



Your Key to Real Estate Services

Published by:  
**O'Connor & Associates**  
2200 N. Loop West, Suite 200  
Houston, TX 77018  
713.686.9955

[www.poconnor.com](http://www.poconnor.com)



# Houston Real Estate Trends

Office • Retail • Apartment • Industrial

Edited by Holly Kelch

\$199 per year

Volume 25 Number 3

March 2010

## APARTMENTS

According to [www.oconnordata.com](http://www.oconnordata.com), **March 2010 O'Connor & Associates data** indicates that Greater Houston apartment market occupancy has increased 0.5 percentage points from the previous month and is currently 86.04% occupied, while overall rents stand at \$0.879 per square foot. Class A rates witnessed the largest decrease over the month (\$1.156) from February's rate (\$1.160). Class C rates increased by \$0.001 to \$0.722, while Class B and D rates have not changed this month and are currently \$0.833 and \$0.631, respectively. Pre-leasing is currently underway in eighteen communities (5,126 units) city-wide. Expect to see a decline in overall occupancy as delivery of these new communities continues, while rental rates are expected to soon return to increasing trend.

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.)*

### Table of Contents:

Apartments.....	1
Single-Family Housing .....	4
Permit Issuance .....	6
Office Buildings .....	7
Retail Centers .....	9
Industrial Facilities.....	11
Vacant Land.....	14
Economic & Financial News.....	15
Potpourri.....	17

[www.oconnordata.com](http://www.oconnordata.com)

**ApartmentLink**

More Owner Contact Information

More User-Friendly

More Comprehensive & Accurate

**More Affordable!**

## Apartment Developments

- Greystar** (713-966-5000) has completed construction on **Yorktown Crossing (18498)**, a 312-unit development located at 15903 Yorktown Crossing Pkwy in the Bear Creek/Copperfield submarket (408W). The community features one- and two-bedroom units with an average size of 889 square feet and average rental rates of \$1.09 per square foot. The property is currently 40% occupied. Common area amenities include a swimming pool with BBQ area, sun deck and WiFi, fitness center with free-weight area, tanning room, and putting green. Unit amenities include nine-foot ceilings, custom wood kitchen cabinetry with adjustable shelving, built-in microwave ovens, and a full size washer and dryer in every unit.
- Davis Development** (770-474-4345) has completed construction on **Carrington at Green Trails (18608)**, a 302-unit development located at 529 Barker-Clodine Rd in the Katy submarket (487B). The community features one-, two- and three-bedroom units ranging in size from 667 to 1523 square feet and market rates ranging from \$809-\$1489. The property is currently 39% occupied. Common area amenities include a resort-style pool with WiFi sundeck, fitness center, privacy gates with remote access, and a Bark Park. Unit amenities include built-in computer desks, nine foot ceilings with crown molding, custom routed wood cabinetry, and a washer and dryer in every unit.
- Apartment Advisors Inc** (713-290-0933) has completed construction on **Hawthorne Ridge (18152)**, a 260-unit development located at 3300 N Loop 336 in the Conroe submarket (157W). The community features one-, two- and three-bedroom units with an average size of 945 square feet and average rental rates of \$0.94 per square foot. The property is currently 51% occupied. Common area amenities include a resort-style swimming pool with waterfall, state of the art fitness center, and a clubroom with fully equipped kitchen and gaming room. Unit amenities include custom cherrywood cabinets, nine foot ceilings with crown molding, linen closets, and spacious walk-in closets.
- Sterling Investco** (214-269-1177) recently broke ground on the first phase of **Legends at Cinco Ranch (17602)**, a 180-unit development located at 4902 S Mason Rd in the Katy submarket (525D). The gated community will feature one- and two-bedroom units with an average size of 1,028 square feet and average rental rate of \$1.23 per square foot. Unit amenities will include slab granite countertops, full size washer and dryers, built-in microwaves, walk-in closets, and nine-foot ceilings with ceiling fans. The first phase is estimated to be completed during the second half of 2011. Upon completion of the second phase, the development will include a total of 260 units.

The following chart illustrates historical apartment occupancy.



