



Your Key to Real Estate Services

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Edited by Holly Kelch

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APARTMENTS

According to www.oconnordata.com, **February 2010 O'Connor & Associates data** indicates that Greater Houston apartment market occupancy has increased 0.13 percentage points from the previous month and is currently 85.54% occupied, while overall rents stand at \$0.880 per square foot. Class A rates witnessed the largest decrease over the month (\$1.160) from January's rate (\$1.172). Class B rates decreased by \$0.004 to \$0.833, while Class C rates have not changed this month and are currently \$0.721. Only Class D (\$0.631) showed an increase of \$0.002 from January's rate (\$0.629). Pre-leasing is currently underway in eighteen communities (5,126 units) city-wide. Overall occupancy is, however, expected to decline as delivery of these new communities continues.

Note: The multifamily projects listed herein are followed by their representative identification number as they appear in the new O'Connor & Associates **ApartmentLink Online Data** platform and are provided for subscriber cross-referencing. *The property information contained within this database is updated on a monthly basis and accessible over the web. (Please contact us for more details.)*

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ApartmentLink

More Owner Contact Information

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Apartment Developments

- ZOM Residential Services** (214-220-3880) has completed construction on **La Maison at River Oaks (17991)**, a 423-unit development located 2727 Revere St in the Museum District submarket (492U). The complex features one- and two-bedroom units with an average size of 977 square feet and average rental rents of \$1.72 per square foot. The property is currently 63% occupied. Common area amenities include two resort-style swimming pools, elegant club room, roof deck, a professional grade fitness center, and controlled access gates. Unit amenities will include granite slab countertops, ceramic cook-top stoves, crown molding, garden tubs, and spacious walk-in closets.
- Cornerbrook Development Company** (281-261-9009) has completed construction on **Summer Brooke (18199)**, a 376-unit development located at 1225 Lawrence Rd in the Clear Lake/ League City submarket (620W). The complex features one-, two- and three-bedroom units with an average size of 992 square feet and average rental rates of \$0.95 per square foot. The property is currently 35% occupied. Common area amenities include a resort-style swimming pool, fitness center, coffee bar, and billiard area. Unit amenities will include designer kitchens, garden baths, linen closets, and pre-wired alarm systems.
- Alliance Residential Company** (713-599-0280) has completed construction on **Broadstone Grand Parkway (18108)**, a 342-unit development located at 1111 Falcon Park Dr in the Katy submarket (485F). The complex features one-, two- and three-bedroom units with an average size of 877 square feet and average rental rates of \$1.19 per square foot. The property is currently 67% occupied. Common area amenities include a resort-style swimming pool, fitness center, business center, and a clubhouse with gourmet kitchen and plasma television for entertaining. Unit amenities will include gourmet kitchens with granite countertops, custom cabinetry, spacious walk-in closets, and a washer and dryer in every unit.
- Florida Capital** (407-333-1604) has completed construction on **Kensington Crossings (18469)**, a 254-unit development located at 14651 Philippine St in the Steeplechase submarket (410M). The complex features one-, two- and three-bedroom units ranging in size from 759 to 1,317 square feet, with rents ranging from \$839 to \$1,359. The property is currently 22% occupied. Common area amenities include a resort-style swimming pool, state-of-the-art fitness center, business center, theater room and dog park. Unit amenities will include nine-foot ceilings, kitchens with center islands and black appliances, walk-in showers, garden tubs, and a washer and dryer in every unit.

The following chart illustrates historical apartment rental rates.



Apartment Sales

- **10801 Legacy Park Owner LLC**, an entity of Chicago-based **Adams LaSalle Realty** (312-983-7090), has purchased **Legacy Park (1412)**, a 13-building, 304-unit apartment complex located at 10801 Legacy Park Drive in the Steeplechase submarket (369Z), from Boston-based **TA Associates Realty** (617-476-2700). The 15-year-old, Class A complex is currently 92% occupied with average rents of \$1.13 per square foot. Adams Lasalle plans approximately \$1 million in interior renovations and upgrades. **Timothy Burns** represented the buyer in-house, while **Jim Hearn** of **Hendricks & Partners** represented the seller.
- **Ascension Cook Road LP**, an entity of **Ascension Commercial Real Estate** (713-664-0659), has purchased **Tierra De Sol** (formerly Timber Hollow) (**3017**), a 284-unit apartment complex located at 8000 Cook Rd in the Alief submarket (529J), out of receivership from **Asset Plus** (713-782-5800). The 27-year-old, Class C complex is currently 53% occupied with average rents of \$0.75 per square foot. Ascension plans to invest approximately \$2 million in renovations. **Jim Hearn**, **Tom Warren**, **Tom Burns** and **Jay Gunn** of **Hendricks & Partners** brokered the sale.

Apartment Financing

- **VC StoneyBrook LLC**, an entity of **Vende Capital LLC** (713-426-1696), has secured \$3.5 million in debt for acquisition of **Stoney Brook (2202)**, a nine-building, 113-unit apartment complex located at 2717 Stoney Brook Drive in the Galleria submarket (490V). The 37-year-old, Class B complex is currently 91% occupied with average rents of \$0.76 per square foot. **Brandon Brown** of **LMI Capital** (281-363-4920) arranged the acquisition financing for VC StoneyBrook through one of its own life company lending sources. The loan carries a 10-year term with an initial five-year fixed rate of 5.35%.

