



# The Outlook for Metro Houston in 2021

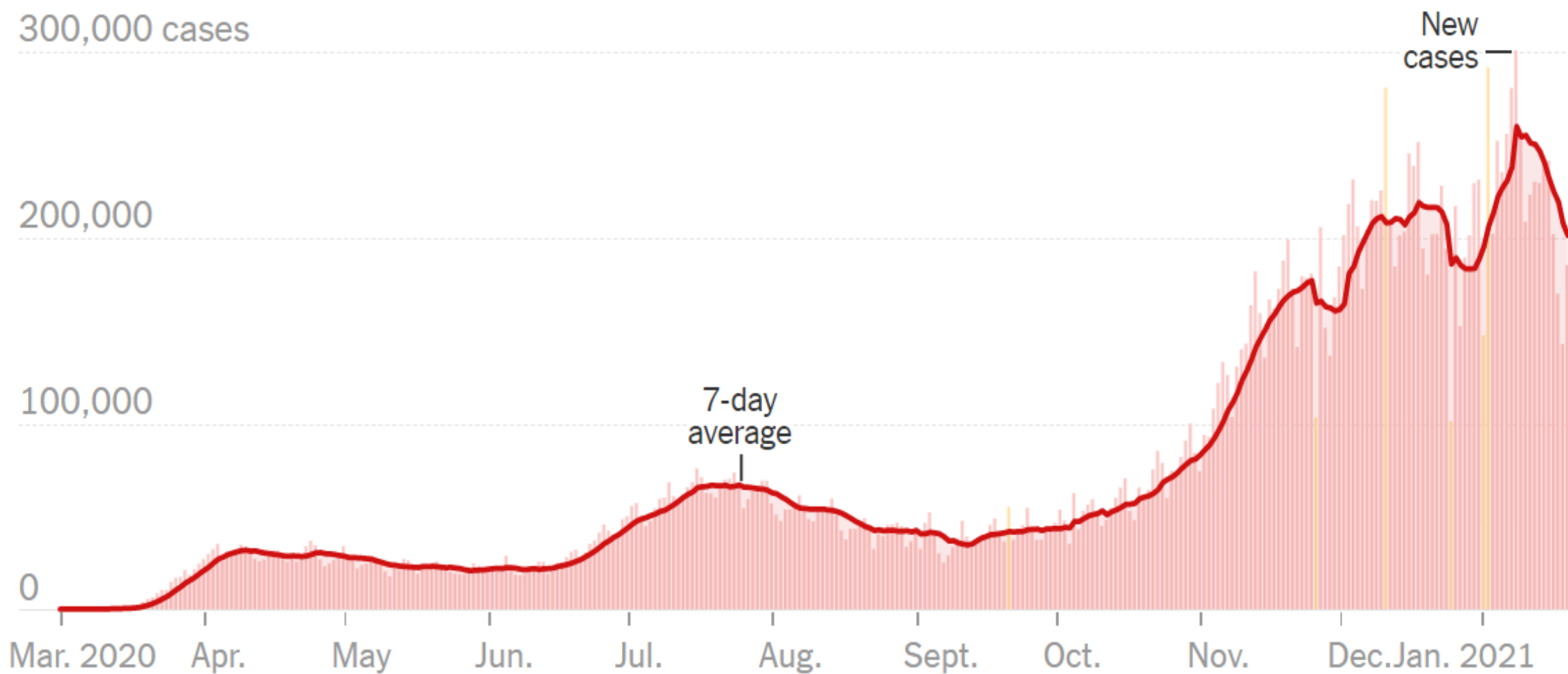
Presented By Patrick Jankowski  
Senior Vice President, Research  
Greater Houston Partnership



# Covid-19 in the U.S.



	TOTAL REPORTED	ON JAN. 19	14-DAY CHANGE
<b>Cases</b>	24.4 million+	185,070	-11% ↘
<b>Deaths</b>	405,820	2,770	+12% ↗
<b>Hospitalized</b>		123,820	Flat →

Updated January 20, 2021, 8:03 P.M. E.T.





# Covid-19 in Fort Bend County

	ON JAN. 19	DAILY AVG. IN LAST 7 DAYS	14-DAY CHANGE
Cases	1,447	607	+176% 
Deaths	2	3	+60% 



# Covid-19 in Fort Bend County

**Cases**      **46,827**

**Deaths**      **440**

As of January 19, 2021





# Coronavirus in Fort Bend County

Since January of last year, at least **1 in 18** people who live in Fort Bend County have been infected.



# Coronavirus in Fort Bend County

Since January of last year, at least **1 in 18** people who live in Fort Bend County have been infected.

At least **1 in 1,845** have died.



# Covid-19 in Metro Area

County	Cases	1 in ...	Deaths	1 in ...
Fort Bend	46,287	18	440	1,845





# Covid-19 in Metro Area

County	Cases	1 in ...	Deaths	1 in ...
Fort Bend	46,287	18	440	1,845
Austin	1,431	21	18	1,668
Brazoria	26,180	14	280	1,337
Chambers	3,473	13	31	1,414
Galveston	27,729	12	257	1,331
Harris	290,249	16	3,866	1,219
Liberty	5,148	17	115	767
Montgomery	34,719	17	332	1,829
Waller	2,690	21	27	2,046





GDP Lost

\$1.9 Trillion

---

Jobs Lost

22.2 Million

---

Businesses Closed

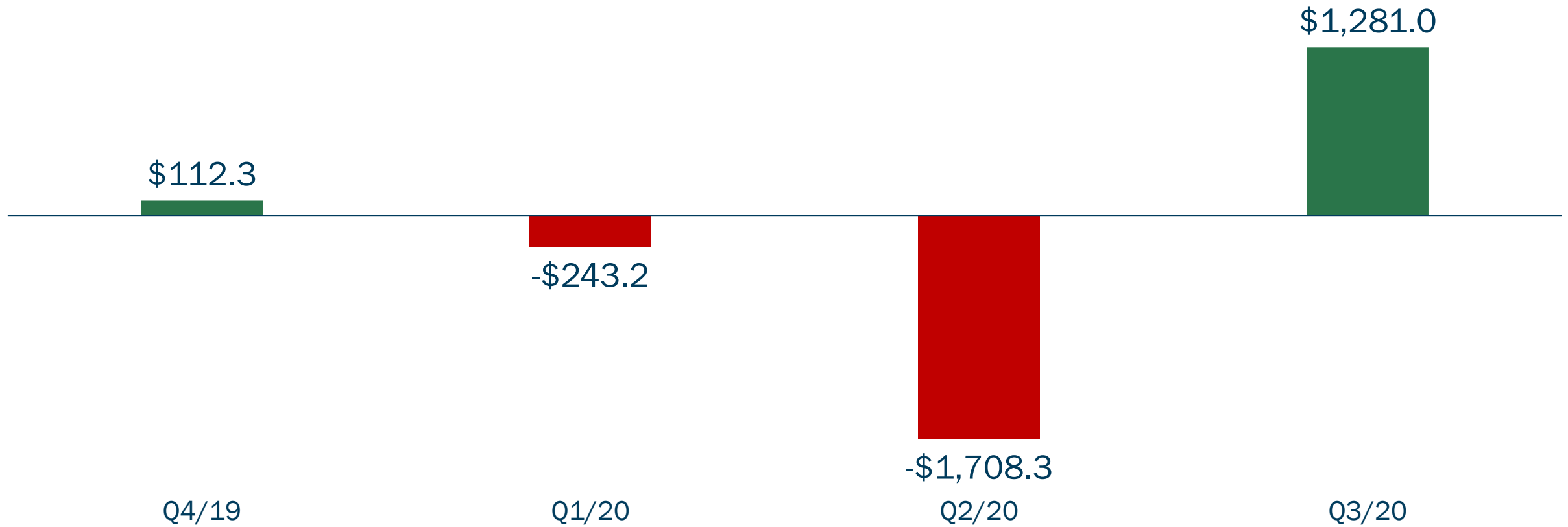
140,000





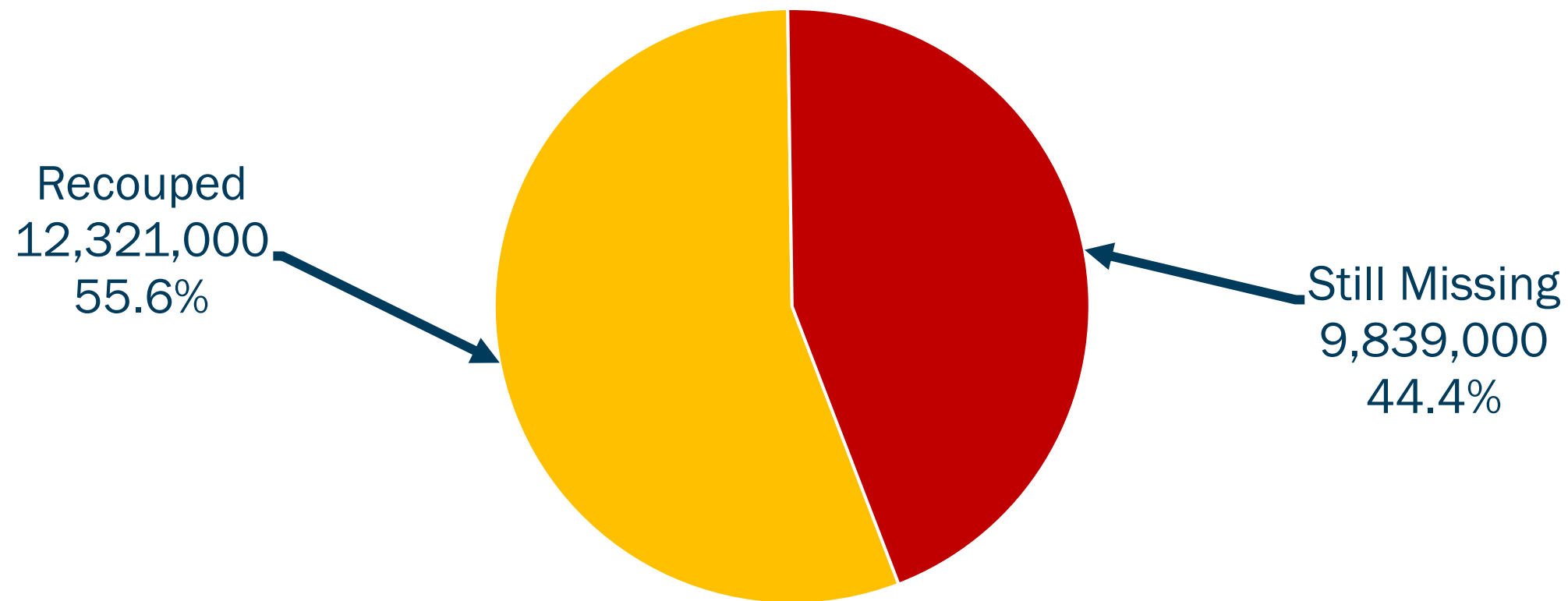
# Change in Gross Domestic Product

\$ Billions

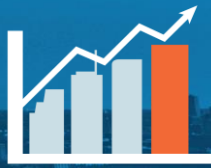




# U.S. Jobs Recovered







# **Yelp data shows 60% of business closures due to the coronavirus pandemic are now permanent**

PUBLISHED WED, SEP 16 2020•8:32 AM EDT | UPDATED WED, SEP 16 2020•3:33 PM EDT



How bad  
did it get in  
Metro  
Houston?