## Apartment Sales

- Los Angeles-based **CIM Group** (323-860-4900) has purchased **Gables Memorial Hills (18189)**, a 308-unit apartment complex located at 4200 Scotland Street in the Museum District submarket (492M), from Atlanta-based **Gables Residential Corp** (713-784-4144). The recently completed, Class A complex is currently 66% occupied with average rents of \$1.96 per square foot. The property management duties will be continued by Gables Residential. The complex is part of the four Texas apartment properties, totaling 820 units, purchased by the Los Angeles-based firm for an undisclosed amount. The other three complexes, also previously owned by Gables Residential, are in Dallas. **Peter Sherman, Andy Sands, Curtis Palmer, and Herb Chase** of **Multi-Housing Capital Advisors Inc** brokered the deal.
- Overland Park-based **AMSI Tex Properties LLC** has purchased **Oaks of Baytown (2956)**, a 26-building, 248-unit apartment complex located at 2011 Ward Road in the Baytown submarket (502W), from New York City-based **American Mortgage Acceptance Company** (212-317-5700). The 41-year-old, Class D complex is currently 62% occupied with average rents of \$0.62 per square foot. **Mike Miller** of **Hendricks & Partners** brokered the sale.
- **JRG GT 196 LP**, an entity of Houston-based **Judwin Properties** (713-297-4400) has purchased **Green Tree Place (1347)**, a 14-building, 196-unit apartment complex located at 700 Dunson Glen in the Champions – East submarket (332X), from **PMCF Properties LLC** (973-802-6000) for more than \$2.9 million. The 27-year-old, Class B complex is currently 40% occupied with average rents of \$0.80 per square foot. **David Wylie** of **Apartment Realty Advisors** represented the seller, while **Jerry Winograd** represented Judwin Properties in-house.
- Overland Park-based **AMSI Tex Properties LLC** has purchased **Quay Point (3969)**, a 15-building, 137-unit apartment complex located at 3925 Arlington Square in the Pasadena submarket (576G), from New York City-based **American Mortgage Acceptance Company** (212-317-5700). The 47-year-old, Class D complex is currently 39% occupied with average rents of \$0.69 per square foot. **Mike Miller** of **Hendricks & Partners** brokered the sale.

## Apartment Financing

- **Holliday Fenoglio Fowler** (713-852-3500) has secured \$25.9 million loan for **Sawyer Heights Lofts (17428)**, a 326-unit apartment complex located at 2424 Sawyer Heights Street in the Montrose/Memorial Heights submarket (493F), from **Freddie Mac** (972-341-0644). The two-year-old, Class A complex is currently 94% occupied with average rents of \$1.60 per square foot. **Scott Galloway, Matthew Kafka, and Robert Wooden** of HFF arranged the financing for **Martin Fein Interests** (713-683-4800). The loan carries a 10-year fixed term.

---

---

# SINGLE-FAMILY HOUSING

**MLS** home sales increased in February as 2,681 existing homes were sold, compared to 2,071 homes sold last month, according to the **Houston Association of Realtors (HAR)**. However, sales for February 2010 were down 5.1% from February 2009. The median price of an existing single-family home sold in February was \$136,000, up 7.5% from the same time last year, while the average home price – \$189,998 – was up 15.7% from the February 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 by 16.10% in February 2010 to 1478, and are up over 8% from February 2009. Realtor co-op sales represented 67.4% of gross sales for the month, up 4.39% from February 2009 level. Traffic declined 15.7% from last year to 13,537 in February 2010. The inventory of completed speculative homes (1,194) is down 31.5% from February last year. There are 1,854 spec homes under construction, which is up nearly 59% from February 2009. Overall, the 3,048 specs (both completed and under construction) are up 4.7% from February 2009. *Note: The 22 homebuilders in this survey account for approximately 73% of housing starts in Houston.*