SINGLE-FAMILY HOUSING

MLS home sales declined further in January as only 2,071 existing homes were sold, compared to 3,611 homes sold last month, according to the **Houston Association of Realtors (HAR)**. Sales for January 2010 were down 11.9% from January 2009. The median price of an existing single-family home sold in January was \$133,000, up 13.7% from the same time last year, while the average home price – \$180,159 – was up 23.0% from the January 2009 level. *Note: MLS sales include primarily existing home sales throughout the Houston region. Historical comparisons are offered solely for informational purposes and may not truly reflect growth in sales.*

According to **American MetroStudy**, net sales of new homes increased significantly by 49.71% in January 2010 to 1280, and are up nearly 8% from January 2009. Realtor co-op sales represented 65.1% of gross sales for the month, up 4.55% from January 2009 level. Traffic declined 15.8% from last year to 14,504 in January 2010. The inventory of completed speculative homes (1,253) is down over 36% from January last year. There are 1,837 spec homes under construction, which is up over 51% from January 2009. Overall, the 3,090 specs (both completed and under construction) are down 3% from January 2009. *Note: The 22 homebuilders in this survey account for approximately 73% of housing starts in Houston.*

Nationwide sales of new single-family homes decreased in January to a seasonally adjusted annual rate of 309,000 – 11.2% below the revised December sales rate of 348,000 and 6.1% below the January 2009 figure – according to a release by the **US Department of Commerce**. The median sales price in January was \$203,500. Privately owned housing starts were at a seasonally adjusted annual rate of 591,000 in January 2010, which is 2.8% above the revised December estimate and 21.1% above the revised January 2009 rate. Privately owned housing completions were at a seasonally adjusted annual rate of 659,000 in January, 12.4% below the revised December figure and 15.3% below the revised January 2009 figure.

The **National Association of Home Builders/Wells Fargo Housing Market Index**, a monthly measure of builder confidence, increased to 17 in February 2010, on a scale where any number greater than 50 indicates that builders view sales as more good than poor. The index measuring current sales of new single-family homes increased to 17, the index measuring sales expectations for the coming six months increased to 27, and the index measuring the traffic of prospective buyers is currently at 12, unchanged from the revised January 2010 figure.

According to the **National Association of Realtors (NAR)**, 5,050,000 existing homes were sold in January 2010, down 7.2% from December sales but up 11.5% from the 4,530,000 homes sold in January 2009. The median sale price was \$164,700, which represents no increase from sale prices last year.

According to the most recent report by **RealtyTrac**, 315,716 foreclosure filings — default notices, auction sale notices, and bank repossessions — were reported during the month of January 2010. This figure is down 10% from the previous month but up 15% from January 2009. Texas is among the nation's 27 highest states in total foreclosure filings in January 2010.

The following chart illustrates historical existing home sales.



Source: Houston Association of Realtors

- No single-family housing developments were recorded for the month of February.

