

# metrostudy

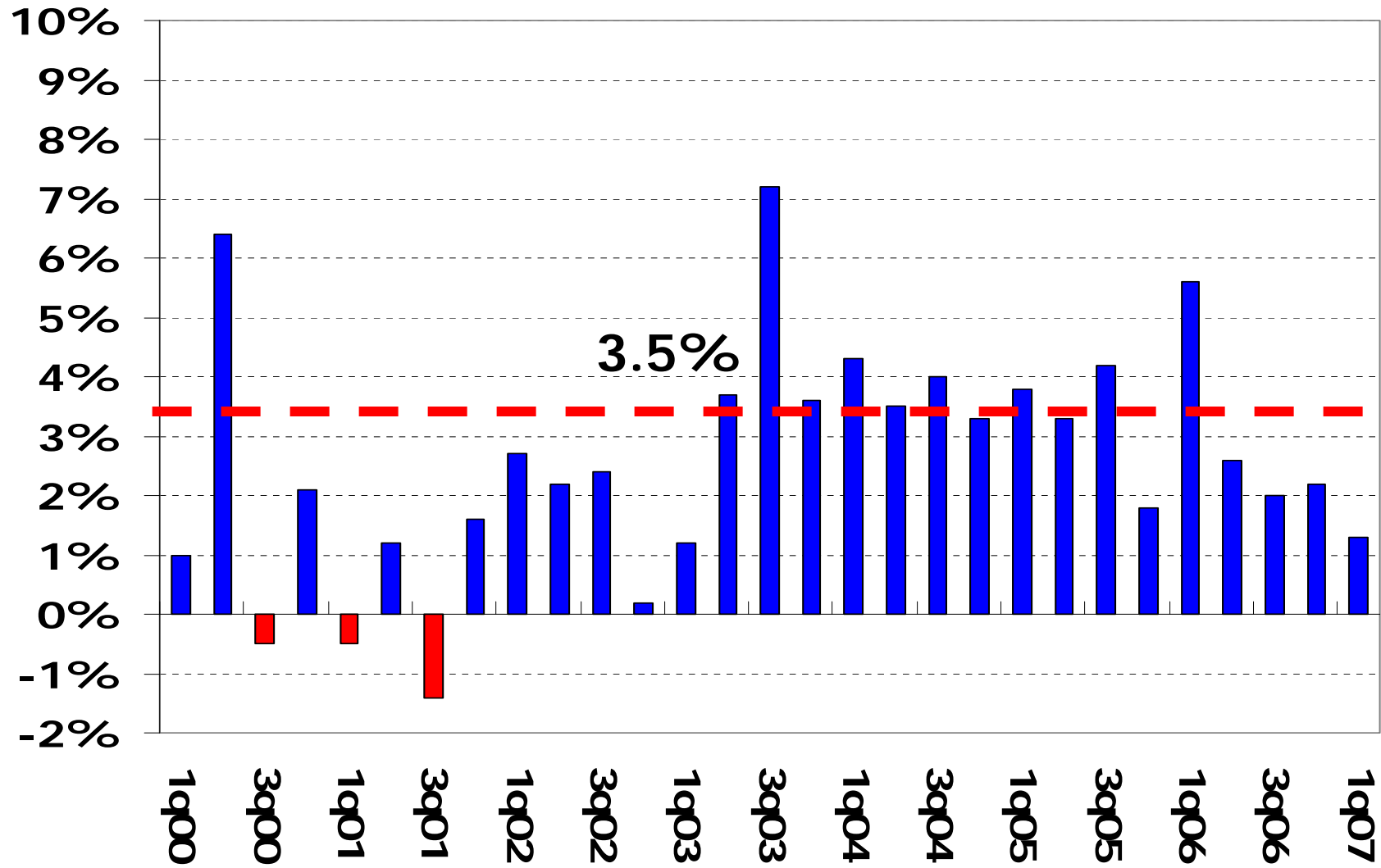
Housing Starts **Here**



# National Economy

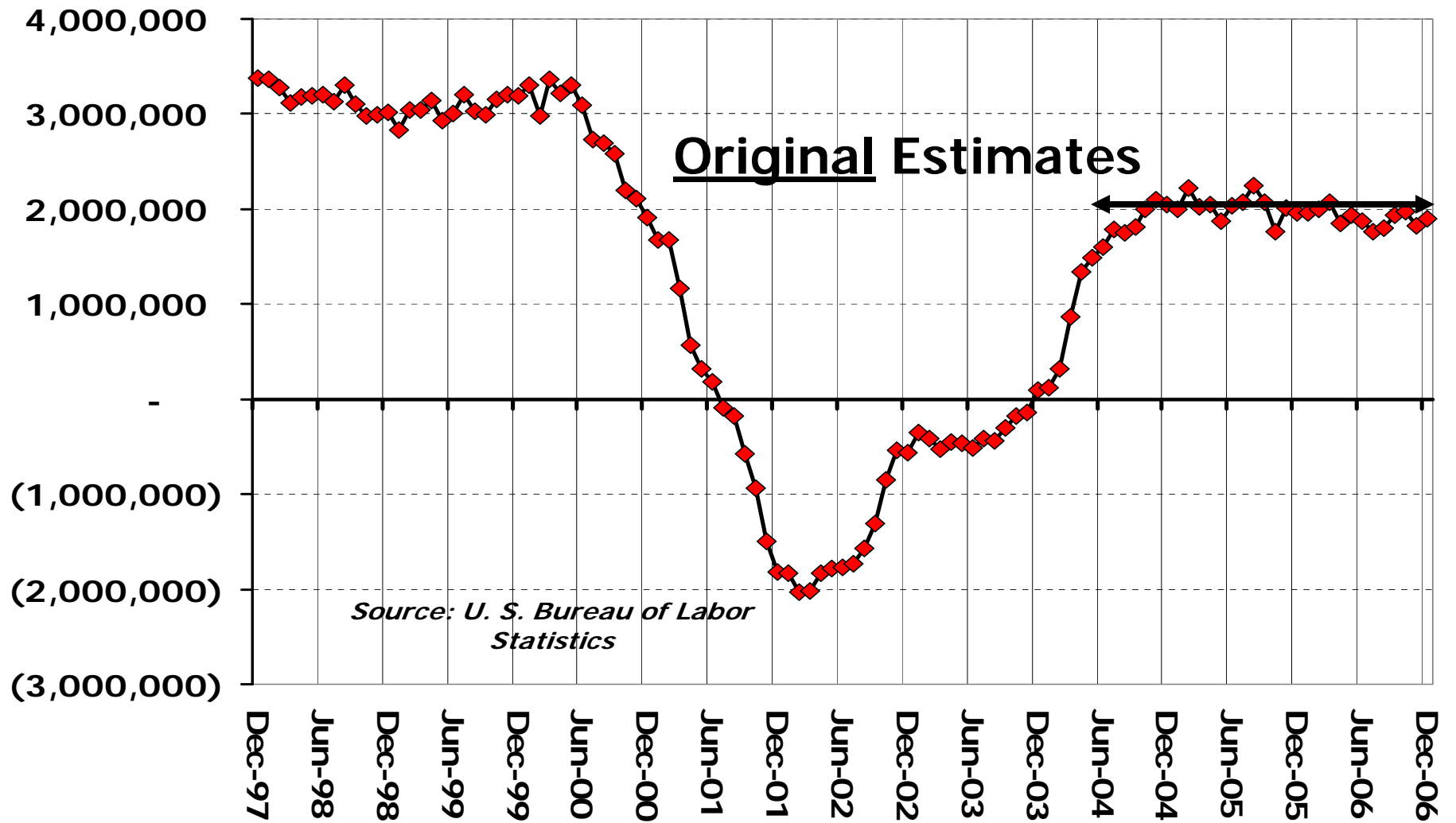


# U.S. GDP Trends



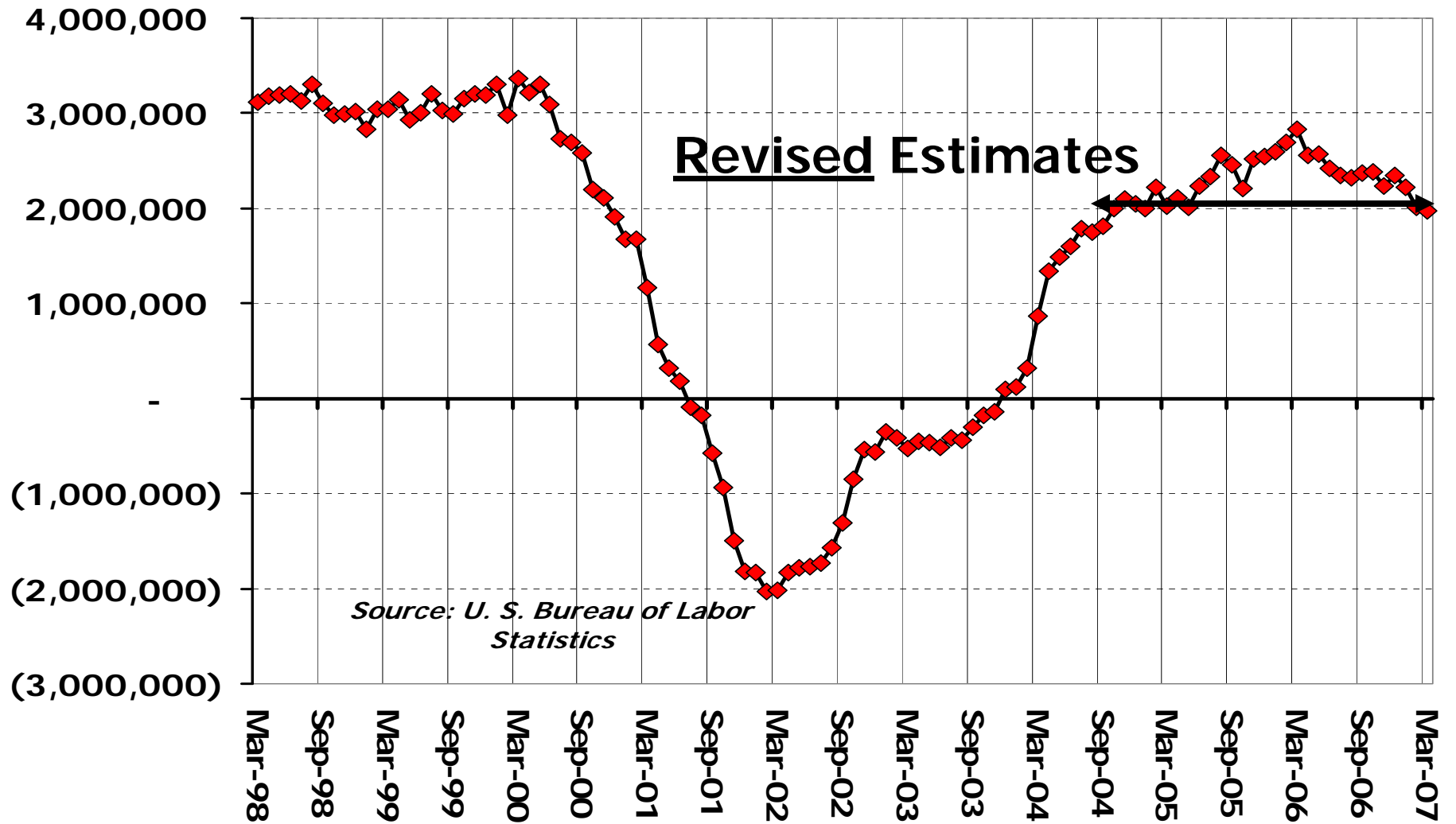
# U. S. JOB GROWTH

## Original Estimates

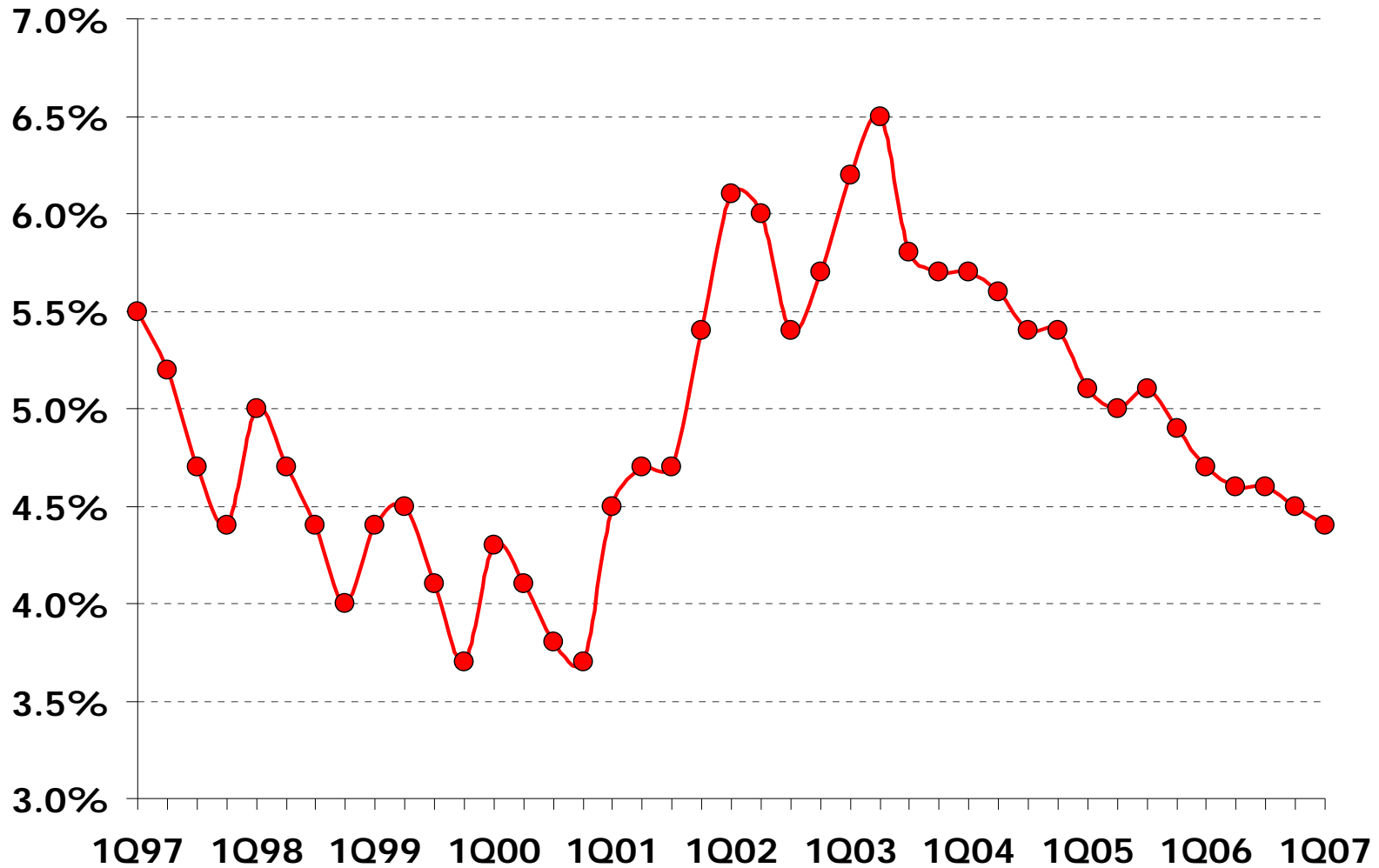


# U. S. JOB GROWTH

## Revised



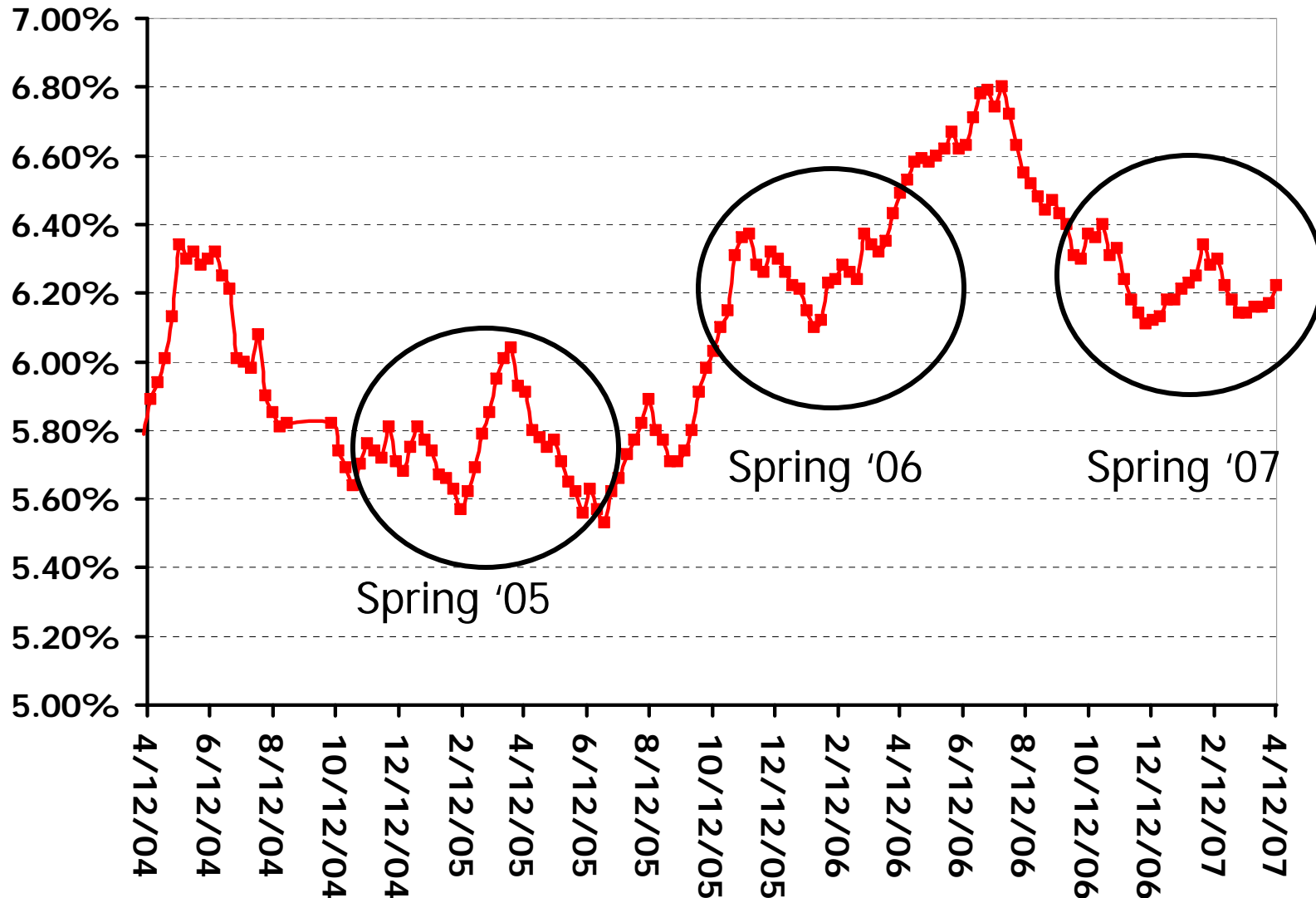
# U.S. Unemployment Rate (%)



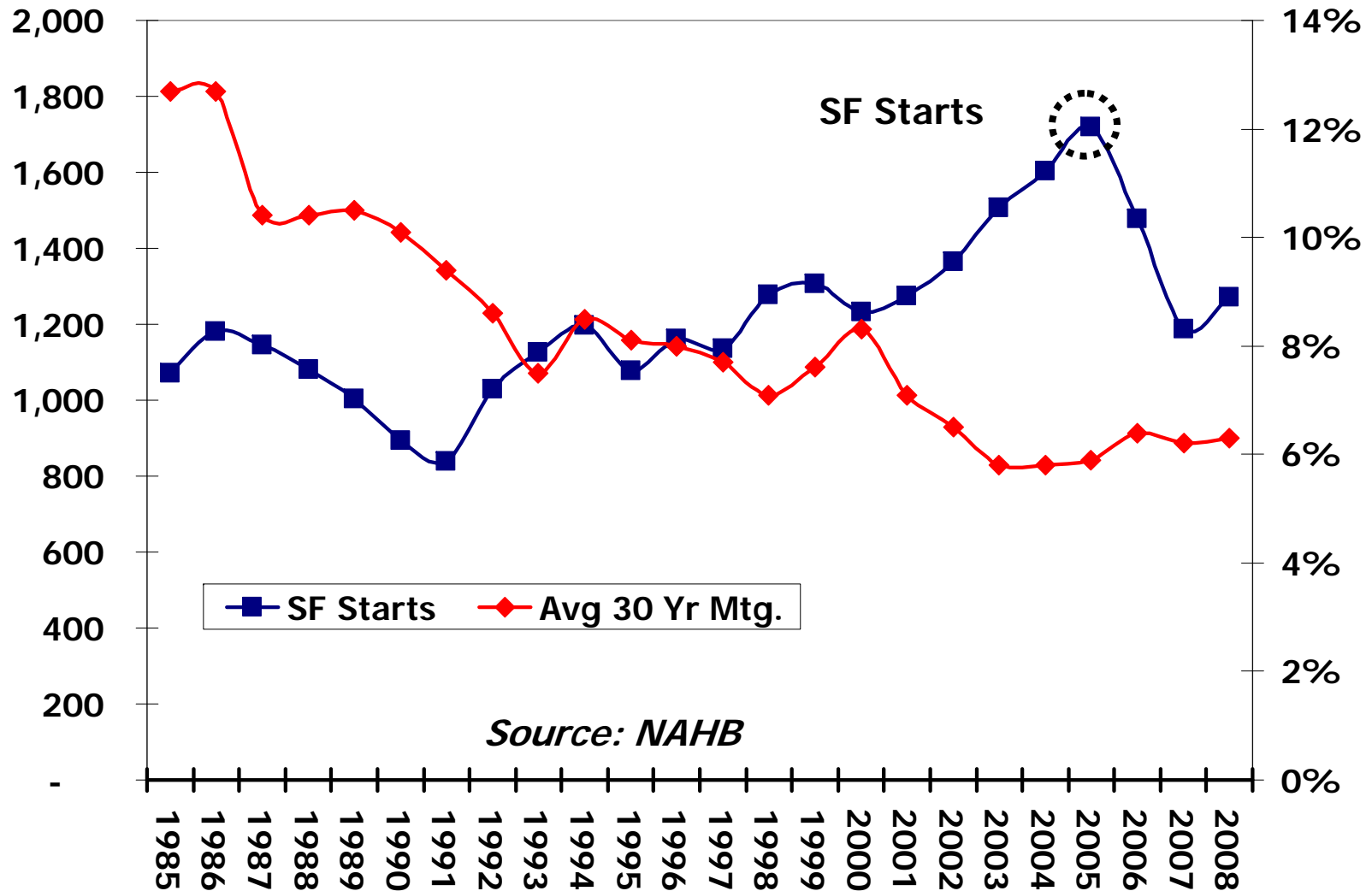
Source: U. S. Bureau of Labor Statistics



# 30 Yr. Mortgage Rates



# U.S. Single Family Housing Starts



Source: NAHB



Market	Starts Trend	Economy	Supply Response	Appreciation	Investors	Inventory
<b>WEST</b>						
Las Vegas	-13.4%	Strong	Slow/Restrictive	Unsustainable	High	High-Dropping
Phoenix	-26.0%	Strong	Slow/Restrictive	Unsustainable	High	High
Riverside	-22.5%	Strong	Slow/Restrictive	Unsustainable	High	High
San Diego	-25.9%	Solid	Slow/Restrictive	Unsustainable	High	High
Sacramento	-20.0%	Solid	Slow/Restrictive	High	High	High
Denver	-25.0%	Moderate	Slow/Restrictive	Low	Moderate	Moderate
Salt Lake City	16.7%	Strong	Slow/Restrictive	High	Mod-High	Low
<b>EAST</b>						
Atlanta	-2.0%	Strong	Moderate	Moderate	Low	High
Wash D.C.	-27.0%	Strong	Restrictive	Unsustainable	High	Low
