



# CCIM January Luncheon

Speaker: Patrick Jankowski, Sr. V.P. Research-Greater Houston Partnership



Houston/Gulf Coast  
CCIM Chapter



PATRICK JANKOWSKI

## Takeaway: No recession in sight for the Houston or for the national economy.

- Oil prices need to find their 'sweet spot' for both the Houston and the national economies
- 'Recession' is defined as two consecutive quarters of negative growth-in spite of the negative things in the news these days, a recession does not appear to be indicated any time soon
- In fact, the economy is still expanding locally and nationwide as measured by all indicators
- The US economy expanded by creating 312,000 jobs last month, which is strong, and more jobs = more consumer buying power
- The US economy last month showed 3.9% unemployment, which is tantamount to full employment
- Consumer confidence is still rising; consumer debt is at a low point, so if a recession were to come we would be in good shape to handle it
- Commercial and industrial loan delinquencies are way down and household balance sheets have been cleaned up
- US GDP was about 3.9% last quarter; capital expenditure index still rising; home permits rising; retail sales overall continue to climb
- Houston economy is strong as well, with retail steady and picking up; purchasing managers' index rising, and projected job growth in 2019 of 71,000
- Our oil industry was largely profitable again in 2018, although not yet at prior levels
- Import and export volumes in Houston up, making international trade an increasingly large part of our local economy
- Houston has a net in-migration of about 100,000 annually and 45% of new jobs are held by immigrants, which are a very important part of our local economy; 25% of Houstonians were born in another country
- Countries like Japan which have negative population growth and restricted immigration have economies which are suffering
- Many international companies are either opening or expanding a presence in our city; many more are choosing Houston than the Dallas-Ft. Worth Metroplex



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Source: The Economy at a Glance Houston

January 2019

% IT MANAGERS PLANNING TO HIRE IN '19		
Rank	City	%
1	Houston, TX	80
2	Charlotte, NC	77
3	Phoenix, AZ	76
4	Chicago, IL	75
	Dallas, TX	75
6	Miami, FL	74
7	Washington, DC	73
8	Nashville, TN	72
	St. Louis, MO	72
10	New York, NY	71

Source: Robert Half Technology

Metro Houston Gross Domestic Product*		
County	\$ Billions	% of Total
Harris	418.407	84.4
Montgomery	25.871	5.2
Fort Bend	20.133	4.1
Brazoria	13.517	2.7
Galveston	13.108	2.6
Chambers	2.016	0.4
Waller	1.731	0.3
Liberty	1.538	0.3
Austin	1.233	0.2
Totals	495.824	100.0

\* '15 GDP stated in '12 dollars  
Source: U.S. Bureau of Economic Analysis