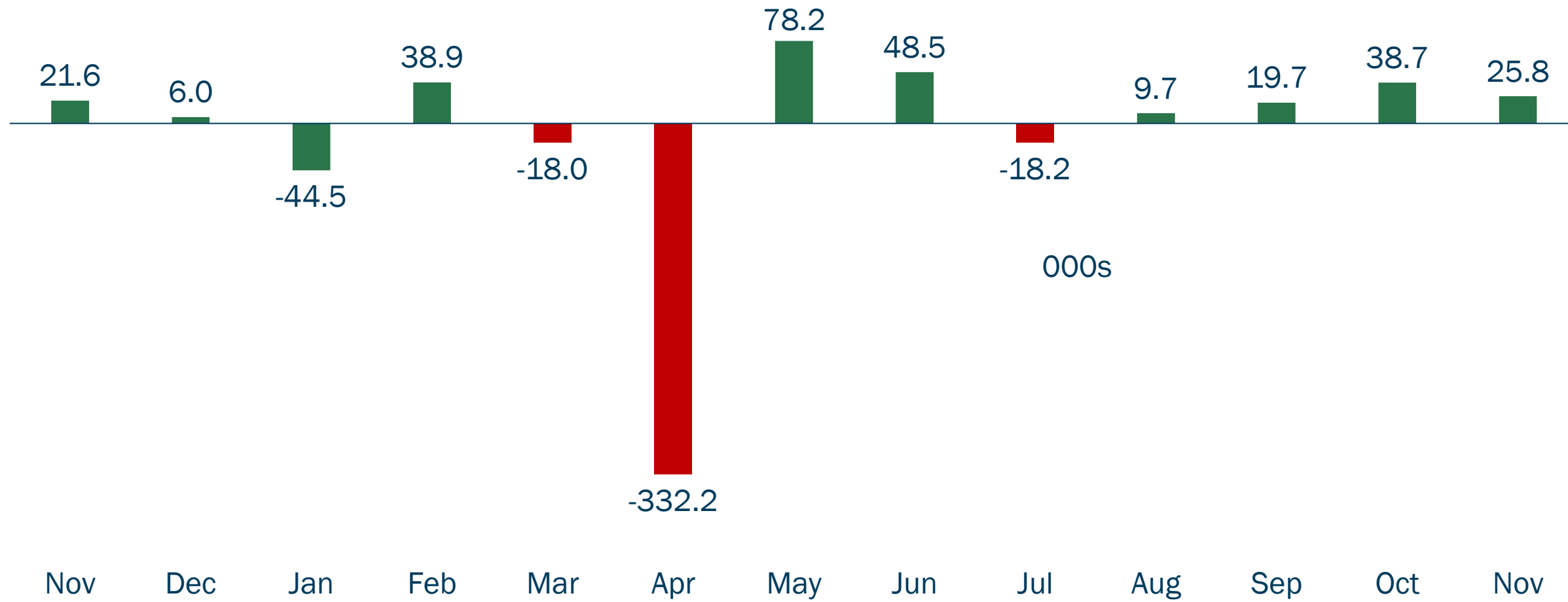


**350,200**  
Jobs lost



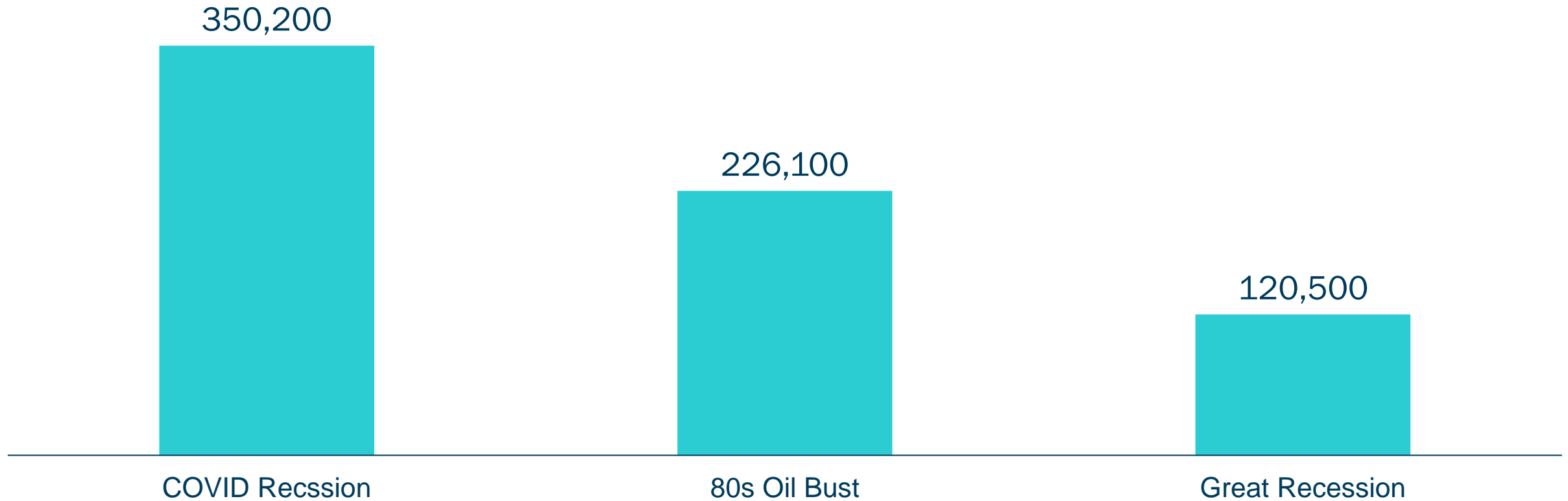


# Metro Houston Job Growth, '19 – '20





# Jobs Lost, Three Worst Houston Recessions

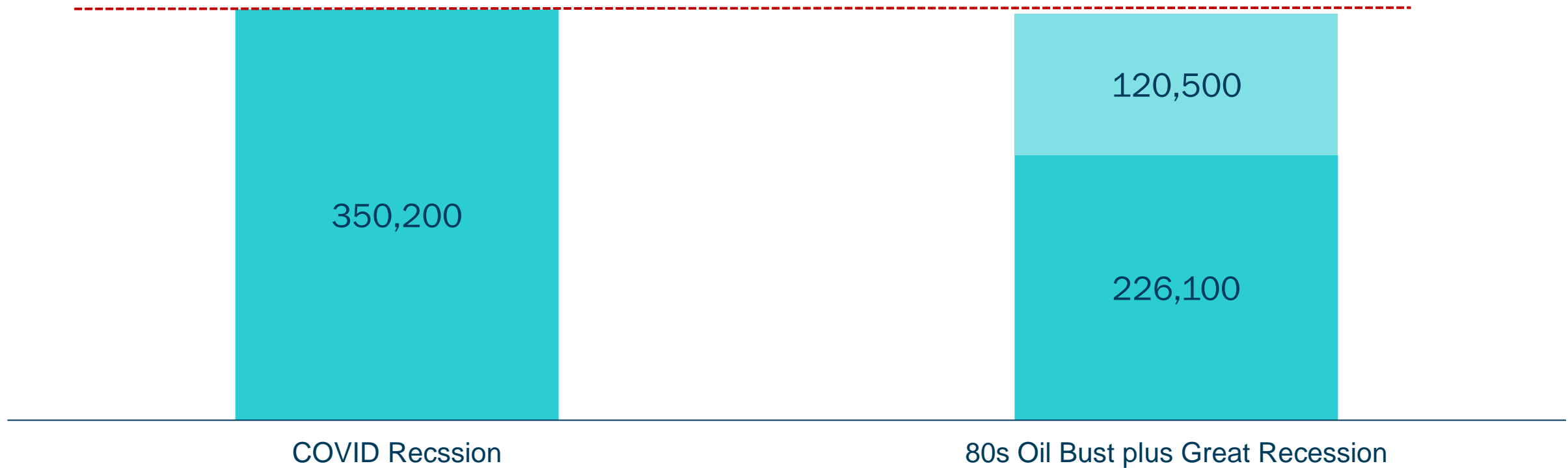


Source: Partnership calculations based on Texas Workforce Commission data





# Jobs Lost, Three Worst Houston Recessions



Source: Partnership calculations based on Texas Workforce Commission data

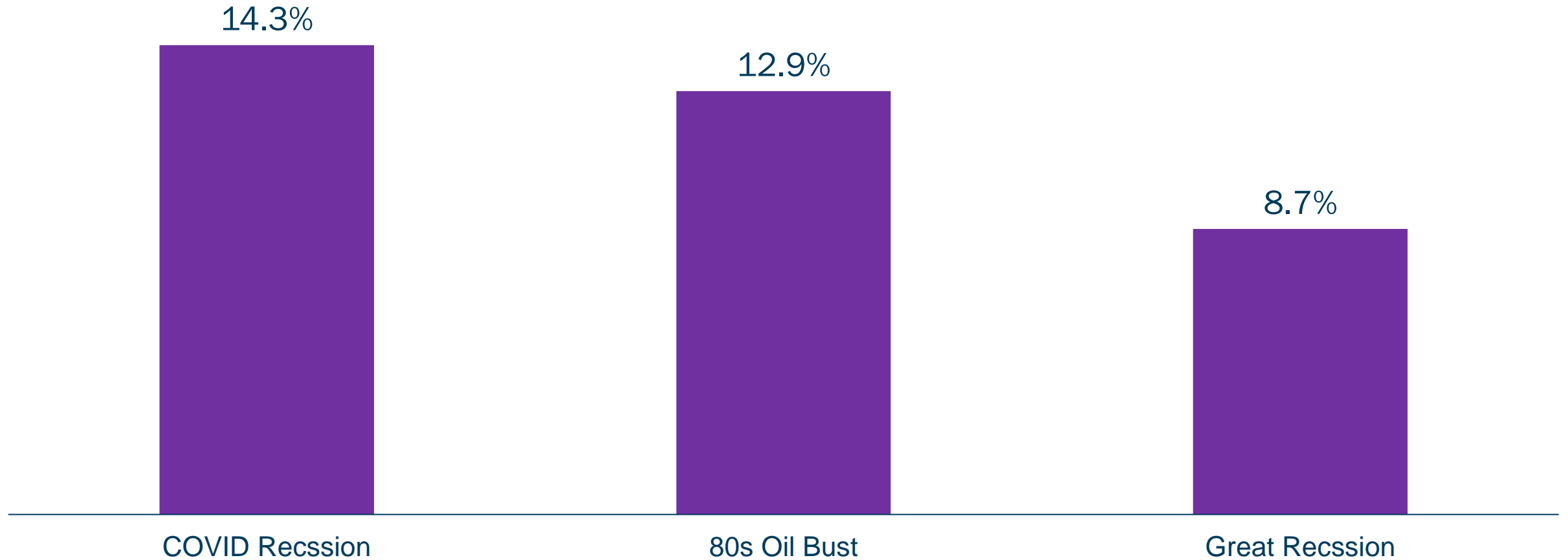


# 14.3%

## April Unemployment Rate



# Unemployment Rate, Three Worst Houston Recessions





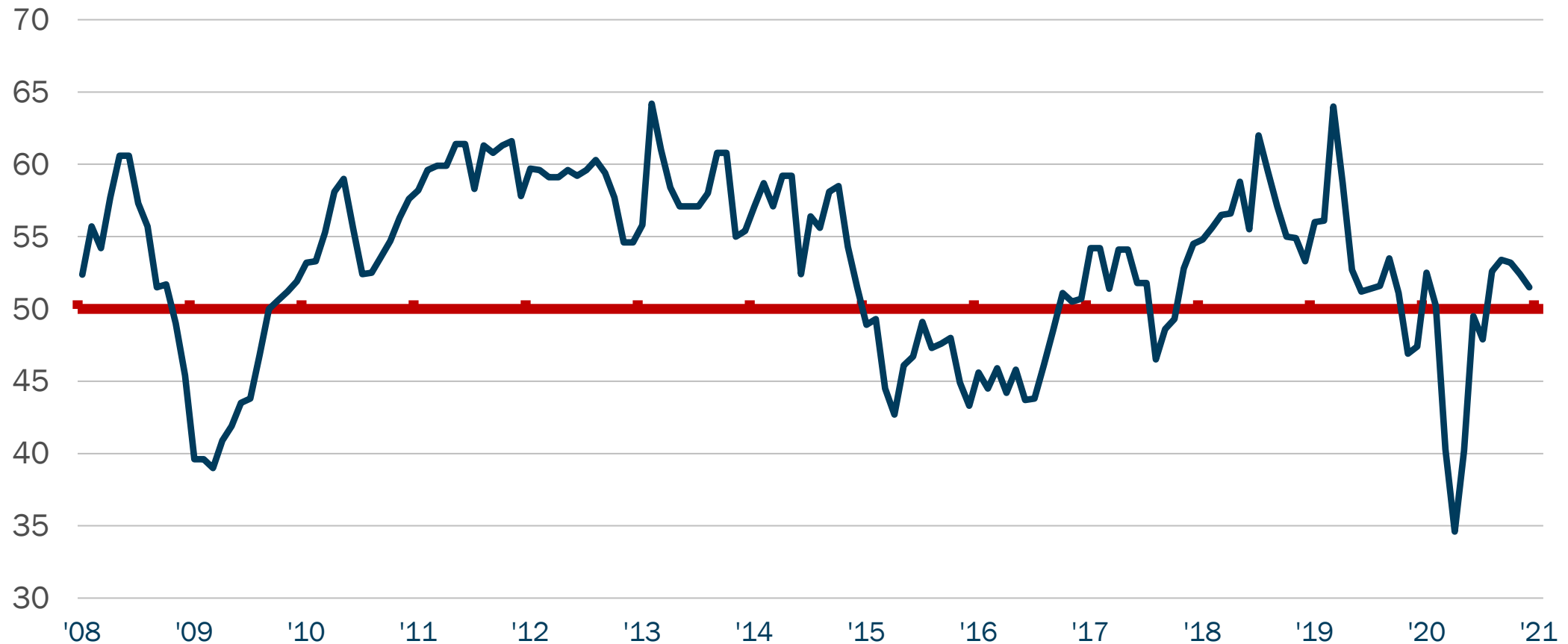
# 34.6%

## April PMI



# Purchasing Managers Index

Above 45 = Services Expansion, Above 50 = Manufacturing Expansion







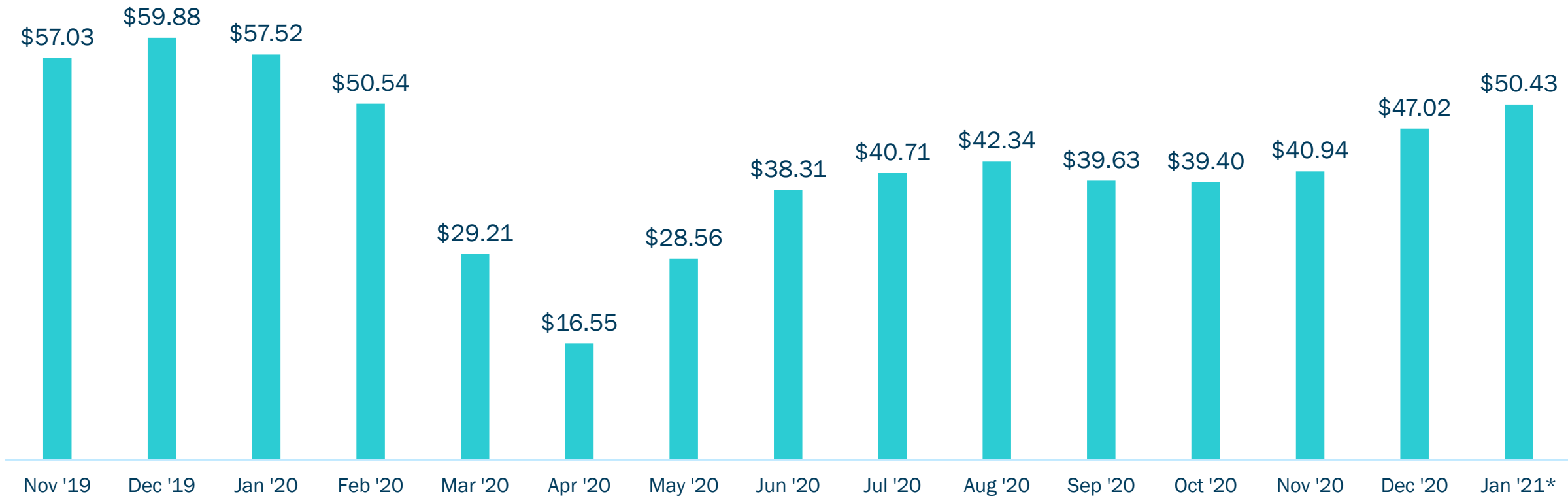
# \$16.55

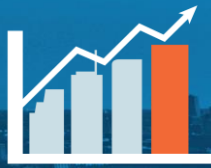
## Average Price of Crude in April



# West Texas Intermediate

Per Barrel



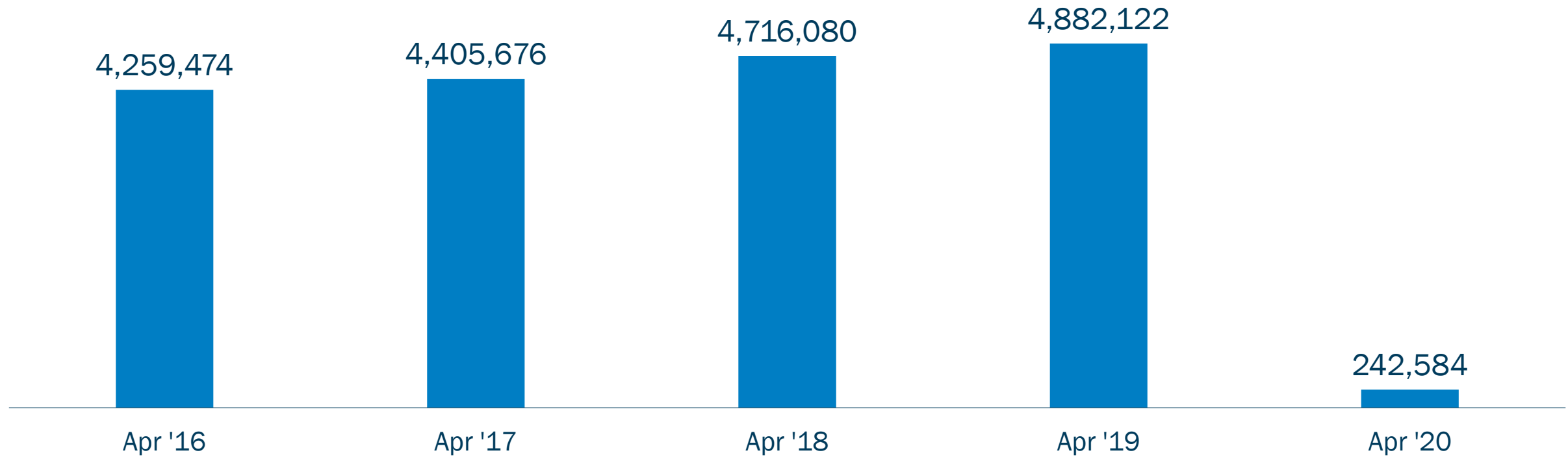


# 242,584

HAS passenger traffic in April



# HAS Passenger Traffic





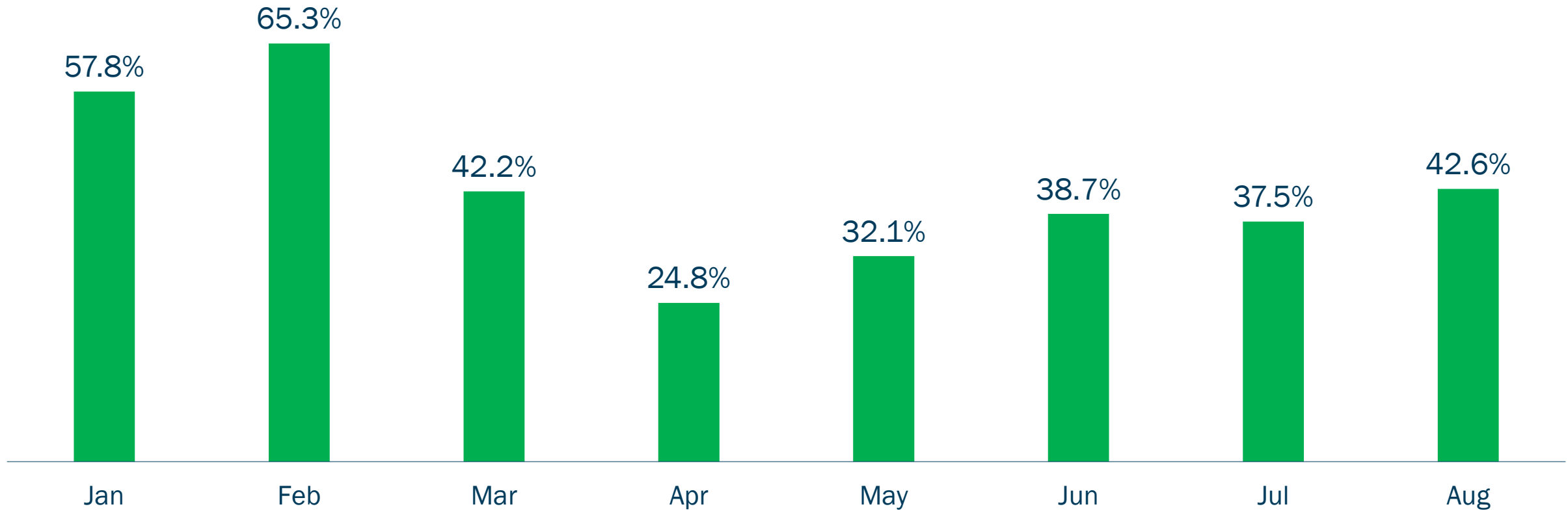
# 24.8%

## Average Hotel Occupancy in April





# Average Metro Houston Hotel Occupancy





**-13.7%**  
**Drop in retail sales**



# Metro Houston Retail Sales

## METRO HOUSTON RETAIL SALES - \$ Billions

Sector	Q2/20	Q2/19	% Change