Raleigh	1.9%	Strong	Moderate	Moderate	Low	Moderate
Charlotte	15.7%	Moderate	Moderate	Moderate	Low	Low
Jacksonville	-14.4%	Moderate	Moderate	Unsustainable	High	High
Orlando	-18.0%	Solid	Moderate	Unsustainable	High	High-Dropping
Tampa	-16.8%	Moderate	Moderate	Unsustainable	High	Moderate
Miami	-27.0%	Solid	Restrictive	Unsustainable	High	High
<b>CENTRAL</b>						
Chicago	-16.3%	Solid	Restrictive	Moderate	Low-Moderate	Moderate
Minneapolis	-39.0%	Solid	Restrictive	Moderate	Low-Moderate	High
DFW	-1.5%	Solid	Quick	Low	Low-Moderate	Mod-High
Austin	14.7%	Strong	Moderate	Moderate	Mod-High	Low
San Antonio	15.2%	Strong	Quick	Moderate	Moderate	Low-Moderate
Houston	4.1%	Strong	Quick	Low	Low-Moderate	Low-Moderate



# Employment Growth by Geography



# Highest Job Growth by State

As of Mar-2007

Rank	State	Current Empl	Ann Job Growth #	Ann Job Growth %
1	California	15,214	246.3	1.6%
2	Texas	10,208	230.2	2.3%
3	Florida	8,152	109.3	1.4%
4	Arizona	2,729	99.8	3.8%
5	North Carolina	4,062	88.8	2.2%
6	New York	8,596	88.4	1.0%
7	Washington	2,875	58.4	2.1%
8	Georgia	4,116	57.1	1.4%
9	Pennsylvania	5,751	53.5	0.9%
10	Illinois	5,896	51.0	0.9%
Top 10		67,598	1,083	1.6%
	Share of USA Total	49%	55%	
USA	Total	136,842	1,974	1.5%



