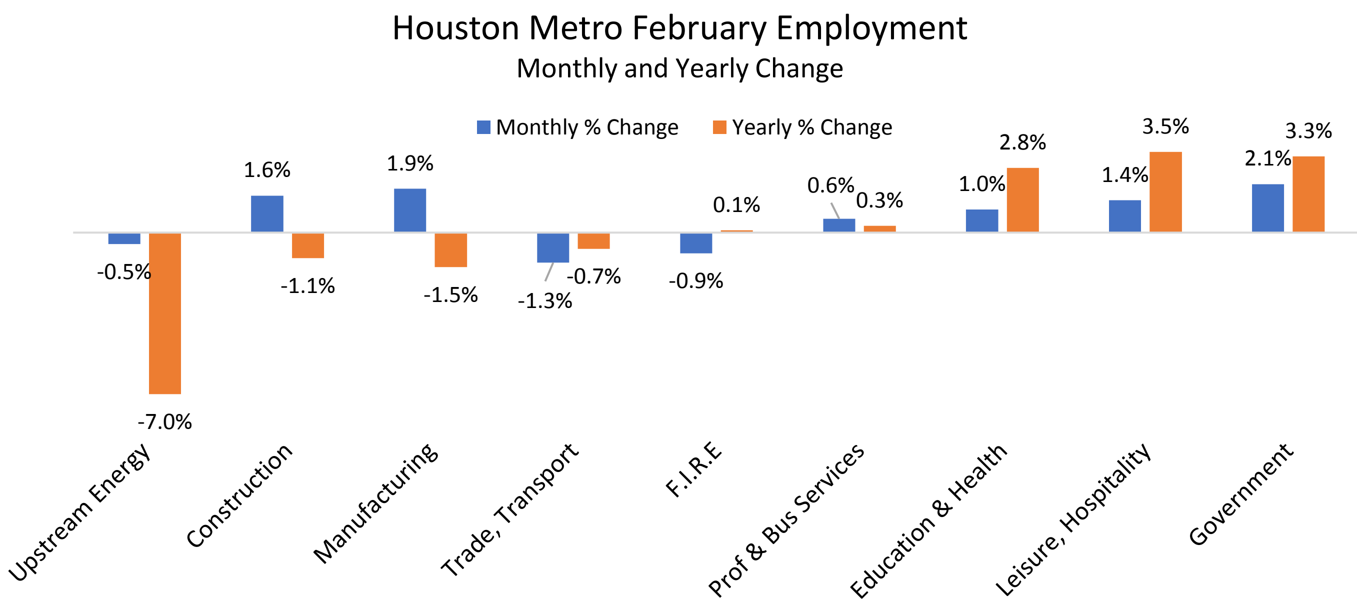
The Partnership will also share its research into Houston's ties to the global economy. Everyone who attends the event will receive a copy of the 60-page study. The *State of Houston's Global Economy* will be held at the Hilton Post Oak, 2001 Post Oak Blvd. For additional details or to register, go to www.houston.org/events or click here.

Employment Update — The Houston-The Woodlands-Sugar Land metro area created 16,700 jobs in February and 19,300 jobs over the previous 12 months, according to the Texas Workforce Commission (TWC). February job gains outpaced those from a year ago. Last February, Houston posted a monthly increase of 15,600 jobs and an over-the-year increase of 5,700 jobs. Houston's total nonfarm employment now stands at 3,011,700, returning above the three million mark after briefly dipping below it in January.

The government sector recorded the strongest job gains and experienced above-average growth. Government, primarily school districts and state-funded universities, added 8,400 jobs over the month and 13,200 jobs over the year. The 20-year average for February job growth in government is 6,300 jobs for the month and 5,500 job over the year.

Leisure and hospitality posted the second largest increase, but its gains were below the long-term average. The sector gained 4,400 jobs in February and 10,800 jobs over the year. During the past 20 years, leisure and hospitality averaged increases of 3,600 jobs in February and 7,800 over the year.

Manufacturing added 4,200 jobs, the sector's largest one-month gain for a February, but lost 3,500 jobs over the year. After shedding 17 percent of its workers during the energy downturn, the sector still has a long road to recovery. Two promising signs: the Houston Purchasing Managers Index has signaled expansion for five consecutive months and the U.S. active rig count has more than doubled since bottoming out in May '16.



