



## Houston Economy Council hosts Kiley Advisors for a 2015 Real Estate Market Forecast

The Partnership held its quarterly Houston Economy Council on May 19 in the Partnership board room. Patrick Jankowski, Partnership Senior Vice President of Research, welcomed Council Speakers Patrick J. Kiley, Founding Principal, and Candace Hernandez, Principal, both with Kiley Advisors. The speakers presented a 2015 Market Forecast for the Houston region highlighting commercial and residential real estate.



Although energy is currently in a downturn with lower oil prices, Houston is weathering the storm better than expected. The energy landscape doesn't mirror the 80's and neither does the outlook for office space. "Not only are we building much less office space than then, but 64 percent of it is pre-leased," said Kiley. In addition, Kiley noted, "While four of the five major oilfield service companies are Houston-based (Baker Hughes, Halliburton, Weatherford, and Schlumberger), the layoffs are not entirely in Houston."

In the meantime, Houston continues to be one of the hottest residential real estate markets. According to Kiley, Houston has the tightest supply for homes in the US. "We're in a tight market with short supply – 2.8 months," said Kiley. However, he added that residential will finally catch up with demand this year as we return to a more normal pace of growth.