

# THE ECONOMY AT A GLANCE

## HOUSTON



GREATER HOUSTON  
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Economic data for '17 continue to stream in. Oil prices and the rig count finished the year ahead of where they started. Significantly more drilling permits were issued in '17 than the year before. Home sales set a record, but vehicle sales slumped. Construction trailed off through most of the year, then rebounded post-Harvey. The region’s ports saw a surge in activity. Manufacturing ticked up. Inflation remained in check. And the metro area experienced modest job growth. Bottom line—the region moved closer to full recovery in '17.

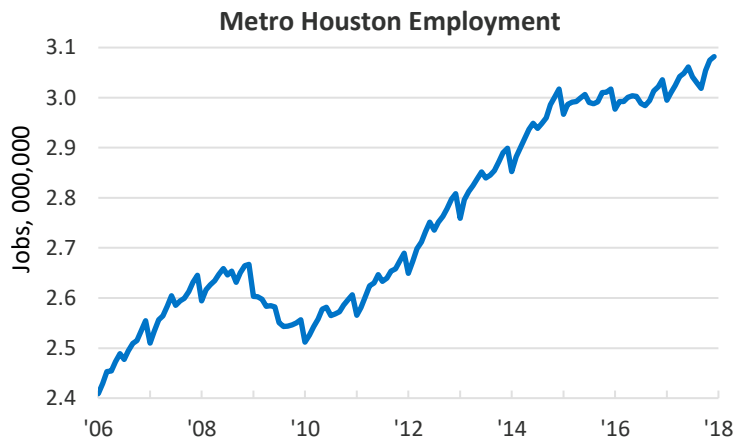
This issue of *Glance* focuses on how 10 economic indicators—employment, unemployment, air traffic, building permits, energy, foreign trade, home sales, inflation, manufacturing and vehicle sales—fared in '17.

### EMPLOYMENT

The nine-county Houston metro area created 46,000 jobs in '17. In a normal economy, one not overstimulated by high oil prices or restrained by low oil prices, the region would create 50,000 to 60,000 jobs per year. Last year’s growth, though below trend, reflects a considerable

improvement over '16, when the region created 18,700 jobs, and '15, when the region created only 200 jobs.

Even with a weak economy, '17 ended with payroll employment at 3,082,000, a new peak for the region. Barring a collapse in oil prices, a reversal in U.S. and global economic growth, or a black swan event, employment in Houston should surpass 3.1 million jobs the end of this year.



Source: Texas Workforce Commission

### A CAVEAT

The Texas Workforce Commission is currently reviewing employment records for the past 21 months and in March will release its annual benchmark revisions to the data. Those revisions will capture gains and losses not included in the initial monthly reports. Those reports derive from surveys of employers chosen because they are representative of industries across Texas. As with any survey, the results are subject to error. The March revisions will be based on unemployment insurance records and cover 96 percent of all workers in Texas. The records will more accurately reflect what happened. Given that caveat, here’s what the preliminary jobs data say about Houston in '17.

### Mining and Logging

Mining and logging, which in Houston is primarily oil and gas, finished the year with a net loss of 400 jobs. The jump in the rig count, up 271 rigs over the year, spurred hiring in

oil field services. But weak oil prices, which averaged \$50.80 for the year, continued to weigh on exploration firms' balance sheets. The E&P sector continued to cut payroll while oilfield service firms hired additional workers to handle the upsurge in drilling activity. Unfortunately, the hiring couldn't offset the job losses and Houston's energy sector finished the year with fewer workers than when it started.

## Construction

Through September, the construction sector had cut 7,200 jobs and was on track to lose more than 10,000 for the year. But then Hurricane Harvey hit, damaging more than 160,000 homes in the metro area. The City of Houston approved \$949 million in residential construction permits in the last four months of '17, up 76.1 percent over the comparable period in '16. Construction hiring resumed and the sector finished the year with a net loss of only 800 jobs.

## Manufacturing

Manufacturing added 8,800 jobs, but what actually happened is hard to decipher. TWC reports that fabricated metal products added 5,400 jobs while machinery manufacturing lost 4,100, nearly canceling out the gains. Those two sectors account for 38 percent of all manufacturing jobs in the region, so it's not clear where the job growth came from. The gains did not come from nondurables (*e.g.*, chemicals, refined products, food processing), where TWC shows a loss of 1,500. The March revisions should provide clarity.

## Wholesale and Retail Trade

Wholesale trade lost 2,000 jobs, the bulk of the losses occurring in nondurable goods, *e.g.*, groceries, clothing, pharmaceuticals.