All figures in thousands, except percentages

# Highest Job Growth by MSA

Rank	State	Market	Ann SF Starts or Permits	Ann Job Growth #
1	TX	Dallas-Fort Worth	44,172	91,500
2	TX	Houston	48,067	81,100
3	AZ	Phoenix	36,233	80,100
4	NY	New York City	15,597	68,300
5	CA	Los Angeles	12,169	51,000
6	WA	Seattle	14,375	48,200
7	DC	Washington DC	17,488	43,500
8	IL	Chicago	28,388	41,800
9	GA	Atlanta	50,700	41,600
10	CA	San Francisco-Oakland	5,853	41,300
11	CA	Riverside	30,015	40,000
12	LA	New Orleans	4,997	31,800
13	TX	Austin-Round Rock	16,267	30,900
14	FL	Orlando	32,525	30,800
15	NV	Las Vegas	32,010	29,600
16	FL	Miami-Fort Lauderdale	15,490	26,600
17	UT	Salt Lake City	15,812	26,600
18	PA	Philadelphia	11,121	25,200
19	NC	Charlotte	23,542	22,500
20	OR	Portland	9,816	20,900
Top 20			464,637	873,300
		Share of USA Total	36%	44%
Total		USA	1,298,629	1,974,000



# Highest Starts by MSA

Rank	State	Market	Ann SF Starts or Permits	Ann Job Growth #
1	GA	Atlanta	50,700	41,600
2	TX	Houston	48,067	81,100
3	TX	Dallas-Fort Worth	44,172	91,500
4	AZ	Phoenix	36,233	80,100
5	FL	Orlando	32,525	30,800
6	NV	Las Vegas	32,010	29,600
7	CA	Riverside	30,015	40,000
8	IL	Chicago	28,388	41,800
9	NC	Charlotte	23,542	22,500
10	TX	San Antonio	17,833	20,200
11	DC	Washington DC	17,488	43,500
12	CO	Denver-Aurora	17,116	19,100
13	TX	Austin-Round Rock	16,267	30,900
14	UT	Salt Lake City	15,812	26,600
15	NC	Raleigh-Cary NC	15,758	16,400
16	NY	New York City	15,597	68,300
17	FL	Miami-Fort Lauderdale	15,490	26,600
18	WA	Seattle	14,375	48,200
19	FL	Tampa	14,083	14,800
20	FL	Jacksonville	13,705	12,500
Top 20			499,176	786,100
		Share of USA Total	38%	40%
Total		USA	1,298,629	1,974,000





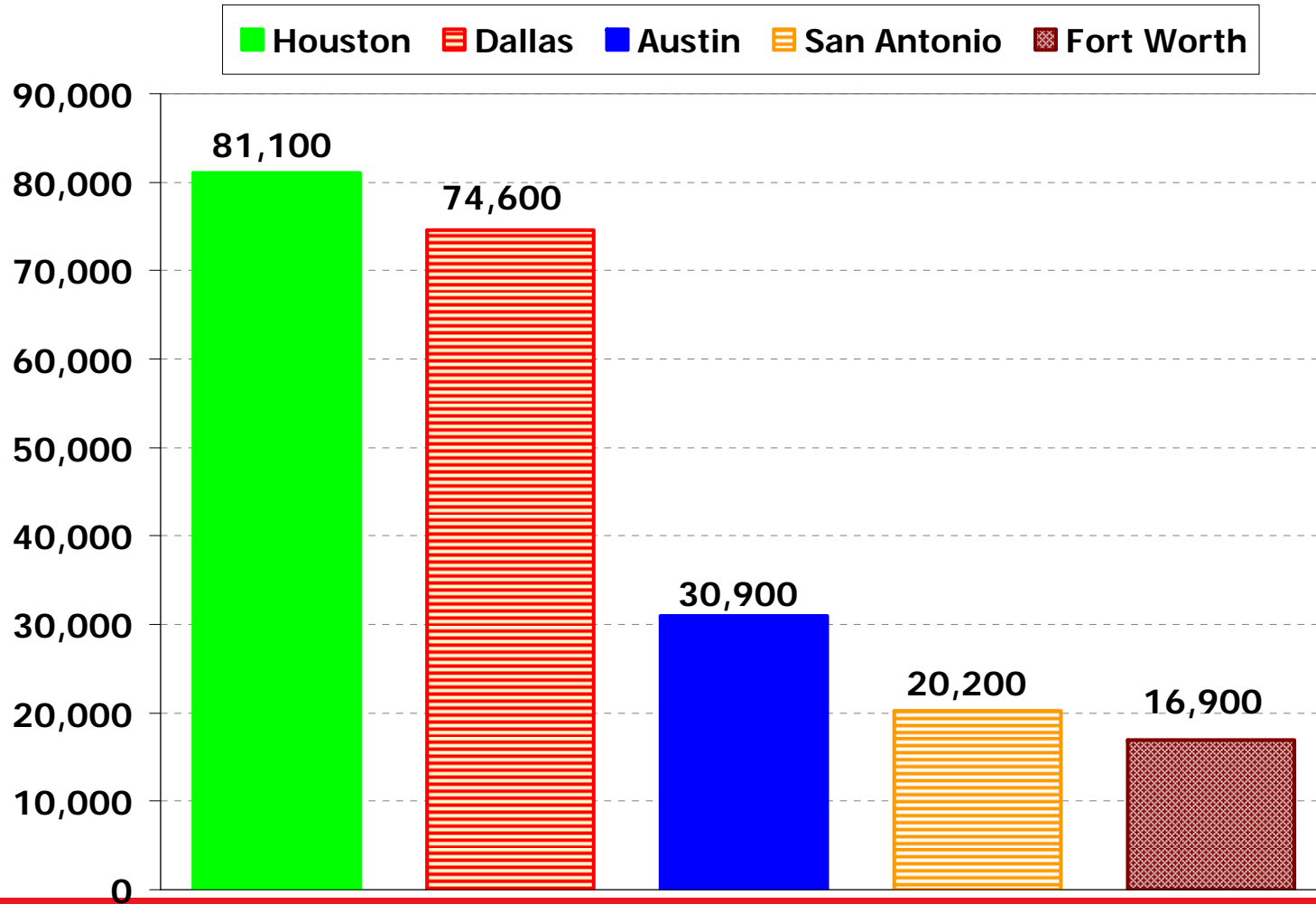
# Texas Trends



# Major Texas Metros

## Net Annual Job Gain

(Year Ending March-07)

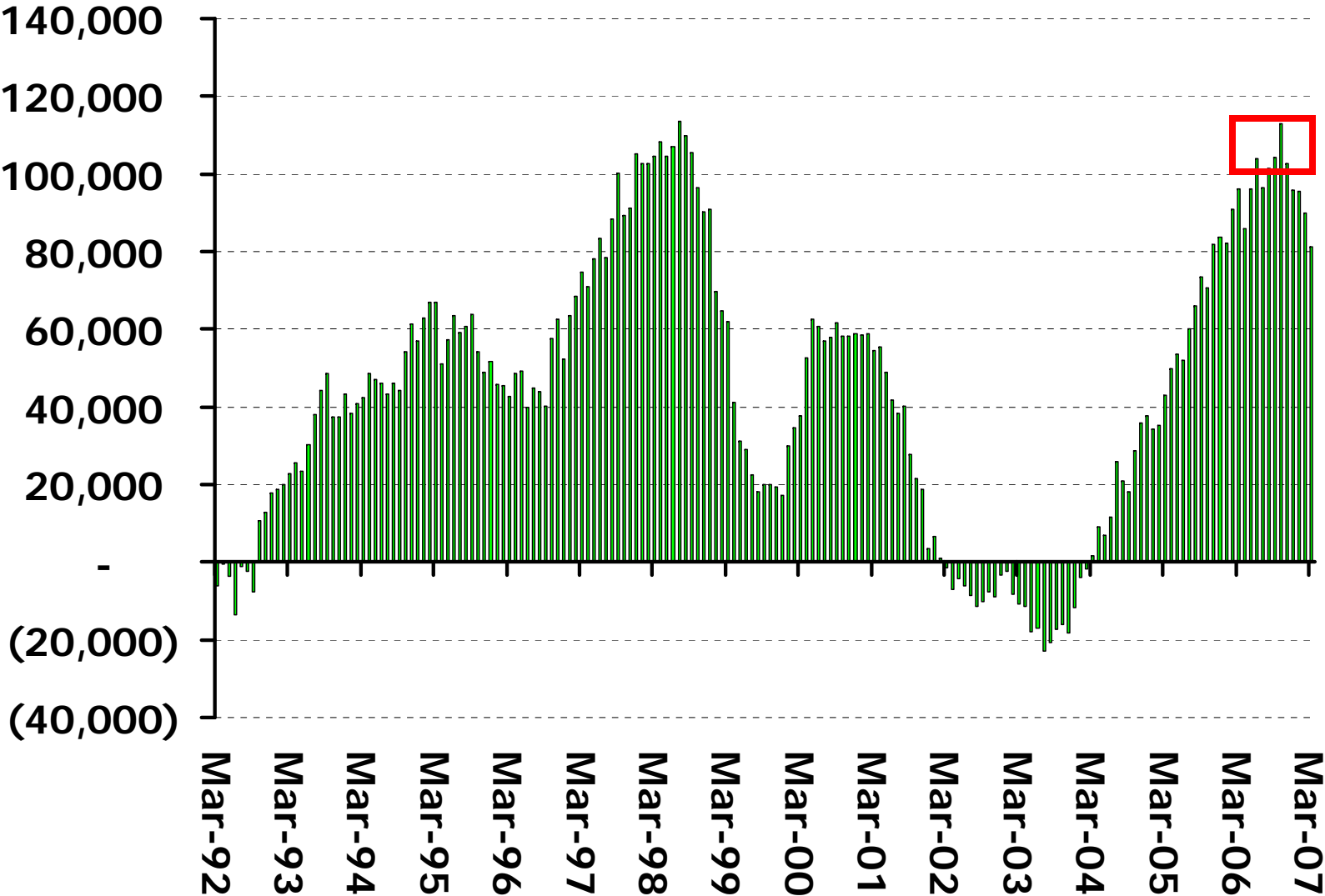


# **HOUSTON**

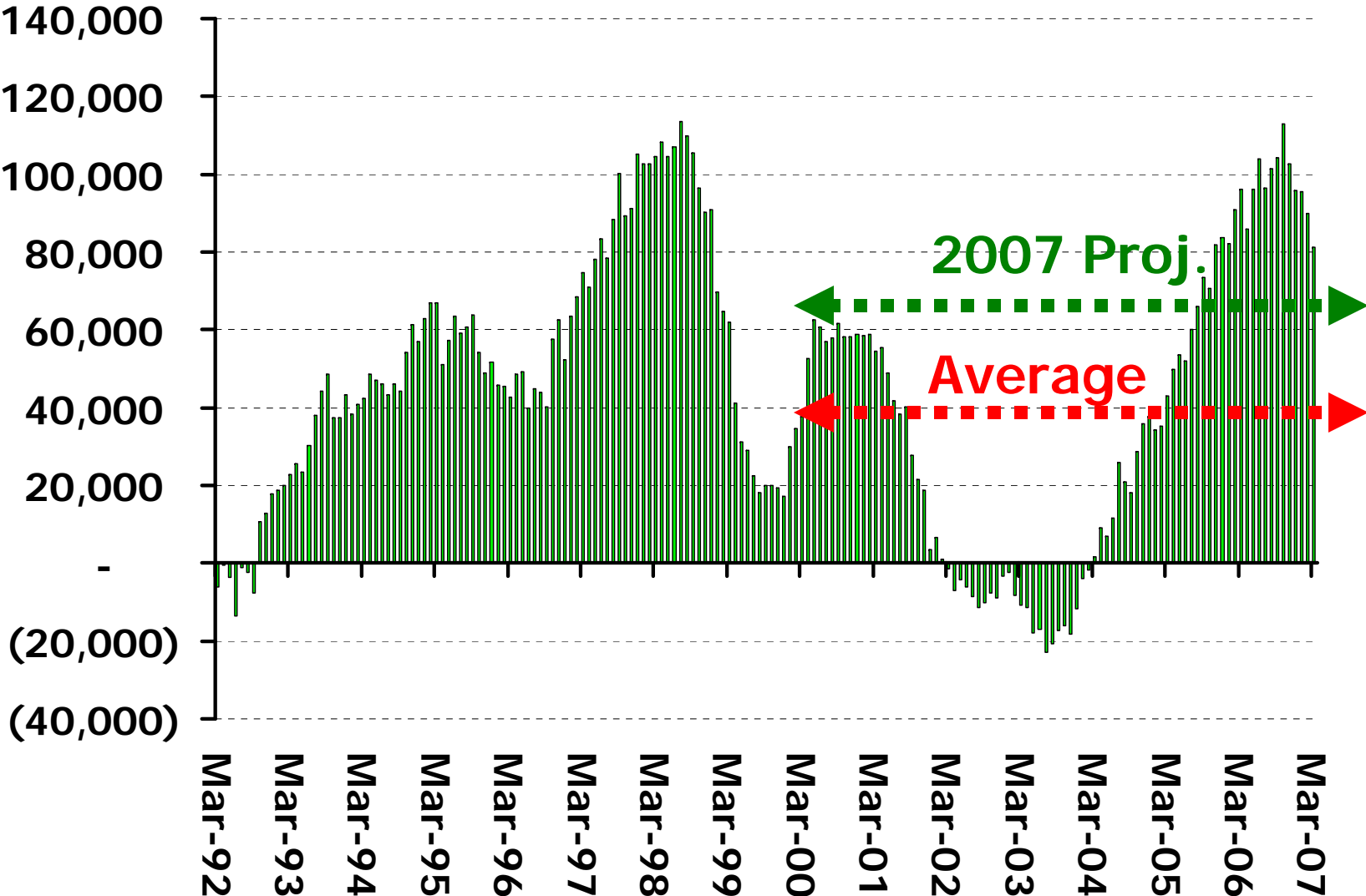
## **Economic Outlook**



# Houston Job Growth



# Houston Job Growth



# Quality of Jobs Added



# Job Growth By Job Sector

Dec-03 to March-07

Quality  
Job  
Growth

<u>Sector</u>	<u>Change</u>
Professional and Business Services	54,600
Natural Resources and Mining	46,600
Accommodation and Food Services	23,700
Health Care and Social Assistance	22,900
Government	21,600
Construction	20,700
Manufacturing	18,000
Wholesale Trade	12,400
Transportation, Warehousing, and Utilities	6,500
Other Services	4,900
Educational Services	4,300
Finance and Insurance	3,400
Real Estate, Rental and Leasing	2,700
Arts, Entertainment, and Recreation	900
Retail Trade	(700)
Information	(2,600)



