



Corpus Christi Housing Overview



March 1, 2018

Prepared for



Corpus Christi
REGIONAL ECONOMIC
DEVELOPMENT CORPORATION



**TEXAS A&M
UNIVERSITY
CORPUS
CHRISTI** | SOUTH TEXAS ECONOMIC
DEVELOPMENT CENTER

Background

There is no such thing as a national/regional housing market, but here's the big picture ...

■ National Conditions

- Strengthening economy that will likely continue to grow (with near-term upside risk)

■ Texas Statewide Market

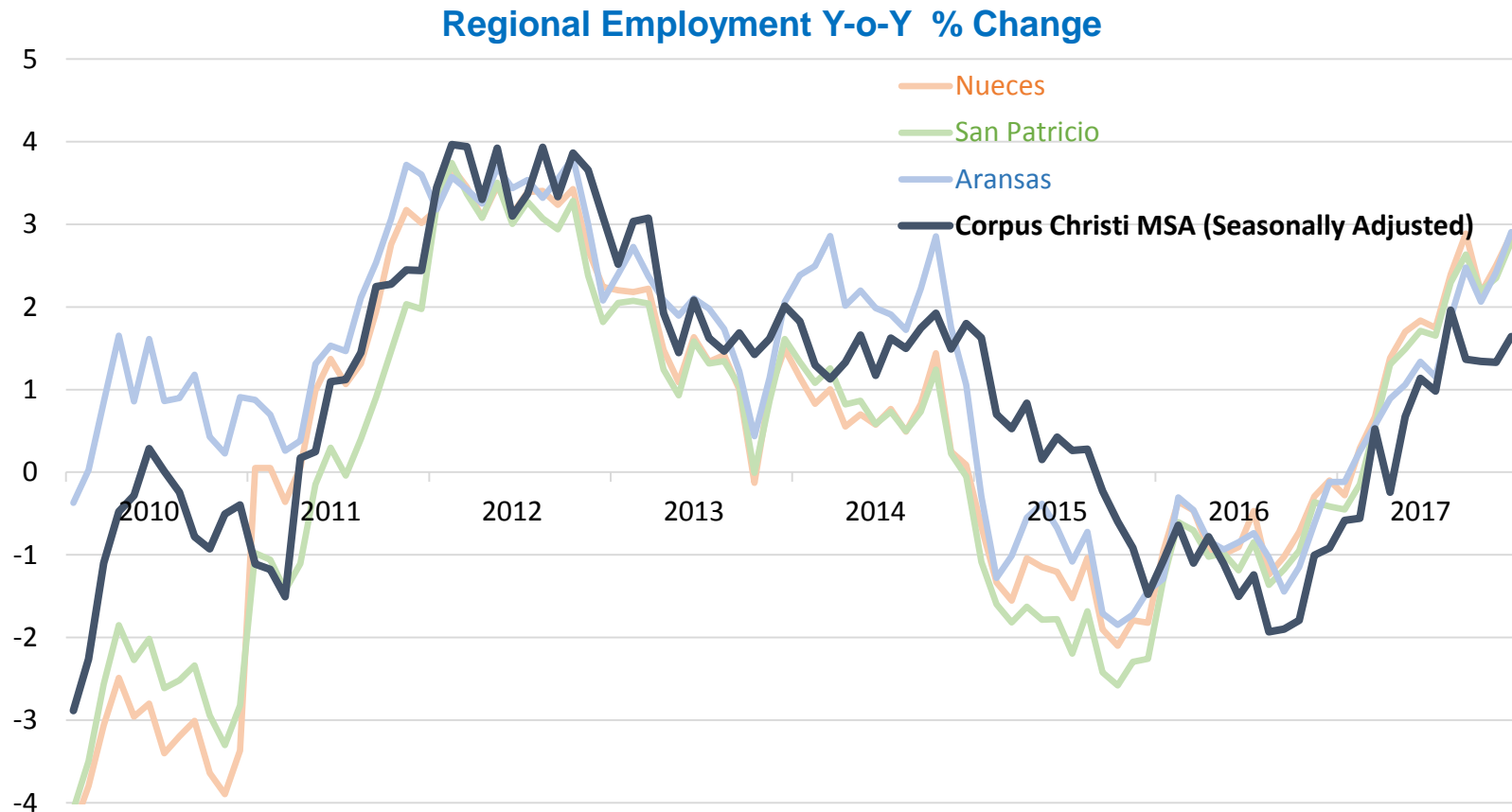
- Increasingly tight housing market (strong demand with supply constraints) since 2011

