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GREATER HOUSTON PARTNERSHIP
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Houston
The Economy at a Glance

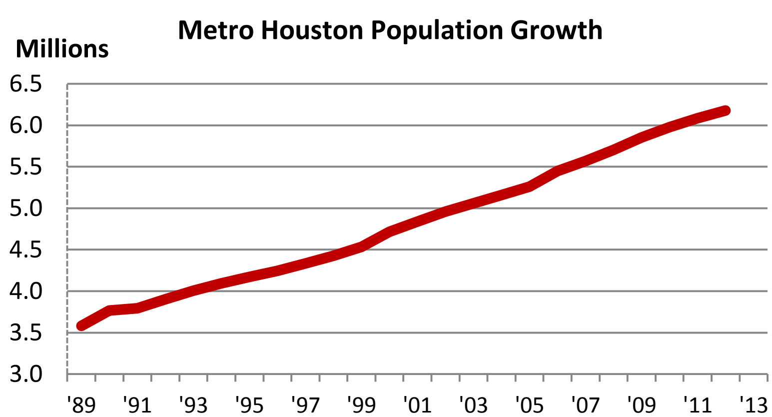
A publication of the Greater Houston Partnership *Volume 23, Number 1 • January 2014*

Congratulations GHP! — This month marks the 25th anniversary of the organization's founding. The Partnership was born when the leadership of the Greater Houston Chamber of Commerce, the Houston Economic Development Council, and the Houston World Trade Association recognized they shared overlapping missions—making Houston a better place to live, work and build a business—and that by joining forces they could accomplish more than if they continued working separately. GHP has enjoyed numerous successes over the past 25 years. Three examples:

- GHP spearheaded the effort to bring the Economic Summit of Industrialized Nations to Houston in '90, raising the region's international profile,
- In '97, the Partnership worked to establish the Harris County-Houston Sports Authority, leading to the construction of Reliant Stadium, Minute Maid Park, Toyota Center, and BBVA Compass Stadium.
- The organization created Opportunity Houston, which has assisted with nearly 200 corporate relocations and business expansions since '05.

Houston today is quite different from the day GHP was founded. To illustrate how much the region has changed, this issue of *Glance* looks at where 25 key economic indicators stood in '89 and where they stand today.

Population—The Houston Consolidated Metropolitan Statistical Area[1] had 3.6 million residents in '89. The metro population now stands at 6.2 million, an increase of 2.6 million over 25 years. That's the U.S. Census Bureau estimate as of July 1, 2012. Given Houston's historical growth trends, the population likely exceeds 6.3 million today.



Source: U.S. Census Bureau and *Houston Facts '89*

[1] This was the official name for the metro area in '89. The CMSA included seven counties—Harris, Liberty, Montgomery, Waller, Fort Bend, Brazoria and Galveston. Any data in this issue prior to '93 pertain to the CMSA. The Houston-The Woodlands-Sugar Land Metro Area is the official name today and it includes the original seven plus Austin and Chambers counties.

Population Rank—Houston was the nation's fourth most populous city and 10th most populous metro area in '90.[2] Both the city and the metro have grown since then, but the metro area has grown at a faster pace. The City of Houston (pop. 2,160,821) has a tight grip on fourth place, ahead of fifth place Philadelphia (1,547,607) but behind New York City (8,336,697), Los Angeles (3,857,799) and Chicago (2,714,856). The metro area now ranks as the nation's fifth most populous.

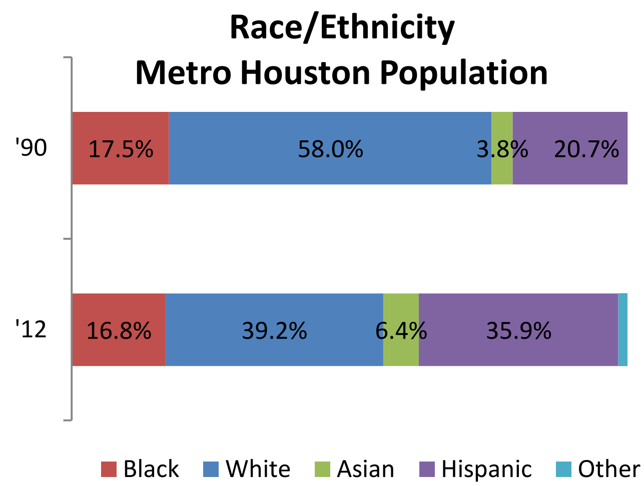
U.S. 10 Most Populous Metro Areas

Rank	1990 Metro	1990 Pop. (000)	2012 Metro	2012 Pop. (000)
1	New York	18,087	New York	19,832
2	Los Angeles	14,532	Los Angeles	13,053
3	Chicago	8,066	Chicago	9,522
4	San Francisco	6,253	Dallas	6,701
5	Philadelphia	5,899	**Houston**	**6,177**
6	Detroit	4,665	Philadelphia	6,019
7	Boston	4,172	Washington	5,860
8	Washington	3,924	Miami	5,763
9	Dallas	3,885	Atlanta	5,458
10	**Houston**	**3,711**	Boston	4,641

Source: U.S. Census Bureau

Income—The U.S. Bureau of Economic Analysis (BEA) estimates the metro area's per capita pre-tax income was $18,863 in '89. Adjusted for inflation, that's equivalent to $35,454 in '12. BEA estimates Houston's per capita income was $51,104 in '12.

Demographics—Over the past two and a half decades, Houston's population has diversified. Since '00, no race or ethnic group has represented a majority of the population. Houston now has the most ethnically diversified population among the nation's major metro areas.



Source: U.S. Census Bureau

Foreign-Born Population—The '90 Census found that one in eight Houstonians (460,327, or 12.3 percent) was born outside the U.S. Houston's foreign-born population has continued to grow and in '12 nearly one in four Houstonians (1,381,083, or 22.3 percent) was born outside the U.S. Regions of birth: Latin America, 65.9 percent; Asia, 23.9 percent; Europe, 4.4 percent; Africa, 4.4 percent; North America, 1.1 percent; and Oceania, 0.2 percent.