Retail added 2,800 jobs, the sector's weakest performance since '09, marking the second consecutive year of subpar growth. Retail added only 2,900 jobs in '16. In a non-recession year, retail would be expected to add 5,000 to 6,000 jobs. While the increase in online sales accounts for some weakness, the collapse in local wages and salaries likely has a greater impact. Data from the Federal Reserve Bank of Dallas indicate that as of Q2/17, Houston-area wages adjusted for inflation remain \$4.8 billion below their Q4/14 peak.

## Transportation, Warehousing, Utilities

The sector lost 1,400 jobs in '17. Again, the reason for the losses remains unclear. The Houston-Galveston Customs District recorded growth in bulk cargo. Port Houston set a

record for container traffic. The Houston Airport System was fully operational a few days after Harvey passed through. And several large distribution facilities opened during the year.

## Finance

Finance, which includes banking, insurance and real estate, added 3,800 jobs, the bulk in the real estate subsector. Causes for the increase include a record number of home sales in '17, a surge in apartment leasing immediately after Hurricane Harvey, and commercial leasing activity picking up in Q4.

## Professional, Scientific and Technical Services

Professional, scientific and technical services—sectors often identified with white-collar employment—added 7,500 jobs in '17. That 3.5 percent growth was more than twice the rate for total payroll employment. Accounting, legal and IT services had nominal growth. Architectural and engineering services, which had been losing jobs since March '15, added a handful of jobs in Q4 and finished the year with a gain of 1,600 jobs.

## Employment Services

This sector often serves as a bellwether for broader trends in the economy. Contract workers are often the first laid off in a recession. As the economy improves, firms often rely on contract workers before hiring permanent full-time staff. Such appears to have been the case again. Employment services added 10,700 jobs in '17, nearly a quarter of the region's net gain in jobs last year.

## Health Care

The local health care sector endured the resignation of several hospital CEOs, uncertainty over the fate of the Affordable Care Act, and continued pressure from insurance companies and patients to control costs. The sector added 6,400 jobs, the second weakest performance of the past 10 years.

## Accommodation and Food Services

The sector, also known as hotels, restaurants and bars, failed to perform at the level of recent years, adding only 2,600 jobs in '17. Over the past 20 years, job growth has averaged 6,900 per year.

## Government

The public sector added 8,000 jobs, of which 5,400 were in local education. Houston's ever-expanding population continues to drive growth in this sector.

## UNEMPLOYMENT

More Houstonians found jobs in '17 than the year before. The estimated number of unemployed shrank from 174,603 in December '16 to 143,787 in December '17. Over the same period, the civilian workforce grew from 3,328,011 to 3,299,559. The year finished with a local unemployment rate of 4.3 percent, down from 5.3 percent at the end of '16. That level remains slightly higher than 3.7 percent for the state and 3.9 percent for the nation.

## AIR TRAFFIC

The Houston Airport System handled 54.1 million passengers in '17, a slight dip from the year before. Hurricane Harvey forced airlines to cancel a significant number of flights in August and September, resulting in nearly one million fewer passengers passing through the city's airports in those two months. If not for the disruptions caused by Harvey, HAS would have finished the year with a gain in excess of 500,000 passengers, about a 1.0 percent increase over '16. Instead, traffic slipped at Bush Intercontinental (IAH), inched up at Houston Hobby (HOU), and finished '17 with a small loss in overall traffic.

HOUSTON AIRPORT SYSTEM – CY '17 vs. '16			
	IAH	HOU	Total
International			
'17	10,314,124	885,423	11,199,547
'16	10,835,331	801,163	11,636,494
Change	-521,207	+84,260	-436,947
%	-4.8%	+10.5%	-3.8%
Domestic			
'17	30,382,092	12,550,249	42,932,341
'16	30,857,041	12,108,280	42,965,321
Change	-474,949	+441,969	-32,980
%	-1.5%	+3.7%	-0.1%
Total			
'17	40,696,216	13,435,672	54,131,888
'16	41,692,372	12,909,443	54,601,815
Change	-996,156	+526,229	-469,927
%	-2.4%	+4.1%	-0.9%

Source: Houston Airport System

HAS handled 434.9 metric tons of air freight in '17, up 3.7 percent from 419.4 million the year before. More than half the freight handled at Houston's airports originates from or is destined to an overseas market.

## BUILDING PERMITS

City of Houston building permits totaled \$6.1 billion in '17, down 7.5 percent from \$6.6 billion in '16. Commercial permit values fell 17.0 percent to \$3.7 billion while residential permit values rose 12.5 percent to \$2.4 billion.