■ Corpus Christi Metro Area

- 2011-14: Shale oil boom led to strong growth and home demand
- 2015-16: Oil price collapse held back the local economy
- 2017-present: Strong recovery with (1) large-scale capital development projects, (2) steadily rising oil prices
- Hurricane Harvey caused a temporary shock to the metro economy, but it will not derail regional growth over the long run
- Harvey will intensify existing housing market tightness

Employment

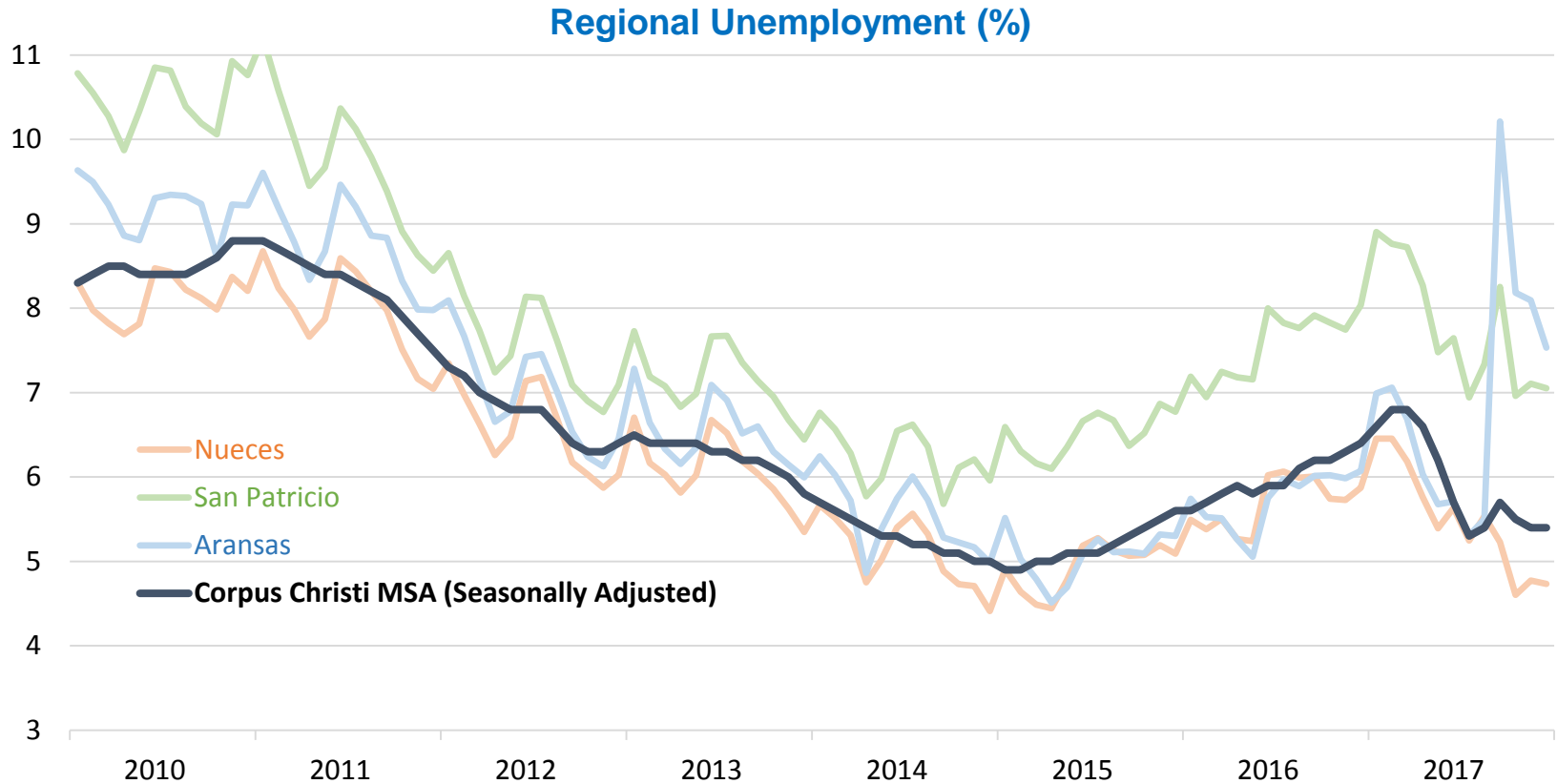
Job growth has begun to pick up due to recovery in oil drilling and production ...