Educational Attainment—Houston is a better-educated place now than it was two decades ago. The '90 Census found that 549,599 residents over the age of 25, 24.0 percent of the adult population, held a bachelor's or higher degree. In '12, the Census Bureau's American Community Survey found that 1,157,216 residents, 29.6 percent of the adult population, held a college degree.

[2] When data for '89 are not available, data for the next closest year are used.

Gross Area Product —The size of Houston's economy has more than doubled in the past 25 years. The Perryman Group estimated Houston's Gross Area Product (GAP), the value of all goods and services produced in the region, was $105.3 billion in '89. Adjusted for inflation, that would be $197.9 billion in current dollars. Perryman's most recent estimate placed Houston's GAP at $480.6 billion in '12, or $487.9 billion in current dollars, a neat $290 billion increase.

Two sectors—mining and services—contribute more to Houston's economy now than they did in '89. Energy claims a far larger share of GAP for two reasons. First, the '80s recession decimated the industry and it had barely begun to recover in '89. Second, the recent surge in directional drilling and hydraulic fracturing has fueled much of Houston's current boom. The growth in services reflects a nationwide trend.

HOUSTON GROSS AREA PRODUCT

	'89		'12	
	Millions	**% GAP**	**Millions**	**% GAP**
Mining	$14,656.6	13.9	$102,248.0	21.3
Construction	5,089.6	4.8	20,913.0	4.4
Trade	15,282.4	14.5	50,059.0	10.4
FIRE*	15,321.9	14.6	58,920.0	12.3
Manufacturing	16,795.9	16.0	77,724.0	16.2
Services	18,074.4	17.2	102,809.0	21.4
Government	7,967.4	7.6	29,944.0	6.2
TWU**	11,688.1	11.1	37,604.0	7.8
Other	395.4	0.4	377.0	0.1
Total	**$105,271.7**	**100.0**	**$480,598.0**	**100.0**

Source: The Perryman Group
*Finance, Insurance, and Real Estate
** Transportation, Warehousing, and Utilities

Employment—Houston had yet to recover from the recession of the '80s when the Partnership was founded. From March '82 to January '87, the region lost 221,200 jobs—one in every seven. Houston wouldn't return to its pre-recession employment level until March '90. The region would suffer three more recessions over the next two decades, but none would permanently derail long-term growth. Nonfarm payroll employment exceeded 2.8 million in November '13, up from 1.6 million in January '89, an increase of 1.2 million jobs, or 76.8 percent. Since the founding of the Partnership, this region has gained more jobs than the current total payroll employment of Pittsburgh (1,188,800), Orlando (1,079,400) or Cincinnati (1,021,500).

PAYROLL EMPLOYMENT Houston Metro Area	
January '89	1,600,700
November '13	2,829,400
Difference	1,228,700
% Change	76.8%

Source: Texas Workforce Commission

Unemployment—In January '89, Houston's unemployment rate stood at 6.6 percent. In the ensuing 25 years, the rate has fallen as low as 3.5 percent and risen as high as 8.8 percent. The long-term average is 6.0 percent. The Texas Workforce Commission (TWC) reports the unemployment rate for Houston was 5.6 percent in November '13, the latest month for which data are available.

Manufacturing—Houston has bucked the national trend in manufacturing. Local manufacturing plants employed 201,500 workers in January ’90. TWC reported manufacturing employment of 253,100 in November ’13, a 51,600 job or 25.6 percent *increase* over the past two decades. By comparison, U.S. manufacturers employed 17.6 million workers in January ’90 and 12.0 million in November ’13, a 5.6 million or 38.1 percent *decrease*. Houston’s manufacturing strengths have changed little over the years. They remain in chemicals, refined products, plastics, oil field equipment, fabricated metal products, and food processing.

Bank Deposits—The Federal Deposit Insurance Corporation (FDIC) reported that Houston’s 816 banks and savings institutions held $40.6 billion in deposits on June 30, 1994. Over the next two decades, the value of local deposits quintupled. The FDIC reported that Houston’s 1,526 financial institutions held $208.0 billion in deposits on June 30, 2013.

Corporate Headquarters—Houston first emerged as a corporate center in ’71, when Shell Oil relocated its headquarters from the Big Apple to Space City. By ’89, Houston boasted 27 companies on the *Fortune 500* list. Over the next 25 years, the number of Houston companies on the list fluctuated, but the region always remained among the top five metros. The names on the list have changed dramatically over time, however. Only four firms on the ’89 list still exist. The others have been acquired, merged with other firms, or simply collapsed. Twenty-five Houston firms made the most recent Fortune 500 list, and the metro ranks third behind New York (70) and Chicago (29), and ahead of Los Angeles (19), Washington D.C. (18), and Dallas-Fort Worth (18).

FORTUNE 500 COMPANIES HEADQUARTERED IN HOUSTON

'89 – 27 HQs	'13 – 25 HQs
American General	Anadarko Petroleum
Baker Hughes	Apache
Big 3 Industries	Baker Hughes
Browning Ferris	Calpine
Cameron Iron	Cameron International
Coastal	CenterPoint Energy
Compaq Computer	ConocoPhillips
Cooper Industries	Enbridge Energy Partners
Enron	Enterprise Products
Exxon Pipeline	EOG Resources
First City	FMC Technologies
Houston Industries	Group 1 Automotive
Imperial Holly	Halliburton
Lyondell Petrochem	KBR
Mitchell Energy	Kinder Morgan
Panhandle Eastern	Marathon Oil
Pennzoil	MRC Global
Permian Partners	National Oilwell Varco
Shell Oil	Phillips 66
Southdown	Plains All American Pipeline
Sterling Chemical	Quanta Services
SYSCO	Spectra Energy
Tenneco	Sysco
Texas Air	Targa Resources
Union Texas	Waste Management
VALIC	Source: *Fortune Magazine*,
Vista Chemical	June 1990, May 2013

International Business—The ’86 *Houston International Directory* listed 1,963 Houston firms doing business globally. In January ’14, the Partnership’s international database identified 3,406 Houston firms, agencies and organizations involved in international business.

Consular Representation—In ’89, Houston, with 53 foreign consulates, ranked third in the nation in consular representation. Today, Houston has 92 honorary and career consulates, but still ranks third.

