GHP 25 YEARS
GREATER HOUSTON PARTNERSHIP

Houston
The Economy at a Glance

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Half a Trillion Dollars — Houston's economy grew 5.2 percent (net of inflation) in '13, according to the U.S. Bureau of Economic Analysis (BEA). That was the fastest growth among the nation's 50 largest metro areas. BEA estimates Houston's gross domestic product (GDP) at $517.4 billion, making it the nation's fourth largest metro economy. To put Houston's GDP in a global perspective, if the nine-county region were a sovereign nation, it would rank as the world's 25th largest economy, behind Nigeria ($521.8 billion) and Poland ($517.5 billion) and ahead of Norway ($512.6 billion) and Belgium ($508.1 billion).[1]

Since '08, Houston's GDP has grown by $83.6 billion (net of inflation), exceeding the combined growth of the Texas' next six largest metro economies—Dallas-Fort Worth ($47.3 billion), Austin ($14.6 billion), San Antonio ($11.2 billion), El Paso ($1.3 billion), Corpus Christi ($3.6 billion) and Beaumont ($3.5 billion)—over the same period. To put Houston's growth in a Gulf Coast perspective, since '08 Houston has added the equivalent of New Orleans' current GDP ($81.8 billion).

Texas' economy grew 3.7 percent (net of inflation) in '13. BEA estimates state GDP at $1.532 trillion, of which Houston accounts for 33.8 percent, up from 26.3 percent in '10. That Houston now represents a larger share of Texas' economy is not surprising, given that:

GROSS DOMESTIC PRODUCT
20 Largest Metro Economies

Rank	Metro	'13 GDP ($ Billions)	% Change '12 - '13*
1	New York	1,471.170	1.0
2	Los Angeles	826.826	1.2
3	Chicago	590.248	1.3
4	Houston	517.367	5.2
5	Washington	463.925	-0.8
6	Dallas-Fort Worth	447.574	2.1
7	Philadelphia	388.272	0.4
8	San Francisco	383.401	2.0
9	Boston	370.769	1.6
10	Atlanta	307.233	2.0
11	Seattle	284.967	2.4
12	Miami	281.076	2.4
13	Minneapolis	227.793	2.5
14	Detroit	224.726	1.3
15	Phoenix	209.523	1.2
16	San Jose	197.886	4.4
17	San Diego	196.829	1.7
18	Denver	178.860	4.3
19	Portland	168.845	2.7
20	Baltimore	163.692	0.9

* Net of inflation
Source: U.S. Bureau of Economic Analysis

[1] BEA's estimates are for the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area, which includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller counties. The comparison of Houston's economy to global economies is based on International Monetary Fund reports of national GDP.

- Houston's exports have grown by $34.4 billion since '10 and account for nearly half of Texas' export growth over that period.
- Many of the 375,000 jobs Houston added between December '09 and December '13 were in sectors such as oil exploration, oil field services and oil field equipment manufacturing, where value added per worker is high.
- The boom in the Texas shale plays has led a boom in chemical plant construction in the region, with some estimates placing the aggregate value as high as $70 billion.

That Nagging Question — BEA's recent GDP estimates provide some insight into the question, "How large is the energy industry in Houston?" In previous years, BEA did not provide estimates for the mining (*i.e.*, oil and gas) sector in Houston, but it did so this year. The Bureau estimates that mining accounted for $102.7 billion, or 19.8 percent of the region's GDP, in '13. This figure doesn't include sectors that many Houstonians consider part of the industry—chemicals, refining, oil field equipment manufacturing, fabricated metal products, pipeline transportation and engineering services. Unfortunately, BEA didn't provide data for these industries, but a rough estimate of their size can be calculated using other sources.

According to the *2002 U.S. Census of Manufactures*, chemicals, petroleum refining, and oil field equipment manufacturing accounted for 58.9 percent of value added by manufacture in Houston in '02.[2] Given the recent surge in activity in these sectors, it's reasonable to assume their share of value added to local manufacturing output may now exceed 65 percent. Based on that assumption, GHP estimates chemicals, refining and oil field equipment manufacturing accounts for $62.9 billion of Houston's GDP.[3] Combined with mining, that would suggest energy accounts for $165.6 billion, or 32.0 percent of Houston

INDUSTRY SHARES OF HOUSTON GDP – '13

Sector	$ Billions	% GDP
Agriculture, Forestry, Fishing	0.490	0.1
Mining	102.685	19.8
Construction	25.656	5.0
Manufacturing	96.754	18.7
Wholesale Trade	37.260	7.2
Retail Trade	19.957	3.9
Utilities	D	D
Transportation, Warehousing	20.325	3.9
Information	D	D
Finance, Insurance, Real Estate	57.987	11.2
Professional, Business Services	59.045	11.4
Educational Services, Health Care	23.012	4.4
Arts, Entertainment, Recreation	11.259	2.2
Other Services	8.278	1.6
Government	29.653	5.7
Total All Sectors	**$517.367**	**100.0**

D = Not reported to avoid the disclosure of confidential information.

Source: U.S. Bureau of Economic Analysis

[2] BEA did not disclose data for these sectors in the *2007 U.S. Census of Manufacturers* and data from the *2012 Census of Manufactures* won't be released until next spring.
[3] Calculations assume 65 percent of Houston's $96.8 billion manufacturing industry.

GDP. If one assumes that fabricated metal products (*e.g.*, pipes, valves, flanges) accounts for another $7.0 billion,[4] pipeline transportation for $4.0 billion[5] and engineering services for $10.0 billion,[6] the share of Houston's economy directly tied to energy exceeds $186.6 billion, or 38.1 percent of regional GDP. Bear in mind that this estimate is only as good as its assumptions. Energy's share of Houston GDP could be higher or lower. The estimates do underscore energy's dominance in Houston's economy.