Sources: Real Estate Center at Texas A&M University, and FRED at Federal Reserve Bank of St. Louis.

Labor Market

Unemployment rate is returning to its oil boom levels around 5% ...

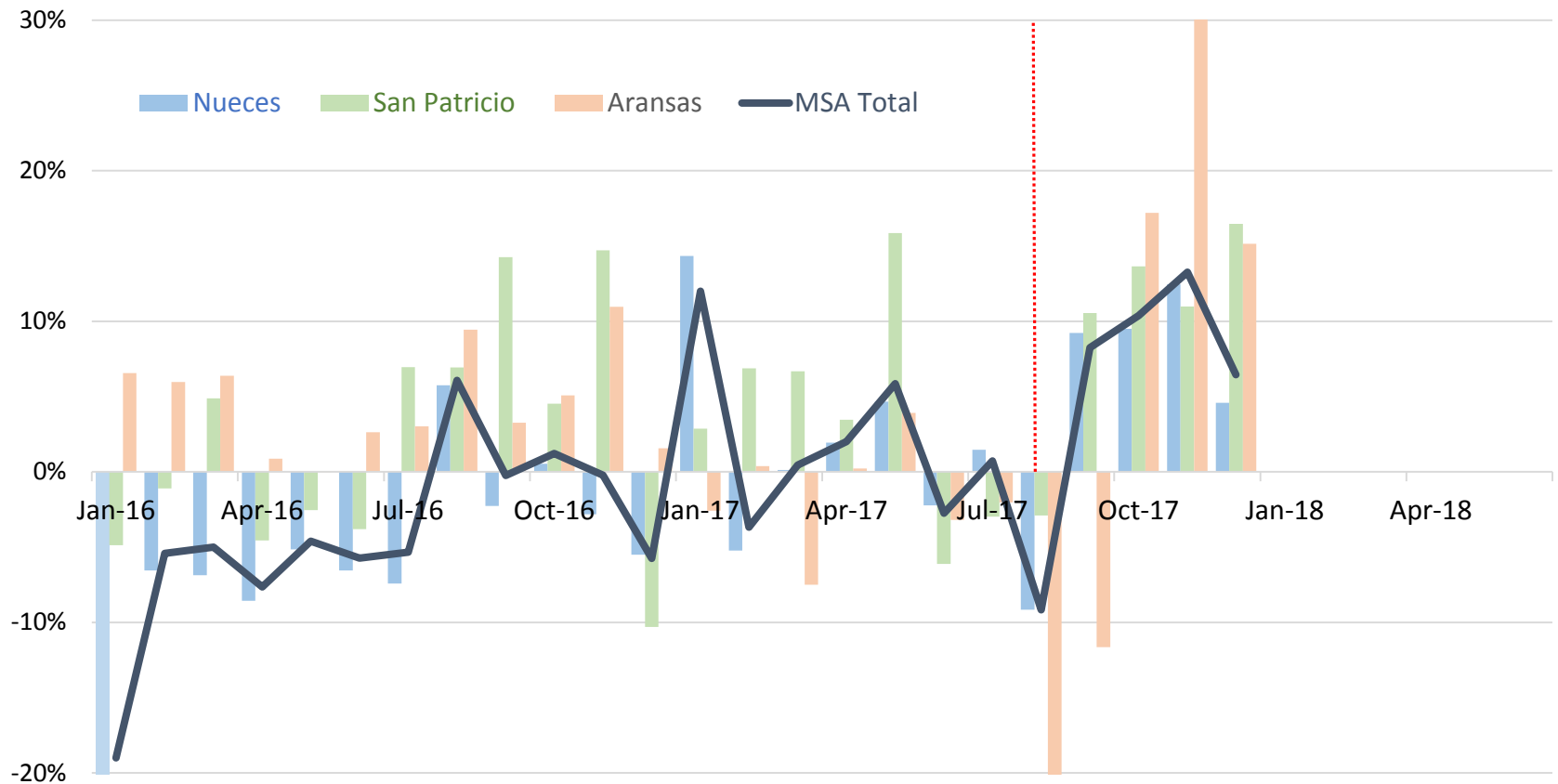


Sources: Real Estate Center at Texas A&M University, and FRED at Federal Reserve Bank of St. Louis.

Post-Harvey Recovery

Local businesses as a whole are bouncing back from Harvey's economic toll ...