International Travel—The Houston Airport System handled 1.9 million international passengers in ’89, or one in every 12 passing through the system. In the 12 months ending November ’13, HAS handled 8.9 million international passengers, or one in every six passing through the system. Scheduled air service is now available to 68 foreign markets, up from 32 markets in ’89.

Traffic overall through the HAS has more than doubled. In ’89, Houston airports handled 23.7 million passengers. In the 12 months ending November ’13, HAS handled 50.3 million passengers.

Foreign Trade—In ’89, the Port of Houston ranked third in total tonnage and second in foreign tonnage. Foreign shipments totaled $22.4 billion. In ’12, the port ranked second in total tonnage and first in foreign tonnage. Foreign shipments totaled $176.7 billion. Adjusting for inflation, the value of total shipments through the port has more than quadrupled since GHP was founded.

TOP TRADING PARTNERS
PORT OF HOUSTON
Exports + Imports Combined

’89	’12
Iraq	Brazil
Germany	Germany
Japan	India
Netherlands	Mexico
United Kingdom	Venezuela

Source: Port of Houston Authority

Industrial Space—The size of Houston’s industrial real estate market has also doubled in 25 years, from 231.7 million square feet in ’89 to 462.3 million square feet in ’13, according to CBRE. The vacancy rate averaged 12.5 percent in ’89 and 5.3 percent in ’13.

Office Space—In the ’80s, developers wildly overbuilt office space in Houston. Since then, nudged by changes in the tax code, they have exercised restraint, staying generally in sync with demand. The Houston market had 193.5 million square feet of office space at the end of ’13, up from 180.6 million square feet in ’92. Only 6.6 million square feet of this office space has been added in the past three years, according to CBRE. The average vacancy rate was 12.1 percent in ’13, compared to 22.7 percent in ’92.

Housing—Houston had an oversupply of housing as the ’80s came to a close, the result of overbuilding in the early ’80s and the economic bust of the mid-’80s. CDS Market Research estimated that only 12,260 single-family and 1,370 multi-family homes were built in ’89. Over the next 20-plus years, the region would build more than 600,000 single-family and 220,000 multi-family homes. In ’13, between 28,000 and 30,000 single-family and 10,000 and 12,000 multi-family homes were built.

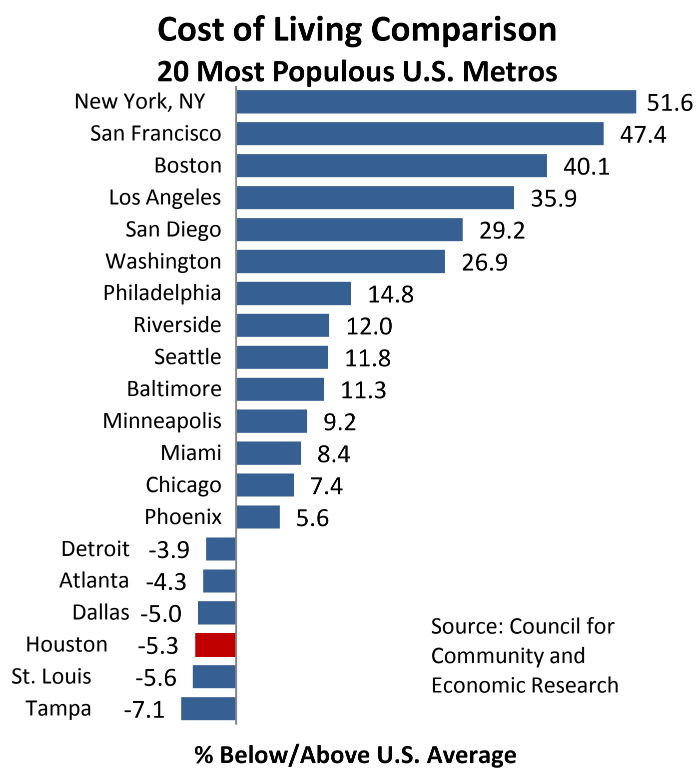
Property Values—The full market value for all property in Harris County was $386.3 billion in ’12 versus $116.7 billion in ’89. For the City of Houston, the corresponding figures were $202.7 billion and $65.9 billion; for Houston Independent School District, $147.5 billion and $48.1 billion.

***Texas Medical Center*—**In ’89, the Texas Medical Center boasted 41 institutions, 50,000 full- and part-time employees, 10,000 students, and 2.3 million patient visits. Today, TMC includes 54 institutions, employs more than 106,000, educates 49,000 life science students, and handles 7.2 million patient visits annually. It is the largest medical center in the world.

Venues and Stadiums—In ’89, Houston had a handful of significant sports and performance venues—the Astrodome, The Summit, Alley Theatre, Jones Hall, Wortham Center and the Music Hall. Since then, Houston has built Reliant Stadium, Minute Maid Park, Toyota Center, BBVA Compass Stadium, Hobby Center for the Performing Arts, Bayou Place, the Cynthia Mitchell Woods Pavilion and Stafford Centre.

Higher Education—The Houston region had roughly 380,000 students enrolled in more than 60 degree-granting colleges, universities and technical schools in ’13. That’s nearly double the 200,000 students enrolled in 37 colleges, universities and institutes in ’89.

Affordability—Houston remains one of the nation’s most affordable metros in terms of cost of living. The Q1/89 ACCRA Cost of Living Index showed living costs in Houston were 6.5 percent below the average for large U.S. metro areas. The Q3/13 report showed living costs in Houston were 5.3 percent below the average. The index reflects the cost of goods and services for a mid-management standard of living.



Work Ethic—According to the Kinder Institute’s annual Houston Area Survey, a large majority of Houstonians agree with the statement that “if you work hard in this city, eventually you will succeed.” In March ’89, while Houston was still smarting from the effects of the recession, 78.3 percent of respondents agreed with that statement. Over time, it has become clear that Houstonians’ responses to this item barely shifted regardless of the state of the local or national economies. In March ’13, 89.3 percent of respondents agreed. If anything, Houstonians are more optimistic about their personal prospects now than they were in ’89.