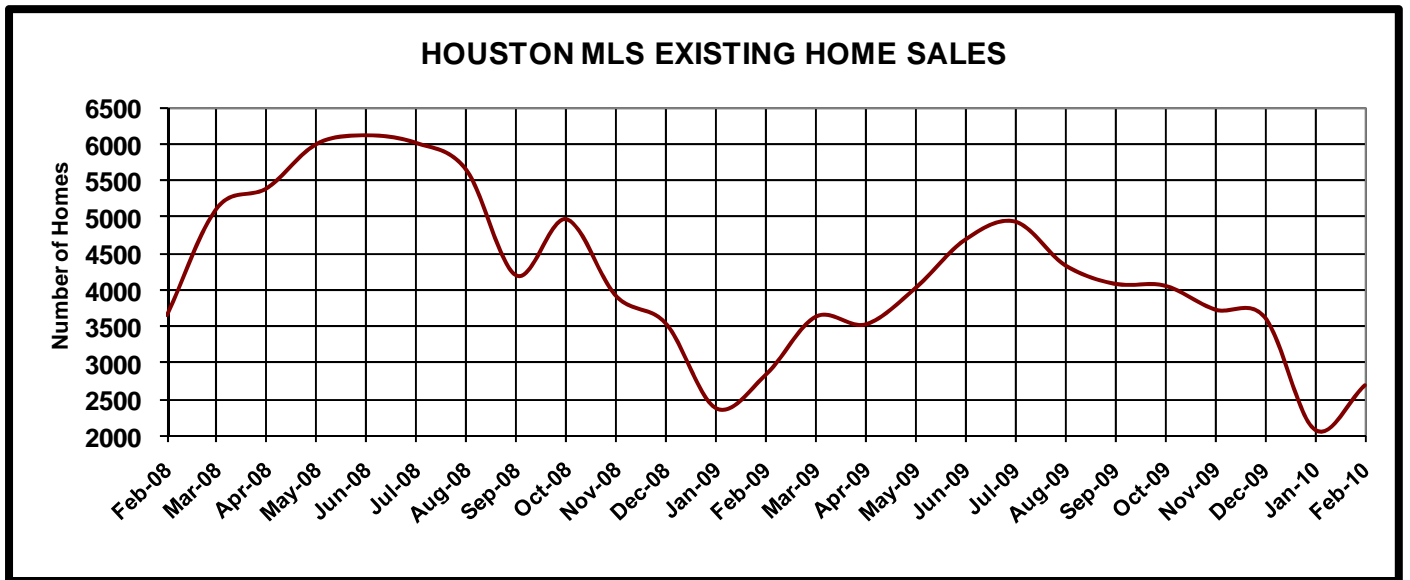
Nationwide sales of new single-family homes decreased in February to a seasonally adjusted annual rate of 308,000 – 2.2% below the revised January sales rate of 315,000 and 13.0% below the February 2009 figure – according to a release by the **US Department of Commerce**. The median sales price in February was \$220,500. Privately owned housing starts were at a seasonally adjusted annual rate of 575,000 in February 2010, which is 5.9% below the revised January estimate but 0.2% above the revised February 2009 rate. Privately owned housing completions were at a seasonally adjusted annual rate of 700,000 in February, 5.4% above the revised January figure but 15.5% below the revised February 2009 figure.

The **National Association of Home Builders/Wells Fargo Housing Market Index**, a monthly measure of builder confidence, decreased to 15 in March 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 decreased to 15, the index measuring sales expectations for the coming six months decreased to 24, and the index measuring the traffic of prospective buyers is currently at 10, two points down from the revised February 2010 figure.

According to the **National Association of Realtors (NAR)**, 5,020,000 existing homes were sold in February 2010, down 0.6% from January sales but up 7.0% from the 4,690,000 homes sold in February 2009. The median sale price was \$165,100, which represents 1.8% decrease from sale prices last year.

According to the most recent report by **RealtyTrac**, 308,524 foreclosure filings — default notices, auction sale notices, and bank repossessions — were reported during the month of February 2010. This figure is down 2% from the previous month but up 6% from February 2009. Texas is among the nation's 26 highest states in total foreclosure filings in February 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 March.

