

## MARKET AT A GLANCE



**OCCUPANCY RATE**

**89.6%**

Unchanged since 1Q19



**EFFECTIVE RENT**

**\$1,056**

Up 2.6% since 1Q19



**DELIVERIES**

**3,818**

Units YTD

## MARKET IMPACT ANALYSIS

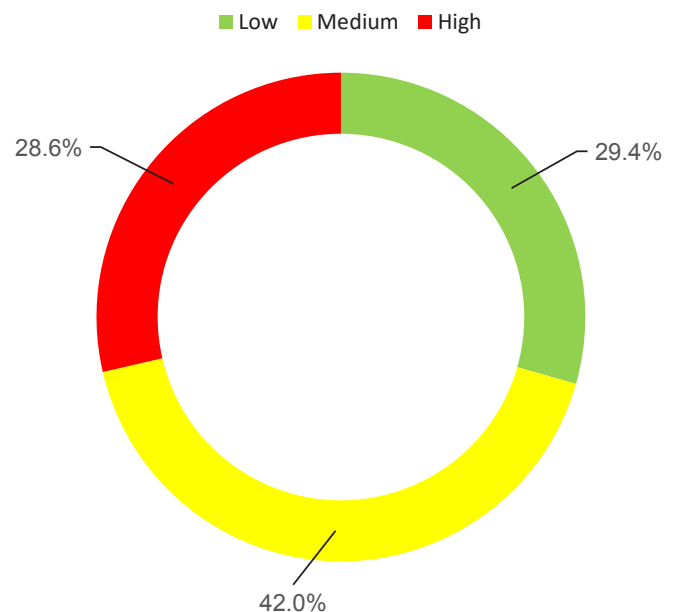
### Construction industry remains engaged amid COVID-19

Houston is facing two major economic challenges. The damage the COVID-19 crisis is wreaking is compounded by the deep drop in oil prices. In addition to the bars, restaurants, and hospitality-related businesses that the COVID-19 crisis is crippling, Houston is contending with job losses in the energy sector. Halliburton, Phillips 66, and Schlumberger have all announced reductions in workforce as oil price prices remain depressed. Meanwhile, the response to the COVID-19 pandemic began last month, when Gov. Wayne Abbott declared a state of disaster. For apartment operators, that meant evictions in the state cannot be proceed until April 19 unless the tenant or guests pose a threat or commit criminal activity. In Harris County, officials enacted a stay-at-home order. For apartment development, construction was largely exempted from the local mandate because it was declared an essential industry. This exemption is vital as 84 apartment communities were under construction at the end of the first quarter. The timeline for all construction projects is expected to slow due to the pandemic in part because of disruptions to the supply chain and labor shortage. Including the multifamily industry, construction started on \$22.1 billion in investments across Houston in the year leading up to pandemic. It's worth noting though, that Houston has weathered many oil depressions before and today the local economy is much more diversified.

## INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
<b>LOW</b>		
Agriculture, forestry, fishing, & hunting	0.1%	1.1%
Finance & insurance	3.7%	4.7%
Health care & social assistance	12.8%	16.0%
Information	1.2%	2.2%
Transportation & warehousing	4.9%	4.4%
Utilities	0.6%	0.4%
Wholesale trade	6.1%	4.7%
<b>Total</b>	<b>29.4%</b>	<b>33.4%</b>
<b>MEDIUM</b>		
Administrative & waste services	8.0%	7.4%
Educational services	2.0%	2.3%
Manufacturing	8.7%	10.1%
Other services, except public administration	3.4%	3.6%
Professional & technical services	8.7%	7.5%
Retail trade	11.2%	12.2%
<b>Total</b>	<b>42.0%</b>	<b>43.1%</b>
<b>HIGH</b>		
Accommodation & food services	11.2%	11.1%
Arts, entertainment, & recreation	1.4%	1.9%
Construction	8.8%	6.1%
Management of companies & enterprises	1.7%	1.9%
Mining, quarrying, & oil & gas extraction	3.0%	0.5%
Real estate & rental & leasing	2.4%	1.8%
Unclassified	0.1%	0.1%
<b>Total</b>	<b>28.6%</b>	<b>23.5%</b>

## JOBS EXPOSURE



Analysis based on ApartmentData.com's first quarter 2020 data. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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