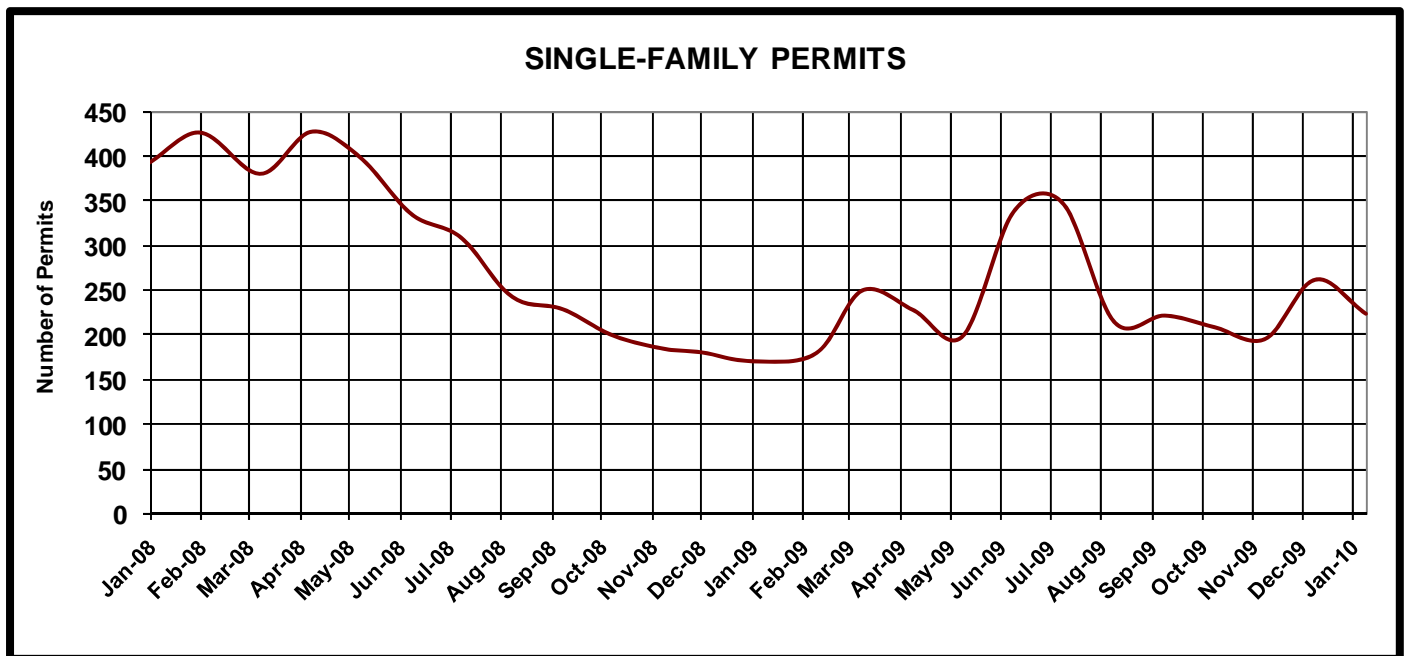
PERMIT ISSUANCE

The **City of Houston** issued permits to build 224 private single-family houses and 28 private multifamily buildings in January. Demolition permits were issued for 97 private single-family houses and three multifamily structures. In addition, 130 permits were issued for privately owned non-residential construction totaling \$32,053,121 and two permits were issued for public non-residential construction. Additions, alterations, and conversions totaled \$104,321,068 for the private sector and \$5,073,755 for the public sector.

Cost of Construction*

	2008	2009	2010
Month of January	\$440,893,561	\$243,399,729	\$225,015,819
Year-to-Date	\$440,893,561	\$243,399,729	\$225,015,819

*The figures in this section include all categories of buildings and non-building structures.



OFFICE BUILDINGS

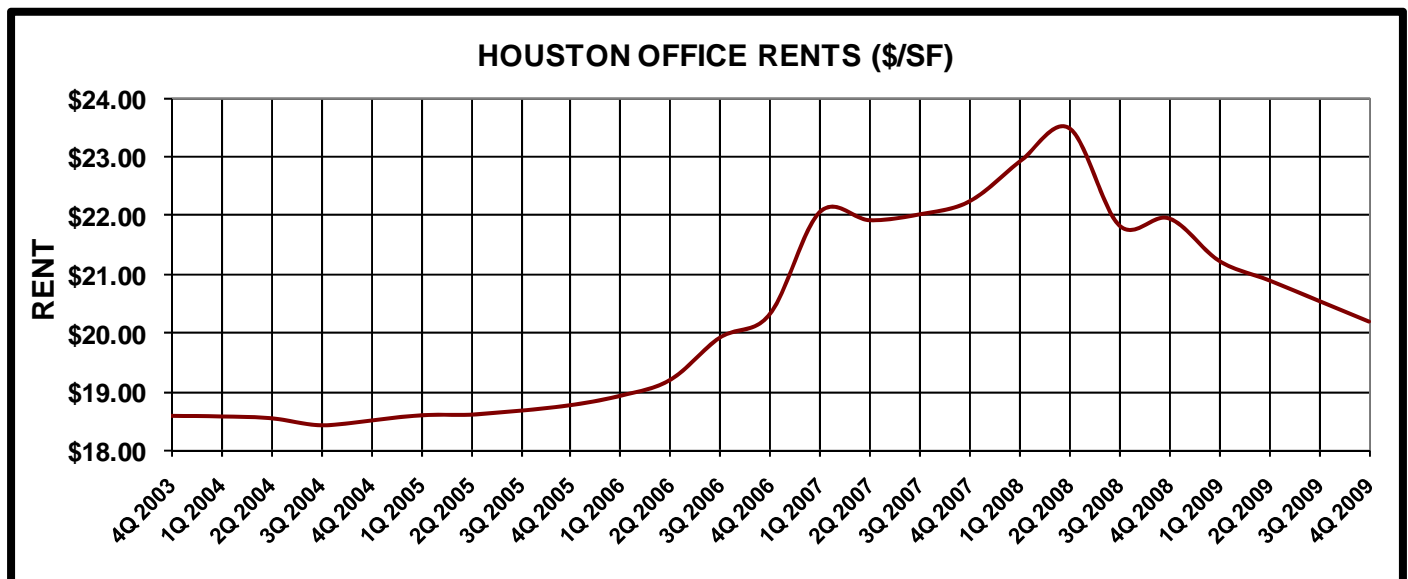
According to the O'Connor & Associates **Fourth Quarter 2009 Houston Office Data Program**, citywide **occupancy** for Houston area multi-tenant office buildings is **83.19%** (Class A = 85.17%; Class B = 81.95%; Class C = 80.10%; Class D = 77.14%). The citywide quarterly multi-tenant office **rental rate** is **\$20.19 per square foot** (Class A = \$22.91; Class B = \$18.37; Class C = \$14.69; Class D = \$12.96).

Note: The office buildings listed herein are followed by their representative sector code and identification number as they appear in the O'Connor & Associates **OfficeLink Online Data** platform and are provided for subscriber cross-referencing. *The property information contained within this database is updated on a monthly basis and accessible over the web. (Please contact us for more details.)*

Office Developments

- No office developments were recorded for the month of February.