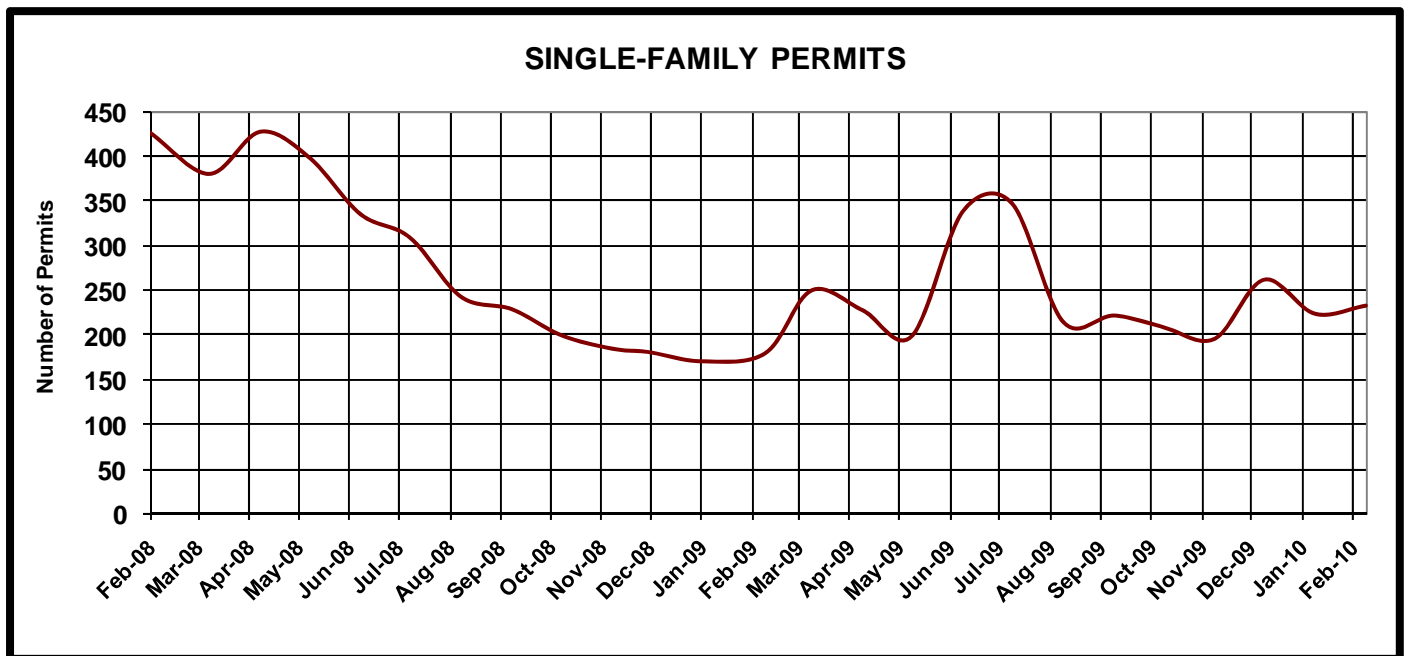
# PERMIT ISSUANCE

The **City of Houston** issued permits to build 233 private single-family houses and two private multifamily buildings in February. Demolition permits were issued for 105 private single-family houses but none of the multifamily structures. In addition, 105 permits were issued for privately owned non-residential construction totaling \$30,865,497 and eight permits were issued for public non-residential construction. Additions, alterations, and conversions totaled \$100,978,418 for the private sector and \$3,223,004 for the public sector.

## Cost of Construction\*

	2008	2009	2010
Month of February	\$655,448,361	\$416,096,120	\$205,317,543
Year-to-Date	\$1,096,341,922	\$659,495,849	\$430,333,362

\*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 **83.28%** (Class A = 85.53%; Class B = 81.23%; Class C = 81.08%; Class D = 77.51%). The citywide quarterly multi-tenant office **rental rate** is **\$20.76 per square foot** (Class A = \$23.67; Class B = \$18.75; Class C = \$14.99; Class D = \$13.44).

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 March.

The following chart illustrates historical office occupancy.



## Office Sales

- **2427 TX Property 3 LLC**, an affiliate of Miami-based **Potamkin Automotive Group** (305-774-7690), has purchased **Cameron International Building (1380)**, a 215,000-square-foot Class A office building located at 4646 W Sam Houston Parkway N in the North Loop/Northwest Freeway sector (449H), from **Beltway Assets LLC**, an affiliate of **Maxxam Property Company** (713-975-7600) for more than \$10 million. The eight-year-old, nine-story building is fully occupied by and serves as the division headquarters for the drilling and production systems group of Houston-based **Cameron International Corp** (713-939-2211). **Carl Christensen** of **Net Lease Capital Advisors** represented the buyer, while **Robert Williamson**, **Jeff Hollinden**, and **Barbara Guffey** of **Holliday Fenoglio Fowler** represented the seller.
- **5850 Sierra Holdings LLC** has purchased **5850 San Felipe (499)**, a 102,000-square-foot Class B office building located at 5850 San Felipe Street in the Galleria sector (491P), from a subsidiary of **American Spectrum Realty Inc** (713-706-6200). The 33-year-old, six-story building is currently about 95% occupied with asking rents at \$21.50 per square foot. **Pamela Tranpark** of **Victory Realty Solutions** represented the buyer, while **Henry Hagendorf** and **Beth Young** of **Grubb & Ellis** represented the seller.