Motor Vehicles	4,749	5,445	-12.8
Home Furnishings	765	875	-12.5
Electronics/Appliance	818	1,113	-26.5
Building Materials	2,509	2,282	9.9
Food and Beverage	4,996	4,471	11.7
Health and Personal	1,508	1,532	-1.6
Gasoline Stations	3,908	6,584	-40.6
Clothing Stores	914	1,379	-33.7
Sport/Hobby/Books	572	490	16.7
General Merchandise	3,122	3,299	-5.4
Miscellaneous Stores	1,773	1,393	-25.9
Nonstore, Other	910	899	1.2
TOTAL RETAIL TRADE	26,543	30,763	-13.7



# Metro Houston Retail Sales

## METRO HOUSTON RETAIL SALES - \$ Billions

Sector	Q2/20	Q2/19	% Change
Motor Vehicles	4,749	5,545	-12.8
Home Furnishings	765	875	-12.5
Electronics/Appliance	818	1,113	-26.5
Building Materials	2,509	2,282	9.9
Food and Beverage	4,996	4,471	11.7
Health and Personal	1,508	1,532	-1.6
Gasoline Stations	3,908	6,584	-40.6
Clothing Stores	914	1,379	-33.7
Sport/Hobby/Books	572	490	16.7
General Merchandise	3,122	3,299	-5.4
Miscellaneous Stores	1,773	393	-25.9
Nonstore, Other	910	899	1.2
TOTAL RETAIL TRADE	26,543	30,763	-13.7





# So where are we now?







Job Losses (March + April)

350,200

Jobs Added (May to November)