Sales Tax Collections, Y-o-Y % Change

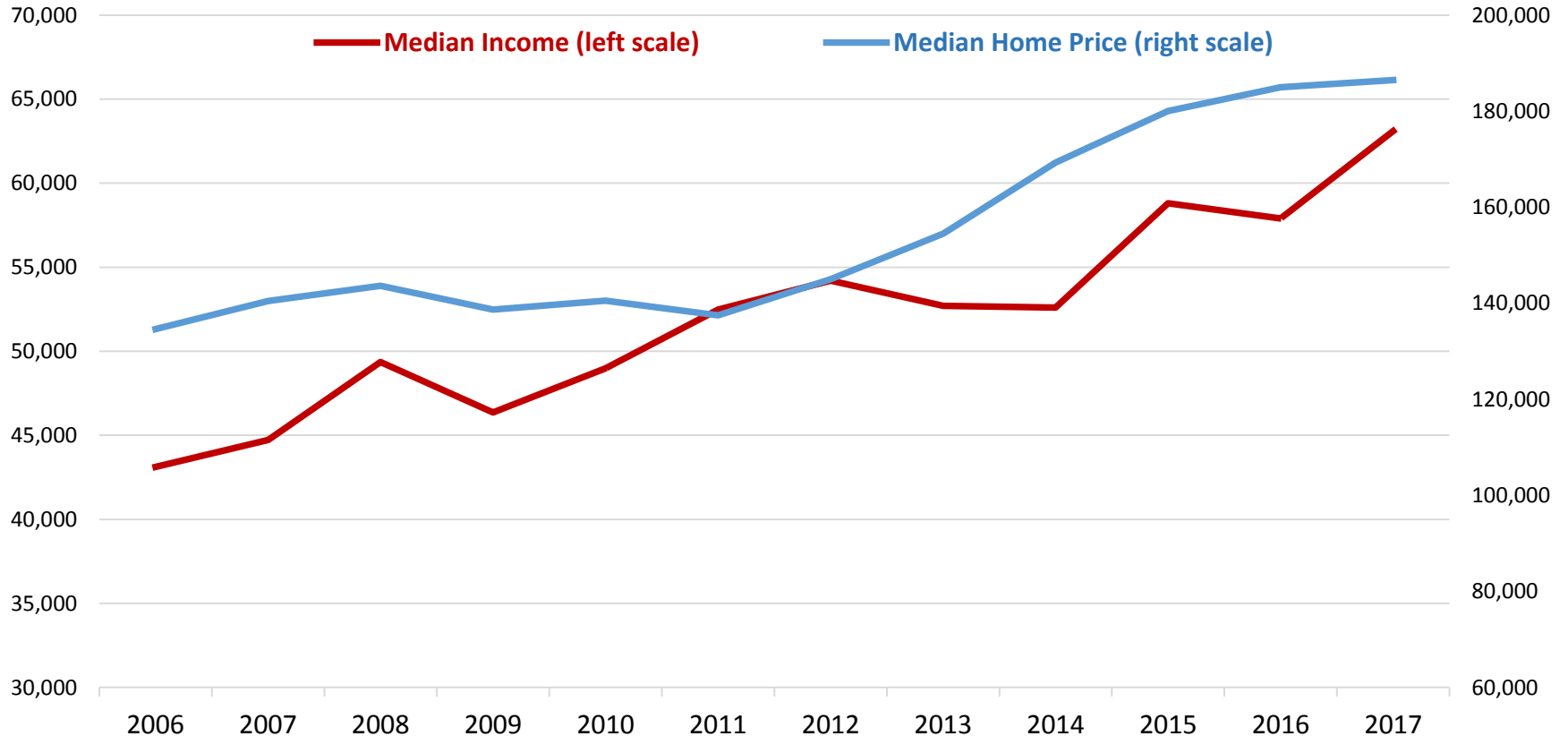


Source: Texas Comptroller of Public Accounts.

Housing Affordability

Home appreciation outpaced income growth, leading to higher THAI than Texas average since 2015 ...