Houston's residential sector absorbed most of the Harvey-related damage. Through August, residential and commercial permit values were trending lower than '16. However, residential permit values surged after the storm, primarily in "additions, alterations and conversions," the category that captures home repairs. Permitted work in this category totaled \$270.0 million in the last four months of '17, a 170 percent increase from the previous year. During this same period, the value of new home construction permits jumped 54.7 percent while commercial permits fell 6.5 percent.

Houston metro area construction activity in '18 is expected to fall below '17. Although moderate growth in industrial and new home construction is anticipated, it is unlikely to offset the slowdown in office and multi-family construction.

Approximately 8.5 million square feet of industrial space was under construction as of Q4/17, according to CBRE, up from 6.6 million square feet at the end of '16 and on par with the 8.6 million square feet at the end of '15.

New home construction is also expected to post a modest uptick, with MetroStudy forecasting 28,000 single-family starts in '18, up from 27,307 in '17.

CBRE reports 2.2 million square feet of office space under construction in Q4/17, unchanged from Q4/16 but down from 7.4 million square feet in Q4/15 and far lower than the peak of the building cycle, when 17.3 million square feet was under construction at the end of '14. In multi-family, Apartment Data Services reports around 9,600 units are under construction. By comparison, 13,719 new units were delivered in '17 and 21,291 in '16.

## ENERGY

The outlook for the energy industry improved in '17. Though oil prices slumped a bit mid-summer, they never fell below \$42 per barrel. The rig count remained above 900 through the second half of the year. The industry drilled more wells in '17 than '16. Production continued to expand. And although E&P companies continued to lay off workers, oil field services and engineering firms added to their payrolls.

West Texas Intermediate, the U.S. benchmark for light sweet crude, opened '17 at \$52.36 per barrel on January 3. In June and July, WTI slipped into the mid-\$40s. But as U.S. growth continued, global economies expanded, crude inventories were being drawn down, and OPEC signaled it would extend its production cuts into '17, crude prices rebounded. WTI finished the year at \$60.46 per barrel.

ENERGY INDUSTRY SUMMARY			
	Peak	Trough	Recent
WTI, \$/barrel, spot price	\$107.95 <i>Jun '14</i>	\$26.19 <i>Feb '16</i>	\$60.46 <i>Dec '17</i>
U.S. Rig Count	1,931 <i>Sep '14</i>	404 <i>May '16</i>	937 <i>Jan '18</i>
Permits	74,512	27,602	44,156
U.S. Onshore	<i>CY '14</i>	<i>CY '16</i>	<i>CY '17</i>
U.S. Production Mil. barrels/day	9.6 <i>CY '70</i>	5.0 <i>CY '08</i>	9.3 <i>CY '17</i>
Local Energy Employment*	301,700 <i>Dec '14</i>	220,100 <i>Jan '17</i>	229,100 <i>Dec '17</i>

\* Includes exploration and production, oil field services, machinery manufacturing, fabricated metal products, and engineering services.

Sources: U.S. Energy Information Administration, Baker Hughes, S&P Global Platts, Texas Workforce Commission

The North American rig count opened '17 at 665. Rising oil prices and the expectation that OPEC members would abide by their November '16 agreement to cut production boosted the count to 958 by mid-July. (Drilling activity always lags price signals.) Drilling activity adjusted to market signals and the year finished with 928 active rigs.

The industry continues to find ways to boost output without boosting employment. EIA's latest Drilling Productivity Report shows that in December, initial production per rig working in the Eagle Ford has nearly doubled and in the Permian and Bakken has nearly tripled since December '14.

EIA estimates U.S. crude production averaged 9.3 million barrels per day (b/d) in '17, up from 8.8 million in '16. EIA projects U.S. output to average 10.6 million b/d in '18, surpassing the previous peak of 9.6 million set in '70. Barring a substantial drop in prices, production should continue to grow. EIA forecasts output to average 11.2 million b/d in '19.

'18 has started strong, with 975 rigs working in the second week of February. RigData reports 3,872 U.S. onshore drilling permits were issued in January, up from 2,537 the same month last year. WTI briefly traded above \$66 per barrel in late January before being caught up in the volatility on Wall Street. As of this writing, crude traded just below \$60. EIA forecasts WTI to average \$58.28 this year.

## FOREIGN TRADE

More than 266 million metric tons in manufactured products and commodities passed through the Houston-Galveston Customs District in '17. That figure represents a 10.0 percent increase over the previous year. Those shipments were valued at more than \$192 billion, a 19.1 percent increase in over '16.