202,500

Still to be Recouped

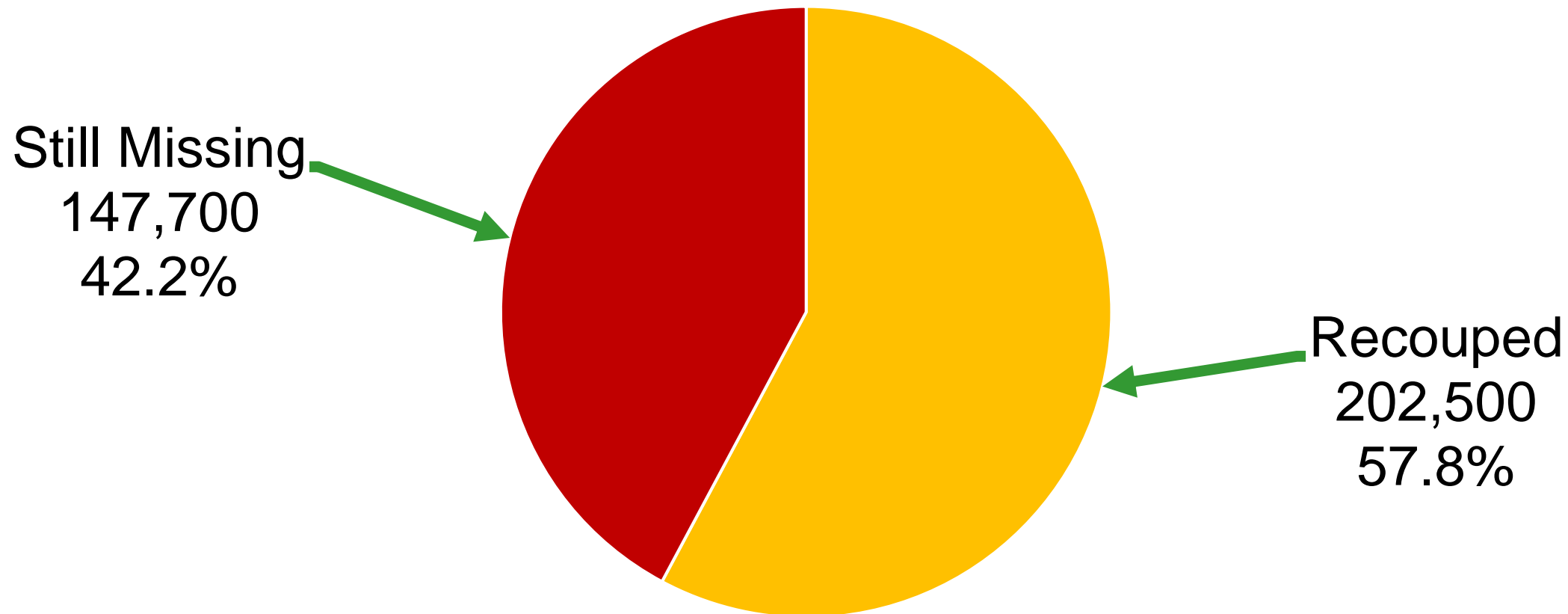
147,700



\*not seasonally adjusted



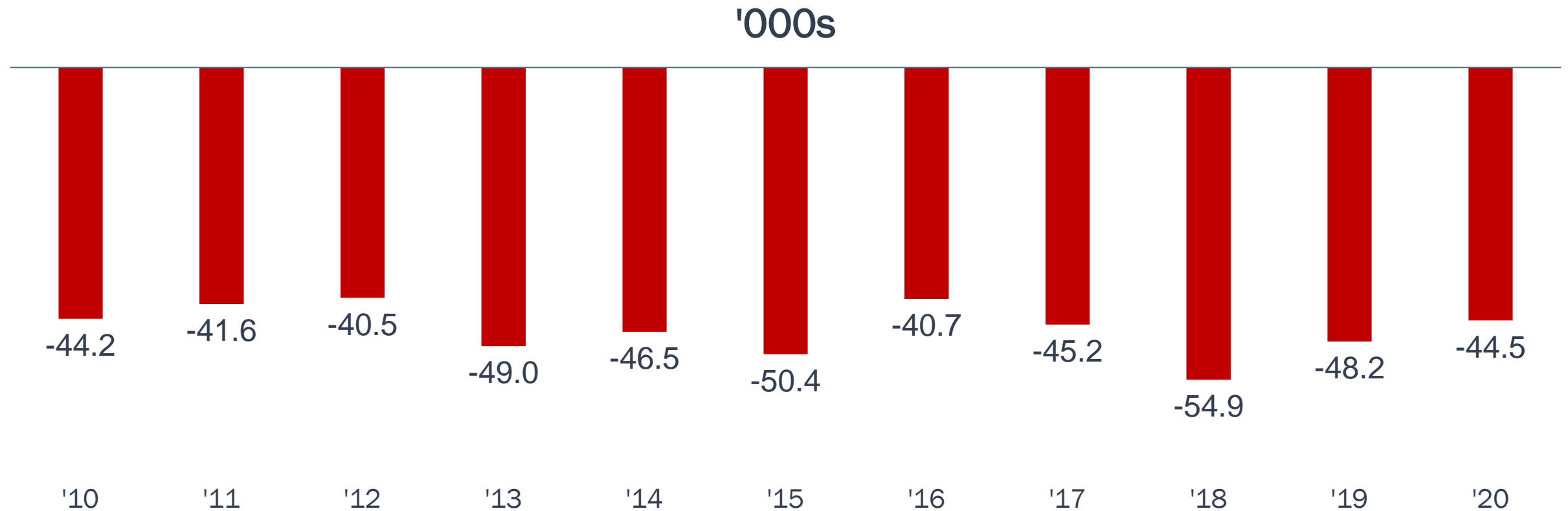
# Metro Area Jobs Recovered\*



\* As of November '20



# January Job Losses, Metro Houston





# Houston's Progress Toward Recovering Pandemic Job Losses

Professional, Scientific, Technical  
Services

100%

Finance and Insurance

100%

Utilities

100%

\*Transportation, Warehousing

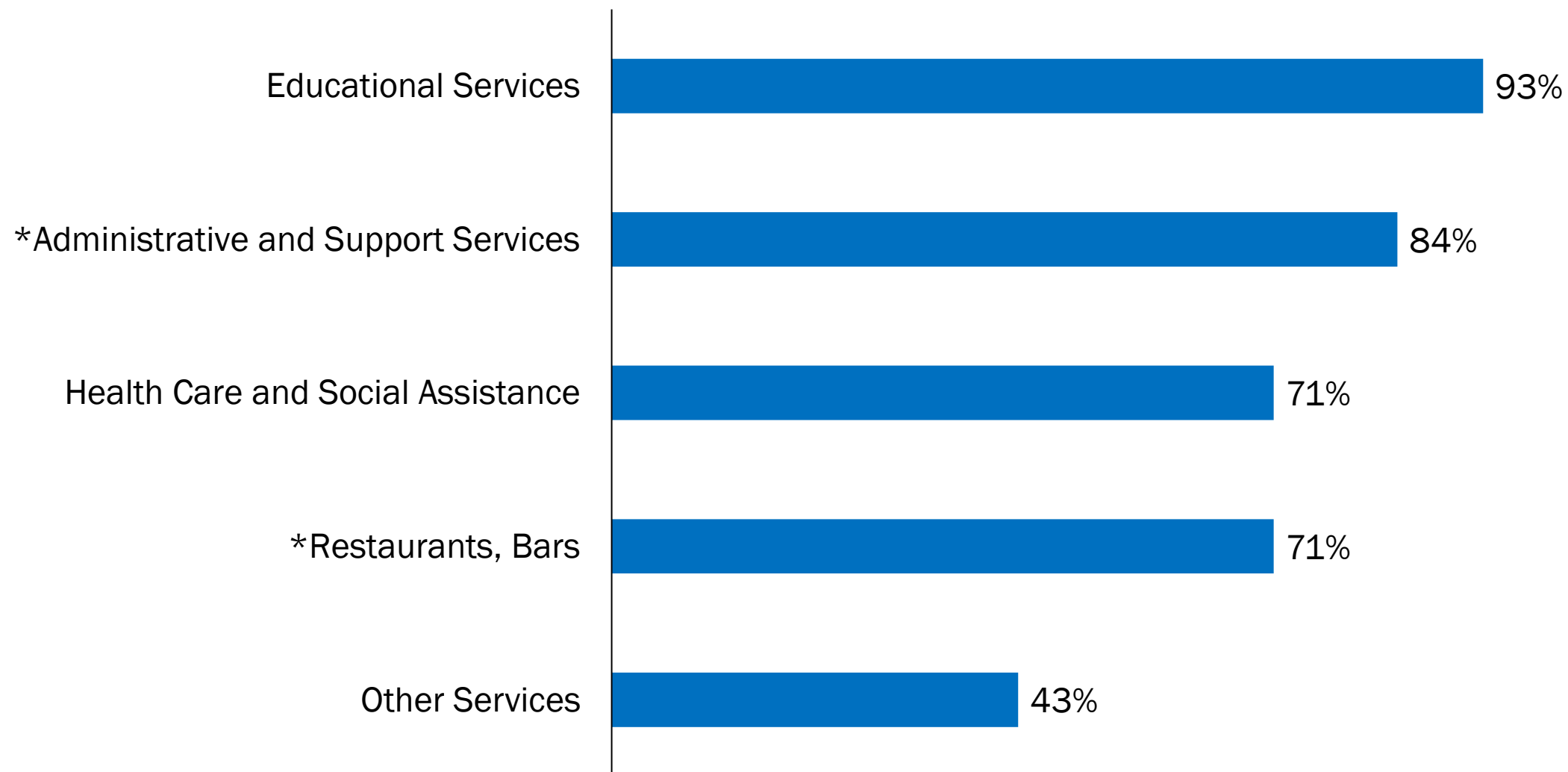
100%

\*Retail Trade

100%



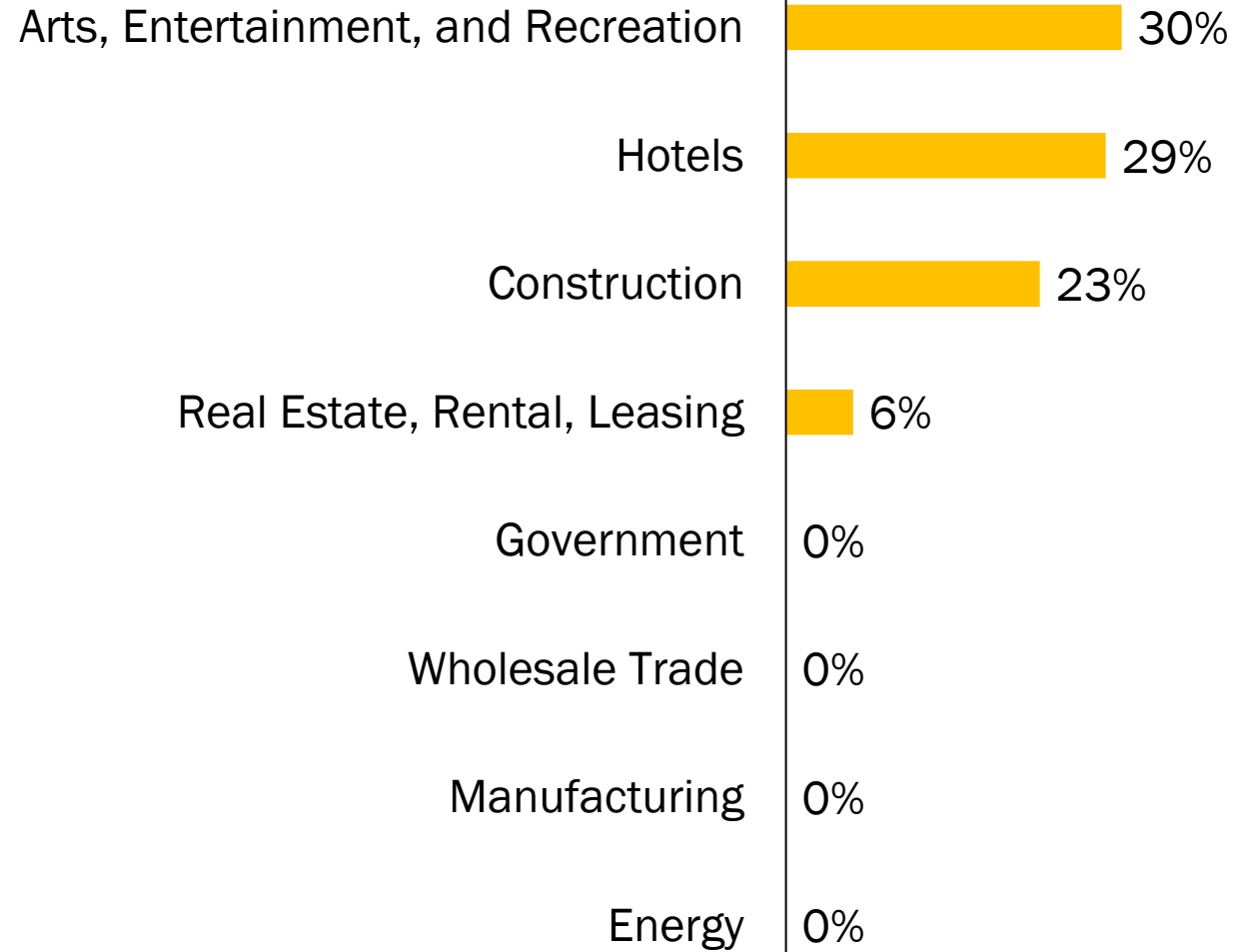
# Houston's Progress Toward Recovering Pandemic Job Losses