Ready for Your Close-Up, Houston? — Each September, the U.S. Census Bureau releases the American Community Survey (ACS), an annual snapshot of the population's economic, demographic, housing and social characteristics.[7] Comparing responses from the ACS over time can provide insights into changes in the population. The Greater Houston Partnership has compared data from the '09 and '13 ACS for the nine-county Houston metro area and noted the following:

- Houston continues to diversify. Anglos now represent a smaller share of Houston's population than they did in '09, while Blacks, Asians and Hispanics represent larger shares.
- Labor force participation in Houston has fallen, but not to the same extent as nationally. In '09, 68.4 percent of Houstonians 16 and older were in the labor force, *i.e.*, employed or actively looking for work. In '13, Houston's labor force participation rate slipped to 67.3 percent. Given the region's robust job growth, the local decline is more likely due to an aging population than disillusioned workers, who account for much of the nationwide decline. In Houston, the population 62 and older rose by 132,000 over the four years.
- Houstonians love their cars. In '09, 78.8 percent of all workers drove to work alone each day. In '13, single-passenger commuters accounted for 79.7 percent of all work trips. That figure equates to 211,000 more vehicles on the road last year than four years earlier. Only 2.4 percent of Houstonians use public transit to get to work.

RACIAL/ETHNIC PROFILE
% of Metro Houston Population*

	'09	'13
American Indian	0.2	0.2
Asian	6.0	6.9
Black	16.5	16.8
Hispanic	34.4	36.1
White	41.7	38.3
Other	1.2	1.7
Total %	100.0	100.0

'09 based on an estimated 5,865,086 residents. '13 based on an estimated 6,313,158 area residents.

Source: American Community Survey

[4] BEA estimated fabricated metal products' contribution to Houston's GDP at $6.6 billion in '12 but did not provide an estimate for '13.

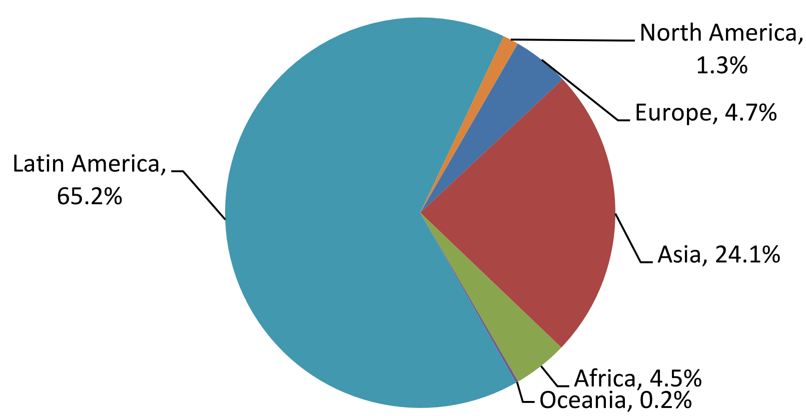
[5] This is a conservative estimate based on fact that nationwide pipeline transportation is a $19.5 billion industry and Houston-based firms control 44 percent of the nation's oil pipeline capacity and 52 percent of the nation's gas pipeline capacity. And while certain firms in Houston may report revenues which greatly exceed GHP's estimates, regional GDP is based on value added locally and thus pipelines' share of GDP is a fraction of total reported revenues.

[6] A very rough estimate based on architectural and engineering services accounting for 17.7 percent of business and professional services employment and BEA estimating the sector contributed $59.0 billion to Houston's GDP in '13.

[7] Information from the survey helps determine how more than $400 billion in federal and state funds are distributed each year.

- More Houstonians draw paychecks than toil for themselves. Of the 2,995,300 Houstonians 16 and older who work, 188,200 are self-employed. That's a drop from 193,000 in '09, and a decline from 7.0 to 6.3 percent of the working population. During the recession, many Houstonians became entrepreneurs by necessity and not by choice.
- Houston has grown smarter. The population 25 and older holding a bachelor's degree or higher rose from 27.9 percent in '09 to 30.9 percent in '13.
- Houstonians have become older. In '09, the median age of all residents was 32.9 years. In '13, the median age was 33.6 years.
- For many Houstonians, incomes have not kept pace with inflation. The median household income for Houston was $54,146 in '09. The median in '13 was $57,366. If the median had kept pace with inflation, it would have been $60,030 in '13.
- Houston has more affluent households than before. The ACS recorded 591,000 households in Houston with incomes of $100,000 or more in '13, up from 409,700 in '09.
- But not everyone has benefited from Houston's booming economy. In '09, 12.2 percent of all families lived in poverty. In '13, 13.2 percent did.
- However, there are fewer uninsured. In '09, 75.4 percent of Houstonians had health insurance. In '13, 77.2 percent had coverage.
- Houston continues to attract residents from overseas. The '13 ACS found that 1,423,700 Houston residents were born outside the U.S. compared to 1,278,400 in '09. That means 22.5 percent of Houston's population was foreign-born in '13 versus 21.8 percent in '09. About two-thirds of all foreign-born residents, 844,300 according to the '13 ACS, are not U.S. citizens.
- Finally, one in every 17 adults served in the military, one in every 10 Houstonians has been diagnosed with some form of disability, one in three over the age of five speaks a language other than English at home, and nine out of every 10 households own a computer.