HOUSTON-GALVESTON CUSTOMS DISTRICT				
	Value - \$ Billions		Metric Tons - Millions	
	Exports	Imports	Exports	Imports
'17	109.2	83.0	160.9	105.5
'16	91.6	69.8	135.2	107.0
Δ value	+17.6	+13.2	+25.7	-1.5
Δ %	+19.2	+18.8	+19.0	-1.4
Total Value		Total Tonnage		
'17	192.2	266.3		
'16	161.4	242.2		
Δ value	+30.8	+24.2		
Δ %	+19.1	+10.0		

Source: WISERTrade from US Census Bureau data

Several factors have contributed to the growth in traffic.

- The global economy continues to expand, driving the demand for crude, refined products, chemicals, and industrial and electrical machinery that Houston produces and exports.
- Commodity prices have improved over the past few years, increasing the value of Houston exports.
- In December '15, Washington eliminated restrictions on exports of U.S. crude, and much of that crude now passes through Houston on its way to global markets.
- The deepening and widening of the Panama Canal has improved access of U.S. exporters to Asian markets and vice versa.

Houston ranked second in tonnage and seventh in value among U.S. customs districts.

## BUSIEST U.S. CUSTOMS DISTRICTS – CY '17

Rank	District	Value	Metric Tons	Millions
		\$ Billions	District	
1	Los Angeles	431.4	New Orleans	270.6
2	New York	364.7	<b>Houston</b>	<b>266.2</b>
3	Laredo	303.4	Los Angeles	119.5
4	Detroit	263.7	Port Arthur	81.3
5	Chicago	223.8	New York	77.5
6	New Orleans	216.6	San Francisco	58.5
7	<b>Houston</b>	<b>192.2</b>	Philadelphia	57.6

Source: WISERTrade from US Census Bureau data

The region exported to 208 countries last year and received shipments from 181. Mexico remains the region's top trading partner, followed by China, Brazil, Germany and the Netherlands. Even Fiji and the Cook Islands received cargoes shipped from Houston.

## TOP TRADING PARTNERS – CY '17\*

### Houston/Galveston Customs District

Rank	Country	\$ Billions	% of Total
1	Mexico	\$20.1	10.4%
2	China	18.8	9.8
3	Brazil	12.6	6.6
4	Germany	9.6	5.0
5	The Netherlands	8.6	4.5
6	South Korea	6.8	3.5
7	Japan	6.4	3.4
8	Saudi Arabia	5.7	2.9
9	United Kingdom	5.6	2.9
10	Colombia	5.1	2.7
Total Top 10		99.3	51.7
All Others		92.9	48.3
<b>Total Trade</b>		<b>192.2</b>	<b>100.0</b>

\* Combined imports and exports

Source: WISERTrade from US Census Bureau data

The district handled goods and commodities from 95 different broad categories—everything from gasoline to live animals to cork. Five commodity groups account for 77 percent of the values of all *exports*: crude and refined products, chemicals, industrial machinery, plastics and electrical machinery. And five account for 63 percent of the values of all *imports*: crude and refined products, industrial machinery, iron and steel, vehicles and parts, and electrical machinery. The region's top 10 trading partners and top five commodities traded were unchanged from the previous year.

February 2018 Economy at a Glance

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## HOME SALES

Houston home sales set a record in '17, reaching 94,726 closings on properties of all types and 79,117 closings on single-family homes. Both increased 3.5 percent from the previous year.

Total dollar volume of homes sold reached \$23.1 billion in '17, a gain of 6.5 percent from \$21.6 billion in '16. The year ended strong, with 8,125 total property sales in December '17, up 3.5 percent from December '16. The median price of a single-family home was \$226,050 in December '17, a 1.7 percent increase from a year earlier.

Constrained housing inventory will continue to be a concern in '18. Housing inventory dropped from 3.4 months of supply in December '16 to 3.2 months of supply in December '17. A balanced housing market typically has 6.0 months of supply. Houston's inventory has fluctuated between three and four months of supply for nearly the past three years.

## INFLATION

Consumer prices in the Houston-Galveston-Brazoria metro area (Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller counties) grew 1.7 percent from December '16 to December '17. Core inflation rose 0.9 percent.

In the 12 months ending December '17, the energy index rose 11.1 percent. All three components posted gains, with natural gas prices jumping 9.7 percent, electricity prices growing 12.7 percent and motor fuel prices rising 9.9 percent.