Source: Texas Workforce Commission F.I.R.E = Finance, Insurance, Real Estate

The largest monthly decline in February occurred in trade, transportation and utilities. Although the sector typically sheds jobs in February, the 7,800-job loss was the largest for the month in nearly three decades. Declines in employment in retail trade (4,400 jobs) and wholesale trade (2,000 jobs) contributed to the drop. The largest over-the-year decline was in mining and logging (in Houston, almost entirely oil and gas), which lost 6,600 jobs, a 7.0 percent decrease. Over the month, employment in mining and logging fell by 400 jobs.

Houston's February unemployment rate was 5.9 percent, up from 5.7 percent in January and 4.8 percent in February '16. Texas' unemployment rate was 5.1 percent in February, up from 4.9 percent in January and 4.4 percent in February '16. The U.S. rate was 4.9 percent in February, down from 5.1 percent in January and from 5.2 percent in February '16. The rates are not seasonally adjusted.

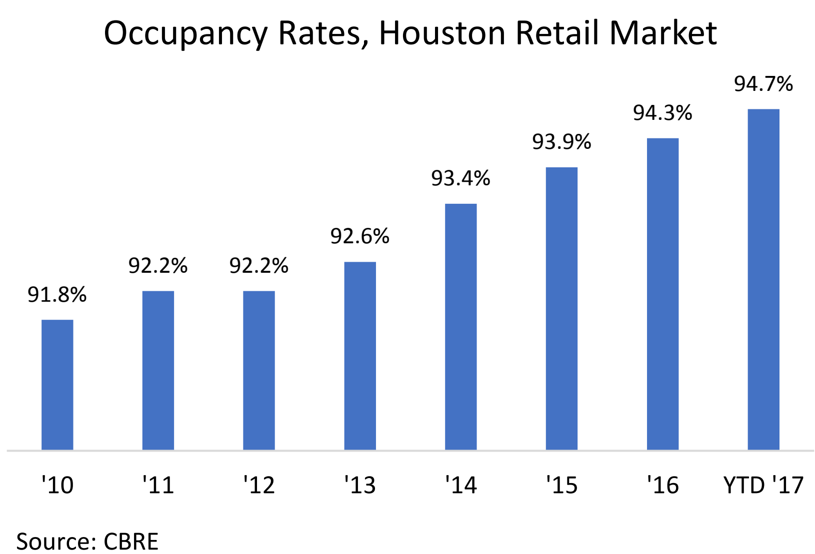
Last In, Last Out[4] — The Houston office market recorded a direct vacancy rate in the high teens at the end of Q1/17. Factor in the approximately 11 million square feet of sublease space, and the effective rate climbs above 20 percent. On the low end, CBRE pegs the overall "availability" rate at 21.9 percent, NAI at 25.7 percent.

The rate will likely inch up through the end of the year. Brokers at the 2017 CCIM Commercial Real Estate Forecast competition projected Houston will net 1.5 to 2.0 million square feet of negative absorption this year. The market already logged a negative 800,000 square feet in Q1/17. Twelve of the 20 submarkets tracked by CBRE recorded negative absorption. The good news is that construction is winding down. Less than 2.0 million square feet of office space was under construction in Q1/17, down from more than 17.0 million at the peak.

Asking rents peaked at $28.87 per square foot in Q1/16, per Newmark Grubb Knight Frank, and have declined for four consecutive quarters. Based on recent lease transactions, effective rents are roughly 20 to 25 percent below asking rents, suggesting office rents have declined nearly 30 percent from their peaks.

Houston's office growth typically lags job growth by 12 to 18 months, according to CBRE. The Partnership's employment forecast for calls for 29,700 jobs in '17, about half the long-term average. The region likely won't return to trend until next year or later. That prospect suggests Houston's office market could be looking at recovery after '20.

Houston's industrial market fared much better, recording 3.1 million square feet of net absorption in Q1/17, with 2.2 million coming from the Southeast market. The vacancy rate reached 5.2 percent, up slightly from 5.1 percent in Q4/16, due to the delivery of 1.5 million square feet of newly constructed space. Currently, 5.2 million square feet of industrial space is under construction, about 1.0 percent of the total industrial market.