The following chart illustrates historical office rental rates.



Office Sales

- **Brookfield Real Estate Opportunity Fund**, a division of **Brookfield Asset Management Inc** (212-417-7000), has purchased the **JP Morgan Chase Bank Building (76)**, an 800,000-square-foot Class B office building located at 712 Main Street in the Central Business District (493L), from **JP Morgan Chase & Co** (212-270-6000). The 80-year-old, 35-story building, listed on the U.S. National Register of Historic Places, is nearly 75% occupied with asking rents at \$14.00 per square foot. The building is part of the 16-property nationwide acquisition, including two more Houston properties, from JP Morgan Chase by the New York-based firm for an undisclosed amount.
- **KNA Partners**, a division of **Beeson Properties** (713-622-5595) has purchased the **Bayou Building (1010)**, a 22,000-square-foot Class D office building located at 3115 Allen Parkway in the Mid Town/Allen Parkway sector (492M), from **Witt Family Partnership** (713-529-5700). The eight-year-old, three-story building is currently fully occupied. **A David Schwarz III** and **Stephen Hausser of McDade, Smith, Gould, Johnston, Mason, and Company** brokered the sale on behalf of the seller.

- **VKC Properties LP** (281-340-3000) has purchased **322 Julie Rivers Dr (18084)**, a 10,000-square-foot Class A office building located at 322 Julie Rivers Drive in Sugar Land, Fort Bend County (568M), from **Sunbelt I Ltd** (281-240-9300). The seven-year-old, single-story building is currently vacant. **Tim Clay of Clay & Co** represented the buyer, while **Larry Indermuehle** and **Jennifer Raymond of Indermuehle & Co** represented the seller.
- **KIPP Inc** (832-328-1051) has purchased **8440 Westpark (1714)**, a 35,000-square-foot Class D office building located in the Southwest Freeway sector (530C), from **8440 Westpark LLC**, an entity of **The Detering Company** (713-869-3761). The 30-year-old, two-story building is currently fully occupied. **Stephen Schneidau of Cushman & Wakefield** represented the buyer, while **Doug Nicholson** and **John Nicholson of Grubb & Ellis** represented the seller.

Office Leases

- **Intermarine LLC** (281-885-3500) has renewed its lease of 22,000 square feet at **Greenspoint I (590)**, a 93,000-square-foot Class B office building located at 16801 Greenspoint Park Drive in the Greenspoint Northbelt sector (372R), from **RMC Greenspoint LP**, an entity of **RM Crowe Company** (713-272-8400). The three-story, 30-year-old building is 66% leased with asking rents at \$18.00 per square foot. **Lesla Nickelson of CB Richard Ellis** represented the tenant along with **Kyle Kelley** and **Lance McCarthy** both now of **Studley**, while **Joel Dalak** represented the landlord in-house.
- **RigNet** (281-674-0100) has renewed and expanded its lease for 15,000 square feet at **Ashford Crossing II (1910)**, a 164,000-square-foot Class B office building located at 1880 S Dairy Ashford Street in southwest Houston (488R), from **Pio V Defeo, Maria E Defeo, and Kennedy Wilson** (650-343-9324). The two-story, 27-year-old building is over 66% leased with asking rents at \$14.25 per square foot. **Rand Stephens of Mohr Partners** represented the tenant, while **Terri Torregrossa of Moody Rambin Interests** represented the landlord.

RETAIL CENTERS

According to the O'Connor & Associates **Fourth Quarter 2009 Houston Retail Data Program**, citywide **occupancy** for Houston area multi-tenant retail buildings is **83.34%** (Regional = 85.60%; Community = 86.94%; Neighborhood = 81.53%; Strip = 78.50%). Occupancy is down 0.06 points over the last quarter and down 0.25 points over the fourth quarter 2008. The citywide quarterly multi-tenant retail **rental rate** is **\$1.65 per square foot** (Regional = \$2.93; Community = \$1.72; Neighborhood = \$1.26; Strip = \$1.26).

Note: The retail centers listed herein are followed by their representative identification number as they appear in the new O'Connor & Associates **RetailLink Online Data** platform and are provided for subscriber cross-referencing. *The property information contained within this database is updated on a monthly basis and accessible over the web. (Please contact us for more details.)*

Retail Developments

- No retail developments were recorded for the month of February.

The following chart illustrates historical retail rental rates.



Retail Sales

- **Bill James**, owner of **The Arms Room** (281-332-0706), has purchased the 20,000 square foot vacant/former Circuit City building located at 3270 Gulf Freeway (659W) within the **League City Towne Center (3956)**. The cost of purchase along with remodeling the facility is estimated to be around \$4.7 million. James plans to make this The Arms Room's new headquarters, which will allow for the addition of a 15 lane indoor gun range. The move is scheduled to be complete by this summer.