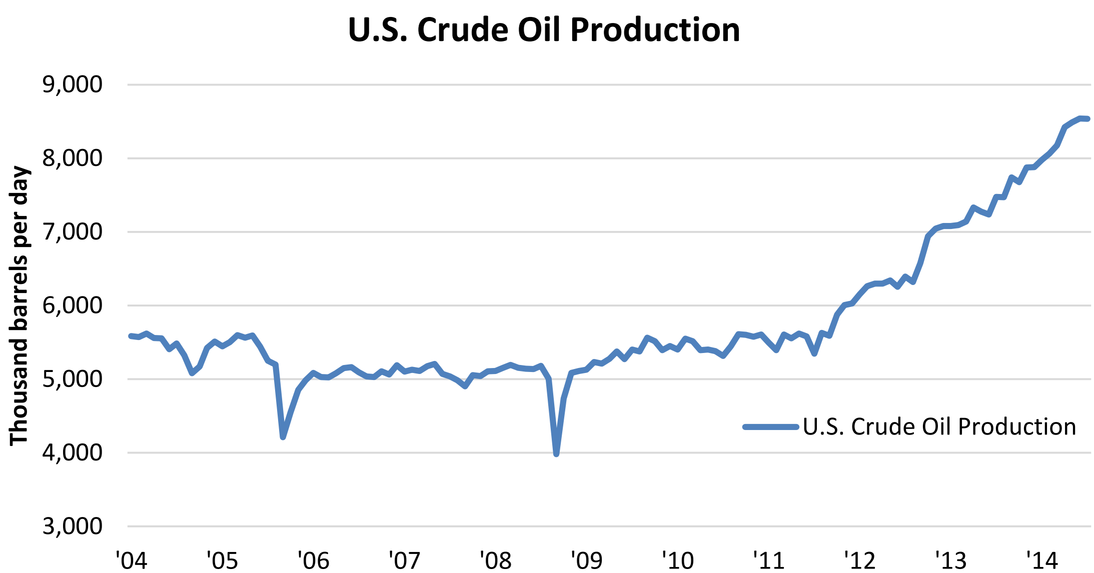
Houston's Foreign Population By Place of Birth



Source: 2013 American Community Survey

For additional information in the ACS, click here.

From Scarcity to Abundance — At GHP's inaugural *State of Energy* event[8] held on October 2, Rex Tillerson, chairman, president and CEO of ExxonMobil Corporation, noted that the level of exploration and production activity in North America has created a new era of energy abundance. The U.S. produces 3.0 million more barrels of crude and liquids per day than just three years ago, a 57.4 percent increase, from 5.4 million barrels per day in early '11 to the current daily production rate of 8.5 million barrels per day.



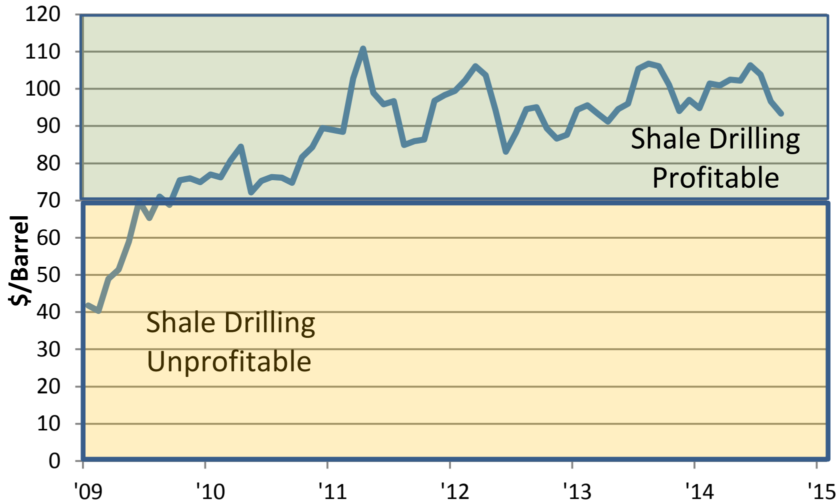
Source: U.S. Energy Information Administration

After decades of operating under a mindset of scarcity, North America now benefits from several game-changing innovations the oil and gas industry has pioneered. The development of the Canadian tar sands has expanded proven oil reserves by approximately 170 billion barrels. Offshore operations in the Gulf of Mexico now reach ultra-deep-water depths of more than 10,000 feet. ExxonMobil projects deep-water production will increase 150 percent worldwide over the next three decades. Finally, the most discussed breakthrough of hydraulic fracturing coupled with horizontal drilling has opened up previously inaccessible and uneconomic energy supplies.

This new era of energy abundance offers new challenges as prices decline. The spot price of West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, fell from the monthly average of $101.07 a barrel in October '13 to $88.86 a barrel on October 7, 2014. Many operators cite $70 a barrel as the threshold below which drilling in shale plays such as the Eagle Ford would no longer be economically feasible.

[8] Click here to read Rex Tillerson's State of Energy speech.

WTI, Monthly Average Spot Price



Source: U.S. Energy Information Administration

In its October *Short-Term Energy Outlook*, the U.S. Energy Information Administration (EIA) projected WTI to average $98.28 this year, down from the previously projected $100.45. The EIA also lowered its '15 forecast from an average of $96.08 a barrel to $94.58 per barrel. Despite the downward revisions, the forecasted prices remain at a level that should sustain exploration activity at or above current levels through the end of '15.

Commercial Real Estate Update — The Houston office market continues to show signs of leveling off, reports CBRE. The market saw seven buildings break ground in Q3/14, only one of which was spec, compared to three spec groundbreakings in Q2/14. Current office construction totals 17.3 million square feet, up from 16.3 million in Q2. Sixty-seven percent of the space under construction is pre-leased or owner-occupied space. The market absorbed 1.0 million square feet of office space in Q3/14, bringing the year-to-date absorption to 3.8 million square feet. That compares with 3.6 million square feet absorbed in the first three quarters of '13. Overall asking rates were $26.10 per square foot in Q3/14 compared to $24.40 in Q3/13.

The Houston industrial market absorbed 5.9 million square feet of space through Q3/14, reports CBRE, and has already surpassed the '13 full-year total of 5.8 million square feet. Even though 10.3 million square feet of industrial space has been delivered so far this year, the vacancy rate is holding steady at 5.3 percent. The average asking rental rate was $0.67 per square foot in Q3/14, up from the $0.54 in Q3/13. Only 6.1 million square feet of industrial space is under construction, compared to 7.8 million in Q2.

CBRE reports that available retail space is becoming increasingly difficult to find. The vacancy rate dropped to 6.6 percent in Q3/14 compared to 7.4 percent in Q3/13. Only 2.1 million square feet of retail space is under construction in a market with 209.8 million square feet of total space. Annual asking rates averaged $22.06 per square foot in Q3/14 compared to $21.81 in Q3/13.

Jobs Machine Continues to Hum — The Houston metro area led the state in employment growth, creating 107,400 jobs in the 12 months ending August '14, according to the Texas Workforce Commission. The Dallas-Fort Worth-Arlington metro ranked second, adding 101,500 jobs, followed by Austin-Round Rock-San Marcos with 31,700 jobs.