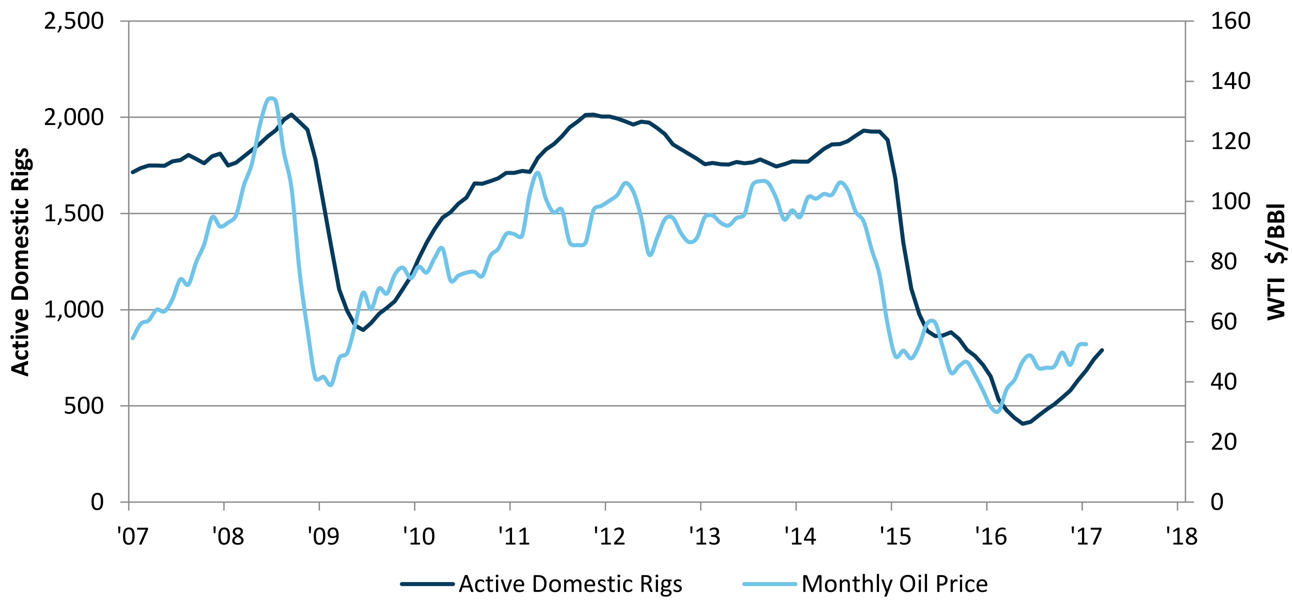
The retail market continues to perform well. In Q1/17, occupancy stood at 94.7 percent, the highest rate in recent memory and despite the 1.3 million square feet emptied by the departures of Sports Authority, Fresh Market, Sears, and Golfsmith at the end of '16. Dick's Sporting Goods, Total Wine and discount retailers backfilled the space. Currently, 1.6 million square feet of space under construction represents less than 0.8 percent of the total retail market.

[4] CBRE, JLL, NAI Partners, and Newmark Grubb Knight Frank provided data and insights for this section of *Glance*.

Oil Patch Update — The outlook for the energy industry is slowly improving:

- The spot price for West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, averaged $49.25 per barrel in March, well above $37.54 last March , but a bit below $53.46 this February.
- The Energy Information Administration (EIA) forecasts WTI to average $53.49 per barrel in ’17. This time last year, EIA forecasted WTI to average $34 in ’17.
- Baker Hughes reports 824 rigs were drilling for gas or oil in the U.S. at the end of March, nearly double the 464 working at the end of March last year. Since bottoming at 404 rigs in May ’16, the rig count has risen in 39 of the past 44 weeks.
- Platts Rig Data reports 9,692 U.S. onshore drilling permits were issued in Q1/17, compared with 5,958 permits issued in Q1/16.
- During the first two months of this year, the Texas Railroad Commission issued 1,947 permits to drill in the state, up from 1,083 permits issued during the same period last year.
- Though local employment in exploration and production continues to decline (3,400 jobs lost since August ’16), local employment in oil field services continues to improve (2,100 jobs added since August ’16.)
- The Federal Reserve Bank of Dallas’ Q1/17 survey of 153 regional energy companies found that 87.9 percent reported either stable or improving business conditions. That figure compares with 56.6 percent in the Q1/16 survey.