- Scottsdale-based **Healthcare Trust of America Inc** (480-998-3478) has purchased **Sugar Land Medical Building II (2368)**, a 60,000-square-foot Class A medical office building located at 15400 Southwest Freeway in the Sugar Land/First Colony sector (568X), from Houston-based **The Mission Companies** (713-782-8550) for approximately \$12.4 million. The 10-year-old, three-story building is now fully occupied with 83% of the space leased by **Texas Children's Health Centers** (281-494-7010).

## Office Leases

- **WEUS Holdings**, a subsidiary of **Weatherford International** (281-955-3700), has renewed its lease of 26,000 square feet at **Marathon Tower (497)**, a 1,000,000-square-foot Class A office building located at 5555 San Felipe Street in the Galleria sector (491Q), from **Tower Associates LLP**. The 41-story, 26-year-old building is over 88% leased with asking rents at \$17.50 per square foot. **Craig Beyer, Brandon Clarke, Mary Barnwell, John Pruitt, and Jessica Ochoa** of **CB Richard Ellis** represented the tenant and landlord in the transaction.
- **Pacific Drilling Services** (713-334-6662) has leased 20,000 square feet at **Lakes on Post (482)**, a 334,000-square-foot Class A office building located at 3050 Post Oak Boulevard in the Galleria sector (491Y), from **DRA CRT Post Oak LP**, an affiliate of **CRT Properties Inc** (561-395-9666). The 17-story, 31-year-old building is almost 98% leased with asking rents at \$17.50 per square foot. **Jon Silberman** of **NAI Houston** represented the tenant, while **Cody Armbrister** of **CB Richard Ellis** represented the landlord.
- **Purvin & Gertz** (713-331-4000) has renewed its lease of 19,000 square feet at **JP Morgan Chase Tower (92)**, a 1,683,000-square-foot Class A office building located at 600 Travis Street in the Central Business District (493L), from **Hines Interests** (713-621-8000). The 75-story, 27-year-old building is over 99% leased with asking rents at \$14.00 per square foot. **Kevin Hodges** of **Studley** represented the tenant, while **Allison Knight** represented the landlord in-house.
- **Berkley Oil & Gas Specialty Services** (281- 687-5893) has leased 10,000 square feet at **Millennium Tower (1937)**, a 361,000-square-foot Class A office building located at 10375 Richmond Avenue in the Westchase submarket (489Z), from **Millennium-Windfall Partners Ltd**. The 21-story, 27-year-old building is 68% leased with asking rents at \$18.00 per square foot. **Sue Rogers** of **CRESA Partners** represented the tenant, while **Kristen Rabel, Louann Pereira, and Steve Rocher** of **CB Richard Ellis** represented the landlord.