The three fastest growing sectors in Houston were building construction (14.3 percent annual growth, 7,100 jobs), engineering (13.3 percent annual growth, 9,300 jobs) and oil field services (11.2 percent, 5,400 jobs). These sectors are being driven by the current office construction boom, the massive investment in new chemical plants along the Houston Ship Channel, and the current ongoing activity in the Eagle Ford and Permian Basin.

Since the bottom of the recession, the metro area has added 420,700 jobs, or nearly triple the 153,800 jobs lost during the recession. Houston remains 3,600 jobs shy of the 2.9 million job mark, a milestone the region should reach when the Texas Workforce Commission issues the next employment report later this month.

Partnership to Host Economic Outlook Event — Plan to attend GHP's *2015 Economic Outlook*, scheduled for Thursday, December 11. The event features a panel of business leaders discussing Houston economic trends, the Partnership's 2015 employment forecast, and a luncheon keynote presentation by David Crowe, Chief Economist for the National Associaton of Homebuilders. Additional details will be posted at the Partnership's website, www.houston.org, starting mid-October.

SNAPSHOT — HOUSTON'S KEY ECONOMIC INDICATORS

Building Permits — City of Houston construction permits set a record in August, the sixth consecutive month to do so. The 12-month total topped $7.8 billion, a 39.2 percent increase from $5.6 billion in permits issued over the 12-months ending August '13.

Inflation —The cost of consumer goods and services as measured by the Consumer Price Index for All Urban Consumers increased 1.7 percent nationwide from August '13 to August '14, according to data released by the U.S. Bureau of Labor Statistics. Core inflation (all items less the volatile food and energy categories) rose 1.7 percent over the past 12 months

Home Sales —Houston-area realtors sold 89,711 homes in the 12 months ending August '14, a 5.7 percent increase over the 84,900 homes sold in the comparable period in '13, according to data released by the Houston Association of REALTORS® (HAR). Dollar volume topped $22.5 billion in the 12 months ending August '14, a 14.8 percent increase over the $19.6 billion recorded in the same period in '13. The running total for dollar volume has now set a record for 17 consecutive months.

Purchasing Managers Index — The Houston Purchasing Managers Index (PMI), a short-term leading indicator for regional production, registered 55.6 in August, down from 56.4 in July, according to the latest report from the Institute for Supply Management-Houston (ISM-Houston). With the August reading, the PMI has held at or above 50 for 60 consecutive months.

Vehicle Sales — Houston-area auto dealers sold 371,488 vehicles in the 12 months ending August '14, up 11.3 percent from the 333,648 sold during the same period ending '13. According to TexAuto Facts, published by InfoNation, Inc. of Sugar Land, Houston area auto dealers sold 30,677 vehicles in August '14, up 0.3 percent from 30,595 in August '13. Growth was attributed to the 3.3 percent increase in truck/SUV sales, from 17,359 sold in August '13 to 17,935 in August '14. The uptick in truck sales offset the 3.7 percent decrease in car sales, the second consecutive month of year-over-year declines in car sales.

Foreign Trade — In the first eight months of this year, more than $173.7 billion in foreign trade passed through the Houston-Galveston Customs District, up 5.2 percent from the $165.1 billion in trade handled in the first eight months of '13. Exports totaled $89.9 billion, up 9.5 percent from the $82.1 billion handled during the same period in '13. Imports totaled $83.7 billion, up 0.9 percent from the $83.0 billion handled over the same period in '13.

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contributed to this issue of
Houston: The Economy at a Glance

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HOUSTON—THE ECONOMY AT A GLANCE

HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

				Change from		% Change from	
	Aug '14	July '14	Aug '13	July '14	Aug '13	July '14	Aug '13
Total Nonfarm Payroll Jobs	***2,896.4***	***2,892.7***	***2,789.0***	***3.7***	***107.4***	***0.1***	***3.9***
Total Private	***2,538.6***	***2,528.2***	***2,443.0***	***10.4***	***95.6***	***0.4***	***3.9***
Goods Producing	***581.4***	***573.6***	***552.2***	***7.8***	***29.2***	***1.4***	***5.3***
Service Providing	***2,315.0***	***2,319.1***	***2,236.8***	***-4.1***	***78.2***	***-0.2***	***3.5***
Private Service Providing	***1,957.2***	***1,954.6***	***1,890.8***	***2.6***	***66.4***	***0.1***	***3.5***
Mining and Logging	117.8	116.4	108.9	1.4	8.9	1.2	8.2
Oil & Gas Extraction	63.1	62.9	59.5	0.2	3.6	0.3	6.1
Support Activities for Mining	53.5	52.2	48.1	1.3	5.4	2.5	11.2
Construction	201.4	195.7	190.5	5.7	10.9	2.9	5.7
Manufacturing	262.2	261.5	252.8	0.7	9.4	0.3	3.7
Durable Goods Manufacturing	174.9	174.5	172.1	0.4	2.8	0.2	1.6
Nondurable Goods Manufacturing	87.3	87.0	80.7	0.3	6.6	0.3	8.2
Wholesale Trade	155.9	157.3	152.2	-1.4	3.7	-0.9	2.4
Retail Trade	291.1	288.9	286.7	2.2	4.4	0.8	1.5
Transportation, Warehousing and Utilities	137.8	139.2	131.9	-1.4	5.9	-1.0	4.5
Utilities	16.7	16.7	16.2	0.0	0.5	0.0	3.1
Air Transportation	23.3	23.3	23.2	0.0	0.1	0.0	0.4
Truck Transportation	25.0	24.9	24.1	0.1	0.9	0.4	3.7
Pipeline Transportation	9.7	9.8	9.5	-0.1	0.2	-1.0	2.1
Information	33.3	33.3	32.8	0.0	0.5	0.0	1.5
Telecommunications	15.1	15.2	14.9	-0.1	0.2	-0.7	1.3
Finance & Insurance	92.3	92.3	91.9	0.0	0.4	0.0	0.4
Real Estate & Rental and Leasing	54.8	54.2	52.5	0.6	2.3	1.1	4.4
Professional & Business Services	447.6	446.1	431.6	1.5	16.0	0.3	3.7
Professional, Scientific & Technical Services	219.7	220.7	204.1	-1.0	15.6	-0.5	7.6
Legal Services	*24.4*	*24.6*	*23.9*	*-0.2*	*0.5*	*-0.8*	*2.1*
Accounting, Tax Preparation, Bookkeeping	*20.3*	*20.4*	*20.0*	*-0.1*	*0.3*	*-0.5*	*1.5*
Architectural, Engineering & Related Services	*79.4*	*78.6*	*70.1*	*0.8*	*9.3*	*1.0*	*13.3*
Computer Systems Design & Related Services	*32.3*	*32.2*	*29.9*	*0.1*	*2.4*	*0.3*	*8.0*
Admin & Support/Waste Mgt & Remediation	202.5	200.1	203.4	2.4	-0.9	1.2	-0.4
Administrative & Support Services	*191.4*	*189.1*	*193.7*	*2.3*	*-2.3*	*1.2*	*-1.2*
Employment Services	*80.2*	*78.2*	*76.1*	*2.0*	*4.1*	*2.6*	*5.4*
Educational Services	51.7	50.4	49.3	1.3	2.4	2.6	4.9
Health Care & Social Assistance	302.7	298.1	286.1	4.6	16.6	1.5	5.8
Arts, Entertainment & Recreation	32.6	33.6	30.7	-1.0	1.9	-3.0	6.2
Accommodation & Food Services	255.0	257.7	246.2	-2.7	8.8	-1.0	3.6
Other Services	102.4	103.5	98.9	-1.1	3.5	-1.1	3.5
Government	357.8	364.5	346.0	-6.7	11.8	-1.8	3.4
Federal Government	27.2	27.5	27.4	-0.3	-0.2	-1.1	-0.7
State Government	70.3	70.3	69.7	0.0	0.6	0.0	0.9
State Government Educational Services	*37.1*	*37.1*	*36.8*	*0.0*	*0.3*	*0.0*	*0.8*
Local Government	260.3	266.7	*248.9*	-6.4	11.4	-2.4	4.6
Local Government Educational Services	*174.6*	*180.3*	*164.9*	*-5.7*	*9.7*	*-3.2*	*5.9*