Corpus Christi Housing Affordability Measures

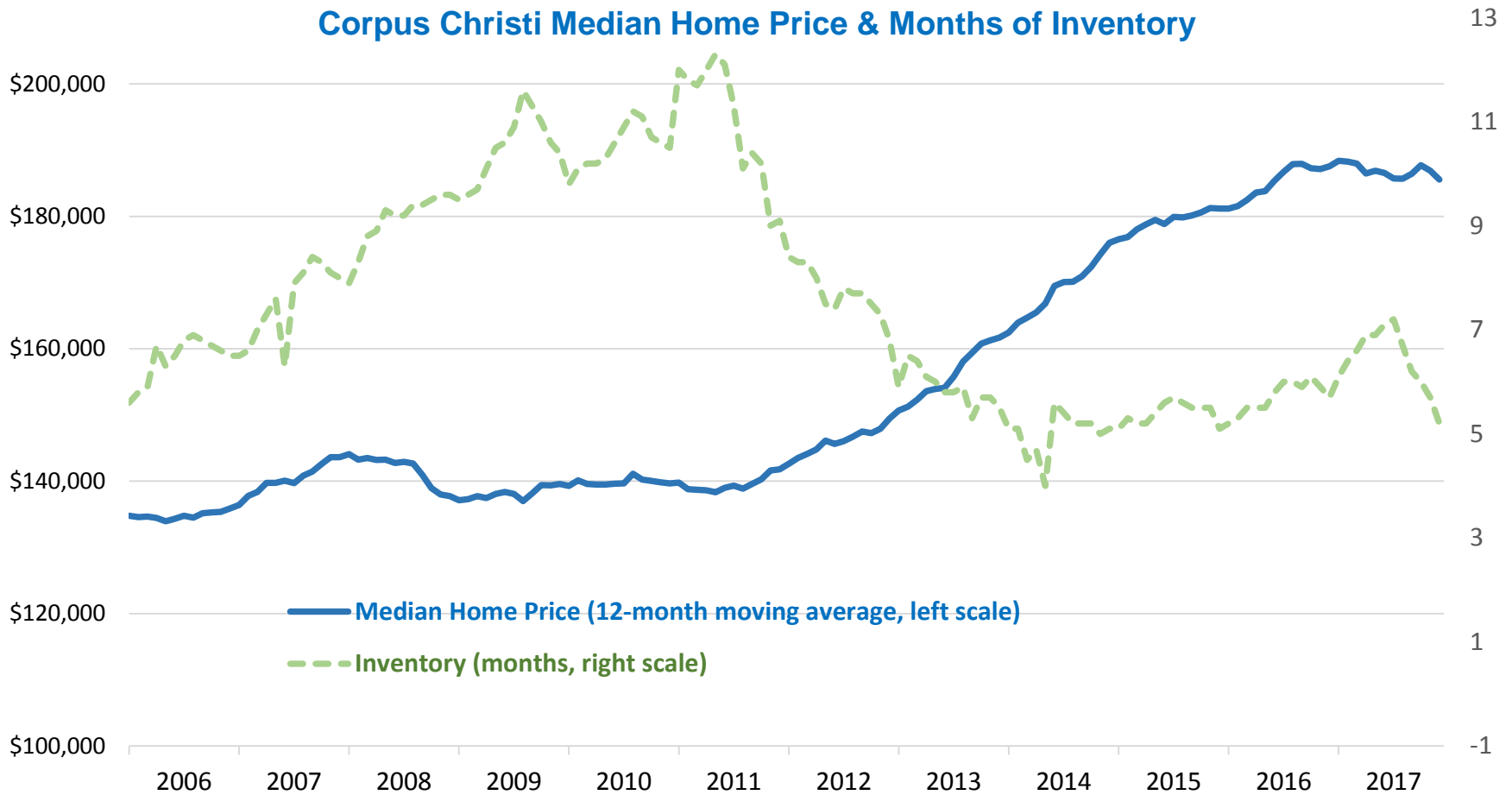


Source: Real Estate Center at Texas A&M University.

Current Housing Cycle

Tight housing markets have emerged as a major economic challenge locally ...

Corpus Christi Median Home Price & Months of Inventory



Source: Real Estate Center at Texas A&M University.

Local Growth Factors

\$50 billion industrial construction projects underway and the new Harbor Bridge construction are adding jobs and housing needs ...

