



Builders Post-Tension

GHBA Forecast Luncheon January 2017

Robert Jankowski **Greater Houston Partnership**

Scott Davis **Meyers Research**

Dr. Elizabeth Simas **Political Science @ University of Houston**

- During the years 2014-2016 the City of Houston lost 88,700 jobs either in the Energy business or close to the Energy business.
- But also during the years 2014-2016 the City of Houston gained 77,400 jobs in non-Energy related businesses.
- Our Oil business woes are now in the rear view mirror!
- Current Oil prices are around \$ 50 / barrel, up from a low of \$ 26 / barrel.
- Our current Rig Count is up to 655 from a low of around 400.
- Houston is once again creating jobs and the long term trend is on an upswing.
- Houston is forecasted to create 30,000 jobs in 2017 up from 15,000 in 2015.
- Single Family permits will likely be flat in 2017 (still a robust 30,000 + SF starts) and see some nice growth in single family permits in 2018.
- Existing home sales had a record year in Houston in 2016.
- Average home prices have fallen back down to 2015 levels (good for affordability).
- We will need to keep a close eye on rising mortgage % rates which are always a threat to affordability.
- Oil prices positioned between \$ 48-\$ 85 a barrel is most conducive to optimal single family home building growth. At those prices it is not too high to hurt your pocket book but high enough for Energy Companies to be busy and creating jobs.
- MUD's (Municipal Utility Districts) are extremely important to the affordability of housing in Texas. Not building in a MUD can add as much as \$ 150,000 to the price of a home. **(Please attend GHBA Rally Day!!!)**
- The new Trump Administration has several stated goals as he is sworn in as our 45th President.
 - They want to revise and simplify the U.S. tax code. (this should create more disposable income, spurring our economy)
 - They want to spend \$ 550 Billion on U.S. Infrastructure. (this should create jobs and disposable income, spurring our economy)
 - They want to decrease building regulations. (this should reduce the cost and time it takes to build a house and increase affordability for home owners)
 - They want to overhaul our Immigration system. (we are already currently experiencing a labor shortage, so depending on how this goes it could help or hurt our labor issues)
- **Stay Calm and Profit On!**