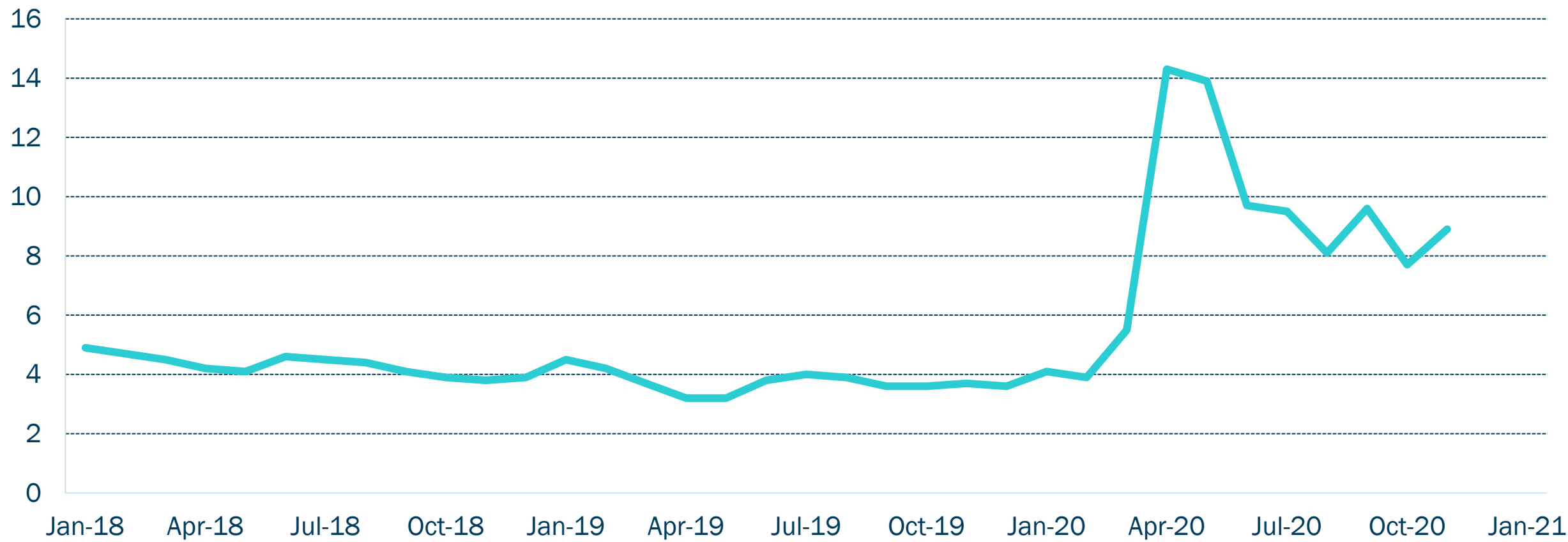
# Houston's Progress Toward Recovering Pandemic Job Losses





# Houston Unemployment Rate

% of Labor Force Unemployed





# What's the outlook for Metro Houston in '21?



## First Half of '21



HOUSTON REGION  
ECONOMIC OUTLOOK





## First Half of '21



## Second Half of '21







# First Half of '21



**The New York Times**

**‘Things Will Get Worse,’ Fauci Warns, as U.S. Hits a New Daily Death Record**

Last Updated Jan. 13, 2021



# First Half of '21





# First Half of '21







# Around mid-year?





# By the End of Q1/21

- ✓ Most health care workers vaccinated
- ✓ Inoculations begin on general pop
- ✓ COVID cases trend down







By the End of Q2/21

- ✓ Stimulus packages bearing fruit
- ✓ RoW controlling the virus
- ✓ Global growth kicks in
- ✓ Demand for U.S. exports grows





# Beginning of Q3/21

- ✓ Pent up demand unleashed
- ✓ Business projects restart
- ✓ Travel resumes





# How many jobs will metro Houston create in '21?

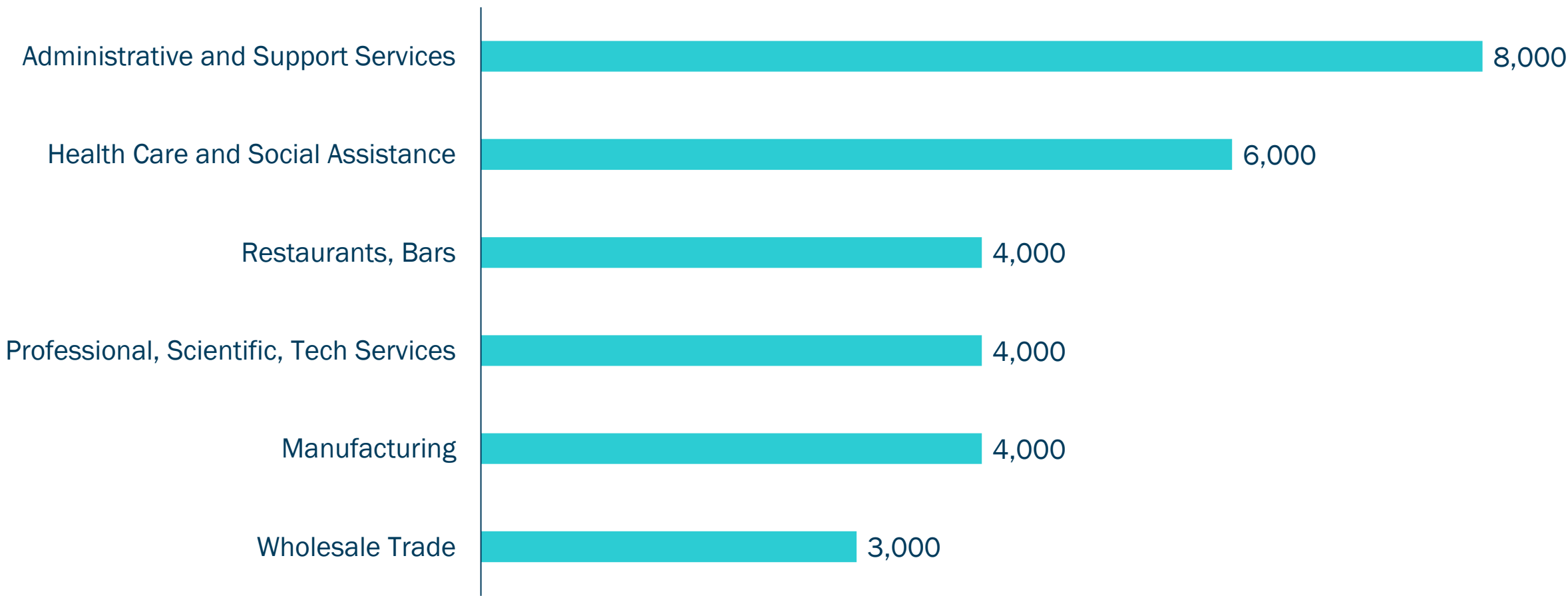
35,000 – 52,000\*

\* Depends on success of vaccine rollout





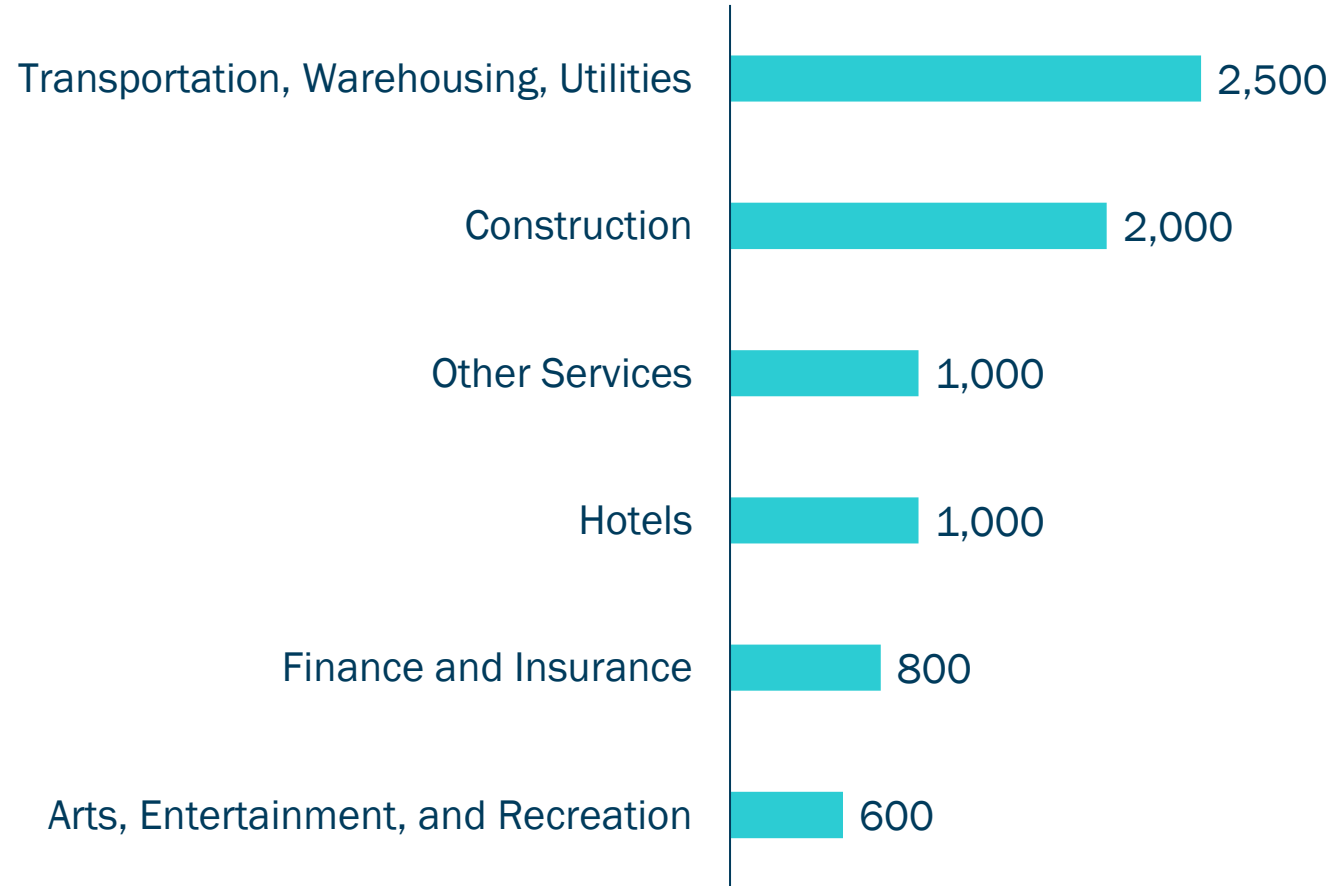
# Projected Job Growth, Dec '20 – Dec '21