SOURCE: Texas Workforce Commission

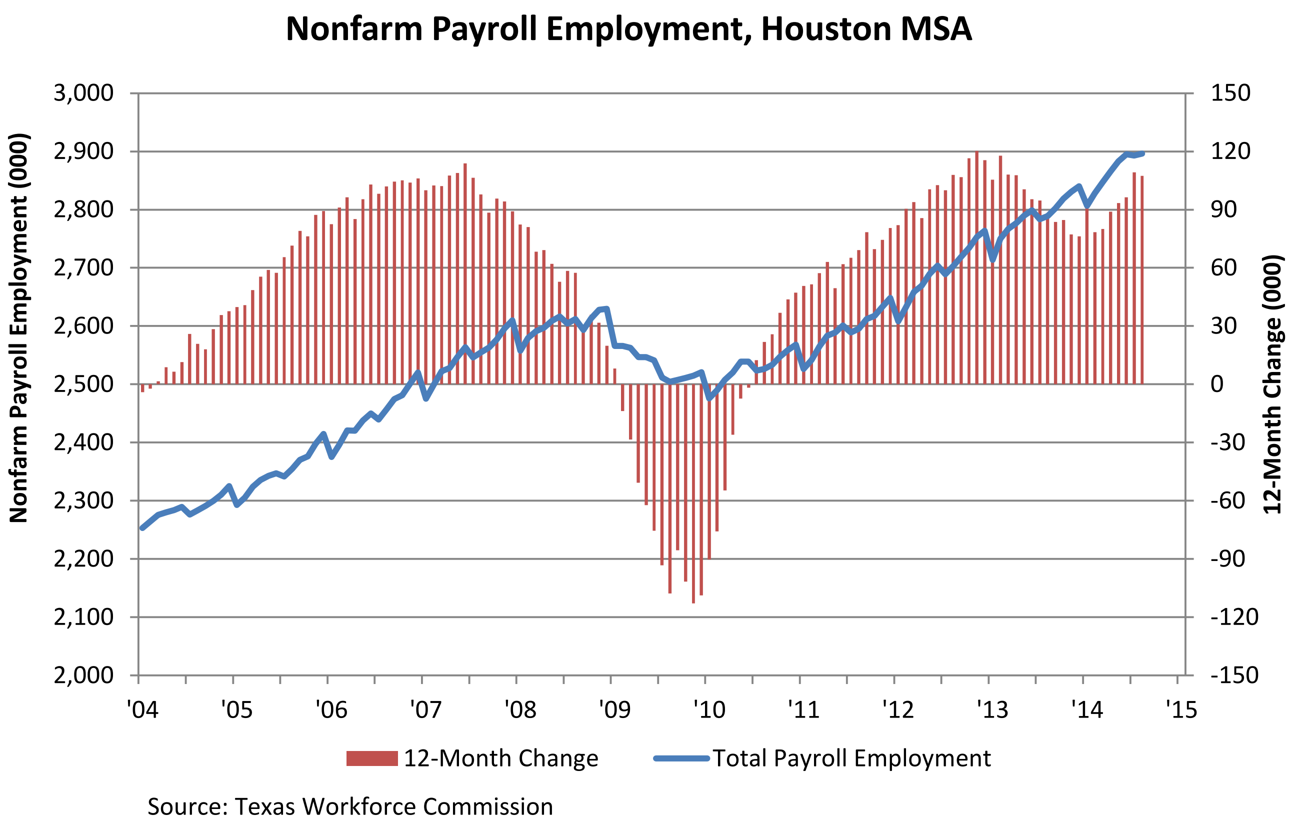
HOUSTON—THE ECONOMY AT A GLANCE

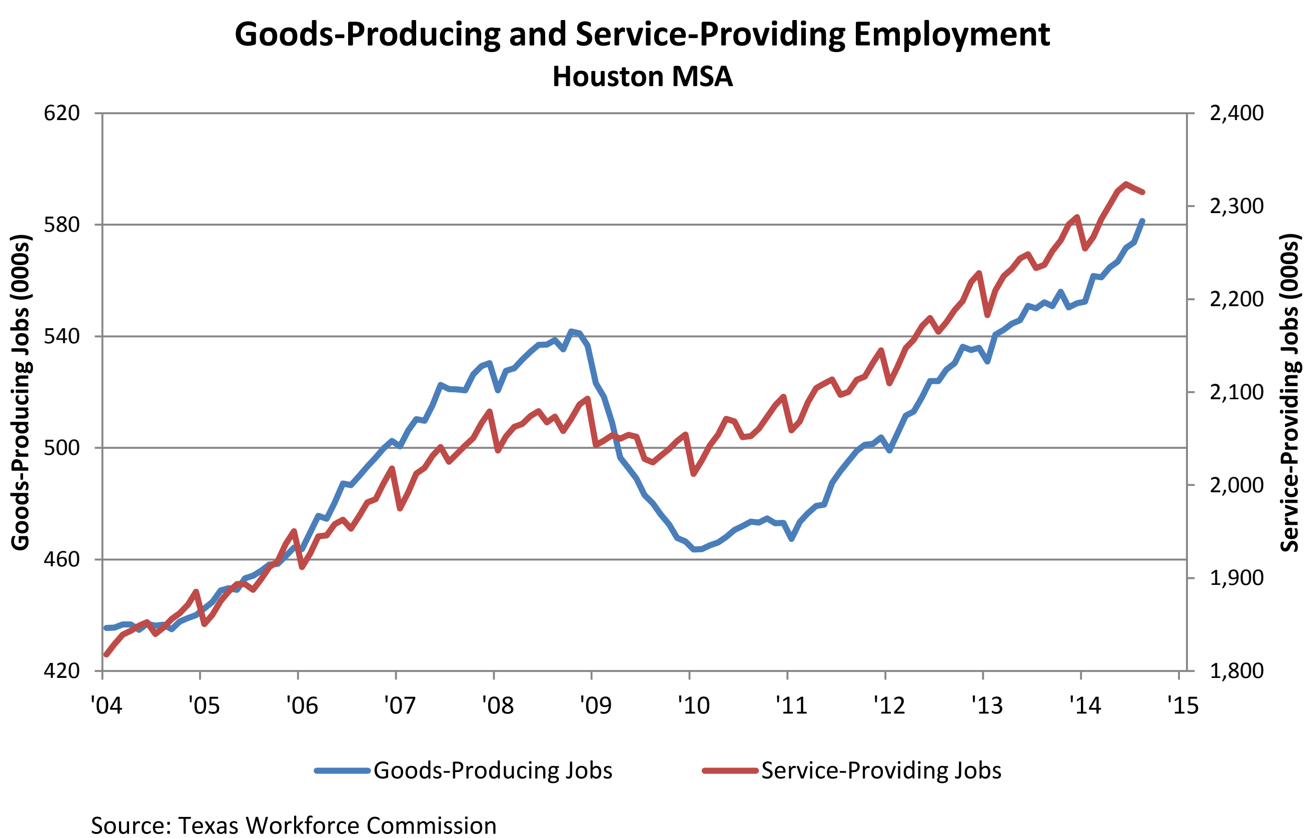
Houston Economic Indicators *A Service of the Greater Houston Partnership*	Month	MONTHLY DATA Most Recent	Year Earlier	% Change	YEAR-TO-DATE TOTAL or YTD AVERAGE* Most Recent	Year Earlier	% Change
ENERGY							
U.S. Active Rotary Rigs	Sept '14	1,930	1,763	9.5	1,845 *	1,763 *	4.7
Spot Crude Oil Price ($/bbl, West Texas Intermediate)	Sept '14	93.37	106.09	-12.0	100.23 *	98.14 *	2.1
Spot Natural Gas ($/MMBtu, Henry Hub)	Sept '14	3.89	3.58	8.7	4.48 *	3.66 *	22.4
UTILITIES AND PRODUCTION							
Houston Purchasing Managers Index	Aug '14	55.6	58.0	-4.1	57.0 *	58.6 *	-2.7
Nonresidential Electric Current Sales (Mwh, CNP Service Area)	July '14	4,808,711	4,660,412	3.2	30,226,473	29,221,239	3.4
CONSTRUCTION							
Total Building Contracts ($, Houston MSA)	**Aug '14**	**1,458,201,000**	**933,592,000**	**56.2**	**23,262,418,000**	**8,230,291,000**	**182.6**
Nonresidential	Aug '14	738,751,000	197,370,000	274.3	16,887,462,000	2,345,566,000	620.0
Residential	Aug '14	719,450,000	736,222,000	-2.3	6,374,956,000	5,884,725,000	8.3
Building Permits ($, City of Houston)	**Aug '14**	**695,960,968**	**422,778,418**	**64.6**	**5,634,859,690**	**3,933,521,700**	**43.3**
Nonresidential	Aug '14	370,587,621	250,043,895	48.2	3,692,023,223	2,526,813,746	46.1
New Nonresidential	*Aug '14*	*88,272,884*	*98,006,548*	*-9.9*	*2,044,636,168*	*1,250,054,134*	*63.6*
Nonresidential Additions/Alterations/Conversions	*Aug '14*	*282,314,737*	*152,037,347*	*85.7*	*1,647,387,055*	*1,276,759,612*	*29.0*
Residential	Aug '14	325,373,347	172,734,523	88.4	1,942,836,467	1,406,707,954	38.1
New Residential	*Aug '14*	*302,815,828*	*142,699,944*	*112.2*	*1,740,783,387*	*1,249,870,075*	*39.3*
Residential Additions/Alterations/Conversions	*Aug '14*	*22,557,519*	*30,034,579*	*-24.9*	*202,053,080*	*156,837,879*	*28.8*
Multiple Listing Service (MLS) Activity							
Property Sales	Aug '14	8,953	8,806	1.7	61,756	60,558	2.0
Median Sales Price - SF Detached	Aug '14	206,000	186,510	10.4	196,613 *	178,314 *	10.3