# Job Growth By Job Sector

Dec-03 to March-07

<u>Sector</u>	<u>Change</u>
Professional and Business Services	54,600
Natural Resources and Mining	46,600
Accommodation and Food Services	23,700
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Arts, Entertainment, and Recreation	900
Retail Trade	(700)
Information	(2,600)

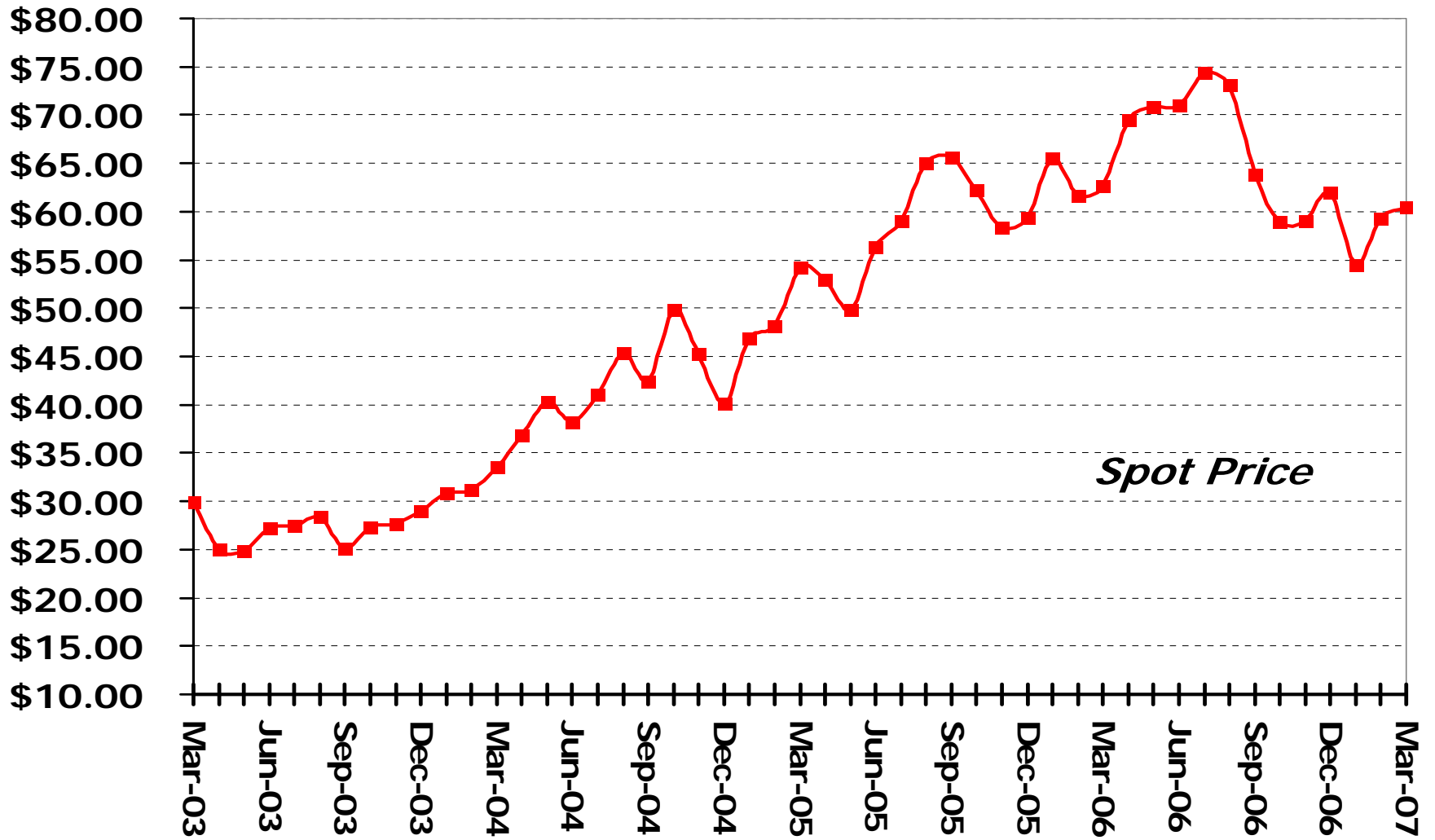
Vulnerable  
To  
Housing  
Slowdown



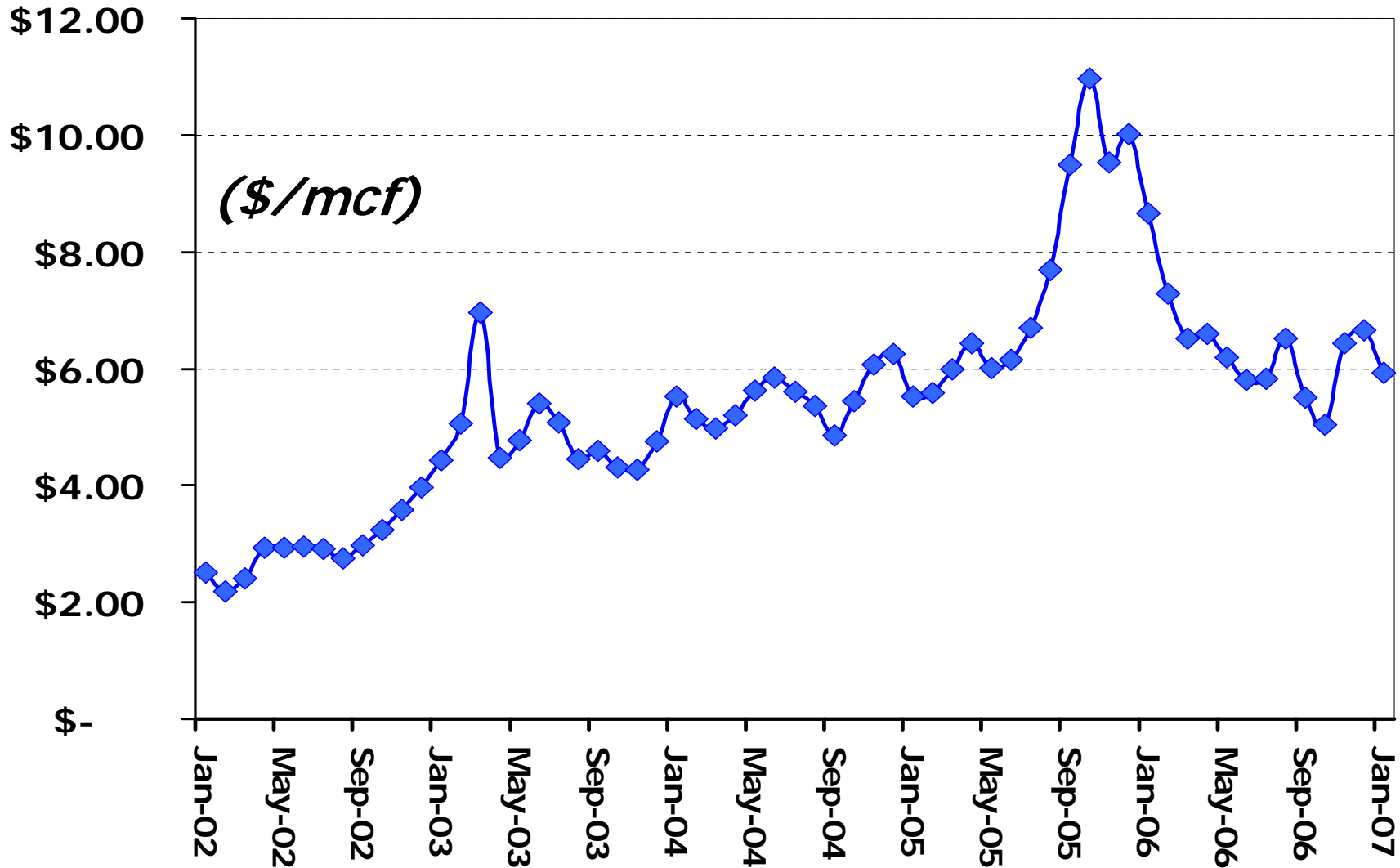
# ENERGY INDUSTRY



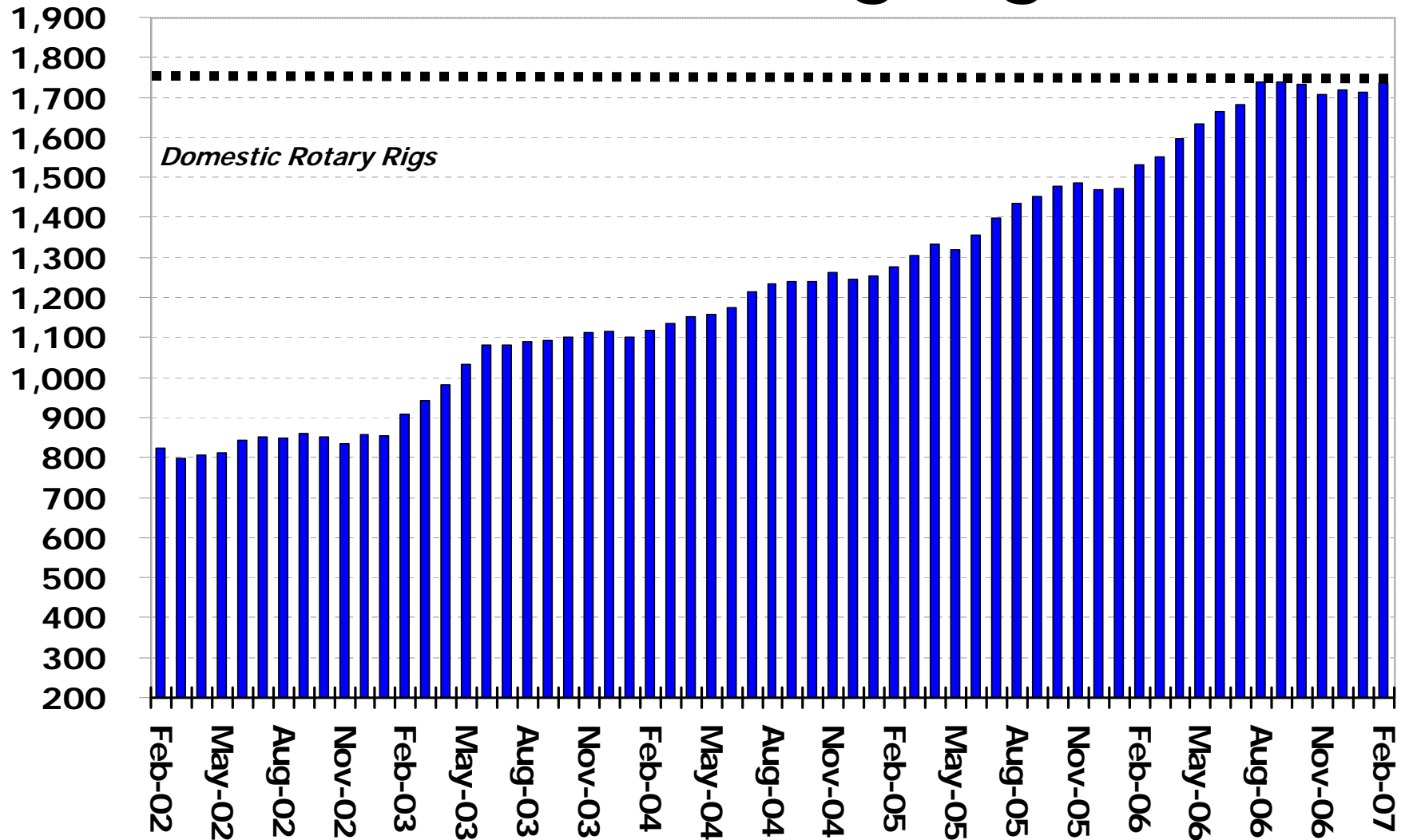
# Oil Price Trend



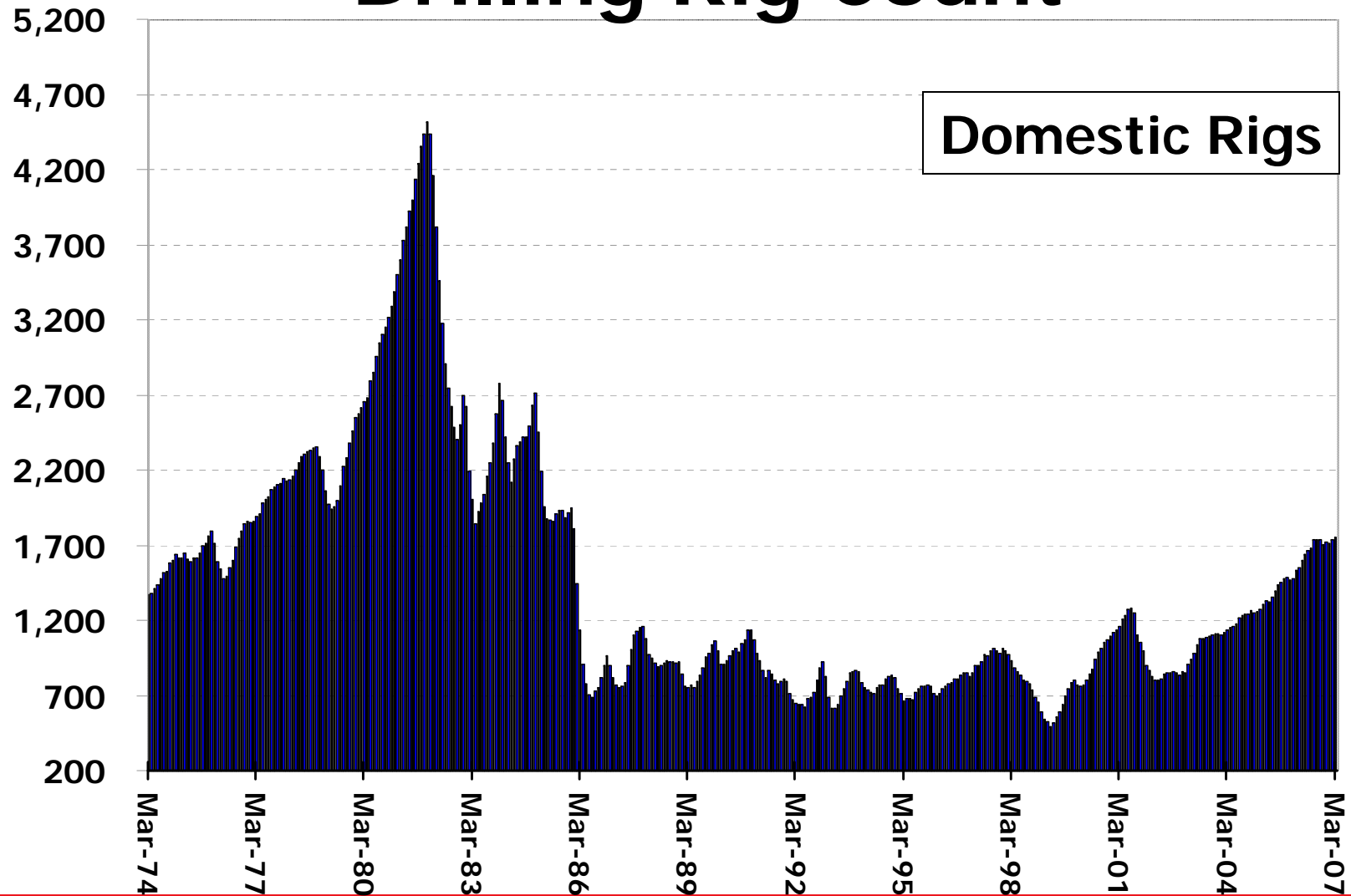