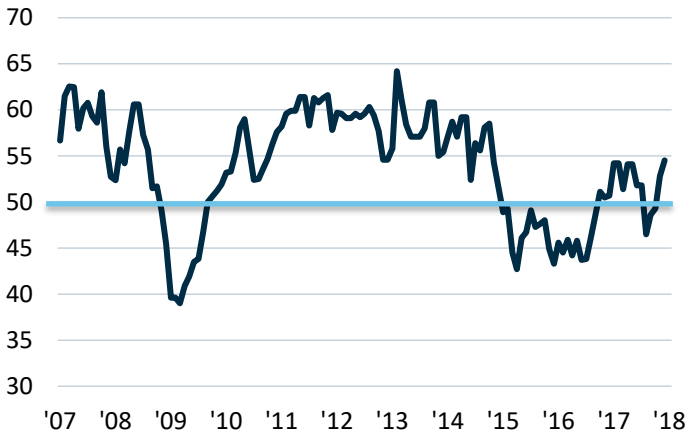
Food and beverage prices rose 2.1 percent during the previous 12 months. The cost of dining out increased 2.9 percent in Houston, while grocery prices grew 2.0 percent. The cost of shelter rose 1.2 percent.

## PURCHASING MANAGERS INDEX

The Houston Purchasing Managers Index (PMI), a short-term leading indicator for regional production, pointed to expansion throughout all of '17 except for the three months most impacted by Hurricane Harvey. Prior to the storm, Houston's PMI registered above 50 for 10 consecutive months. This period of expansion followed 21 consecutive months in which the PMI signaled contraction due to the energy industry downturn, the longest span of readings below 50 since the Houston PMI was first reported in January '95.

### HOUSTON PURCHASING MANAGERS INDEX

Above 50 = Expansion, Below 50 = Contraction



Source: Institute for Supply Management-Houston

Houston kicked off '18 with the PMI registering 54.8 in January, the highest since October '14. Although the survey covers several non-energy industries (e.g., health care, electronics, finance), a larger share of its respondents represent the energy sector and energy-related manufacturing. As a result, the movement in the Houston PMI has historically followed oil prices and the rig count. The number of active U.S. rigs reached 975 in mid-February, the highest since April '15. Additionally, West Texas Intermediate, the benchmark for light, sweet crude, has hovered around \$60 since the beginning of '18. A stronger energy outlook for '18 suggests continued positive readings for the PMI through the year.

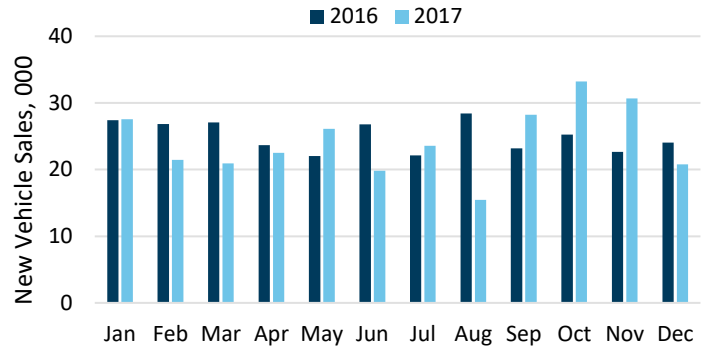
### VEHICLE SALES

Houston-area auto dealers sold 290,354 vehicles in '17, down 3.0 percent from '16. Harvey replacements accounted for an estimated 30,000 of the year's new vehicles sales, about 10.3 percent. Replacement-related sales pushed the fourth quarter of '17 to be the best in new vehicle sales activity since '01. However, demand for replacement vehicles from Harvey appears to be exhausted. Used vehicle sales have also slowed, falling 35.0 percent from 83,000 in October, the height of replacement buying, to 53,965 in December.

The DMV counted 232,429 flood damaged vehicles through the end of '17, fewer than InfoNation's estimate of 300,000. The disparity suggests that many owners never reported damage to the DMV and their vehicles could have been sold out of state or salvaged without reporting a flood damage change to the vehicle title.

InfoNation forecasts Houston's vehicle sales to total 306,000 in '18, a 5.0 percent increase from the prior year. The accuracy of the forecast is tied to the continuing strength of the local and national economies as well as robust stock market performance, thereby reassuring consumers of their job security and financial future and positioning them to be able to make a new vehicle purchase.

### Houston Vehicle Sales by Month, '16 vs. '17



The trend for consumers to favor bigger cars will most likely continue into '18. Trucks and SUVs accounted for 71.4 percent of Houston's new vehicle sales in December, the highest share on record for this category. The average retail price for the truck/SUV segment was \$40,803 while the car segment averaged \$32,289. A record share of truck and SUV sales and fewer clearance sales of lower-priced '17 models pushed the average retail sales price for a new vehicle to \$38,320 in December, a record for the region.

### SAVE THE DATE



Join us on Friday, May 18 for the fourth annual Houston's Global Economy luncheon. This year, Scott Kirby, President of United Airlines, will deliver the keynote address. As part of the Greater Houston Partnership's new Economy Series, Houston's Global Economy provides an analysis of global business and economic trends and their impact on our local market. To register for the event or for more information, click [here](#) or visit "Events" on houston.org.