Active Listings	Aug '14	29,574	32,834	-9.9	28,736 *	32,828 *	-12.5
EMPLOYMENT (Houston-Sugar Land-Baytown MSA)							
Nonfarm Payroll Employment	**Aug '14**	**2,896,400**	**2,789,000**	**3.9**	**2,864,438 ***	**2,771,113 ***	**3.4**
Goods Producing (Natural Resources/Mining/Const/Mfg)	Aug '14	581,400	552,200	5.3	566,663 0	544,663 *	4.0
Service Providing	Aug '14	2,315,000	2,236,800	3.5	2,297,775 0	2,226,450 *	3.2
Unemployment Rate (%) - Not Seasonally Adjusted							
Houston-Sugar Land-Baytown MSA	Aug '14	5.4	6.3		5.3 *	6.3 *	
Texas	Aug '14	5.5	6.4		5.4 *	6.5 *	
U.S.	Aug '14	6.3	7.3		6.5 *	7.7 *	
TRANSPORTATION							
Port of Houston Authority Shipments (Short Tons)	**July '14**	**4,282,705**	**3,962,804**	**8.1**	**27,198,013**	**26,058,126**	**4.4**
Air Passengers (Houston Airport System)	**July '14**	**4,990,070**	**4,746,868**	**5.1**	**31,019,874**	**29,770,752**	**4.2**
Domestic Passengers	July '14	3,975,402	3,807,525	4.4	25,076,991	24,386,975	2.8
International Passengers	July '14	1,014,668	939,343	8.0	5,942,883	5,383,777	10.4
Landings and Takeoffs	**July '14**	**71,490**	**69,529**	**2.8**	**475,933**	**471,552**	**0.9**
Air Freight (metric tons)	**July '14**	**39,032**	**34,404**	**13.5**	**249,493**	**240,376**	**3.8**
Enplaned	July '14	20,176	18,721	7.8	131,736	127,489	3.3
Deplaned	July '14	18,856	15,683	20.2	117,757	112,887	4.3
CONSUMERS							
New Car and Truck Sales (Units, Houston MSA)	**Aug '14**	**30,677**	**30,595**	**0.3**	**256,368**	**232,739**	**10.2**
Cars	Aug '14	12,742	13,236	-3.7	111,896	103,820	7.8
Trucks, SUVs and Commercials	Aug '14	17,935	17,359	3.3	144,472	128,919	12.1
Total Retail Sales ($000,000, Houston MSA, NAICS Basis)	**4Q13**	**35,486**	**31,561**	**12.4**	**114,476**	**108,258**	**5.7**
Consumer Price Index for All Urban Consumers ('82-'84=100)							
Houston-Galveston-Brazoria CMSA	Aug '14	214.1	208.6	2.6	213.200 *	207.000 *	3.0
United States	Aug '14	237.8	233.9	1.7	236.800 *	232.700 *	1.8
Hotel Performance (Houston MSA)							
Occupancy (%)	1Q14	73.3	70.4		73.3 *	70.4 *	
Average Room Rate ($)	1Q14	107.17	100.46	6.7	107.17 *	100.46 *	6.7
Revenue Per Available Room ($)	1Q14	78.58	70.76	11.1	78.58 *	70.76 *	11.1