# Natural Gas Wellhead Price



# Active Drilling Rigs



# Historical Drilling Rig Count



# National Economic Overview

## CONCLUSIONS

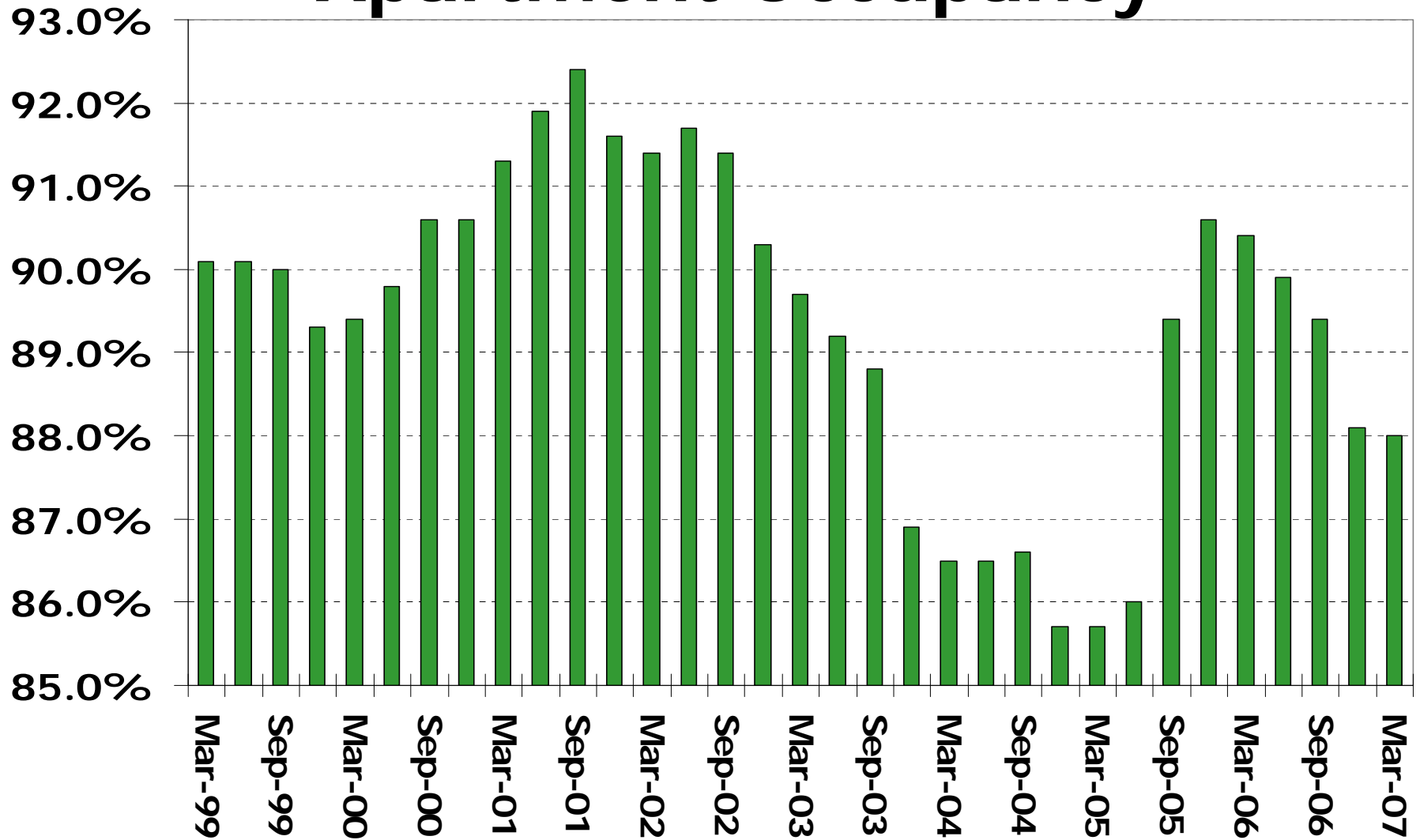
- Economic news is mostly positive
  - Low unemployment and sustainable job growth
  - GDP Growth is steady...Should be a better 2<sup>nd</sup> Half 2007
  - Recession seems unlikely
  - Consumer confidence & spending
  - Interest Rates remain low
- The economic threats include:
  - Fed rate hike
  - High energy prices
  - Inflation
  - Maturing ARMs...Subprimes....Foreclosures
  - Soft housing market