U.S. RIG COUNT AND OIL PRICES
Monthly Average



Source: Baker Hughes, Inc.; U.S. Energy Information Administration

Patrick Jankowski and Jenny Philip contributed to the April issue of *Houston: The Economy at a Glance.*

SNAPSHOT — KEY ECONOMIC INDICATORS

Aviation — The Houston Airport System handled 8.2 million passengers February ’17 YTD, down 3.3 percent from the 8.5 million handled in February ’16 YTD. Domestic passengers totaled 6.5 million, down 2.9 percent from 6.7 million. International passengers totaled 1.7 million, down 4.7 percent from 1.8 million.

Building Permits — City of Houston building permits totaled $387.0 million in February ’17, down 16.8 percent from $465.4 million in February ’16, according to the City’s Department of Public Works & Engineering Planning & Development Services. For the 12 months ending February ’17, city building permits totaled $6.8 billion, down 13.6 percent from $7.8 billion in the 12 months ending February ’16.

Construction Starts — Construction starts in the Houston region totaled $1.330 billion in February, a 17.4 percent increase from $1.133 billion in February of ’16, according to Dodge Data & Analytics. Residential starts fell 6.3 percent while nonresidential starts rose 67.8 percent. For the 12 months ending February ’17, starts totaled $14.2 billion, down 17.0 percent from $17.1 billion for the corresponding period in ’16. The 12-month total peaked at $30.9 billion in February ’15, the height of the chemical plant construction boom, and has trended down since.

Inflation — The cost of consumer goods and services as measured by the Consumer Price Index for All Urban Consumers (CPI-U) rose 2.7 percent nationwide from February ’16 to February ’17, the largest annual increase in five years according to the U.S. Bureau of Labor Statistics. Core inflation increased 2.2 percent since February ’16. Consumer prices in the Houston-Galveston-Brazoria metro area grew 2.1 percent from February ’16. Core inflation rose 0.9 percent, the slowest rate of increase since December ’06.

Purchasing Managers Index — The Houston Purchasing Managers Index (PMI), a short-term leading indicator for regional production, registered 54.2 in February, signaling economic expansion in metro Houston for the fifth consecutive month, according to the latest report from the Institute for Supply Management-Houston (ISM-Houston). The February reading is unchanged from January.

Sales Tax Collections — City of Houston sales tax collections totaled $162.6 million through the first quarter of this year, down 1.8 percent from $165.6 million from the same period last year.

Vehicle Sales — Houston-area auto dealers sold 21,434 vehicles in February, a 20.1 percent decrease from the 26,839 vehicles sold in February ’16, according to *TexAuto Facts*, published by InfoNation, Inc. of Sugar Land. The sharp decline came after 15 months of stable sales in the region. From February ’16 to February ’17, local dealers sold 294,214 vehicles, down 21.5 percent from the 375,262 sold over the corresponding period last year.

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The Key Economic Indicators table is updated ***whenever any data change*** — typically, six or so times per month. If you would like to receive these updates by e-mail, usually accompanied by commentary, please click here.

HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

	Dec '16	Nov '16	Dec '15	Change from Nov '16	Change from Dec '15	% Change from Nov '16	% Change from Dec '15
Total Nonfarm Payroll Jobs	***3,011.7***	***2,995.0***	***2,992.4***	***16.7***	***19.3***	***0.6***	***0.6***
Total Private	***2,596.9***	***2,588.6***	***2,590.8***	***8.3***	***6.1***	***0.3***	***0.2***
Goods Producing	***530.9***	***523.7***	***543.5***	***7.2***	***-12.6***	***1.4***	***-2.3***
Service Providing	***2,480.8***	***2,471.3***	***2,448.9***	***9.5***	***31.9***	***0.4***	***1.3***
Private Service Providing	***2,066.0***	***2,064.9***	***2,047.3***	***1.1***	***18.7***	***0.1***	***0.9***
Mining and Logging	87.3	87.7	93.9	-0.4	-6.6	-0.5	-7.0
Oil & Gas Extraction	46.6	46.9	53.2	-0.3	-6.6	-0.6	-12.4
Support Activities for Mining	37.2	36.4	39.3	0.8	-2.1	2.2	-5.3
Construction	216.8	213.4	219.3	3.4	-2.5	1.6	-1.1
Manufacturing	226.8	222.6	230.3	4.2	-3.5	1.9	-1.5
Durable Goods Manufacturing	143.1	139.4	148.0	3.7	-4.9	2.7	-3.3
Nondurable Goods Manufacturing	83.7	83.2	82.3	0.5	1.4	0.6	1.7
Wholesale Trade	159.8	161.8	166.0	-2.0	-6.2	-1.2	-3.7
Retail Trade	302.5	306.9	301.4	-4.4	1.1	-1.4	0.4
Transportation, Warehousing and Utilities	139.8	141.2	139.2	-1.4	0.6	-1.0	0.4
Utilities	16.0	16.2	16.2	-0.2	-0.2	-1.2	-1.2
Air Transportation	21.7	21.7	21.6	0.0	0.1	0.0	0.5
Truck Transportation	24.4	24.3	24.8	0.1	-0.4	0.4	-1.6
Pipeline Transportation	10.8	10.9	11.1	-0.1	-0.3	-0.9	-2.7
Information	32.7	32.8	32.2	-0.1	0.5	-0.3	1.6
Telecommunications	13.9	13.9	14.4	0.0	-0.5	0.0	-3.5
Finance & Insurance	99.6	100.1	98.2	-0.5	1.4	-0.5	1.4
Real Estate & Rental and Leasing	54.2	55.1	55.5	-0.9	-1.3	-1.6	-2.3
Professional & Business Services	468.9	466.2	467.3	2.7	1.6	0.6	0.3
Professional, Scientific & Technical Services	216.0	215.4	222.3	0.6	-6.3	0.3	-2.8
Legal Services	*24.6*	*24.6*	*24.6*	*0.0*	*0.0*	*0.0*	*0.0*
Accounting, Tax Preparation, Bookkeeping	*28.1*	*27.0*	*27.6*	*1.1*	*0.5*	*4.1*	*1.8*
Architectural, Engineering & Related Services	*63.4*	*64.1*	*68.9*	*-0.7*	*-5.5*	*-1.1*	*-8.0*
Computer Systems Design & Related Services	*32.2*	*32.3*	*32.5*	*-0.1*	*-0.3*	*-0.3*	*-0.9*
Admin & Support/Waste Mgt & Remediation	215.6	214.0	207.7	1.6	7.9	0.7	3.8
Administrative & Support Services	*204.0*	*202.3*	*196.3*	*1.7*	*7.7*	*0.8*	*3.9*
Employment Services	*80.9*	*80.9*	*75.4*	*0.0*	*5.5*	*0.0*	*7.3*
Educational Services	60.2	58.6	57.8	1.6	2.4	2.7	4.2
Health Care & Social Assistance	326.2	324.1	317.9	2.1	8.3	0.6	2.6
Arts, Entertainment & Recreation	33.2	32.3	31.3	0.9	1.9	2.8	6.1
Accommodation & Food Services	282.0	278.5	273.1	3.5	8.9	1.3	3.3
Other Services	106.9	107.3	107.4	-0.4	-0.5	-0.4	-0.5
Government	414.8	406.4	401.6	8.4	13.2	2.1	3.3
Federal Government	28.7	28.6	28.0	0.1	0.7	0.3	2.5
State Government	85.3	85.0	81.8	0.3	3.5	0.4	4.3
State Government Educational Services	*51.1*	*50.8*	*47.7*	*0.3*	*3.4*	*0.6*	*7.1*
Local Government	300.8	292.8	*291.8*	8.0	9.0	2.7	3.1
Local Government Educational Services	*213.2*	*205.2*	*205.6*	*8.0*	*7.6*	*3.9*	*3.7*