Retail Leases

- **The State of Texas** has leased 10,000 square feet at **Little York Plaza (583)**, a 118,000-square-foot shopping center located at 1409 Little York Road near north Houston (413U), from **Weingarten Realty Investors** (713-866-6000). The space will house an office of the Texas Health and Human Services Commission. The 42-year-old center is over 83% occupied with tenants including **Seller Bros**, **Fallas Parades**, and **Rent-A-Center**. **Thomas Wenkstern** of **UGL Equis** represented the tenant, while **Brody Farris** represented the landlord in-house.
- **South Side Roller Derby** (281-460-2240) has leased 26,000 square feet at **Palmer Center (2826)**, a 38-year-old, 87,000-square-foot shopping center located at 3500 Palmer Highway in far southeast Houston (238D), from **Palmer Center LP**, and entity of **Silvestri Investments** (713-785-6272). **Stephen Pheigaru** of Silvestri handled the negotiations.

INDUSTRIAL FACILITIES

According to the O'Connor & Associates **Fourth Quarter 2009 Houston Industrial Data Program**, citywide **occupancy** for Houston area operating multi-tenant industrial facilities is **83.34%** (Flex = 81.49%; Bulk = 83.37%; Manufacturing = 87.00%, Service = 87.69%, Distribution = 74.00%, R&D = 79.79%). Occupancy is up 0.52 points over the last quarter but down 1.44 points over the fourth quarter 2008. The overall quarterly **rental rates** remained consistent ending at **\$0.46 per square foot** (Flex = \$0.48; Bulk = \$0.41; Manufacturing = \$0.39, Service = \$0.59, Distribution = \$0.41, R&D = \$0.89).

Note: The industrial facilities listed herein are followed by their representative identification number as they appear in the O'Connor & Associates **IndustrialLink Online Data** platform and are provided for subscriber cross-referencing. *The property information contained within this database is updated on a quarterly basis and accessible over the web. (Please contact us for more details.)*

The following chart illustrates historical industrial rental rates.



Industrial Developments

- **Allied Power Group** (281-444-3535) has recently moved into **Allied Power (6656)**, a 70,000-square-foot office/warehouse facility located at 10131 Mills Road in far northwest Houston (369L), as part of an expansion/consolidation plan. This newly developed industrial facility will serve as the new headquarters for the Houston Company and combine all sales, repairs, and warehousing in one location. Allied Power is a provider of parts, repairs, and service for industrial gas turbines and stocks a large range of components from **GE**, **Westinghouse**, and other Original Equipment Manufacturers (OEMs). This expansion is expected to generate nearly 100 new jobs in the Houston area, while the firm will soon close its six other locations in Houston and one in Coconut Creek (FL).

Industrial Sales

- **5935 Griggs Rd LLC**, an entity of **Cisco Boiler Service Co** (713-928-5700), has purchased **5935 Griggs Rd (37691)**, a 39-year-old, 21,000-square-foot warehouse facility located at 5935 Griggs Road in the near South sector (534K), from **CDE Corporation**. **Chris Caudill** and **Joel Michael** of **NAI Houston** represented the buyer, while **Conrad Bernard** of **Boyd Commercial** represented the seller.

- **Ronald Farmer** with **Portwest Building Ltd** (713-787-5110) has purchased **6807 Portwest Dr (37403)**, a 13-year-old, 30,000-square-foot warehouse facility located near the Greenway Plaza sector (492A), from **MSW-NSG Real Estate Ventures Ltd** (512-374-1323). **Margaret Ann Cook** of **Transwestern Commercial Services** represented the buyer, while **Mark Lehman** and **Bill Burge** of **Grubb & Ellis** represented the seller.

Industrial Leases

- **Charming Charlie** (713-579-1936) has leased 141,000 square feet in Building Two at **Beltway Crossing Business Park (36729)**, a newly developed, 283,000-square-foot office/warehouse facility located at 13323 South Gessner Road in Missouri City (570J), from **TPRF II/SR Missouri City LP**, an entity of **Stream Realty Partners LP** (713-300-0300). **Mark Nicholas** and **Richard Quarles** of **Jones Lang LaSalle** represented the tenant, while **Justin Robinson** and **Kyle Valentine** represented the landlord in-house.
- **Ozburn Hessey Logistics - OHL** (281-987-0671) has leased 75,000 square feet at **Airtex Industrial Center Building A (36998)**, a newly developed, 487,000-square-foot warehouse facility located at 14810 North Freeway in far north Houston (372C), from **Panattoni Development Co** (713-273-8989). **Ryan Fuselier** and **John Talhelm** of **Jones Lang LaSalle** represented the tenant, while **Walker Barnett** and **Gary Mabray** of **Colliers International** represented the landlord.
- **Professional Packaging Systems** (713-426-6000) has leased 58,000 square feet in Building One at **Beltway Crossing Business Park (36729)**, a newly developed, 283,000-square-foot office/warehouse facility located at 13323 South Gessner Road near Highway 90A in Missouri City (570J), from **TPRF II/SR Missouri City LP**, an entity of **Stream Realty Partners LP** (713-300-0300). **Jeff Jackson** and **Cannon Green** of **Stream Realty Partners LP** represented the tenant, while **Justin Robinson** and **Kyle Valentine** also of **Stream Realty Partners LP** represented the landlord in the negotiations.
- **Velocity Express** (713-490-0000) has leased 54,000 square feet at **Airtex Industrial Center Building A (36998)**, a newly developed, 487,000-square-foot warehouse facility located at 14810 North Freeway in far north Houston (372C), from **Panattoni Development Co** (713-273-8989). **Stephen Hemphill** of Dallas-based **Mohr Partners** represented the tenant, while **Walker Barnett** and **Gary Mabray** of **Colliers International** represented the landlord.
- **All-Tex Inc** (281-874-0335) has leased 29,000 square feet at **Windfern Industrial Park (5486)**, a ten-year-old, 246,000-square-foot warehouse located in the northwest Inner Loop sector (410W), from **ING Clarion** (212-883-2500). **Patrick Rollins** of **CB Richard Ellis** represented the tenant, while **Darryl Noon** of **Transwestern Commercial Services** represented the landlord.
- **Clyde Union Inc** (281-372-5040) has leased 29,000 square feet at **Custom Catalytic Solutions (5877)**, a three-year-old, 31,000-square-foot office/warehouse facility located at 9601 New Decade Drive in Pasadena (579E), from **BNIP New Decade Venture Ltd**, an affiliate of **Panattoni Development Co** (713-273-8989). **Bob Holmes** of **Bob Holmes Commercial Real Estate Brokerage** represented the tenant, while **Ed Frantz** of **CB Richard Ellis** and **Justin E Bennett** of **Panattoni Development Co** represented the landlord.
- **Twin Liquors** (512-476-9982) has leased 22,000 square feet at **Taylor Industrial Park (4705)**, a 34-year-old, 131,000-square-foot warehouse located at 2000-2198 Taylor Street in the near north Houston sector (493F), from **Teachers Insurance and Annuity Association of America** (832-681-7400). **Dan Quinlan** of **Quinlan & Co** represented the tenant, while **Edward Bane** and **John Kruse** of **Holt Lunsford Commercial** represented the landlord.