# HOUSTON HOUSING



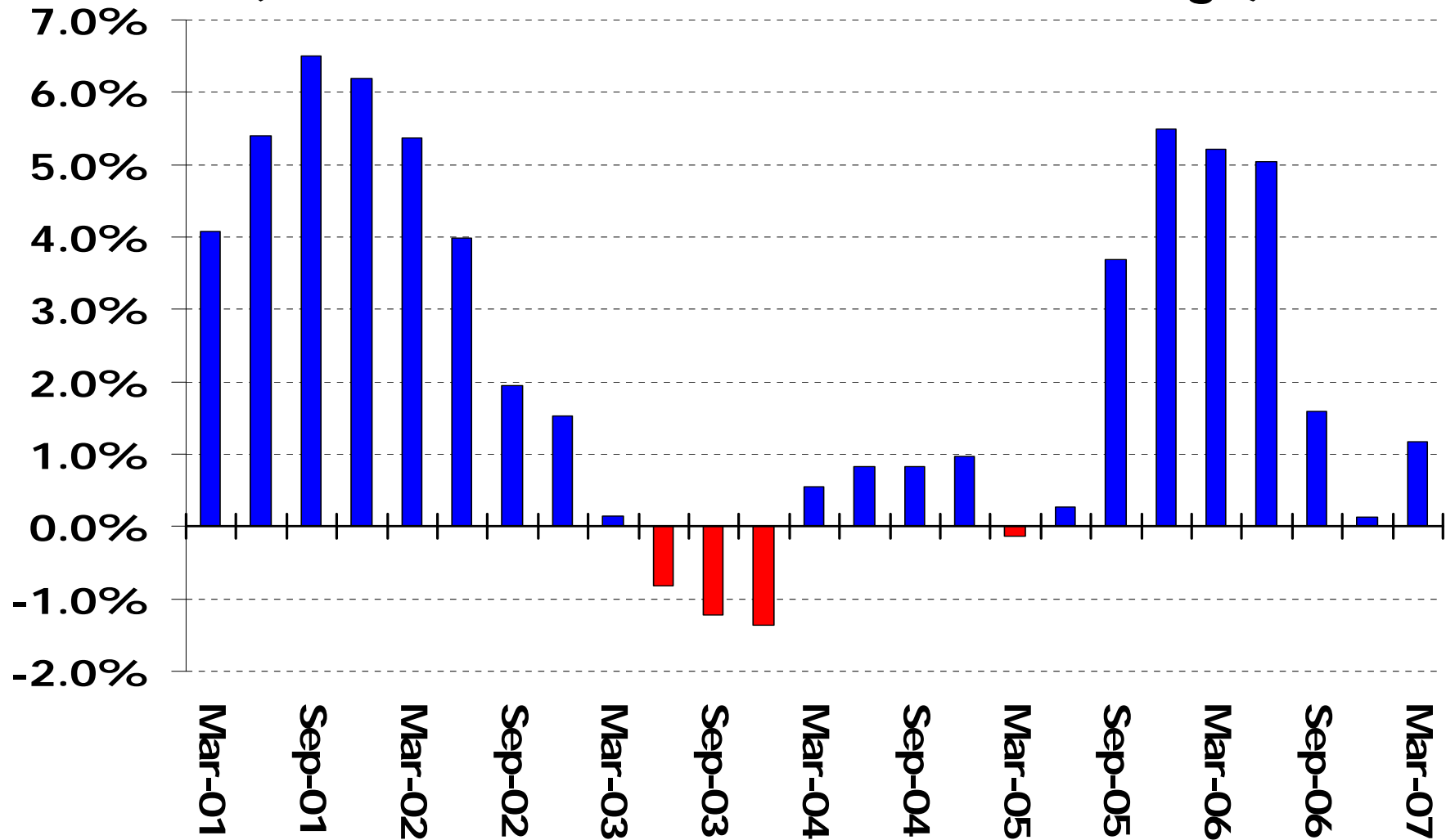
# Apartment Occupancy



Source: Apartment Data Services

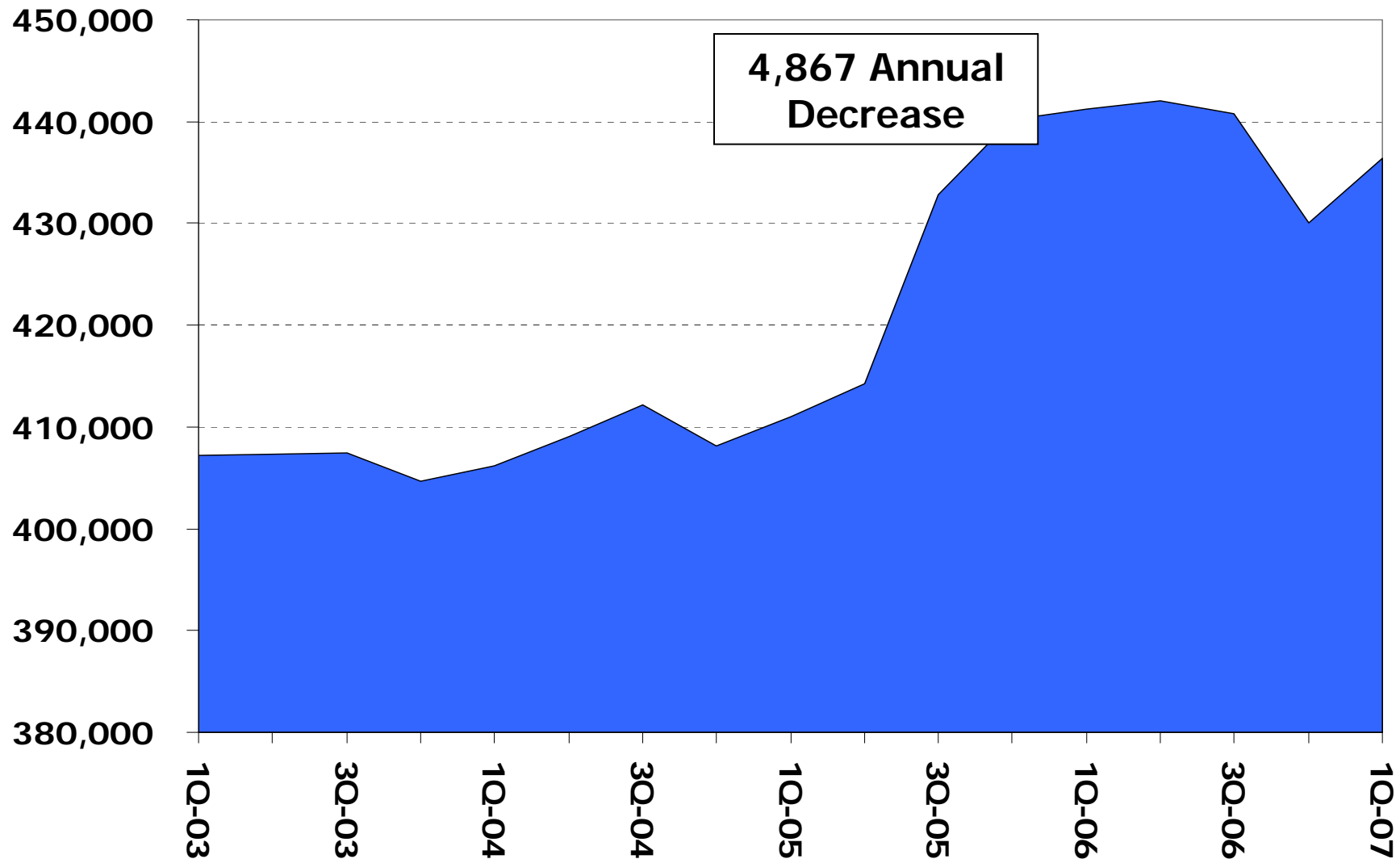
# Apartment Rent Trend

## (12 Month 'Net Effective' Rent Change)

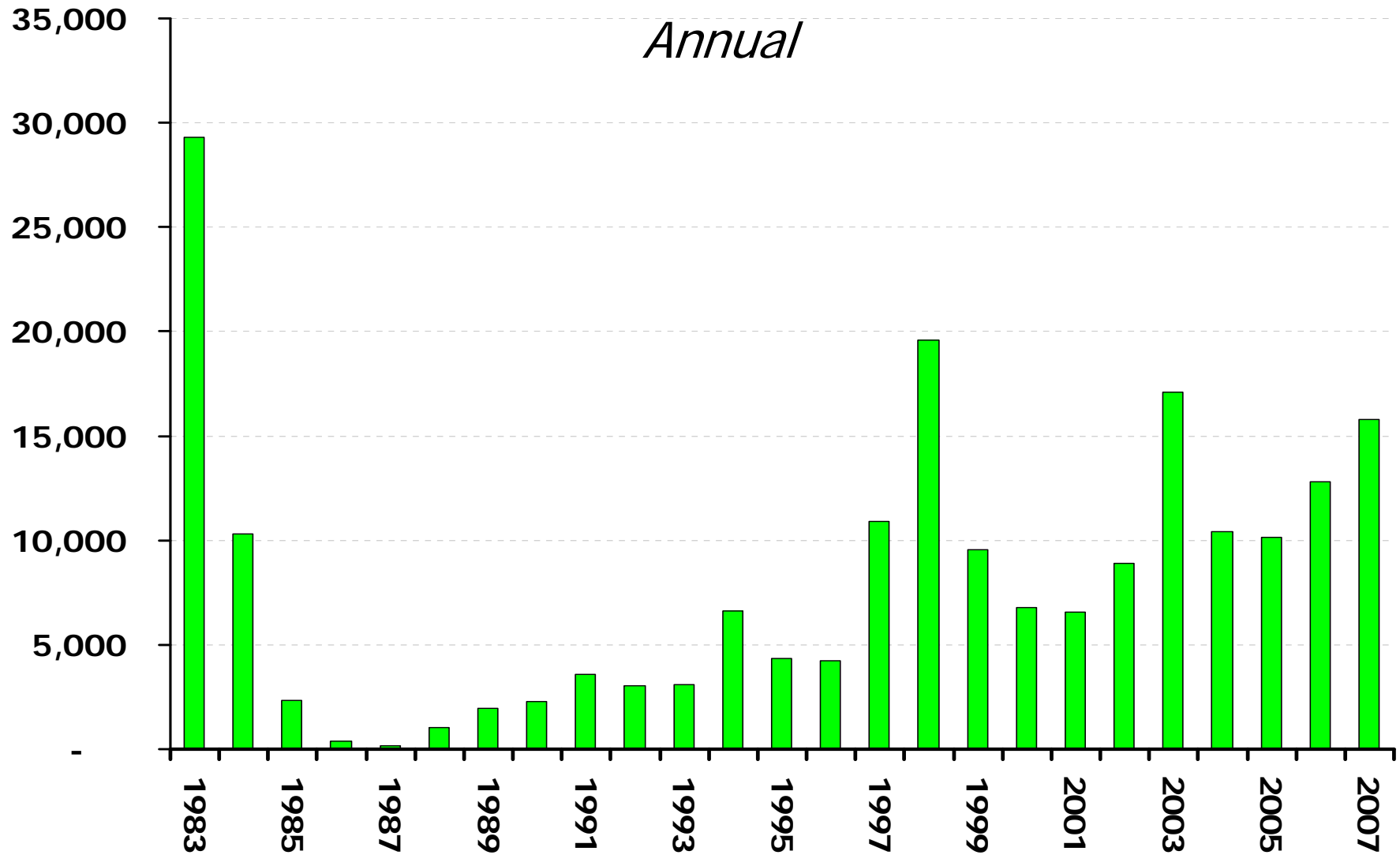


Source: Apartment Data Services

# Total Occupied Units



# NEW APARTMENT PERMITS

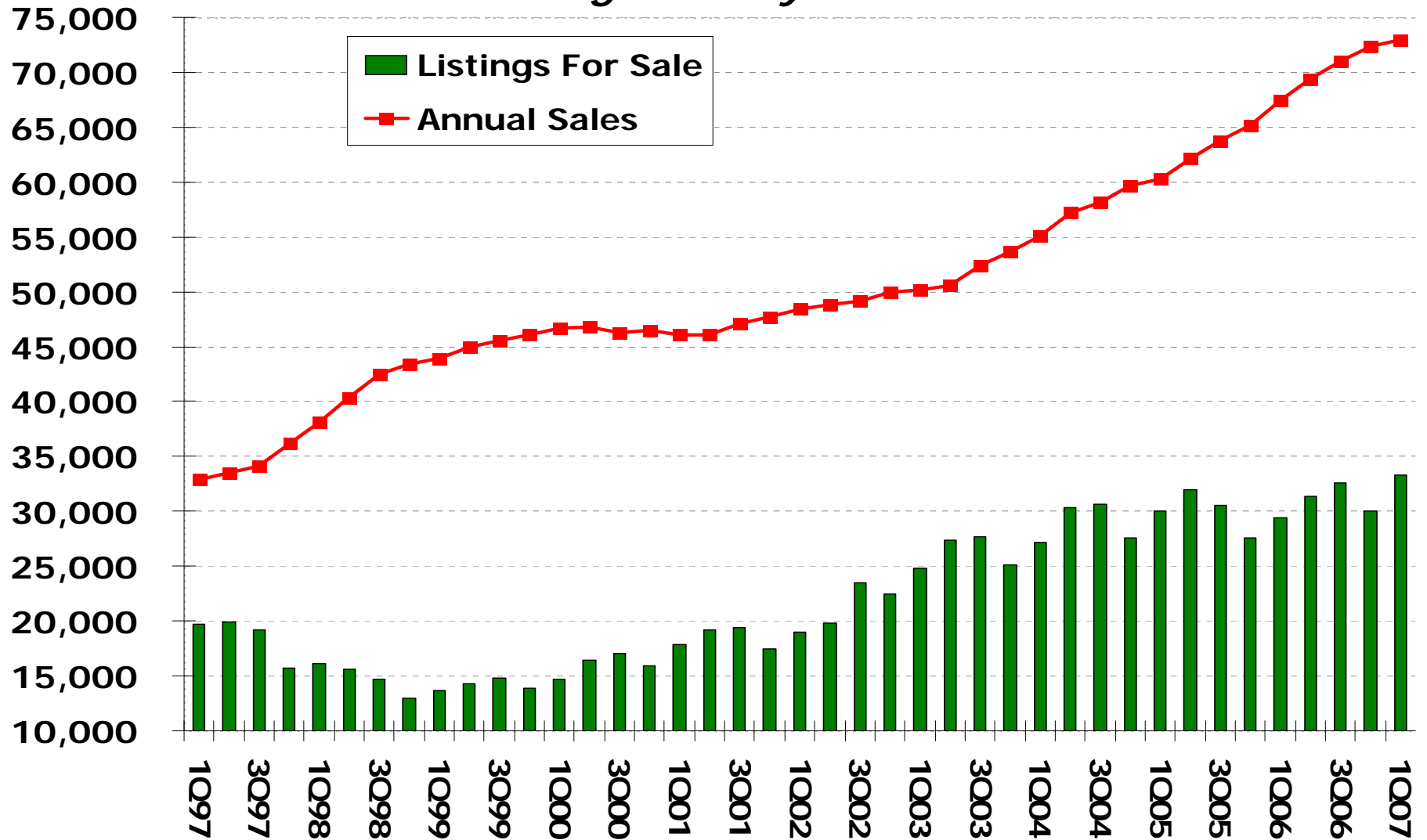


# Pre-Owned Homes



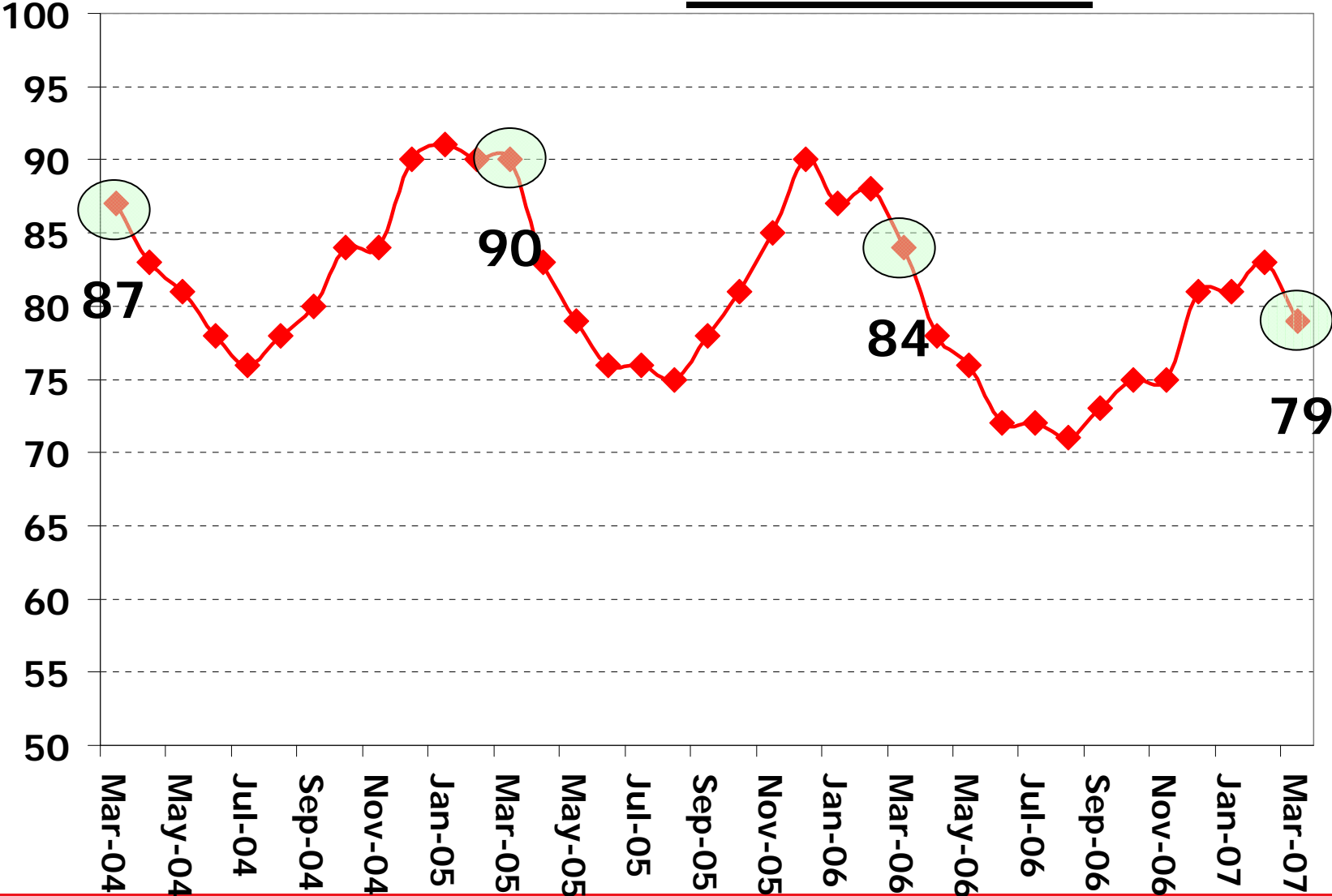
# HOUSTON MLS

## *Single Family Homes*

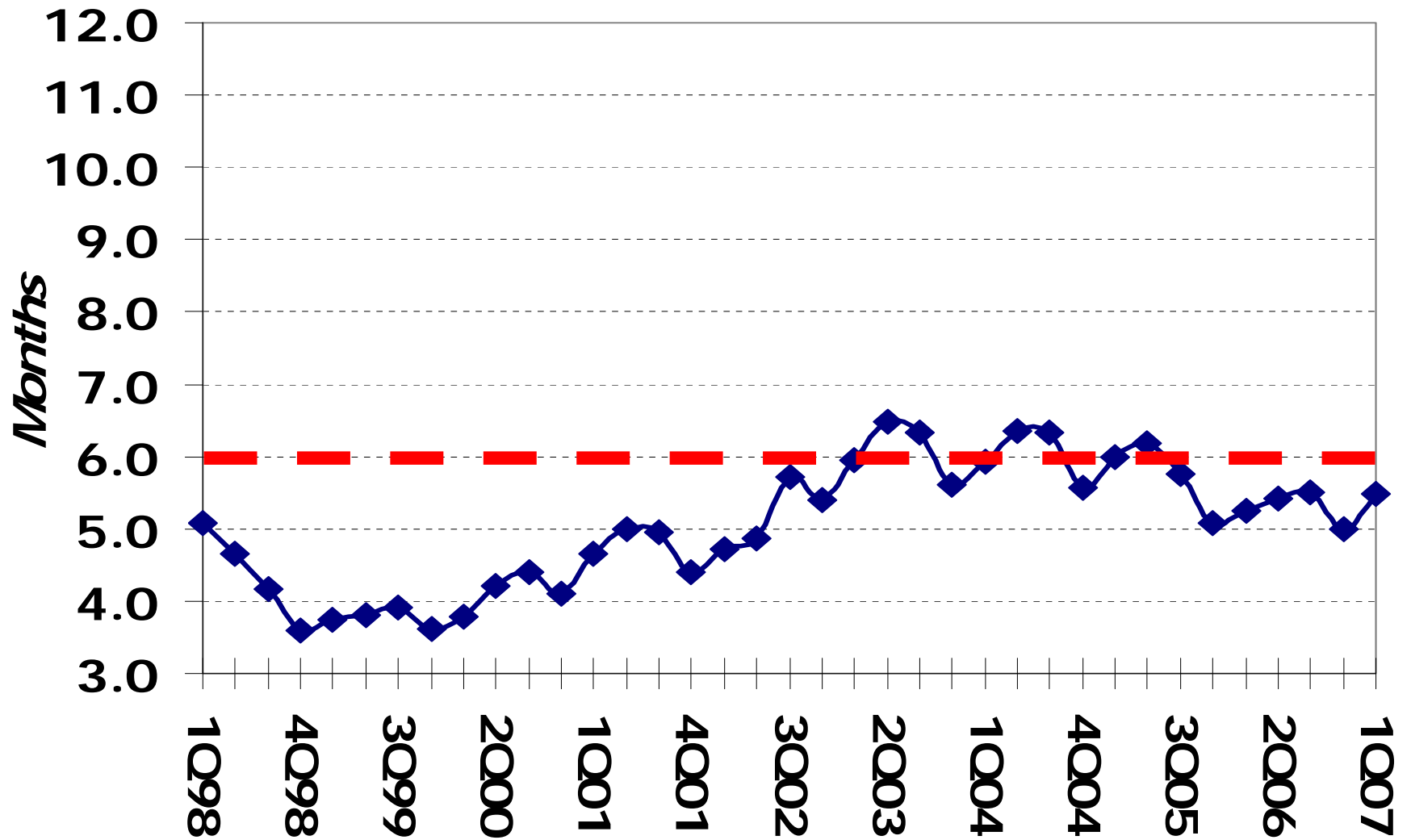


# DAYS ON MARKET

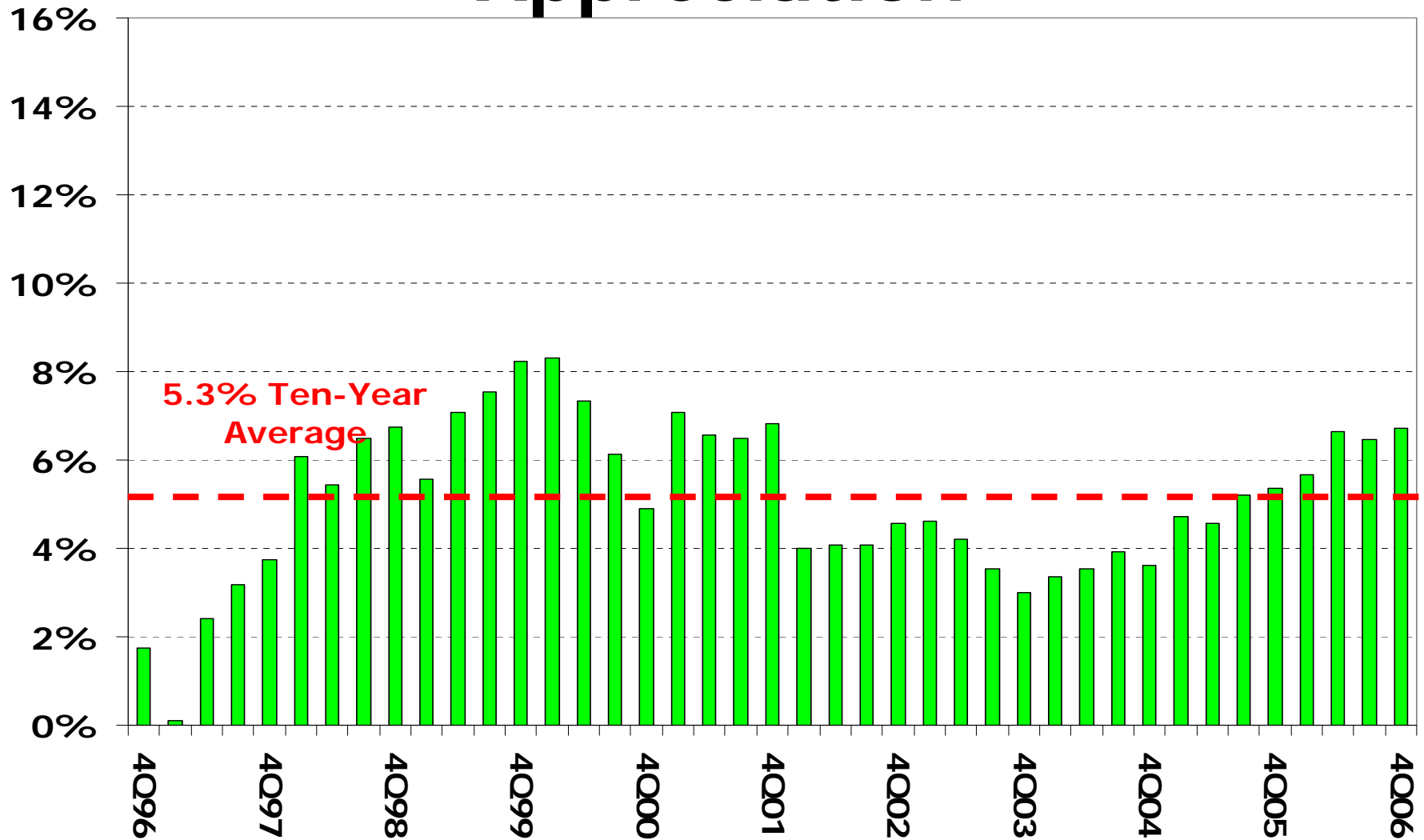
## HOUSTON MLS HOMES SOLD



# Months Supply MLS S.F. Listings



# Houston Home Price Appreciation

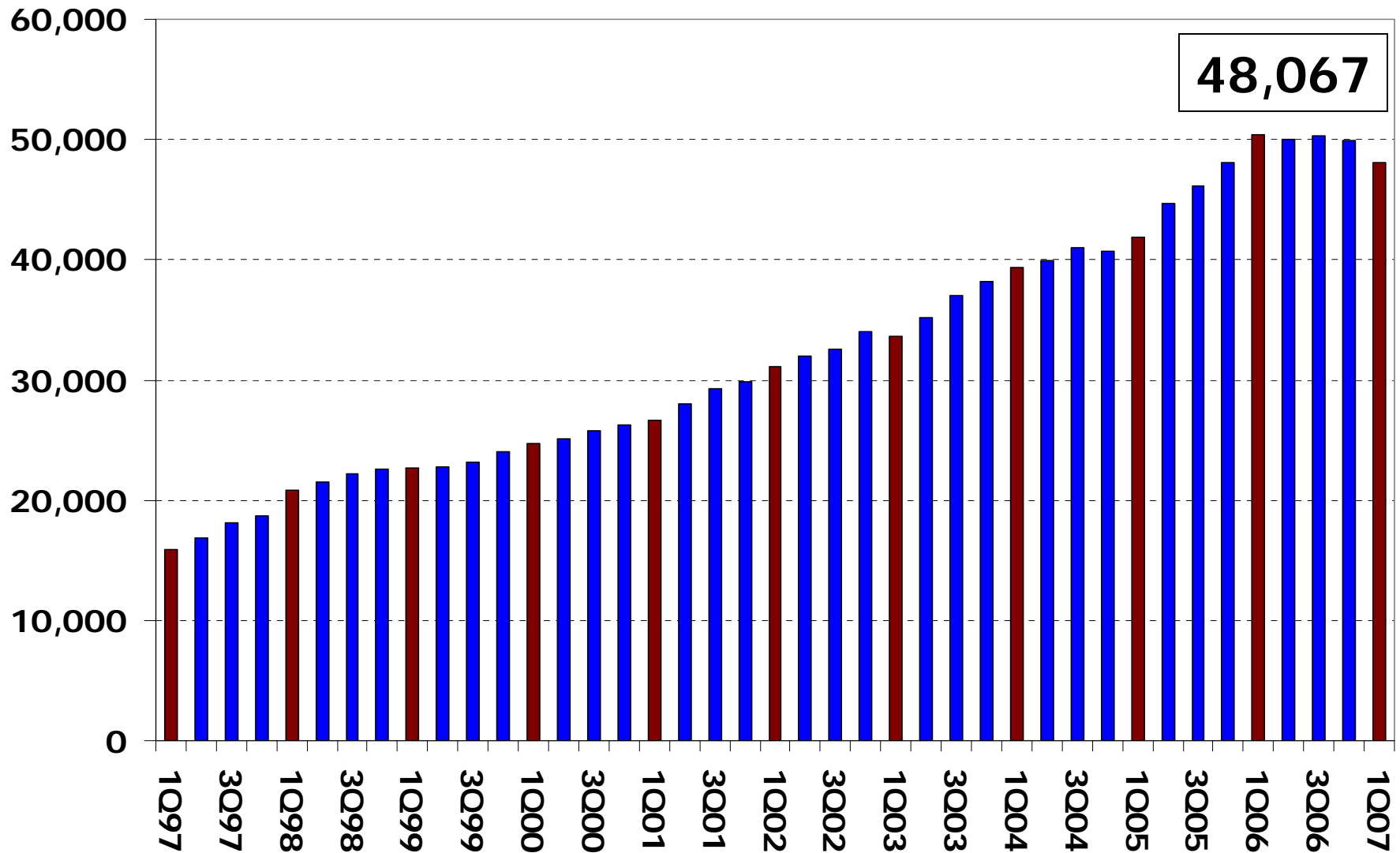