*Patrick Jankowski and Jenny Philip contributed to this issue of Houston: The Economy at a Glance.*

# HOUSTON ECONOMIC INDICATORS

	Month	MONTHLY DATA			YEAR-TO-DATE TOTAL or YTD AVERAGE*		
		Most Recent	Year Earlier	% Change	Most Recent	Year Earlier	% Change
<b>ENERGY</b>							
U.S. Active Rotary Rigs	Jan '18	937	683	37.2	937 *	683 *	37.2
Spot Crude Oil Price (\$/bbl, West Texas Intermediate)	Dec '17	57.88	51.97	11.4	50.88 *	43.14 *	17.9
Spot Natural Gas (\$/MMBtu, Henry Hub)	Dec '17	2.81	3.59	-21.7	2.98 *	2.52 *	18.3
<b>UTILITIES AND PRODUCTION</b>							
Houston Purchasing Managers Index	Dec '17	54.5	50.7	7.5	51.9 *	46.7 *	11.1
Nonresidential Electric Current Sales (Mwh, CNP Service Area)	Dec '17	4,703,274	4,397,346	7.0	58,832,107	57,142,841	3.0
<b>CONSTRUCTION</b>							
<b>Total Building Contracts (\$, Houston MSA)</b>	<b>Nov '17</b>	<b>1,158,225,000</b>	<b>912,987,000</b>	<b>26.9</b>	<b>16,827,828,000</b>	<b>15,282,096,000</b>	<b>10.1</b>
Nonresidential	Nov '17	528,305,000	283,111,000	86.6	8,524,241,000	6,768,432,000	25.9
Residential	Nov '17	629,920,000	629,876,000	0.0	8,303,587,000	8,513,664,000	-2.5
<b>Building Permits (\$, City of Houston)</b>	<b>Dec '17</b>	<b>546,008,331</b>	<b>401,315,338</b>	<b>36.1</b>	<b>6,115,245,478</b>	<b>6,612,473,714</b>	<b>-7.5</b>
Nonresidential	Dec '17	286,200,981	267,606,227	6.9	3,715,470,131	4,478,509,719	-17.0
<i>New Nonresidential</i>	<i>Dec '17</i>	<i>71,508,503</i>	<i>38,085,139</i>	<i>87.8</i>	<i>1,342,984,017</i>	<i>1,723,127,162</i>	<i>-22.1</i>
<i>Nonresidential Additions/Alterations/Conversions</i>	<i>Dec '17</i>	<i>214,692,478</i>	<i>229,521,088</i>	<i>-6.5</i>	<i>2,372,486,114</i>	<i>2,755,382,557</i>	<i>-13.9</i>
Residential	Dec '17	259,807,350	133,709,111	94.3	2,399,775,347	2,133,963,995	12.5
<i>New Residential</i>	<i>Dec '17</i>	<i>216,572,912</i>	<i>112,540,288</i>	<i>92.4</i>	<i>1,899,502,840</i>	<i>1,649,603,786</i>	<i>15.1</i>
<i>Residential Additions/Alterations/Conversions</i>	<i>Dec '17</i>	<i>43,234,438</i>	<i>21,168,823</i>	<i>104.2</i>	<i>500,272,507</i>	<i>484,360,209</i>	<i>3.3</i>
<b>Multiple Listing Service (MLS) Activity</b>							
Property Sales	Dec '17	8,125	7,850	3.5	94,726	91,530	3.5
Median Sales Price - SF Detached	Dec '17	230,000	226,050	1.7	228,061	220,211 *	3.6
Active Listings	Dec '17	33,432	34,199	-2.2	39,178 *	35,753 *	9.6
<b>EMPLOYMENT (Houston-The Woodlands-Sugar Land MSA)</b>							
<b>Nonfarm Payroll Employment</b>	<b>Dec '17</b>	<b>3,082,000</b>	<b>3,036,000</b>	<b>1.5</b>	<b>3,040,159 *</b>	<b>3,000,600 *</b>	<b>1.3</b>
Goods Producing (Natural Resources/Mining/Const/Mfg)	Dec '17	530,900	523,300	1.5	530,492	530,317 *	0.0