- **IT Remarketing Inc** (713-263-8800) has leased 21,000 square feet at **Long Point Business Center (4209)**, a 31-year-old, 137,000-square-foot warehouse located at 6600 Long Point Road in the near west Houston sector (451U), from the Toronto-based **Agellan Capital Partners Inc** (416-593-6800). **Justin Robinson** and **Mathew DiLeo** of **Stream Realty Partners LP** represented the landlord.
- **Service King Paint & Body** (972-960-7595) has leased **21333 Katy Freeway (37553)**, an eight-year-old, 18,000-square-foot service center located in far southwest Houston (486A), from **Team Certified Suzuki Ltd** (281-943-5700). **Bob Heckerth** of **Commercial Fine Properties** represented the tenant, while **Jeff Peden** of **Cushman & Wakefield** represented the landlord.
- **Beatty Street Properties** (713-645-9620) has extended its lease of 17,000 square feet at **Port Plaza (1814)**, a 27-year-old, 100,000-square-foot distribution center located at 8201 La Porte Freeway near southeast Houston (535F), from **United Stevedoring Corp** (713-921-5939). **Coe Parker**, **John F Littman**, and **B Kelley Parker** of **Cushman & Wakefield** negotiated the deal between the tenant and landlord.
- **Argo International** (713-675-6611) has extended its lease of 16,000 square feet at **Pine Forest Business Center (4362)**, a 30-year-old, 80,000-square-foot warehouse located at 302 W 38th Street in the near North Houston sector (452R), with the Toronto-based **Agellan Capital Partners Inc** (416-593-6800). **Justin Robinson** and **Mathew DiLeo** of **Stream Realty Partners LP** represented the landlord.
- **Wet Sounds Inc** (877-938-7757) has leased 13,000 square feet at **9330 W Airport Blvd (6106)**, a five-year-old, 128,000-square-foot distribution center located in the far south Houston sector (570E), from **Beltway Houston Industrial LP** (972-280-8309). **Carl Triola** of **Greater Houston Commercial Properties** represented the tenant, while **Lang Motes** of **Indermuehle & Co** represented the landlord.
- **Vineyard USA** (281-313-8463) has leased 13,000 square feet at **10130 Cash Rd (26435)**, a four-year-old, 41,000-square-foot warehouse located in Stafford (569M), from **Cash Road Construction Inc** (281-261-5623). **Chris Caudill** and **Joel Michael** of **NAI Houston** handled the lease negotiations.