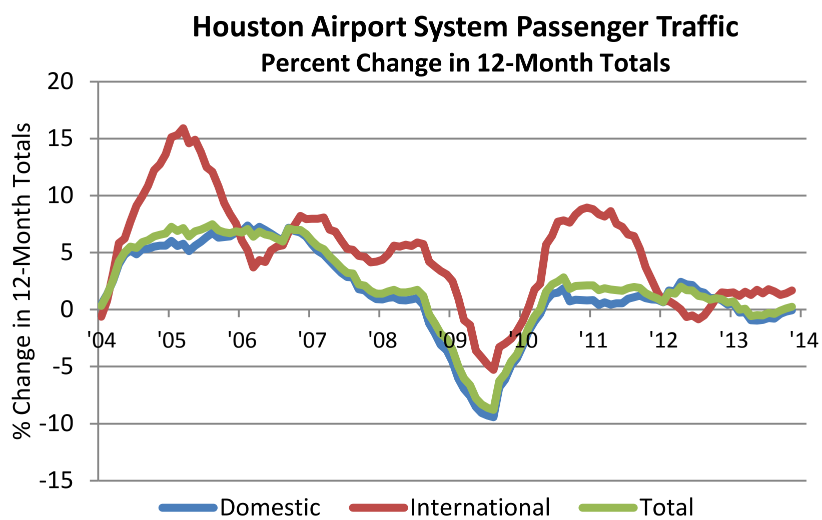
Employment Update—The Houston-Sugar Land-Baytown metro area once again leads the state in job growth, adding 86,200 jobs in the 12 months ending November '13, according to the Texas Workforce Commission. The Dallas-Fort Worth metro ranked second, creating 83,700 jobs. Austin-Round Rock ranked third, creating 22,500 jobs.

Houston's unemployment rate fell to 5.6 percent in November, the lowest point since December '08, the month prior to Houston entering the Great Recession. Houston's unemployment rate peaked at 8.8 percent in June '11 and has trended downward ever since. Since the bottom of the recession, the metro area has added 354,200 net new jobs, or 231.4 percent of the 153,100 jobs lost during the recession.

The Greater Houston Partnership forecasts the 10-county Houston metro area will create 69,800 jobs in '14, slowing from 2.8 percent last year to a still-robust 2.5 percent this year. Employment will grow in all major sectors, with professional and business services, education and health services, and trade, transportation and utilities turning in the strongest performances. Energy and manufacturing will grow, but at slower paces. The year should end with 2.9 million payroll jobs, a net increase of more than 500,000 jobs since January '05. Only two other metros—New York and Dallas-Fort Worth—will be able to make a similar claim. To see the full 2014 Forecast, click here.

Aviation Update—The Houston Airport System (HAS) handled 50,604,423 passengers in the 12 months ending November '13, a 0.2 percent uptick from 50,482,302 passengers handled the 12 months ending November '12.

- Domestic traffic totaled 41,669,950 in the 12 months ending November '13, down 0.06 percent from 41,695,958 passengers handled during the preceding 12 months.
- International traffic totaled 8,934,473 passengers, up 1.7 percent from 8,786,344 passengers handled during the 12 months ending November '12.
- International travel continues to drive passenger growth for HAS. Over the past 10 years, growth in international traffic has outpaced domestic traffic 100 out of 120 months. Global travel will continue to grow this year as United Airlines launches daily nonstop air service from Houston to Munich in April . The airline is also adding a second nonstop daily flight from Houston to Tokyo in March.



Source: Houston Airport System

SNAPSHOT — HOUTON'S KEY ECONOMIC INDICATORS

Building Permits — The City of Houston issued building permits totaling $5.9 billion in the 12 months ending November '13, a 21.7 percent increase over the $4.8 billion issued during the 12 months ending November '12. Residential permits increased by 18.9 percent, non-residential permits 23.3 percent. Since the September '10 trough for total permits, the 12-month total value has risen from $3.1 billion to $5.9 billion, an increase of $2.7 billion, or 86.9 percent.

Construction — McGraw-Hill reports that $10.7 billion in construction contracts were awarded in the metro area during the 12 months ending November '13, a 2.1 percent decrease from the $10.9 billion awarded during the 12 months ending November '12.

- Residential contracts totaled $7.5 billion in the 12 months ending November '13, up 8.0 percent from $6.9 billion during the comparable period in '12. Residential includes one- and two-family homes and apartments.

- Nonresidential contracts totaled $3.2 billion, down 19.6 percent from $4.0 billion during the comparable period in '12. Nonresidential includes commercial, manufacturing, educational, religious, administrative, recreational, hotel, dormitory and other buildings.

Inflation — The *Consumer Price Index for All Urban Consumers* (CPI-U) grew 1.2 percent nationwide from November '12 to November '13. Core inflation rose 1.7 percent since November '12. The energy index fell 2.4.percent, food prices grew 1.2 percent, and the shelter index rose 2.4 percent over the previous 12 months.

Foreign Trade — Through September of this year, more than $186.4 billion in foreign trade has passed through the Houston-Galveston Customs District, down 10.4 percent from the $208.1 billion in trade handled in the first nine months of '12. *Exports through the customs district now exceed imports.*

- Exports totaled $93.4 billion, down 0.2 percent from the $93.6 billion handled during the same period in '12.
- Imports totaled $93.0 billion, down 18.7 percent from the $114.5 billion handled over the same period in '12.

Home Sales — Houston-area realtors sold 87,635 homes in the 12 months ending November '13, a 19.4 percent increase over the 73,379 homes sold in the 12 months ending November '12, according to the Houston Association of REALTORS® (HAR). Total sales volume approached $20.8 billion in the 12 months ending November '13, a 31.9 percent increase over the $15.8 billion recorded in the 12 months ending November '12. This is the highest 12-month sales volume on record.

Purchasing Managers Index — The Houston Purchasing Managers Index (PMI), a short-term indicator for regional production, registered 55.0 in November, down from 60.8 in October, according to the latest report from the Institute for Supply Management-Houston. For the first 11 months of '13, the PMI has averaged 58.7, slightly below the 59.2 registered in the same period last year. The PMI has a possible range from zero to 100. Readings above the neutral point of 50 indicate likely growth in production over the next three to four months; readings below 50 suggest contraction. With the November reading, the PMI has held at or above 50 for 51 consecutive months.

