

“Northwest Houston Works” - The 2019 Economic Outlook Forum Recap

For those that were not able to attend this year’s Economic Outlook Forum, you can find most of the speaker PowerPoints on the Houston Northwest Chamber website: www.HoustonNWChamber.org/EcoForum. What follows is a bulleted, abbreviated recap primarily of the economic outlook presentations by Patrick Jankowski, senior vice-president of Research for the Greater Houston Partnership and Dr. Jim Gaines, chief economist for the Texas A&M Real Estate Center. All the presentations were relevant, and we are grateful to the presenters, sponsors and the committee for the excellent job that produced the “best Forum yet”.

Industry Sector Growth

Trade is strong, particularly in our region with exports outpacing imports. This is supported by our port infrastructure and as well as by strong U.S. economic growth.

The energy business is profitable again. The United States has become the #1 oil producer and net exporter in the world. This is welcome news for those that remember the days of the oil embargos. Rig count is not the indicator it used to be given a single rig can be used to drill in multiple locations.

Growth is strongest in manufacturing, health and construction trades. Companies continue to move to Houston!

Workforce Growth

From 2017, 2018 and through 2019, we will continue to see a stabilizing of our job growth. The oil & gas sector has not aggressively added jobs back into our local workforce in large part due to technological advances.

From 2006-2016, 600,000 joined the local workforce. Of that number, 56% were native-born and 44% were foreign-born.

The unemployment rate hovers around 4% which is considered quite good.

GHP’s outlook for Houston jobs in 2019 is: +71,000 jobs

Population Growth

From 2010-2050 (40 years), Texas will add 17-30 million people, most in the “urban triangle” that includes Dallas, Houston, Austin and San Antonio.

For the Houston MSA, from 2000-2010, the population increased 140%. From 2010-2018, it was projected to increase 122%.

Residential and Commercial Development

In 2018 Houston home sales were up 3.3% and median prices were up 3.1%. In 2019, sales are predicted to be up 1.1% and median prices are predicted to be up 4.5%. Houston is leading the nation in the number of single-family housing building permits.

About 64% of 2018 home sales were in the \$100,000-\$300,000 price range.

The outlook for commercial real estate is positive for 2019.

Precinct 4 Commissioner Cagle illustrated the net property value increase of three recent developments in our market area: Springwoods Village, UPS distribution center and the Amazon distribution center. The total net tax increase for Harris County for these three projects has been \$4,375,484 to date. When one considers why the Chamber and community leaders invest effort to influence business expansions and encourage new business and industry to come to our area, there is a calculatable return. Additionally, the employees of these companies buy homes, shop in local stores, buy gas and eat in restaurants, generating additional revenues for local businesses and sales tax for government operations.

Trade

Congressman Kevin Brady covered several topics including urging support for the U.S-Mexico-Canada Agreement, which was signed by these countries in November 2018 renegotiating NAFTA. He explained how the agreement supports job growth, the preservation and development of small business and how it drives export growth. The Houston Northwest Chamber is considering signing a letter of support for this legislation. Read more at: <https://www.usmcoalition.org/about/> and feel free to contact us with your thoughts.