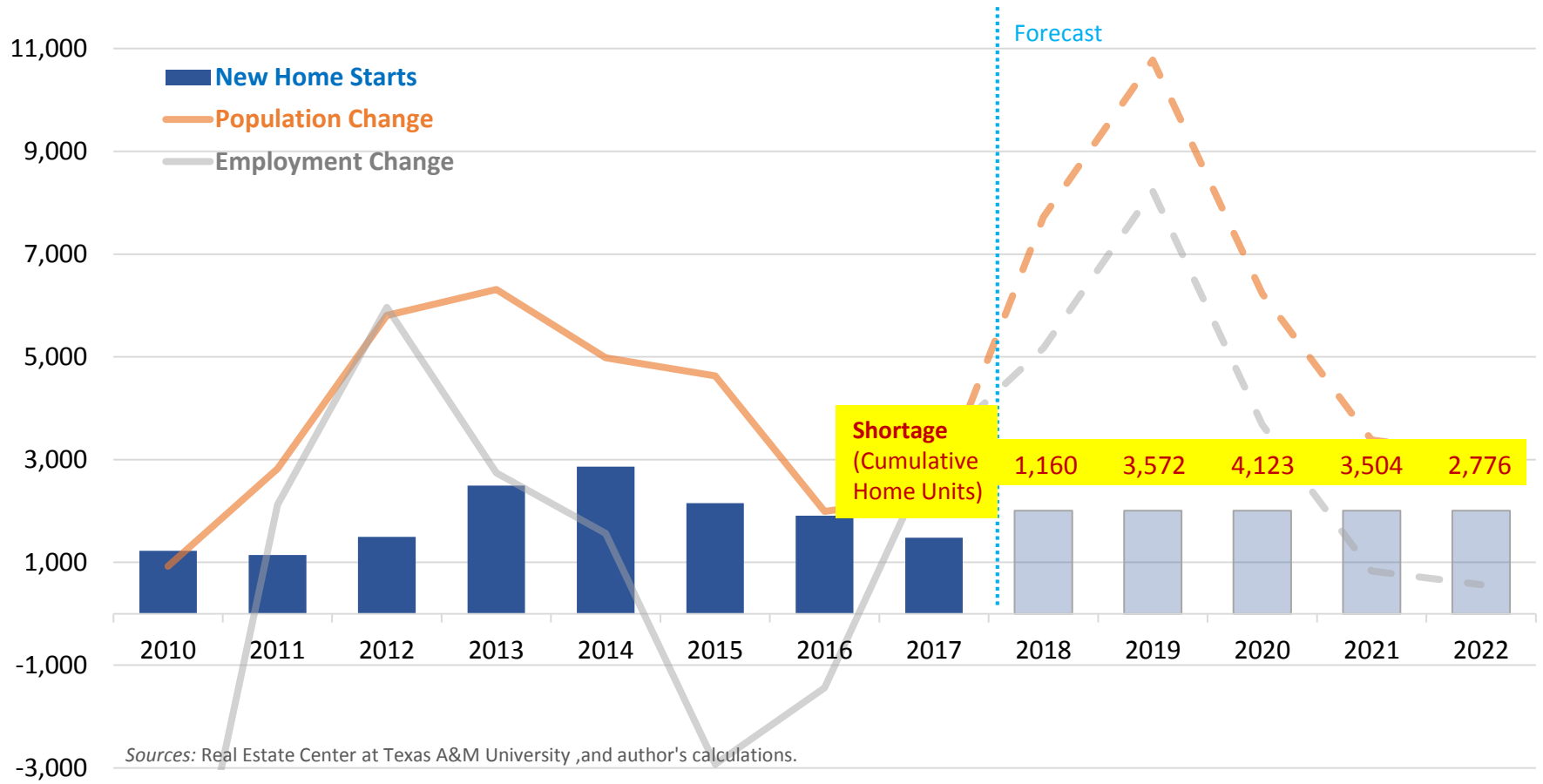
Capital Development Projects' Impacts

	2018	2019	2020	2021	2022
<i>Construction Employment Change (Job Years)</i>					
Harbor Bridge	598	578	352		
Industrial Projects	3,914	7,284	3,306	751	43
<i>Permanent Employment Change</i>					
Manufacturing Sector	659	363	25	80	520
Total Jobs	5,171	8,225	3,683	831	563

Impact on Housing Demand

Capital projects' impact on housing needs will exceed local historical home building capacity ...

New Home Starts and Housing Needs



Housing Market Outlook

Upward pressures on home prices will intensify due to the impact of ongoing large-scale capital projects and rebuilding efforts to replace >4,500 hurricane damaged homes ...

Capital Development Projects' Impact on Metro Area Housing Market

Pre-Harvey Housing Units	196,451	Population	454,726
Historical Home Supply (1990-2016 Avg.)	2,004 1.0%	New Home Demand (2018-2022 Avg.)	2,559 1.3%

Potential Housing Shortage 2018-2022: Average 555 units per year



Jim Lee
(361) 825-5831
jlee@tamucc.edu

SouthTexasEconomy.com



SOUTH TEXAS ECONOMIC
DEVELOPMENT CENTER