Vehicle Sales — Houston-area auto dealers sold 28,569 vehicles in November '13, up 52.3 percent from the 18,760 sold in November '12, according to *TexAuto Facts*, published by InfoNation, Inc. of Sugar Land. This was the strongest November for sales since GHP began keeping region-wide records in the '90s. The average retail sales price per vehicle for Houston-area dealers in November rose to $34,466, the highest level on record. The average price is up 19.1 percent from the pre-recession peak in June '07.

Patrick Jankowski and Jenny Phillip
contributed to this issue of
Houston: The Economy at a Glance

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The Key Economic Indicators table is updated ***whenever any data change*** — typically, 11 or so times per month. If you would like to receive these updates by e-mail, usually accompanied by commentary, please email your request for ***Key Economic Indicators*** to *dmorrow@houston.org* with the same identifying information. You may request ***Glance*** and ***Indicators*** in the same email.

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HOUSTON—THE ECONOMY AT A GLANCE

HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

	Nov '13	Oct '13	Nov '12	Change from Oct '13	Change from Nov '12	% Change from Oct '13	% Change from Nov '12
Total Nonfarm Payroll Jobs	***2,829.4***	***2,814.1***	***2,743.2***	***15.3***	***86.2***	***0.5***	***3.1***
Total Private	***2,447.0***	***2,435.4***	***2,368.4***	***11.6***	***78.6***	***0.5***	***3.3***
Goods Producing	***545.8***	***551.0***	***532.7***	***-5.2***	***13.1***	***-0.9***	***2.5***
Service Providing	***2,283.6***	***2,263.1***	***2,210.5***	***20.5***	***73.1***	***0.9***	***3.3***
Private Service Providing	***1,901.2***	***1,884.4***	***1,835.7***	***16.8***	***65.5***	***0.9***	***3.6***
Mining and Logging	107.5	108.8	103.6	-1.3	3.9	-1.2	3.8
Oil & Gas Extraction	58.5	58.5	55.4	0.0	3.1	0.0	5.6
Support Activities for Mining	47.6	48.7	47.1	-1.1	0.5	-2.3	1.1
Construction	185.2	189.8	180.9	-4.6	4.3	-2.4	2.4
Manufacturing	253.1	252.4	248.2	0.7	4.9	0.3	2.0
Durable Goods Manufacturing	172.9	172.6	168.5	0.3	4.4	0.2	2.6
Nondurable Goods Manufacturing	80.2	79.8	79.7	0.4	0.5	0.5	0.6
Wholesale Trade	155.0	152.8	147.0	2.2	8.0	1.4	5.4
Retail Trade	298.7	286.6	284.4	12.1	14.3	4.2	5.0
Transportation, Warehousing and Utilities	134.9	133.4	130.2	1.5	4.7	1.1	3.6
Utilities	15.8	16.0	16.1	-0.2	-0.3	-1.3	-1.9
Air Transportation	22.2	22.0	22.3	0.2	-0.1	0.9	-0.4
Truck Transportation	25.2	25.2	24.2	0.0	1.0	0.0	4.1
Pipeline Transportation	10.7	10.7	10.4	0.0	0.3	0.0	2.9
Information	33.1	33.0	32.0	0.1	1.1	0.3	3.4
Telecommunications	15.5	15.5	15.3	0.0	0.2	0.0	1.3
Finance & Insurance	88.5	89.5	90.0	-1.0	-1.5	-1.1	-1.7
Real Estate & Rental and Leasing	51.5	51.7	50.4	-0.2	1.1	-0.4	2.2
Professional & Business Services	428.5	427.8	407.5	0.7	21.0	0.2	5.2
Professional, Scientific & Technical Services	200.0	200.5	195.1	-0.5	4.9	-0.2	2.5
Legal Services	*24.1*	*24.1*	*24.0*	*0.0*	*0.1*	*0.0*	*0.4*
Accounting, Tax Preparation, Bookkeeping	*19.9*	*19.4*	*19.6*	*0.5*	*0.3*	*2.6*	*1.5*
Architectural, Engineering & Related Services	*71.8*	*72.2*	*67.4*	*-0.4*	*4.4*	*-0.6*	*6.5*
Computer Systems Design & Related Services	*27.9*	*28.0*	*26.9*	*-0.1*	*1.0*	*-0.4*	*3.7*
Admin & Support/Waste Mgt & Remediation	204.7	203.6	189.5	1.1	15.2	0.5	8.0
Administrative & Support Services	*194.9*	*194.5*	*180.5*	*0.4*	*14.4*	*0.2*	*8.0*
Employment Services	*79.9*	*81.0*	*75.4*	*-1.1*	*4.5*	*-1.4*	*6.0*
Educational Services	48.6	48.7	46.9	-0.1	1.7	-0.2	3.6
Health Care & Social Assistance	298.5	297.4	288.3	1.1	10.2	0.4	3.5
Arts, Entertainment & Recreation	27.7	27.9	27.8	-0.2	-0.1	-0.7	-0.4
Accommodation & Food Services	242.6	241.5	234.3	1.1	8.3	0.5	3.5
Other Services	93.6	94.1	96.9	-0.5	-3.3	-0.5	-3.4
Government	382.4	378.7	374.8	3.7	7.6	1.0	2.0
Federal Government	27.4	27.5	27.3	-0.1	0.1	-0.4	0.4
State Government	72.8	72.6	72.3	0.2	0.5	0.3	0.7
State Government Educational Services	*39.5*	*39.2*	*39.4*	*0.3*	*0.1*	*0.8*	*0.3*
Local Government	282.2	278.6	275.2	3.6	7.0	1.3	2.5
Local Government Educational Services	*198.6*	*195.4*	*194.0*	*3.2*	*4.6*	*1.6*	*2.4*