Service Providing	Dec '17	2,551,100	2,512,700	1.5	2,509,667	2,470,283 *	1.6
<b>Unemployment Rate (%) - Not Seasonally Adjusted</b>							
Houston-Sugar Land-Baytown MSA	Dec '17	4.3	5.3		5.1 *	5.2 *	
Texas	Dec '17	3.7	4.5		4.5 *	4.6 *	
U.S.	Dec '17	3.9	4.5		4.6 *	4.9 *	
<b>TRANSPORTATION</b>							
<b>Port of Houston Authority Shipments (Short Tons)</b>	<b>Jan '18</b>	<b>3,419,808</b>	<b>3,579,186</b>	<b>-4.5</b>	<b>3,419,808</b>	<b>3,579,186</b>	<b>-4.5</b>
<b>Air Passengers (Houston Airport System)</b>	<b>Dec '17</b>	<b>4,887,405</b>	<b>4,746,001</b>	<b>3.0</b>	<b>54,131,890</b>	<b>54,601,817</b>	<b>-0.9</b>
Domestic Passengers	Dec '17	3,899,848	3,720,041	4.8	42,932,343	42,965,323	-0.1
International Passengers	Dec '17	987,557	1,025,960	-3.7	11,199,547	11,636,494	-3.8
<b>Air Freight (metric tons)</b>	<b>Dec '17</b>	<b>40,596</b>	<b>40,316</b>	<b>0.7</b>	<b>434,943</b>	<b>419,370</b>	<b>3.7</b>
<b>CONSUMERS</b>							
<b>New Car and Truck Sales (Units, Houston MSA)</b>	<b>Dec '17</b>	<b>20,806</b>	<b>24,066</b>	<b>-13.5</b>	<b>290,354</b>	<b>299,461</b>	<b>-3.0</b>
Cars	Dec '17	5,947	8,311	-28.4	96,251	107,943	-10.8
Trucks, SUVs and Commercial	Dec '17	14,859	15,755	-5.7	194,103	191,518	1.3
<b>Total Retail Sales (\$000,000, Houston MSA, NAICS Basis)</b>	<b>Q2/17</b>	<b>28,599</b>	<b>28,088</b>	<b>1.8</b>	<b>55,780</b>	<b>55,121</b>	<b>1.2</b>
<b>Consumer Price Index for All Urban Consumers ('82-'84=100)</b>							
Houston-Galveston-Brazoria CMSA	Dec '17	221.568	217.758	1.7	220.800 *	216.400 *	2.0
United States	Dec '17	246.524	241.432	2.1	245.100 *	240.000 *	2.1
<b>Hotel Performance (Houston MSA)</b>							
Occupancy (%)	Q1/17	63.7	65.8		61.8 *	67.1 *	
Average Room Rate (\$)	Q1/17	116.12	109.83	5.7	106.06 *	108.16 *	-1.9
Revenue Per Available Room (\$)	Q1/17	74.00	72.28	2.4	65.79 *	72.62 *	-9.4
<b>SOURCES</b>							
Aviation	City of Houston Department of Aviation						
Building Construction Contracts	Dodge Data & Analytics						
Car and Truck Sales	TexAuto Facts Report, InfoNation, Inc., Sugar Land TX						
City of Houston Building Permits	Public Works & Engineering Planning & Development, City of Houston						
Consumer Price Index	U.S. Bureau of Labor Statistics						
Electricity	CenterPoint Energy						
Employment, Unemployment	Texas Workforce Commission						
Hotels	CBRE						
Houston Purchasing Managers Index	Institute for Supply Management-Houston						
MLS Data	Houston Association of Realtors®						
Port Shipments	Port of Houston Authority						
Retail Sales	Texas Comptroller's Office						
Rig Count	Baker Hughes Incorporated						

## HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

	17-Dec	17-Nov	16-Dec	Change from		% Change from	
				17-Nov	16-Dec	17-Nov	16-Dec
<b>Total Nonfarm Payroll Jobs</b>	<b>3,082.0</b>	<b>3,075.0</b>	<b>3,036.0</b>	<b>7.0</b>	<b>46.0</b>	<b>0.2</b>	<b>1.5</b>
<i>Total Private</i>	<i>2,658.9</i>	<i>2,652.2</i>	<i>2,620.9</i>	<i>6.7</i>	<i>38.0</i>	<i>0.3</i>	<i>1.4</i>
<i>Goods Producing</i>	<i>530.9</i>	<i>531.2</i>	<i>523.3</i>	<i>-0.3</i>	<i>7.6</i>	<i>-0.1</i>	<i>1.5</i>
<i>Service Providing</i>	<i>2,551.1</i>	<i>2,543.8</i>	<i>2,512.7</i>	<i>7.3</i>	<i>38.4</i>	<i>0.3</i>	<i>1.5</i>
<i>Private Service Providing</i>	<i>2,128.0</i>	<i>2,121.0</i>	<i>2,097.6</i>	<i>7.0</i>	<i>30.4</i>	<i>0.3</i>	<i>1.4</i>
Mining and Logging	85.9	86.7	86.3	-0.8	-0.4	-0.9	-0.5
Oil & Gas Extraction	43.5	44.1	47.7	-0.6	-4.2	-1.4	-8.8
Support Activities for Mining	40.8	40.5	36.0	0.3	4.8	0.7	13.3
Construction	214.1	213.2	214.9	0.9	-0.8	0.4	-0.4
Manufacturing	230.9	231.3	222.1	-0.4	8.8	-0.2	4.0
Durable Goods Manufacturing	147.5	148.2	137.2	-0.7	10.3	-0.5	7.5
Nondurable Goods Manufacturing	83.4	83.1	84.9	0.3	-1.5	0.4	-1.8
Wholesale Trade	162.5	160.1	164.5	2.4	-2.0	1.5	-1.2
Retail Trade	321.0	320.1	318.2	0.9	2.8	0.3	0.9
Transportation, Warehousing and Utilities	143.2	141.7	144.6	1.5	-1.4	1.1	-1.0
Utilities	15.8	15.9	16.1	-0.1	-0.3	-0.6	-1.9
Air Transportation	21.8	21.6	21.6	0.2	0.2	0.9	0.9
Truck Transportation	24.5	24.6	24.6	-0.1	-0.1	-0.4	-0.4
Pipeline Transportation	11.0	11.0	10.9	0.0	0.1	0.0	0.9
Information	32.3	31.7	33.4	0.6	-1.1	1.9	-3.3
Telecommunications	13.7	13.6	14.1	0.1	-0.4	0.7	-2.8
Finance & Insurance	101.6	101.3	100.3	0.3	1.3	0.3	1.3
Real Estate & Rental and Leasing	58.8	58.8	56.3	0.0	2.5	0.0	4.4
Professional & Business Services	487.4	487.6	472.5	-0.2	14.9	0.0	3.2
Professional, Scientific & Technical Services	224.5	222.1	217.0	2.4	7.5	1.1	3.5
<i>Legal Services</i>	<i>25.3</i>	<i>25.2</i>	<i>25.0</i>	<i>0.1</i>	<i>0.3</i>	<i>0.4</i>	<i>1.2</i>
<i>Accounting, Tax Preparation, Bookkeeping</i>	<i>26.1</i>	<i>25.4</i>	<i>25.6</i>	<i>0.7</i>	<i>0.5</i>	<i>2.8</i>	<i>2.0</i>
<i>Architectural, Engineering &amp; Related Services</i>	<i>66.8</i>	<i>67.3</i>	<i>65.2</i>	<i>-0.5</i>	<i>1.6</i>	<i>-0.7</i>	<i>2.5</i>
<i>Computer Systems Design &amp; Related Services</i>	<i>33.2</i>	<i>33.0</i>	<i>32.9</i>	<i>0.2</i>	<i>0.3</i>	<i>0.6</i>	<i>0.9</i>
Admin & Support/Waste Mgt & Remediation	226.1	228.8	218.3	-2.7	7.8	-1.2	3.6
<i>Administrative &amp; Support Services</i>	<i>214.3</i>	<i>217.2</i>	<i>206.4</i>	<i>-2.9</i>	<i>7.9</i>	<i>-1.3</i>	<i>3.8</i>
<i>Employment Services</i>	<i>92.9</i>	<i>92.3</i>	<i>82.2</i>	<i>0.6</i>	<i>10.7</i>	<i>0.7</i>	<i>13.0</i>
Educational Services	61.8	62.1	59.4	-0.3	2.4	-0.5	4.0
Health Care & Social Assistance	334.5	333.3	328.1	1.2	6.4	0.4	2.0
Arts, Entertainment & Recreation	32.9	32.7	32.7	0.2	0.2	0.6	0.6
Accommodation & Food Services	283.0	283.9	280.4	-0.9	2.6	-0.3	0.9
Other Services	109.0	107.7	107.2	1.3	1.8	1.2	1.7
Government	423.1	422.8	415.1	0.3	8.0	0.1	1.9
Federal Government	29.7	29.0	29.4	0.7	0.3	2.4	1.0
State Government	85.7	85.6	85.3	0.1	0.4	0.1	0.5
<i>State Government Educational Services</i>	<i>51.0</i>	<i>51.1</i>	<i>50.5</i>	<i>-0.1</i>	<i>0.5</i>	<i>-0.2</i>	<i>1.0</i>
Local Government	307.7	308.2	300.4	-0.5	7.3	-0.2	2.4
<i>Local Government Educational Services</i>	<i>218.2</i>	<i>218.6</i>	<i>212.8</i>	<i>-0.4</i>	<i>5.4</i>	<i>-0.2</i>	<i>2.5</i>

SOURCE: Texas Workforce Commission