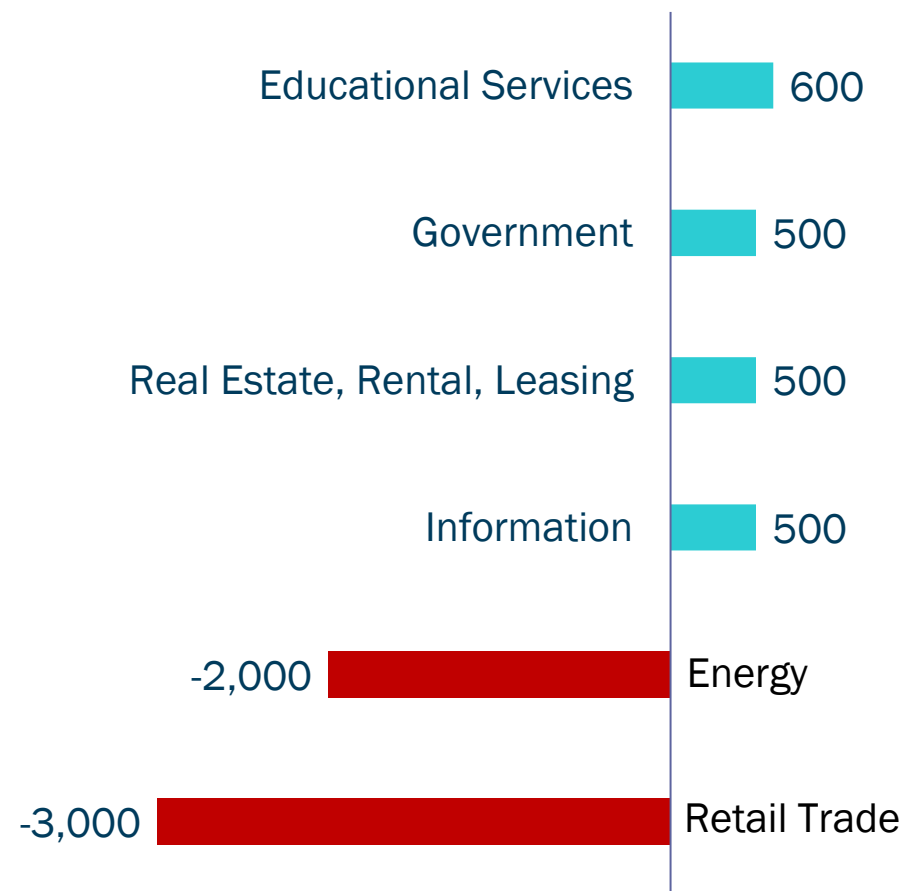


# Projected Job Growth, Dec '20 – Dec '21





# Projected Job Growth, Dec '20 – Dec '21





The region still faces  
significant challenges





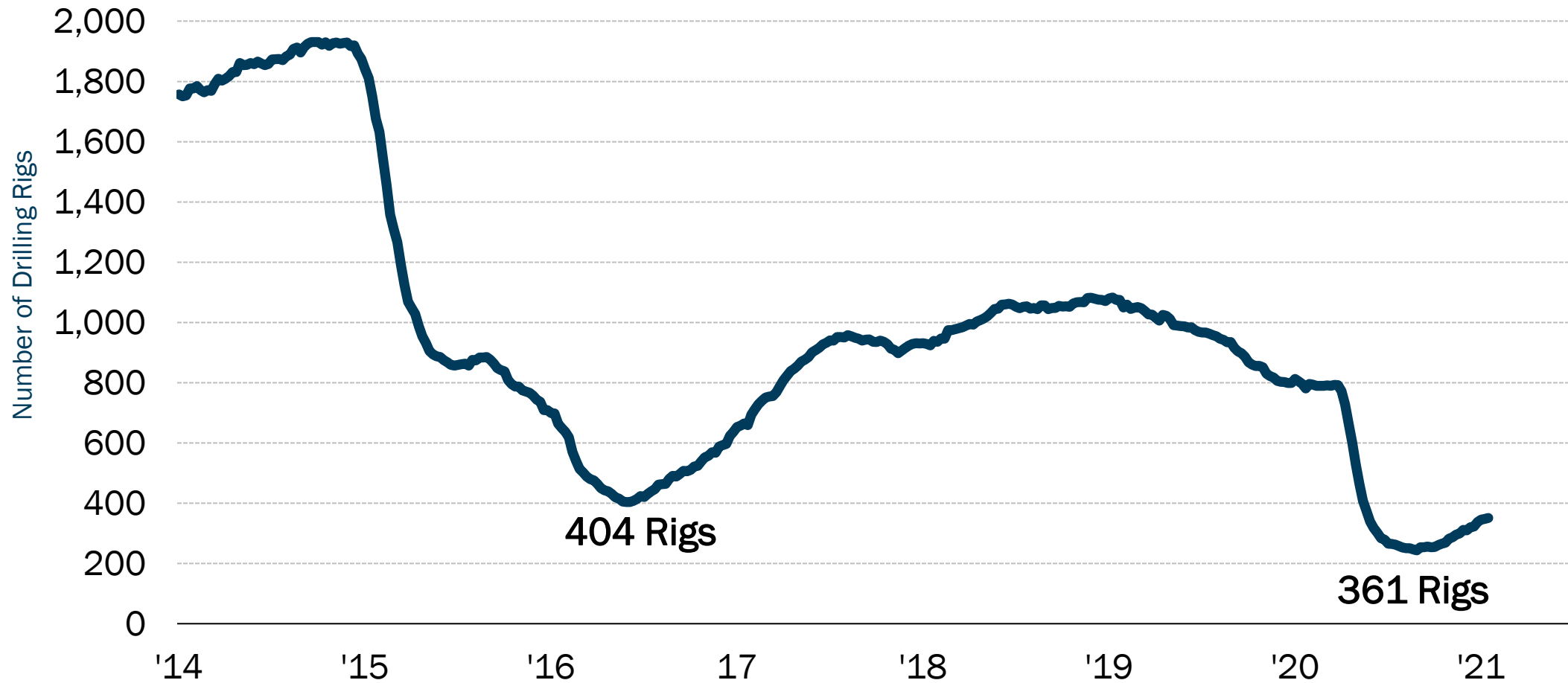
**Oversupplied**





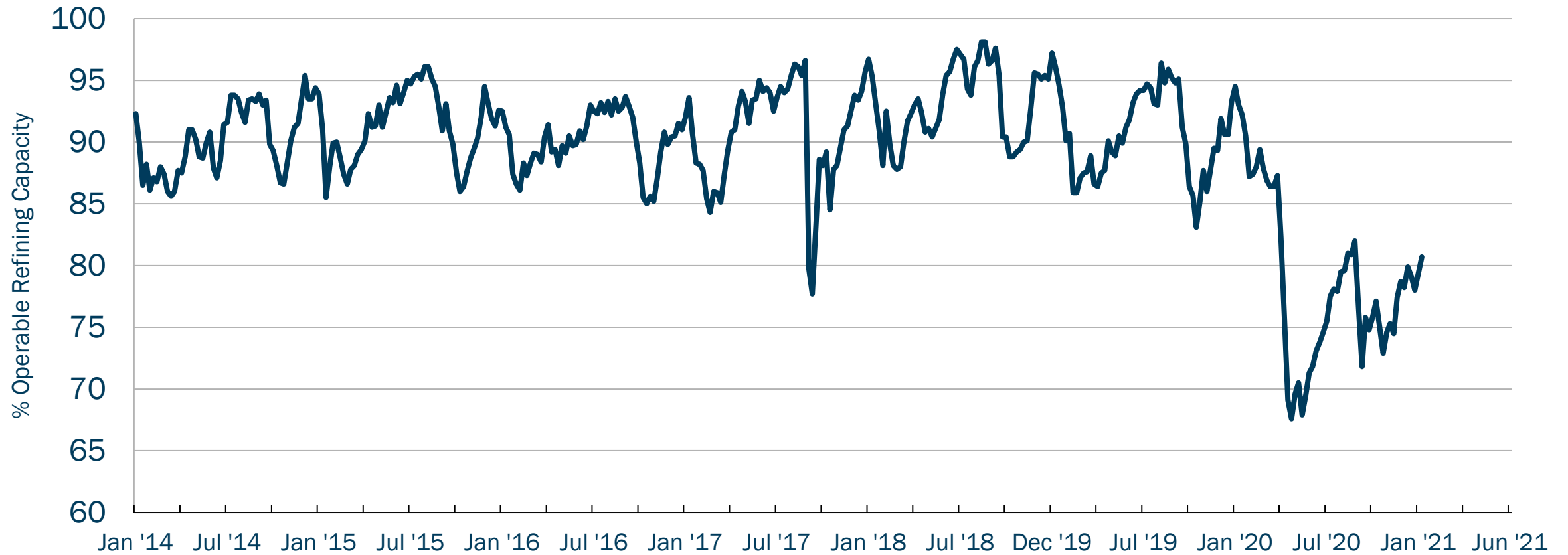


# U.S. Rig Count



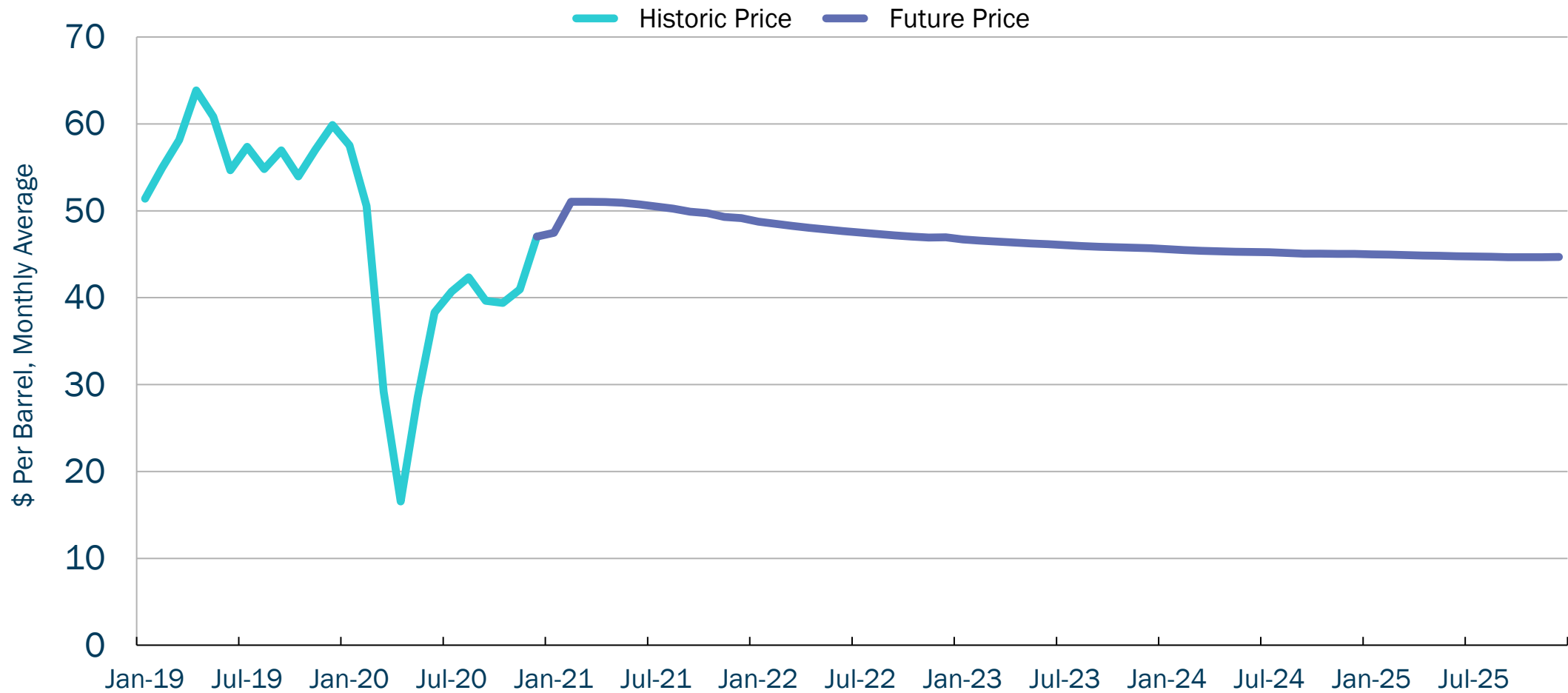


# U.S. Refinery Capacity Utilization





# West Texas Intermediate Spot Price

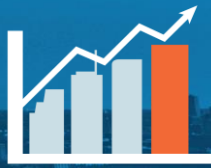






Overbuilt





# Industrial

In 2020

30.3 MSF delivered

14.5 MSF absorbed

54.3 MSF vacant



# Industrial

## In 2020

30.3 MSF delivered  
14.5 MSF absorbed  
54.3 MSF vacant

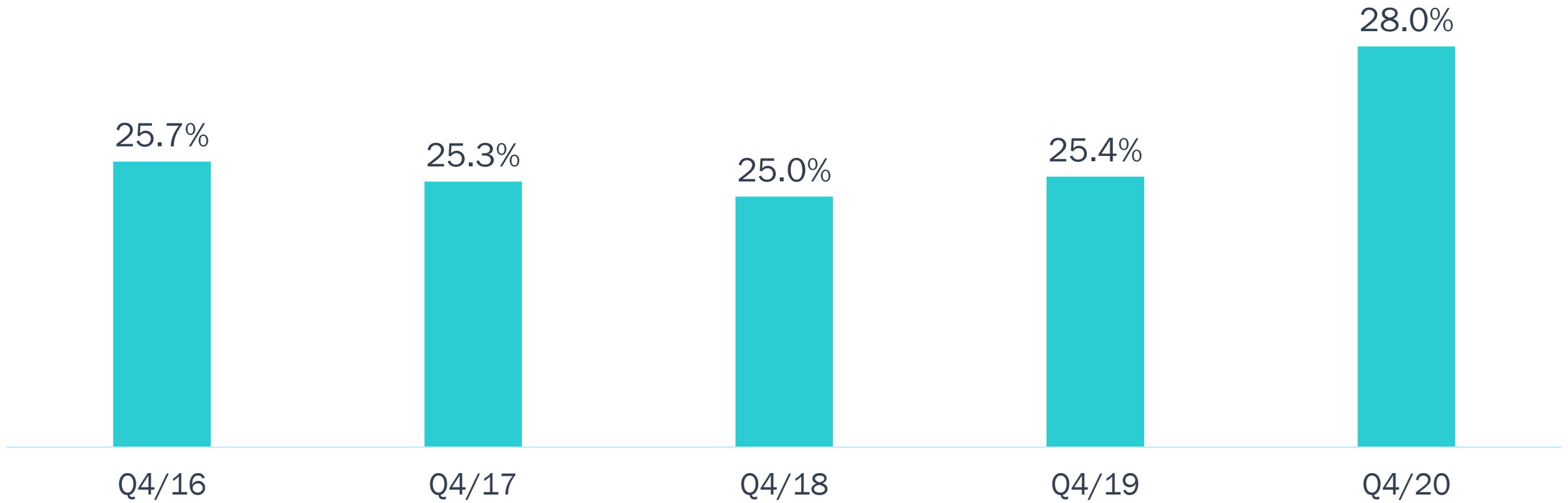
## Class A Vacancy

18.6 percent (Q4/20)  
12.5 percent (Q4/19)