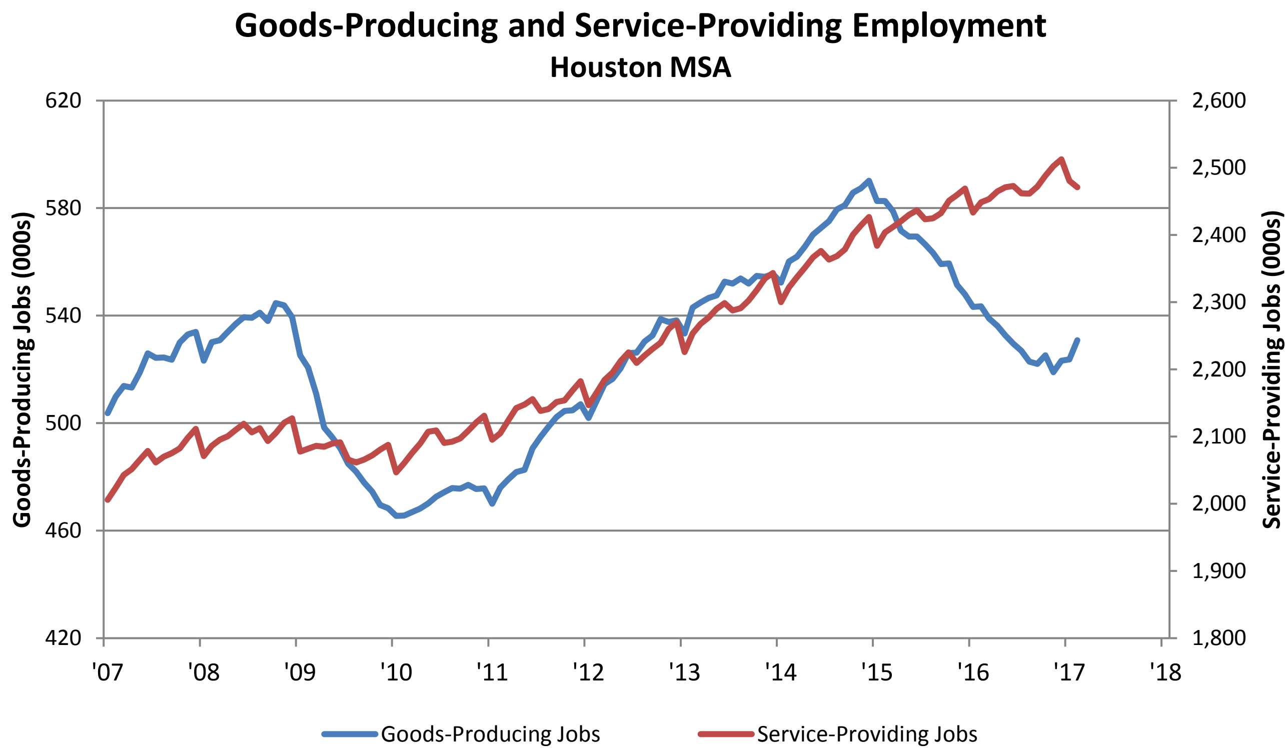
SOURCE: Texas Workforce Commission

Houston Economic Indicators
A Service of the Greater Houston Partnership

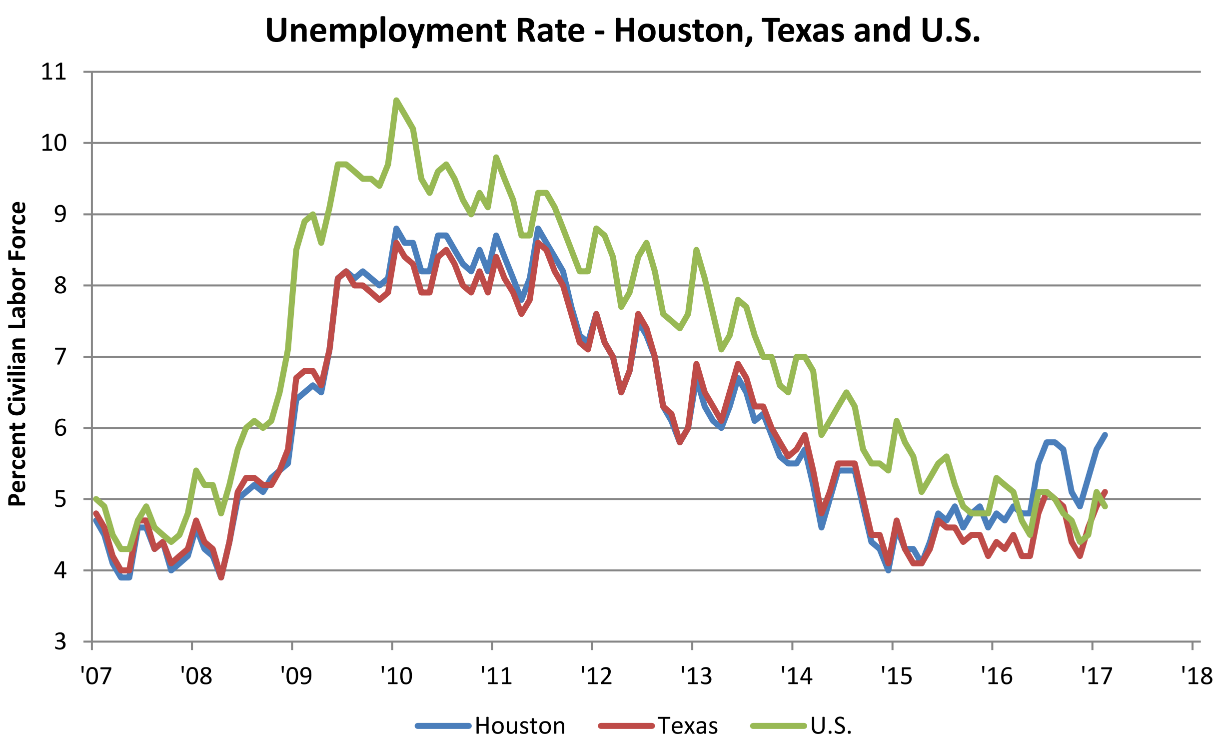
		MONTHLY DATA			YEAR-TO-DATE TOTAL or YTD AVERAGE*		
	Month	Most Recent	Year Earlier	% Change	Most Recent	Year Earlier	% Change
ENERGY							
U.S. Active Rotary Rigs	Feb '17	744	532	39.8	713 *	600 *	18.8
Spot Crude Oil Price ($/bbl, West Texas Intermediate)	Feb '17	53.47	30.32	76.4	52.99 *	31.00 *	70.9
Spot Natural Gas ($/MMBtu, Henry Hub)	Feb '17	2.85	1.99	43.2	3.08 *	2.14 *	44.0
UTILITIES AND PRODUCTION							
Houston Purchasing Managers Index	Feb '17	54.2	44.4	22.1	54.2 *	45.1 *	20.2
Nonresidential Electric Current Sales (Mwh, CNP Service Area)	Feb '17	4,187,018	4,123,159	1.5	8,800,876	8,539,884	3.1
CONSTRUCTION							
Total Building Contracts ($, Houston MSA)	**Feb '17**	**1,330,412,000**	**1,133,488,000**	**17.4**	**2,635,038,000**	**2,868,611,000**	**-8.1**
Nonresidential	Feb '17	607,111,000	361,902,000	67.8	1,148,901,000	1,421,274,000	-19.2
Residential	Feb '17	723,301,000	771,586,000	-6.3	1,486,137,000	1,447,337,000	2.7
Building Permits ($, City of Houston)	**Feb '17**	**387,048,167**	**465,446,846**	**-16.8**	**1,024,944,751**	**865,539,475**	**18.4**
Nonresidential	Feb '17	248,780,643	283,438,995	-12.2	700,871,270	542,864,034	29.1
New Nonresidential	*Feb '17*	*89,130,300*	*124,831,063*	*-28.6*	*276,809,919*	*225,474,754*	*22.8*
Nonresidential Additions/Alterations/Conversions	*Feb '17*	*159,650,343*	*158,607,932*	*0.7*	*424,061,351*	*317,389,280*	*33.6*