Source: OFHEO

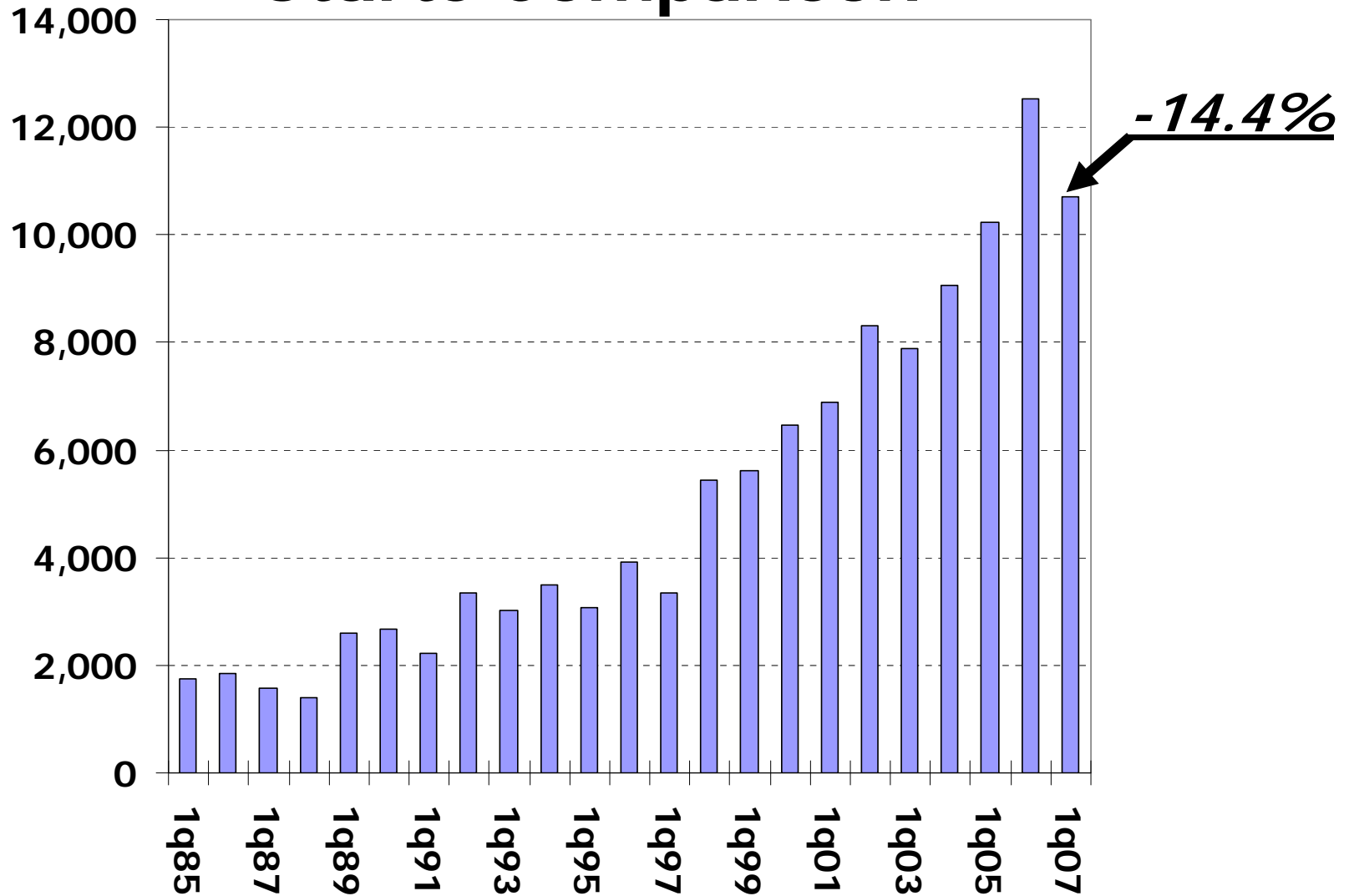
# New Home Activity



# Annual Start Comparison

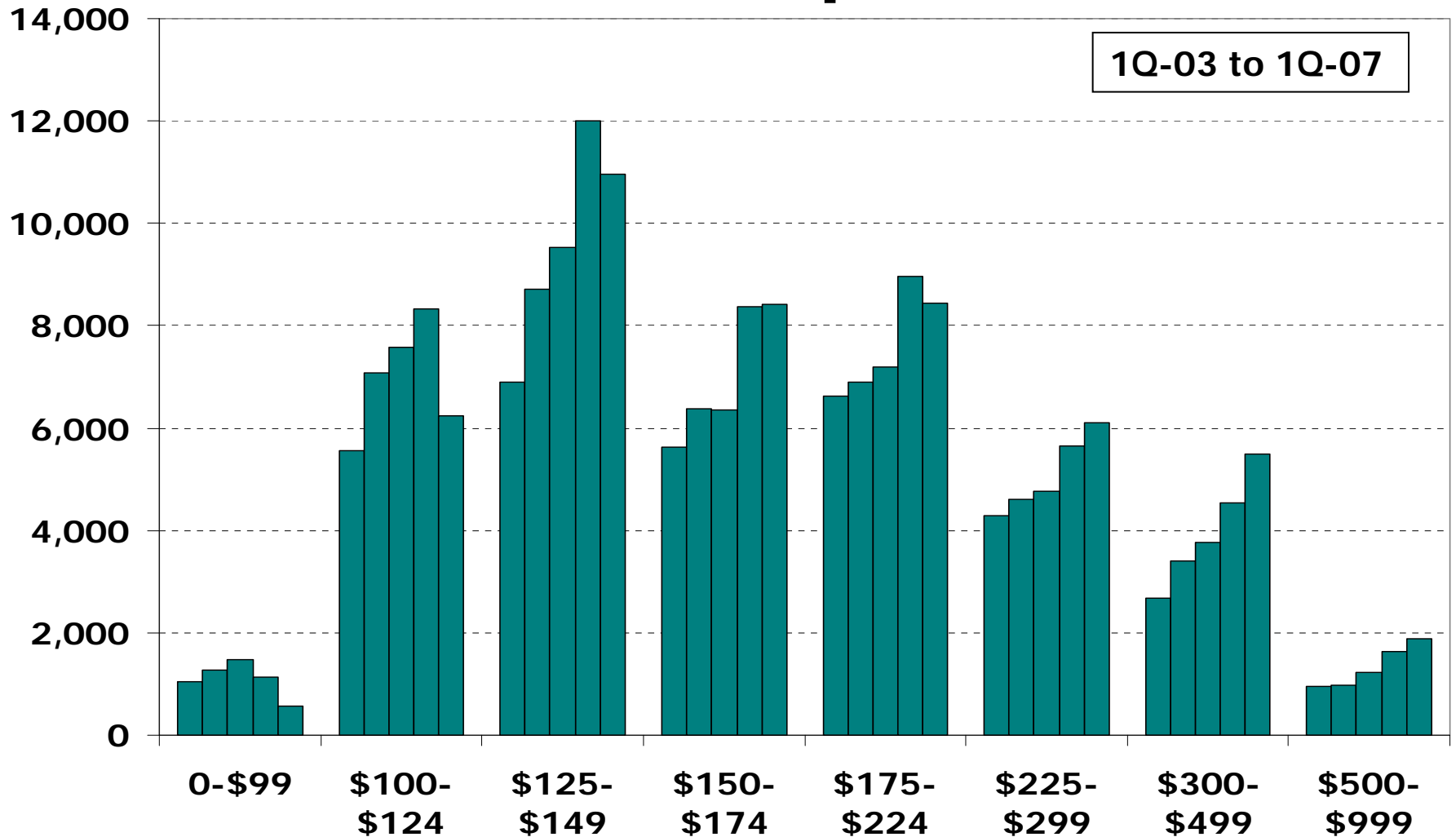


# 1st Quarter Starts Comparison



# Annual Starts By Price Range

## 5 Year Comparison



# TOP COMMUNITIES

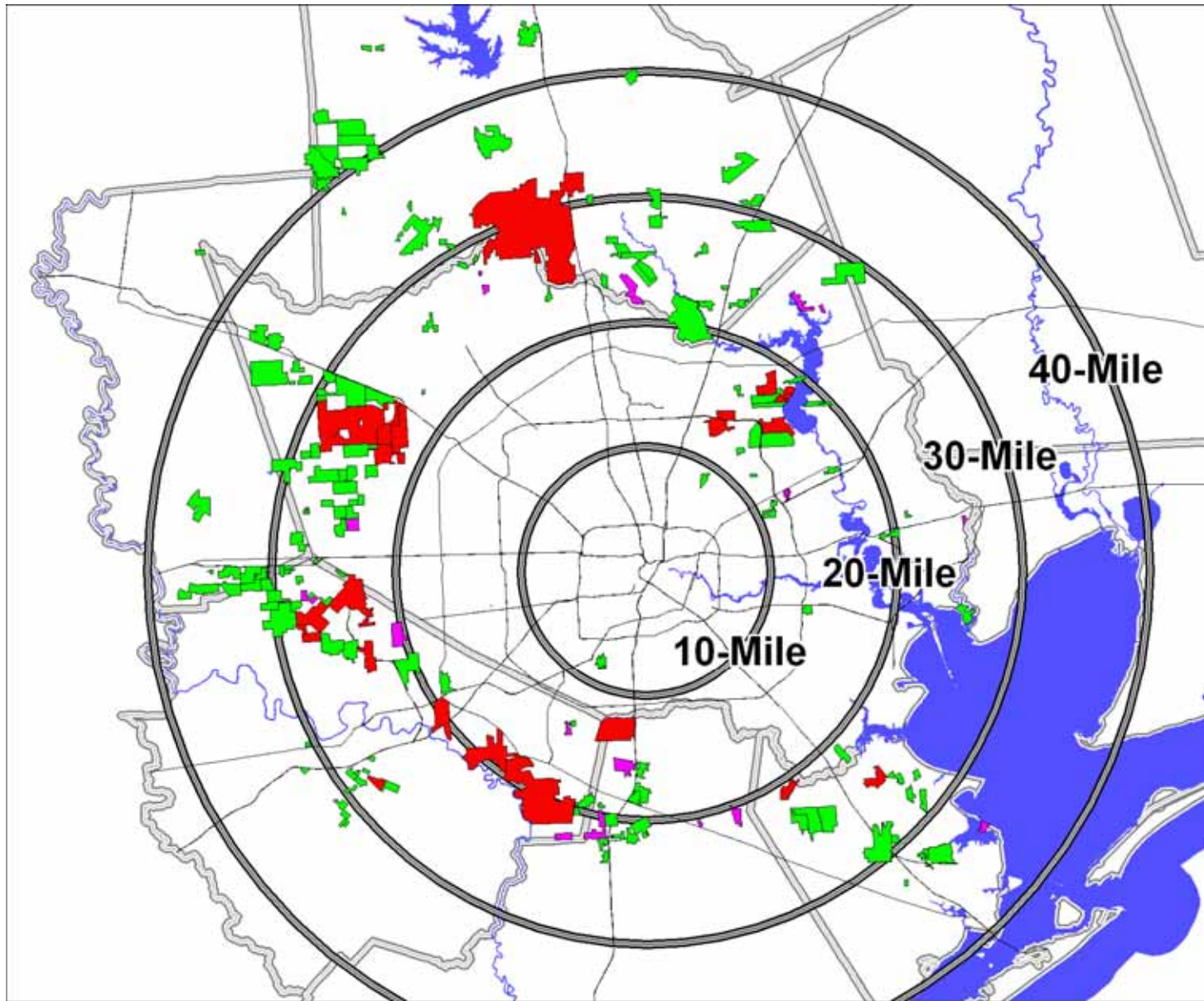


# Top Communities Ranked By 1Q-07 Annual Starts

Rank	Community - Subdivision Name	Market Area	Price Range	Annual Starts	Annual Closings
1	The Woodlands	Far North	\$137-\$3000	1207	1444
2	Shadow Creek Ranch	South	\$127-\$624	749	907
3	Cinco Ranch	West Southwest	\$162-\$1025	707	825
4	Sienna Plantation	Southwest	\$102-\$3000	670	694
5	Westheimer Lakes	West Southwest	\$113-\$268	470	399
6	Telfair	Southwest	\$240-\$1000	467	159
7	Remington Ranch	Northwest	\$85-\$161	463	534
8	Seven Meadows	West Southwest	\$171-\$1000	448	328
9	Canyon Gate/Stone Gate	West Northwest	\$118-\$360	443	494
10	Gleannloch Farms	Northwest	\$123-\$1000	427	393
11	Eagle Springs	Northeast	\$118-\$434	383	525
12	Kingwood	Northeast	\$75-\$1000	356	332
13	Summerwood	Northeast	\$129-\$621	341	294
14	Legends Ranch	Far North	\$94-\$272	333	324
15	Fairfield	Northwest	\$121-\$480	330	248
16	Lakemont	West Southwest	\$124-\$360	328	312
17	Park Lake	Northeast	\$124-\$314	309	282
18	NorthPointe	Northwest	\$130-\$320	279	241
19	Imperial Oaks	Far North	\$116-\$380	278	307
20	Winfield Lakes	Southwest	\$112-\$262	275	262



**Top 20 = 19% of Mkt**



**metrostudy**  
Now you **know**