# Office Market

## Total Available Space





**Underinsured**







# Health Insurance

## Population With Health Insurance, 50 Largest Metros

Rank	Metro	% Covered
1	Buffalo, NY	97.3
2	Boston, MA	96.8
3	Providence, RI	96.3
48	San Antonio, TX	83.9
49	Dallas-Fort Worth, TX	82.6
50	Houston, TX	80.3



In transition



# Selected Bankruptcies

---

Ann Taylor	Jos. A. Bank	Neiman Marcus
Bealls	Justice	Palais Royal
Brooks Brothers	Lane Bryant	Papyrus
Catherine's	Loft	Pier One
GNC	Lord & Taylor	Stein Mart
Guitar Center	Lucky Brand	Sur La Table
JC Penny	Men's Wearhouse	Tuesday Morning

---





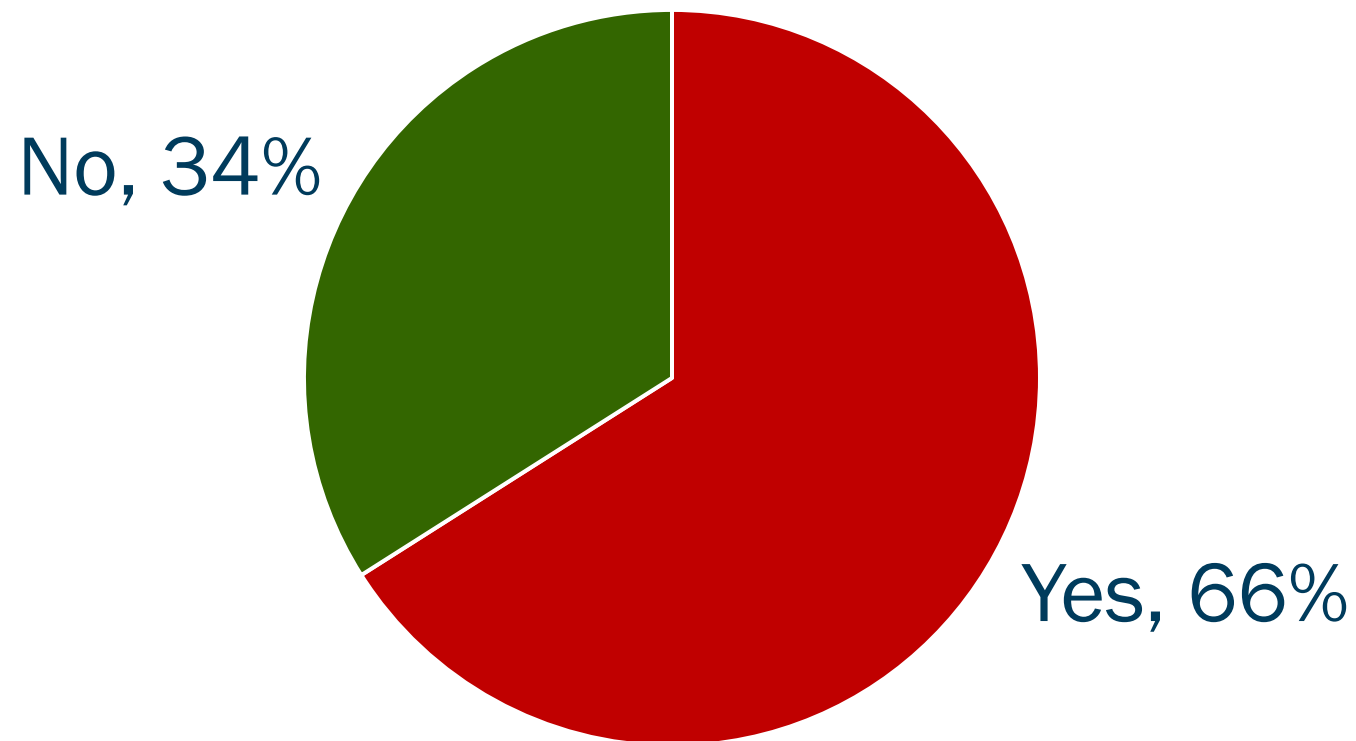
Tied to energy





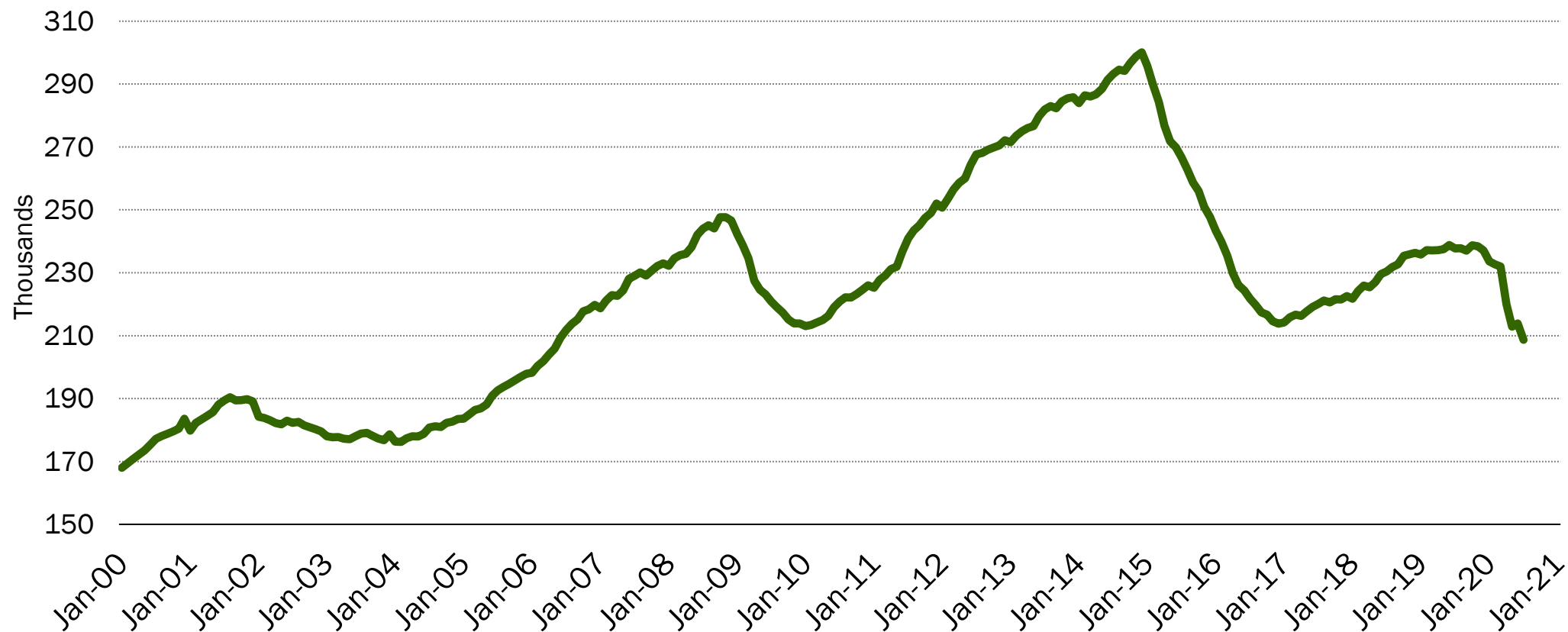
# Do you think U.S. oil production has peaked?

154 Respondents





# Energy Industry Employment in Houston



Source: Partnership calculations based on Texas Workforce Commission data

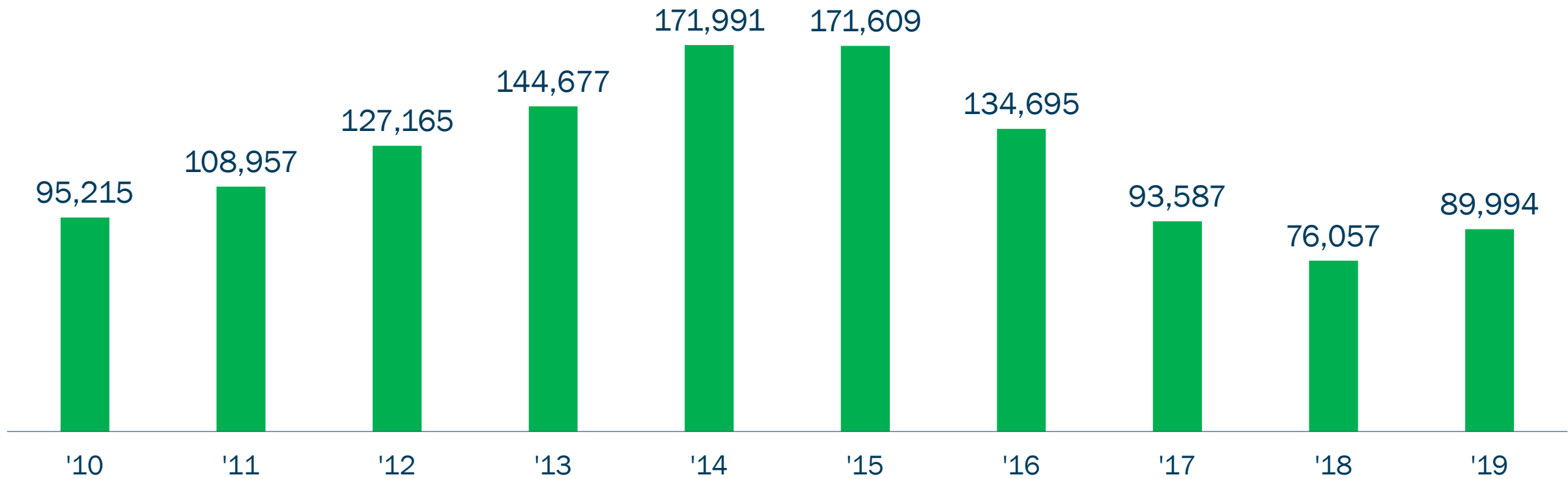


Fewer  
Newcomers





# Metro Population Growth







# Components of Population Change ('000s)

	Total Population	Migration <i>plus</i> Natural Increase	Net Migration		Natural Increase*
			International	Domestic	
'10	5,947.2	26.7	5.6	7.1	14.0
'11	6,056.2	109.0	26.1	23.6	59.2
'12	6,183.5	127.3	30.1	39.1	57.8
'13	6,328.2	144.7	31.9	54.8	57.3
'14	6,500.2	172.0	42.9	67.1	60.9
'15	6,671.8	171.6	46.5	62.1	62.7
'16	6,806.5	134.7	44.5	27.1	63.1
'17	6,900.1	93.6	42.9	(9.5)	60.0
'18	6,976.1	76.1	32.4	(9.4)	52.9
'19	7,066.1	90.0	30.7	7.1	52.0