# RETAIL CENTERS

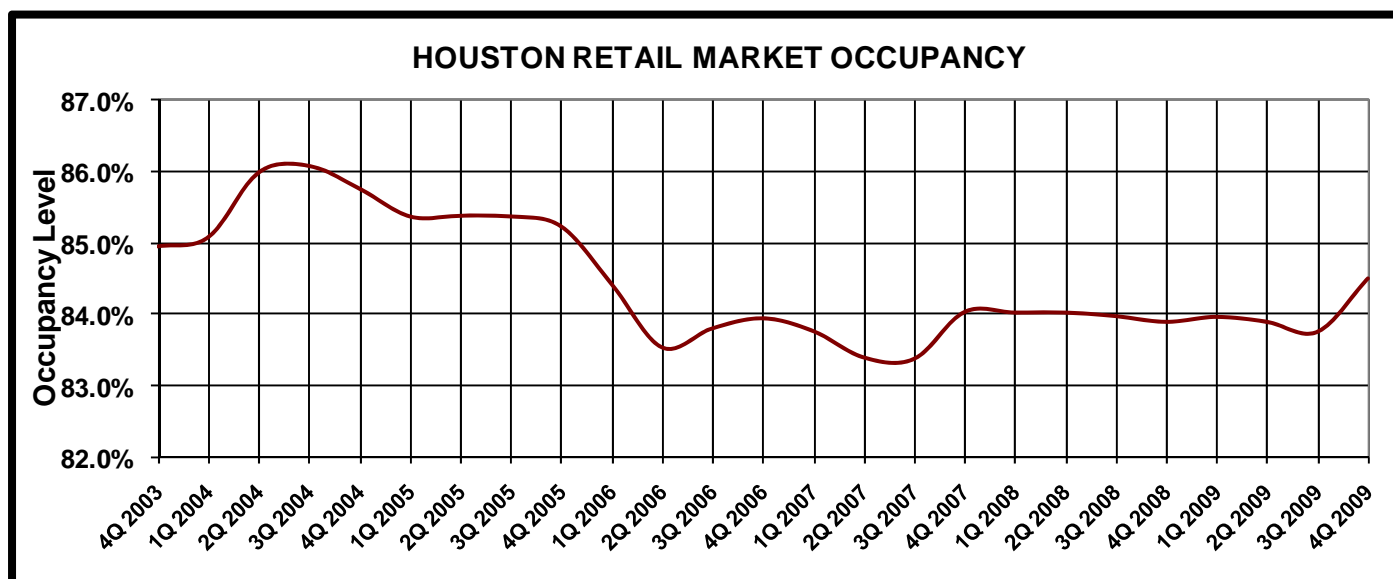
According to the O'Connor & Associates **Fourth Quarter 2009 Houston Retail Data Program**, citywide **occupancy** for Houston area multi-tenant retail buildings is **84.50%** (Regional = 85.60%; Community = 87.71%; Neighborhood = 82.56%; Strip = 81.09%). Occupancy is up 0.75 points over the last quarter and up 0.61 points over the fourth quarter 2008. The citywide quarterly multi-tenant retail **rental rate** is **\$1.55 per square foot** (Regional = \$2.30; Community = \$1.74; Neighborhood = \$1.26; Strip = \$1.29).

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 March.

The following chart illustrates historical retail occupancy.



## Retail Sales

- **RCG Ventures** (404-816-5454) has purchased **Louetta Central (785)**, an 180,000-square-foot shopping center located at 20614 North Freeway in Spring (292T), from a private party for an undisclosed amount. The center, developed by **Weiner Development** (713-554-7600), had been listed for sale for around \$21 million and is fully occupied with major tenants including **Kohl's (782)**, **Michael's**, and **Ross Dress for Less**.

## Retail Leases

- **Citi Trends** (713-734-7400) has leased 13,795 square feet at **Pavillion Village (54411)**, a 15-year-old, 53,000-square-foot shopping center located at 6855 Highway 6 S (neighboring Bellaire Boulevard)

in the Near Southwest sector (528E), from **Wulfe & Co** (713-621-1700). **Abe Charske** represented the tenant in-house, while **Paul Hohl** represented the landlord in-house.

- **Tuesday Morning** (972-387-3562) has leased 13,100 square feet at **Merchants Park Shopping Center (66)**, a 55-year-old, 196,000-square-foot community shopping center located at 901 N Shepherd Drive in the Inner Loop sector (492D), from **Centro Properties Group** (713-660-4328). **Greg Bracchi** of Dallas-based **Edge Realty Partners** represented the tenant, while **Stephen Coffey** represented the landlord in-house.

# 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 **84.72%** (Flex = 83.31%; Bulk = 84.69%; Manufacturing = 87.93%, Service = 88.91%, Distribution = 76.71%, R&D = 83.05%). Occupancy is up 0.49 points over the last quarter and up 0.24 points over the fourth quarter 2008. The overall quarterly **rental rates** remained consistent ending at **\$0.46 per square foot** (Flex = \$0.49; Bulk = \$0.41; Manufacturing = \$0.36, Service = \$0.60, 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 occupancy.



## Industrial Developments

- California-based **The Carson Companies** (713-840-6455) recently broke ground on **Portwall Distribution Center IV (37696)**, a 149,000-square-foot center located at 531 Portwall Street near northeast Houston (495B). The center is scheduled for completion by October of this year. Once it is built and online, the entire Portwall Center project, including **Portwall Distribution Center I**, **Portwall Distribution Center II**, and **Portwall Distribution Center III** developed, managed, and leased by The Carson Companies, will be complete.