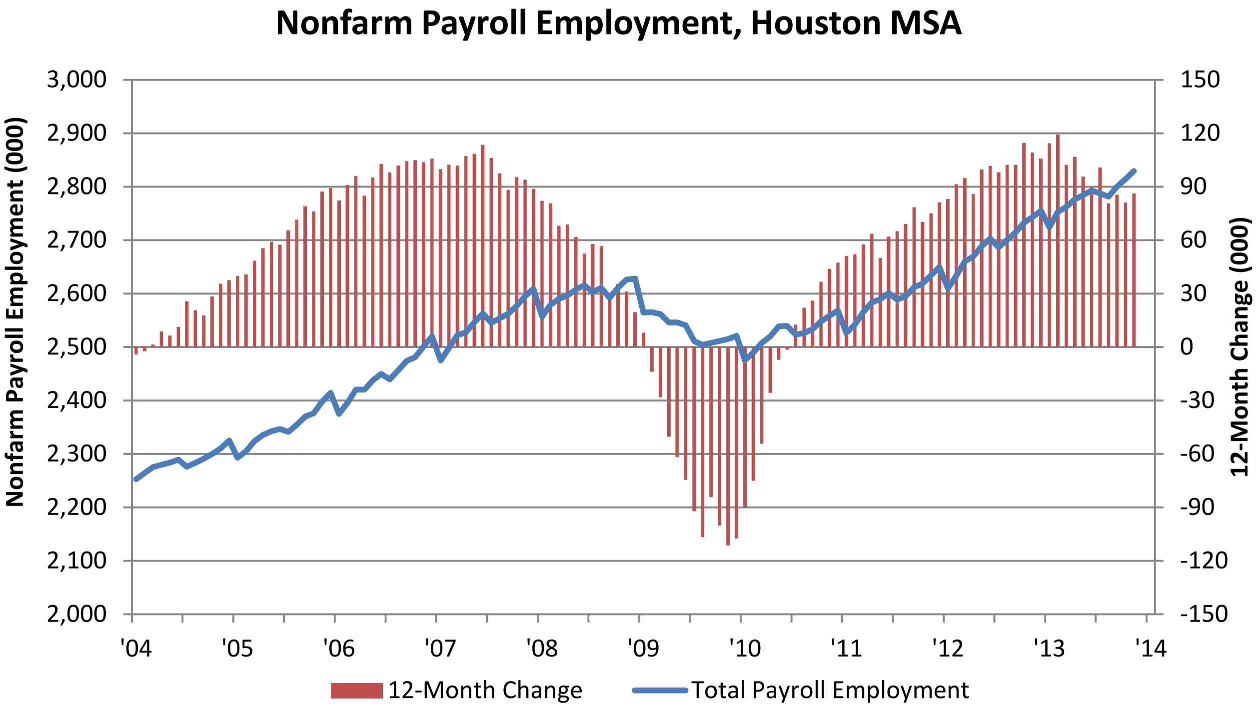
SOURCE: Texas Workforce Commission

HOUSTON—THE ECONOMY AT A GLANCE

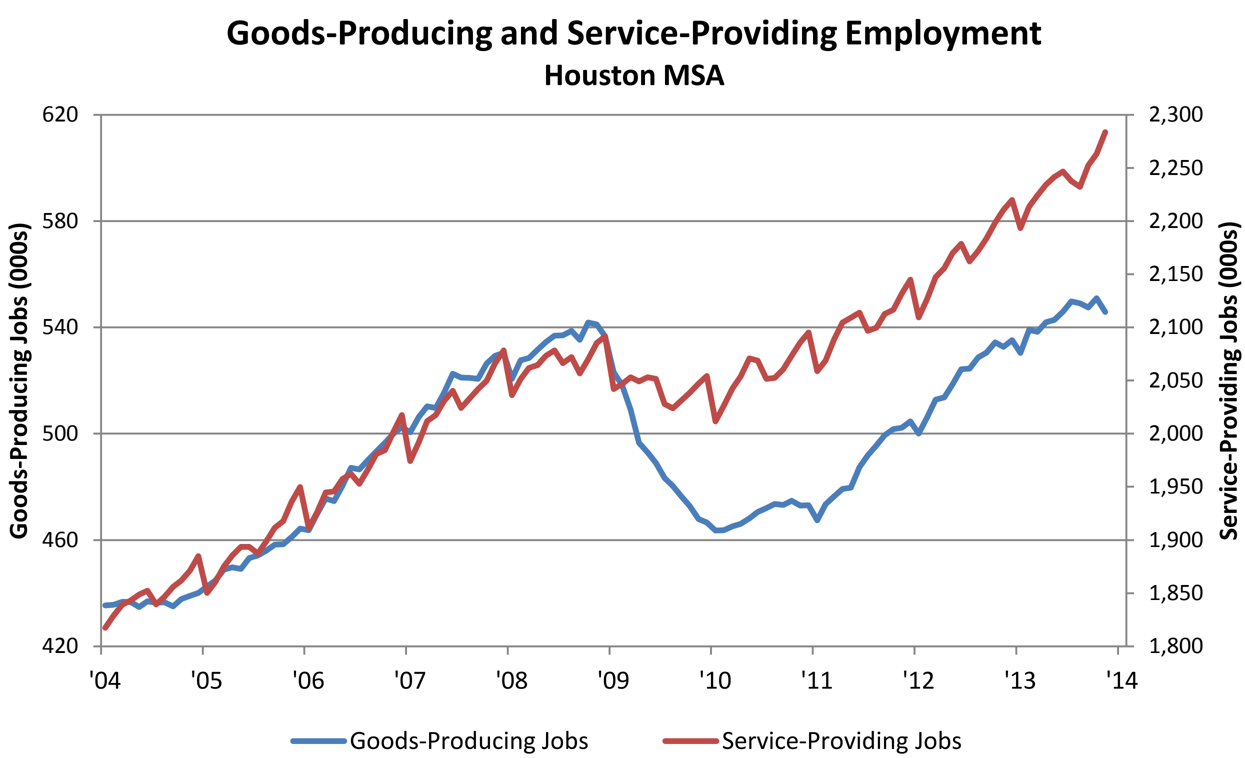
Houston Economic Indicators *A Service of the Greater Houston Partnership*		MONTHLY DATA			YEAR-TO-DATE TOTAL or YTD AVERAGE*		
	Month	Most Recent	Year Earlier	% Change	Most Recent	Year Earlier	% Change
ENERGY							
U.S. Active Rotary Rigs	Dec '13	1,769	1,789	-1.1	1,761 *	1,919 *	-8.2
Spot Crude Oil Price ($/bbl, West Texas Intermediate)	Dec '13	97.00	87.65	10.7	98.00 *	94.07 *	4.2
Spot Natural Gas ($/MMBtu, Henry Hub)	Dec '13	4.21	3.33	26.4	3.71 *	2.75 *	34.9
UTILITIES AND PRODUCTION							
Houston Purchasing Managers Index	Nov '13	55.0	54.6	0.7	58.7 *	59.2 *	-0.8
Nonresidential Electric Current Sales (Mwh, CNP Service Area)	Nov '13	4,392,870	4,209,166	4.4	48,034,538	47,199,764	1.8
CONSTRUCTION							
Total Building Contracts ($, Houston MSA)	**Nov '13**	**842,065,000**	**938,866,000**	**-10.3**	**10,793,391,000**	**10,326,360,000**	**4.5**
Nonresidential	Nov '13	250,959,000	347,563,000	-27.8	3,165,864,000	3,749,213,000	-15.6
Residential	Nov '13	591,106,000	591,303,000	0.0	7,627,527,000	6,577,147,000	16.0
Building Permits ($, City of Houston)	**Nov '13**	**376,587,045**	**493,549,879**	**-23.7**	**5,519,948,977**	**4,499,025,092**	**22.7**
Nonresidential	Nov '13	216,736,377	224,128,211	-3.3	3,462,187,716	2,823,238,877	22.6
New Nonresidential	*Nov '13*	*90,666,974*	*72,956,012*	*24.3*	*1,774,008,338*	*1,176,203,989*	*50.8*
Nonresidential Additions/Alterations/Conversions	*Nov '13*	*126,069,403*	*151,172,199*	*-16.6*	*1,688,179,378*	*1,647,034,888*	*2.5*
Residential	Nov '13	159,850,668	269,421,668	-40.7	2,057,761,261	1,675,786,215	22.8
New Residential	*Nov '13*	*145,848,450*	*246,308,515*	*-40.8*	*1,850,993,759*	*1,446,496,425*	*28.0*
Residential Additions/Alterations/Conversions	*Nov '13*	*14,002,218*	*23,113,153*	*-39.4*	*206,767,502*	*229,289,790*	*-9.8*
Multiple Listing Service (MLS) Activity							
Property Sales	Nov '13	6,180	5,853	5.6	81,580	67,988	20.0
Median Sales Price - SF Detached	Nov '13	181,000	166,500	8.7	178,421 *	161,820 *	10.3
Active Listings	Nov '13	30,341	36,539	-17.0	32,460 *	40,856 *	-20.6