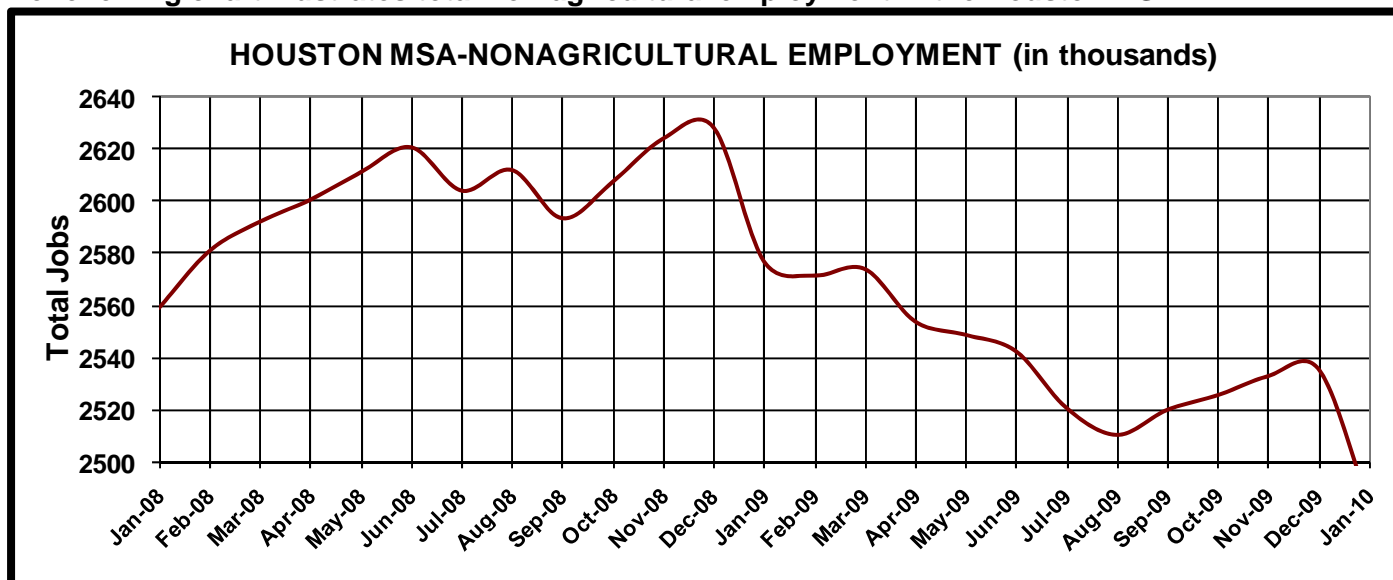
VACANT LAND

- Lufkin-based **Kannan Partnership Ltd** (936-632-8787) has purchased 224 wooded acres, located at 5131 FM 1960 Road E between Woodland Hills Drive and Timber Forest Drive in Humble (337S), from the Houston-based **BGLH Kings Lake Estates Ltd** (281-444-1585). **Ron Laird** of **Laird Real Estate Auctions** brokered the deal between the buyer and seller.
- **Technology Land Investments**, an entity of **D'Agostino Companies** (936-788-2060), has purchased 3.8 acres of land, located on Technology Forest Drive in The Woodlands, Montgomery County (251B), from **The Woodlands Development Co** (281-719-6300). A 50,000-square-foot, multitenant office building is going to be developed on this land and expected to be completed by early 2011. **Jeff Beard** of **J Beard Real Estate Co**, who will handle the leasing responsibilities in the completed building, represented the buyer, while **Todd Edmonds** and **Cody Christoph** of **Colliers International** represented the seller.
- **Electro Technical Industries Inc** (713-896-7119) has purchased 3.65 acres of land, located at the intersection of East North Belt Drive and North Park Drive in Humble (375V), from **GSL Constructors Ltd** (713-952-7000). **Chris Caudill** and **Joel Michael** of **NAI Houston** represented the buyer, while **Ryan Wasaff** and **Brad Berry** represented the seller in-house.

ECONOMIC & FINANCIAL NEWS

The total number of nonagricultural wage and salary jobs in the ten-county Houston area decreased by about 51,400 jobs to 2,484,200 in January 2010, according to the **U.S. Department of Labor**. This month's total is 92,600 fewer jobs than the 2,576,800 jobs at this time last year. Of nonagricultural employers, none of the sectors posted any gain over the month, while the largest year over year increase occurred in the Education and Health Services sector, which added 13,200 jobs.

The following chart illustrates total non-agricultural employment in the Houston MSA.



Source: U.S. Bureau of Labor Statistics (BLS)

Advance estimates reported by the **U.S. Department of Commerce** show that seasonally adjusted national retail and food services sales for January 2010 were \$355.8 billion, an increase of 0.5% from December and 4.7% above January 2009. Retail trade sales in January were up 0.5% from December and 5.3% above last year's level.

Personal income increased \$11.4 billion, or 0.1%, and Disposable Personal Income (DPI) increased \$47.6 billion, or 0.4%, in January 2010, according to the **Bureau of Economic Analysis**. Personal Consumption Expenditures (PCE) increased \$52.4 billion, or 0.5%, in January 2010. Meanwhile, the **U.S. Department of Labor** reports that the seasonally adjusted Consumer Price Index (CPI) for urban consumers increased 0.2% in January 2010 and is 2.6% higher than January 2009.

The latest **Conference Board Survey** indicates that the **Consumer Confidence Index** decreased to 46.0 in February 2010, down 10.5 points from January. The index is an indicator of consumers' overall assessment of current conditions, relative to a figure of 100 in 1985, the base year. The **Index of Leading Economic Indicators** increased 0.3% in January, following a 1.2% increase in December and 1.1% in November. The index is an indicator of direction the economy is expected to take in coming months, relative to a figure of 100 in 1996, the base year.

According to the **Federal Reserve**, industrial production increased 0.9% in January 2010 from previous month and is up 0.9% from the January 2009 level. Output in the manufacturing sector increased 1.0%, output at mines increased 0.7% and output of utilities increased 0.7% in January. The rate of industrial capacity utilization was 72.6% in January, which is up 0.7% from December's revised level but down 1.1 points compared to the previous year's level.