## Industrial Sales

- California-based **The Carson Companies** (713-840-6455) has purchased **Forward Air Office/Warehouse (37302)**, a 96,000-square-foot office/warehouse facility located at 19220 Kenswick Drive near northeast Houston (335W), from San Francisco-based **AMB Property Corp** (415-394-9000). The newly developed built-to-suit facility is fully leased by **Forward Air Corporation** (281-312-5900). **Dan Zoch** represented the buyer in-house, while **Adam Jackson**, **Kyle Valentine**, and **Justin Robinson** of **Stream Realty Partners LP** represented the seller.

- France-based **SDV International Logistics** (281-443-3318) has purchased **15490 Vickery Dr (37279)**, a 15-year-old, 66,000-square-foot office/warehouse facility located near northwest Houston (374U), from San Francisco-based **AMB Property Corp** (415-394-9000). **Caleb Lawson** of **The Lawson Group** represented the buyer, while **Kyle Valentine** and **Justin Robinson** of **Stream Realty Partners LP** represented the seller.
- **Pikes Peak of Texas Inc** (713-686-4500) has purchased **4340 Directors Row (4239)**, a 41-year-old, 63,000-square-foot office/warehouse facility located in near north Houston (451V), from **Consolidated Graphics Properties II Inc** (713-787-0977). **Jeremy Lumbreras** and **Payton Indermuehle** of **Indermuehle & Co** represented the buyer, while **Rex Rogers**, **David Cook** and **Jeff Peden** of **Cushman & Wakefield** represented the seller.
- **14 South Wayside LLC** (281-501-1734 / 713-779-3693) has purchased **1202 N Sam Houston Pkwy E (1986)**, a 27-year-old, 38,190-square-foot office/warehouse facility located in Pasadena (537R), from **MCJC Investments Acquisition LLC** (713-973-8685). **Jim Stark** of **CB Richard Ellis** represented the seller.
- **LanMac Holdings LP** (713-849-2080) has purchased **8242 Warren (37694)**, a year-old, 32,900-square-foot office/warehouse facility located in far northwest Houston (410L), from **Warren Avenue Holdings Inc.** **Larry Indermuehle** of **Indermuehle & Co** represented the buyer, while **Walker Barnett** of **Colliers International** represented the seller.

## Industrial Leases

- **Ashley Furniture** (281-994-5320) has leased 303,000 square feet at **Airtex Industrial Center Building A (36998)**, a newly developed, 487,000-square-foot warehouse facility located at 14810 North Freeway in the Far North sector (372C), from **Panattoni Development Co** (713-273-8989). With this lease, the building is now over 88% occupied with other tenants including **Velocity Express** (713-490-0000) and **Ozburn Hessey Logistics** (281-987-0671). **Jeff Venghaus** and **Ryan Fuselier** of **Jones Lang LaSalle** represented the tenant, while **Gary Mabray**, **Justin Bennett**, and **Walker Barnett** of **Colliers International** represented the landlord.
- **Frontier Logistics LP** (281-307-2000) has leased 300,000 square feet at **Port 225 – Phase One (6262)**, a year-old, 697,000-square-foot distribution center located at 3003 Highway 225 in the Near Southeast sector (537G), from **ING Clarion** (212-883-2500). **Doug Nicholson** and **John Nicholson** of **Grubb & Ellis** represented the tenant, while **Brian Gammill** and **Darryl Noon** of **Transwestern Commercial Services** represented the landlord.
- **Cadeco Industries** (713-670-0700) has leased **Lockwood Center #1 (1293)**, a 42-year-old, 154,114-square-foot warehouse facility located at 1060 Lockwood Drive the Near Southeast sector (494L), from **EastGroup Properties** (601-354-3555). **Doug Nicholson** and **John Nicholson** of **Grubb & Ellis** represented the tenant, while **Rives Nolan** of **InSite Commercial Realty** represented the landlord.
- **Brook Furniture Rental Inc** (713-692-0945) has leased 22,520 square feet at **Pine Forest Business Park 9A & 9B (4369)**, a 32-year-old, 79,000-square-foot office/warehouse facility located at 601 W 38th Street in the Near North sector (452R), from **HPF Investments**, an affiliate of **Billingsley Company** (972-820-2200). **Chris Caudill** and **Joel Michael** of **NAI Houston** represented the tenant, while **Steve Hazel** of **InSite Commercial Realty** represented the landlord in the negotiations.
- **United Refrigeration** (281-847-0066) has renewed its lease of 10,330 square feet at **N Shepherd Business Park (5385)**, a 27-year-old, 142,000-square-foot warehouse facility located at 7801 Shepherd Drive N in the North sector (412U), from **Cobalt Industrial REIT II** (972-893-7000). **Peyton Indermuehle** and **Jerry Lumbreras** of **Indermuehle & Co** represented the tenant, while **Jon Michael** of **NAI Houston** represented the landlord.