# Components of Population Change ('000s)

	Total Population	Migration <i>plus</i> Natural Increase	Net Migration		Natural Increase*
			International	Domestic	
'10	5,947.2	26.7	5.6	7.1	14.0
'11	6,056.2	109.0	26.1	23.6	59.2
'12	6,183.5	127.3	30.1	39.1	57.8
'13	6,328.2	144.7	31.9	54.8	57.3
'14	6,500.2	172.0	42.9	67.1	60.9
'15	6,671.8	171.6	46.5	62.1	62.7
'16	6,806.5	134.7	44.5	27.1	63.1
'17	6,900.1	93.6	42.9	(9.5)	60.0
'18	6,976.1	76.1	32.4	(9.4)	52.9
'19	7,066.1	90.0	30.7	7.1	52.0



# Components of Population Change ('000s)

	Total Population	Migration <i>plus</i> Natural Increase	Net Migration		Natural Increase*
			International	Domestic	
'10	5,947.2	26.7	5.6	7.1	14.0
'11	6,056.2	109.0	26.1	23.6	59.2
'12	6,183.5	127.3	30.1	39.1	57.8
'13	6,328.2	144.7	31.9	54.8	57.3
'14	6,500.2	172.0	42.9	67.1	60.9
'15	6,671.8	171.6	46.5	62.1	62.7
'16	6,806.5	134.7	44.5	27.1	63.1
'17	6,900.1	93.6	42.9	(9.5)	60.0
'18	6,976.1	76.1	32.4	(9.4)	52.9
'19	7,066.1	90.0	30.7	7.1	52.0



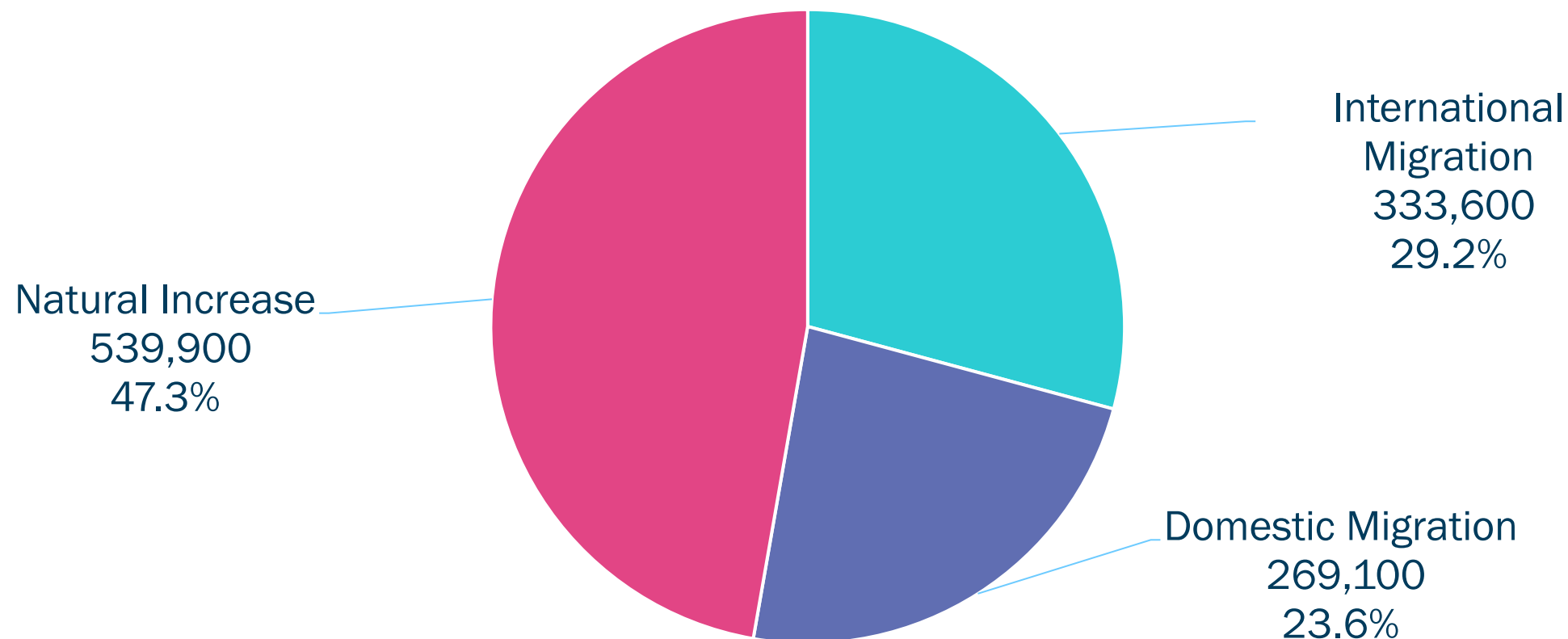
# Components of Population Change ('000s)

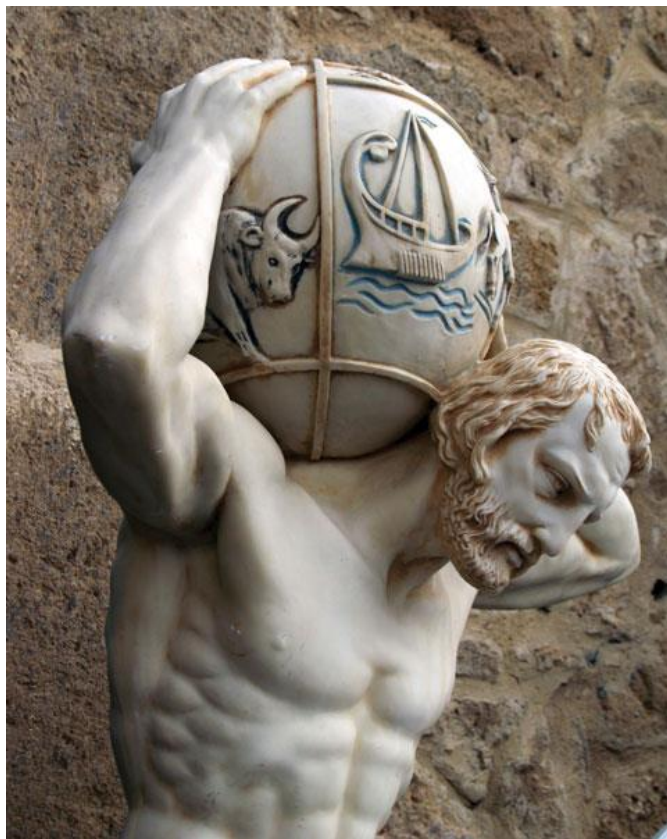
	Total Population	Migration <i>plus</i> Natural Increase	Net Migration		Natural Increase*
			International	Domestic	
'10	5,947.2	26.7	5.6	7.1	14.0
'11	6,056.2	109.0	26.1	23.6	59.2
'12	6,183.5	127.3	30.1	39.1	57.8
'13	6,328.2	144.7	31.9	54.8	57.3
'14	6,500.2	172.0	42.9	67.1	60.9
'15	6,671.8	171.6	46.5	62.1	62.7
'16	6,806.5	134.7	44.5	27.1	63.1
'17	6,900.1	93.6	42.9	(9.5)	60.0
'18	6,976.1	76.1	32.4	(9.4)	52.9
'19	7,066.1	90.0	30.7	7.1	52.0





# Components of Population Change, '10 to '19





Who will carry  
the burden?



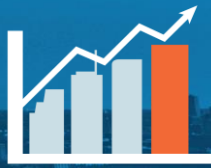
**HOUSTON**★**CHRONICLE**

# Former Midtown Fiesta to get new life as Greentown Labs Houston



school. Baylor extricated itself by accepting an invitation from the [M.D. Anderson Foundation](#) and other **Houston** benefactors to move to **Houston**. The move was completed by July 12, 1943, when the Baylor College of Medicine began its **Houston** era in a former Sears, Roebuck and Company building on Buffalo Drive. These renovated quarters housed the college until the Cullen Building was ready for occupancy.

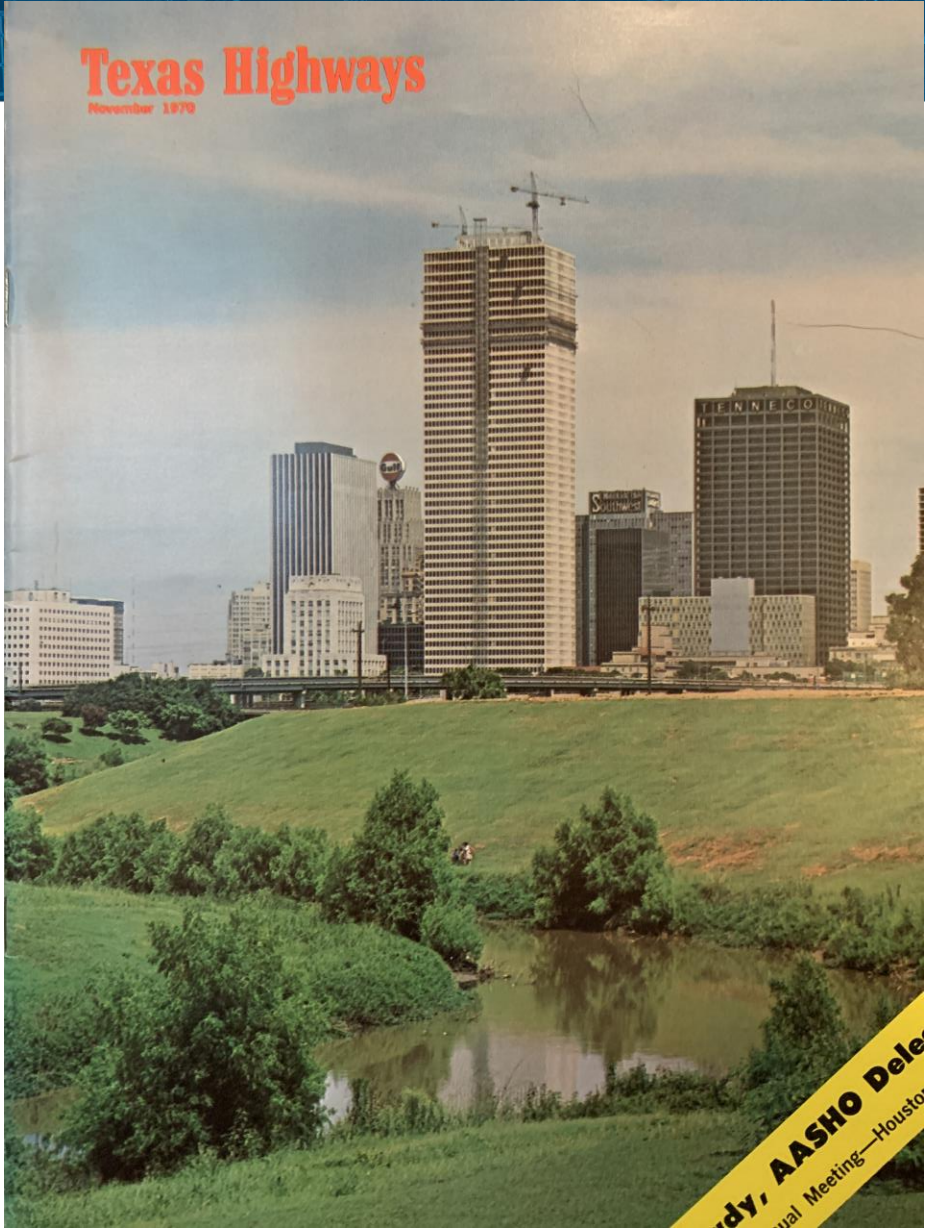




**HOUSTON  
BUSINESS JOURNAL**

# **Hewlett Packard Enterprise to move HQ from California to Houston area**

**HOUSTON REGION  
ECONOMIC OUTLOOK**



**HOUSTON REGION**  
**ECONOMIC OUTLOOK**



# Homegrown Opportunities

- 53 startup development organizations, coworking spaces
- 700+ VC-backed companies
- \$2.7B in VC into Houston companies since '15



# Three things to help get Metro Houston back on track





# Avoid Crowds











How many jobs will metro Houston create in '21?

35,000 – 52,000







# The Outlook for Metro Houston in 2021

Presented By Patrick Jankowski  
Senior Vice President, Research  
Greater Houston Partnership