EMPLOYMENT (Houston-Sugar Land-Baytown MSA)							
Nonfarm Payroll Employment	**Nov '13**	**2,829,400**	**2,743,200**	**3.1**	**2,782,182 ***	**2,685,600 ***	**3.6**
Goods Producing (Natural Resources/Mining/Const/Mfg)	Nov '13	545,800	532,700	2.5	543,773 0	520,582 *	4.5
Service Providing	Nov '13	2,283,600	2,210,500	3.3	2,238,409 0	2,165,018 *	3.4
Unemployment Rate (%) - Not Seasonally Adjusted							
Houston-Sugar Land-Baytown MSA	Nov '13	5.6	5.8		6.2 *	6.8 *	
Texas	Nov '13	5.8	5.8		6.4 *	6.9 *	
U.S.	Nov '13	6.6	7.4		7.5 *	8.1 *	
FOREIGN TRADE (Houston-Galveston Customs District)							
Port of Houston Authority Shipments (Short Tons)	**Nov '13**	**3,467,918**	**3,584,945**	**-3.3**	**41,020,870**	**40,335,209**	**1.7**
Air Passengers (Houston Airport System)	**Nov '13**	**4,108,422**	**4,052,891**	**1.4**	**46,447,633**	**46,171,194**	**0.6**
Domestic Passengers	Nov '13	3,416,646	3,401,077	0.5	38,259,315	38,153,143	0.3
International Passengers	Nov '13	691,776	651,814	6.1	8,188,318	8,018,051	2.1
Landings and Takeoffs	**Nov '13**	**67,511**	**64,788**	**4.2**	**739,137**	**748,832**	**-1.3**
Air Freight (metric tons)	**Nov '13**	**34,702**	**35,707**	**-2.8**	**344,350**	**348,273**	**-1.1**
Enplaned	Nov '13	18,325	17,941	2.1	200,857	198,640	1.1
Deplaned	Nov '13	16,377	17,766	-7.8	176,646	185,401	-4.7
CONSUMERS							
New Car and Truck Sales (Units, Houston MSA)	**Nov '13**	**28,569**	**18,760**	**52.3**	**324,998**	**299,632**	**8.5**
Total Retail Sales ($000,000, Houston MSA, NAICS Basis)	**4Q12**	**30,682**	**30,792**	**-0.4**	**107,511**	**100,873**	**6.6**
Consumer Price Index for All Urban Consumers ('82-'84=100)							
Houston-Galveston-Brazoria CMSA	Nov '13	207.788	204.1	1.8	205.200 *	202.700 *	1.2
United States	Nov '13	233.069	230.221	1.2	232.949 *	229.593 *	1.5
Hotel Performance (Houston MSA)							
Occupancy (%)	3Q13	68.0	64.4		70.1 *	66.4 *	
Average Room Rate ($)	3Q13	98.70	89.70	10.0	101.36 *	94.02 *	7.8
Revenue Per Available Room ($)	3Q13	67.12	57.74	16.2	71.06 *	62.50 *	13.7
POSTINGS AND FORECLOSURES							
Postings (Harris County)	Dec '13	1,310	2,061	-36.4	18,976	34,730	-45.4
Foreclosures (Harris County)	Dec '13	403	678	-40.6	5,419	9,993	-45.8