Residential	Feb '17	138,267,524	182,007,851	-24.0	324,073,481	322,675,441	0.4
New Residential	*Feb '17*	*117,580,673*	*149,739,952*	*-21.5*	*281,985,039*	*261,972,297*	*7.6*
Residential Additions/Alterations/Conversions	*Feb '17*	*20,686,851*	*32,267,899*	*-35.9*	*42,088,442*	*60,703,144*	*-30.7*
Multiple Listing Service (MLS) Activity							
Property Sales	Feb '17	6,111	5,707	7.1	11,127	10,660	4.4
Median Sales Price - SF Detached	Feb '17	220,000	204,990	7.3	215,000 0	203,495 *	5.7
Active Listings	Feb '17	35,685	33,159	7.6	35,322 *	32,710 *	8.0
EMPLOYMENT (Houston-Sugar Land-Baytown MSA)							
Nonfarm Payroll Employment	**Feb '17**	**3,011,700**	**2,992,400**	**0.6**	**3,003,350 ***	**2,984,600 ***	**0.6**
Goods Producing (Natural Resources/Mining/Const/Mfg)	Feb '17	530,900	543,500	-2.3	527,300 0	543,400 *	-3.0
Service Providing	Feb '17	2,480,800	2,448,900	1.3	2,476,050 0	2,441,200 *	1.4
Unemployment Rate (%) - Not Seasonally Adjusted							
Houston-Sugar Land-Baytown MSA	Feb '17	5.9	4.8		5.3 *	4.8 *	
Texas	Feb '17	5.1	4.4		4.6 *	4.4 *	
U.S.	Feb '17	4.9	5.2		4.9 *	5.3 *	
TRANSPORTATION							
Port of Houston Authority Shipments (Short Tons)	**Jan '17**	**3,579,186**	**3,504,028**	**2.1**	**3,579,186**	**3,504,028**	**2.1**
Air Passengers (Houston Airport System)	**Feb '17**	**3,890,934**	**4,066,452**	**-4.3**	**8,223,959**	**8,504,672**	**-3.3**
Domestic Passengers	Feb '17	3,108,524	3,234,761	-3.9	6,476,435	6,670,450	-2.9
International Passengers	Feb '17	782,410	831,691	-5.9	1,747,524	1,834,222	-4.7
Air Freight (metric tons)	**Feb '17**	**33,421**	**30,820**	**8.4**	**68,409**	**62,672**	**9.2**