Freddie Mac reports that the **30-year fixed-rate mortgage (FRM)** averaged 4.99% in February 2010, down 0.04 points from January 2010 and down 0.14 points from one year ago. The average for the **15-year FRM** averaged 4.37% in January 2010, down 0.07 points from January 2010 and down 0.4 points from February 2009.

The **Bureau of Economic Analysis** (U.S. Department of Commerce) reports that second estimates of the real GDP, the output of goods and services produced by labor and property in the United States, increased at an annual rate of 5.9% in the fourth quarter of 2009. This increase in GDP in the fourth quarter primarily reflected positive contributions from personal consumption expenditure (PCE), exports, private inventory investment, and nonresidential fixed investment.

The **U.S. Department of Commerce** reports that construction spending during January 2010 was estimated at a seasonally adjusted annual rate of \$884.1 billion, which is 0.6% below the revised December 2009 estimate (\$889.6 billion). The current figure is 9.3% below the January 2009 estimate of \$974.3 billion. Private residential construction was at a seasonally adjusted annual rate of \$260.8 billion in January, 1.3% above the revised December estimate of \$257.5 billion.

The **Baker Hughes** count of active domestic rotary rigs stands at 1,350 for February 2010. The current rig count is up 2.27% from last year's figure of 1,320 rigs. The rotary rig count is a census of the number of drilling rigs actually exploring for or developing oil or natural gas in the United States.

The **National Restaurant Association's Restaurant Performance Index (RPI)** stood at 98.3 in January, down 0.3 percent from the previous month. The index is a monthly composite index that tracks the health and outlook for the U.S. restaurant industry. This is the 27th consecutive month below 100.

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According to the monthly **Monster Worldwide Inc Employment Index**, online job demand increased by 10 points in the month of February 2010. The index currently stands at 124 and is two points above February 2009, an increase of nearly 1.64%. Furthermore, online demand for workers increased in all of the 28 major U.S. metro markets.

According to the January 2010 **Architecture Billings Index**, developed by the **American Institute of Architects**, January reported an index of 42.5, down 2.9 points from the previous month (any score above 50 indicates an increase in billings). Both the project inquiries index and the inquiries for new projects score was 52.5, down 2.8 points from December.

Keith Bilski and **Neil Martin** have recently established the **Finial Group** (713-422-2100), a full-service commercial real estate firm.

Life Science Plaza (2071), a 300,000-square-foot, Class A office tower developed and owned by the Toronto-based **Metrontario Group** (416-785-6000), has been awarded **LEED™ Gold certification** under the Core and Shell Pilot standard by the **US Green Building Council**. This 14-story, newly developed multi-tenant property is located at 2130 W Holcombe Boulevard in the Medical Center sector (532H). Apart from its highly efficient and professional medical office facilities, the property contains five-stories over a 400,000 square foot parking garage space screened with two different types of aluminum grills, and a glass enclosure at the street level for 52,000 square feet of retail space. The property is managed by **Jones Lang LaSalle** (713-374-7280) and leased by **PinPoint Commercial** (713-425-5425). **Kirksey Architecture** (713-850-9600) provided expert assistance to Metrontario to gain the certification. The office tower is currently over 62% leased to tenants including **Select Specialty Hospital**, **Texas Heart Institute**, **LA Fitness**, **Murphy's Deli**, and **Travis Center Angiography**.

Service King Paint & Body (972-960-7595) has leased a 23-year-old, 47,000-square-foot former Hyundai dealership located at 10475 Southwest Freeway near southwest Houston (529Z), from **Capital Automotive Real Estate Services** (703-288-3075). **Bob Heckerth** of **Commercial Fine Properties** represented both the tenant and landlord in the negotiations.

Houston Uniform (713-789-3774) has purchased a 30-year-old, 37,000-square-foot facility, which formerly housed a Sterling McCall Toyota body shop, located at 6015 Skyline Drive in west Houston (491W), from **Group 1 Realty** (713-647-5700). **Griff Bandy** of **NAI Houston** represented the buyer, while **Bob Heckerth** of **Commercial Fine Properties** represented the seller.

Houston witnessed many **new appointments** to executive-level positions of its commercial real estate firms during the months of January and February. Executive Vice President and Managing Director of **PM Realty Group** (713-209-5823), **Doug Little**, who has been with the firm since 1994, has been appointed to the Baybrook Management District Board of Directors. **Craig Cheney**, who has been with **Trammell Crow Co** (713-963-1000) since 1983, has been promoted to Senior Managing Director, named Chairman of the firm's Investment Committee and also appointed to the firm's Executive Committee. **Weingarten Realty Investors** (713-866-6000) recently announced several promotions of its own. **Burdette Huffman** will now serve as the firm's Western Region Investment Director. **Patty Bender** has been promoted to Executive Vice President. **Joe Shafer** and **Bill Goeke** will now hold the title of Senior Vice President, and **Frank Rollow**, **Candy Tillack**, **Gary Wankum**, **Chris Byrd**, **Lee Brody**, and **Miles Sanchez** have all been promoted to Vice President.

Please direct any questions regarding content in the *Houston Real Estate Trends*, or information regarding recent transactions that you would like to be added, to Holly Kelch at 713-686-9955 or hkelch@poconnor.com