Sources

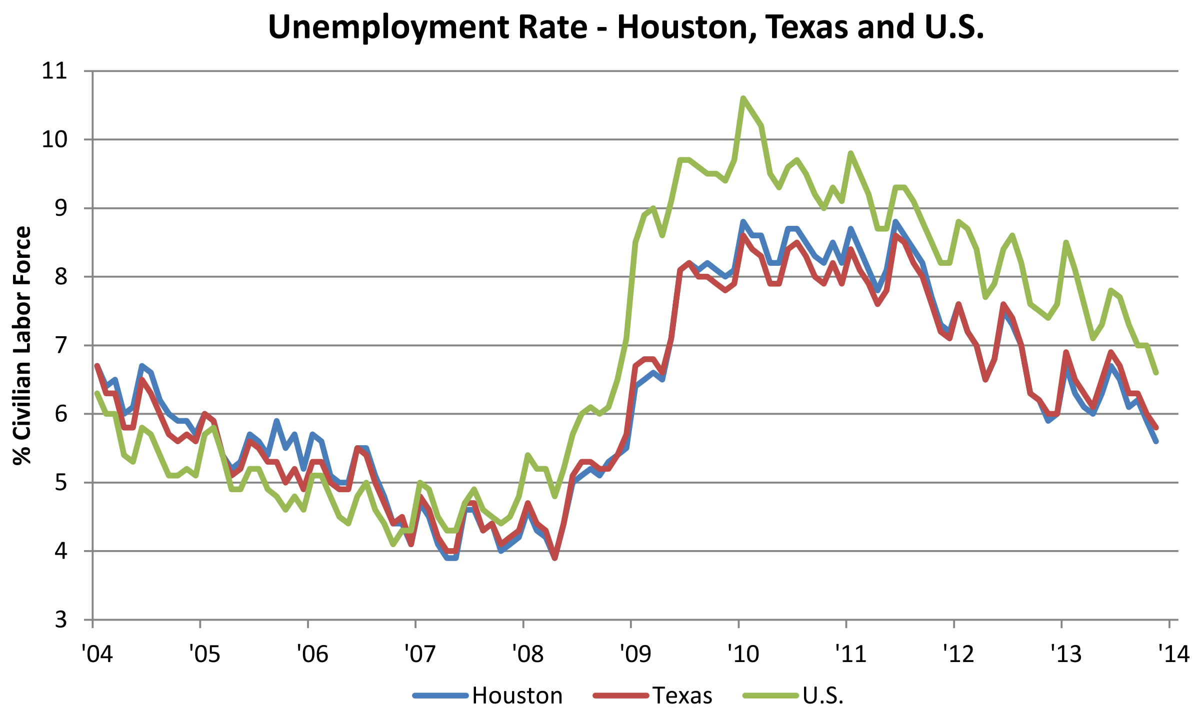
Rig Count	Baker Hughes Incorporated
Spot WTI, Spot Natural Gas	U.S. Energy Information Admin.
Houston Purchasing Managers Index	National Association of Purchasing Management – Houston, Inc.
Electricity	CenterPoint Energy
Building Construction Contracts	McGraw-Hill Construction
City of Houston Building Permits	Building Permit Department, City of Houston
MLS Data	Houston Association of Realtors®
Employment, Unemployment	Texas Workforce Commission
Port Shipments	Port of Houston Authority
Aviation	Aviation Department, City of Houston
Car and Truck Sales	*TexAuto Facts Report*, InfoNation, Inc., Sugar Land TX
Retail Sales	Texas Comptroller's Office
Consumer Price Index	U.S. Bureau of Labor Statistics
Hotels	PKF Consulting/Hospitality Asset Advisors International
Postings, Foreclosures	Foreclosure Information & Listing Service



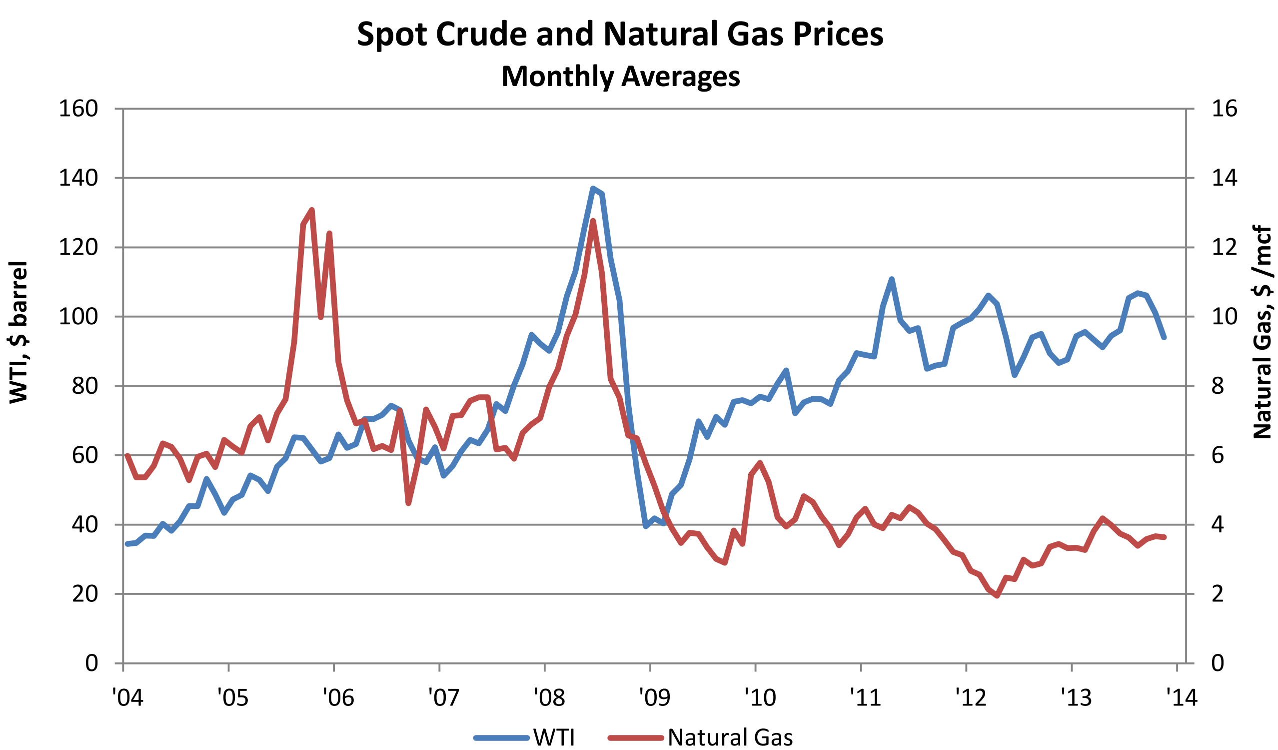
Source: Texas Workforce Commission



Source: Texas Workforce Commission



Source: Texas Workforce Commission



Source: U.S. Energy Information Administration