CONSUMERS							
New Car and Truck Sales (Units, Houston MSA)	**Feb '17**	**21,434**	**26,839**	**-20.1**	**49,002**	**54,249**	**-9.7**
Cars	Feb '17	7,255	10,200	-28.9	16,681	20,087	-17.0
Trucks, SUVs and Commercials	Feb '17	14,179	16,639	-14.8	32,321	34,162	-5.4
Total Retail Sales ($000,000, Houston MSA, NAICS Basis)	**Q2/16**	**27,284**	**28,630**	**-4.7**	**26,215**	**27,305**	**-4.0**
Consumer Price Index for All Urban Consumers ('82-'84=100)							
Houston-Galveston-Brazoria CMSA	Feb '17	219.061	214.505	2.1	218.735 *	214.113 *	2.2
United States	Feb '17	243.603	237.111	2.7	243.221 *	237.014 *	2.6
Hotel Performance (Houston MSA)							
Occupancy (%)	Q4/16	57.2	64.3		62.3 *	68.6 *	
Average Room Rate ($)	Q4/16	99.05	106.37	-6.9	104.45 *	108.51 *	-3.7
Revenue Per Available Room ($)	Q4/16	56.67	68.41	-17.2	65.32 *	74.47 *	-12.3

Sources:

Aviation	City of Houston Department of Aviation
Building Construction Contracts	Dodge Data & Analytics
Car and Truck Sales	*TexAuto Facts Report*, InfoNation, Inc., Sugar Land TX
City of Houston Building Permits	Public Works & Engineering Planning & Development, City of Houston
Consumer Price Index	U.S. Bureau of Labor Statistics
Electricity	CenterPoint Energy
Employment, Unemployment	Texas Workforce Commission
Hotels	CBRE
Houston Purchasing Managers Index	Institute for Supply Management-Houston
MLS Data	Houston Association of Realtors®
Port Shipments	Port of Houston Authority
Retail Sales	Texas Comptroller's Office
Rig Count	Baker Hughes Incorporated



Source: Texas Workforce Commission



Source: Texas Workforce Commission