HOUSTON—THE ECONOMY AT A GLANCE

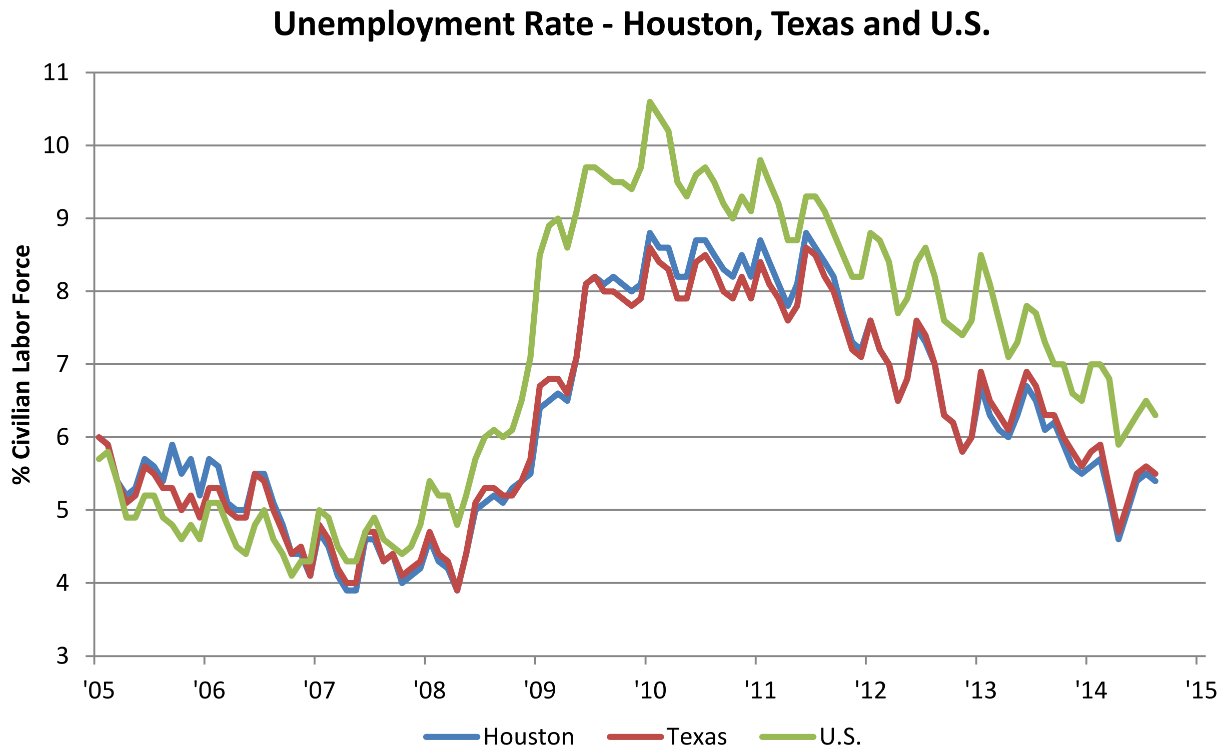
Sources

Rig Count	Baker Hughes Incorporated
Spot WTI, Spot Natural Gas	U.S. Energy Information Admin.
Houston Purchasing Managers Index	National Association of Purchasing Management – Houston, Inc.
Electricity	CenterPoint Energy
Building Construction Contracts	McGraw-Hill Construction
City of Houston Building Permits	Building Permit Department, City of Houston
MLS Data	Houston Association of Realtors®
Employment, Unemployment	Texas Workforce Commission
Port Shipments	Port of Houston Authority
Aviation	Aviation Department, City of Houston
Car and Truck Sales	*TexAuto Facts Report*, InfoNation, Inc., Sugar Land TX
Retail Sales	Texas Comptroller's Office
Consumer Price Index	U.S. Bureau of Labor Statistics
Hotels	PKF Consulting/HospitalityAsset Advisors International
Postings, Foreclosures	Foreclosure Information &Listing Service

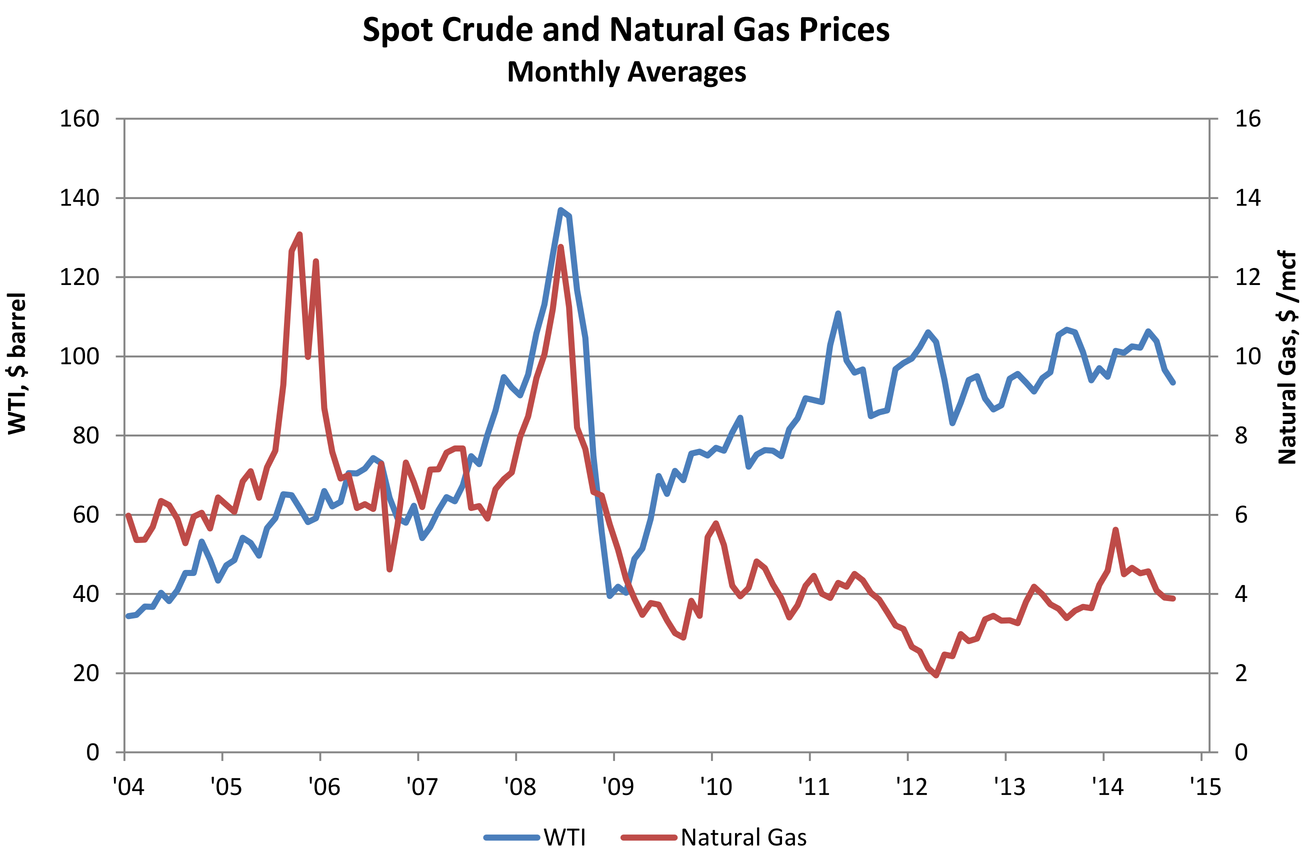

Nonfarm Payroll Employment, Houston MSA
Nonfarm Payroll Employment (000)
12-Month Change (000)
3,000
2,900
2,800
2,700
2,600
2,500
2,400
2,300
2,200
2,100
2,000
150
120
90
60
30
0
-30
-60
-90
-120
-150
'04
'05
'06
'07
'08
'09
'10
'11
'12
'13
'14
'15
12-Month Change
Total Payroll Employment
Source: Texas Workforce Commission


Goods-Producing and Service-Providing Employment
Houston MSA
Goods-Producing Jobs (000s)
Service-Providing Jobs (000s)
620
580
540
500
460
420
2,400
2,300
2,200
2,100
2,000
1,900
1,800
'04
'05
'06
'07
'08
'09
'10
'11
'12
'13
'14
'15
Goods-Producing Jobs
Service-Providing Jobs
Source: Texas Workforce Commission

HOUSTON—THE ECONOMY AT A GLANCE



Source: Texas Workforce Commission



Source: U.S. Energy Information Administration