- **Fortune One Foods**, a division of New Orleans food distributor **N & F Logistics Inc** (504-733-0880), has leased **Fortune One Foods Bldg (4407)**, a 37-year-old, 60,000-square-foot warehouse facility located at 939 18th Street W in the Near North sector (452U), from **Jake's Finer Foods Inc** (713-868-1301). **Sky Pulford** with the commercial division of **RE/MAX Memorial** represented the tenant, while **Mike Hill** of **Mike Hill Properties** represented the landlord.

---

---

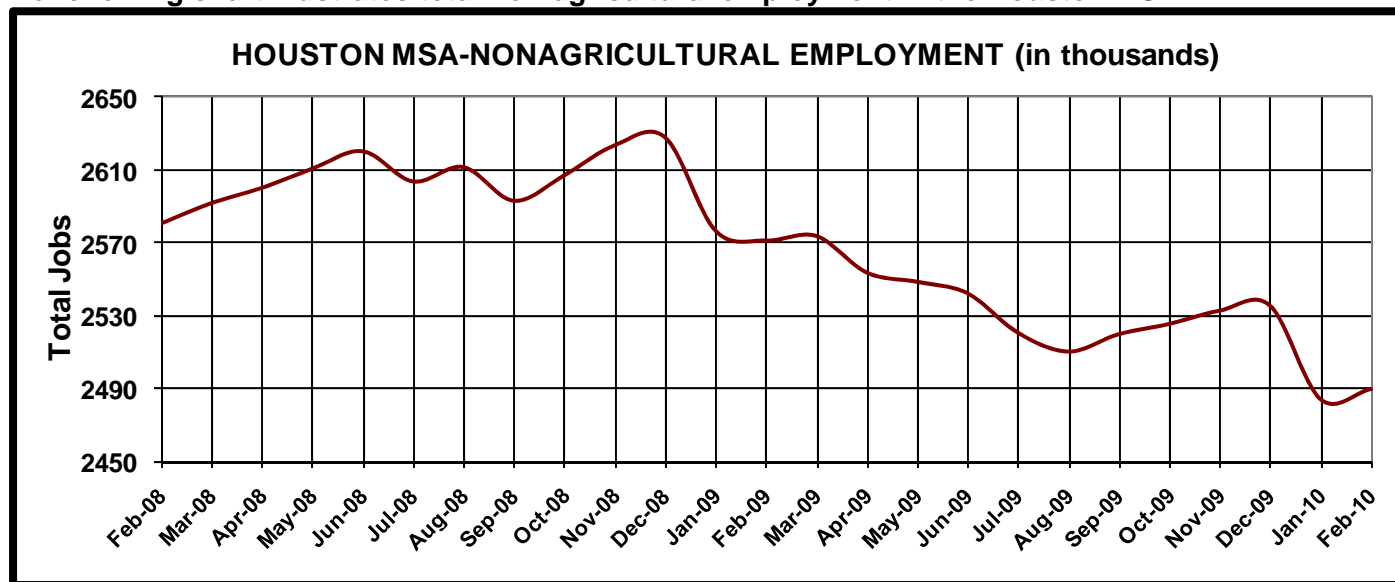
# VACANT LAND

- **NewQuest Properties** (281-477-4300) has purchased 21 acres, located at Texas 6 and Colonial Lakes Drive in Missouri City, Fort Bend County (609F). **Eric Walker** of NewQuest Properties brokered the deal.
- **Keith C Jaehne, Trustee** has purchased 3 acres and 11.5 acres, located in the 16700-block of Ella Boulevard in Houston, Harris County (332N), from **Perry Homes** (713-523-1778). **A David Schwarz** and **Stephen Hausser** of **McDade, Smith, Gould, Johnston, Mason + Company** (713-622-1400) represented the seller, while **Ben Koshkin** represented the buyer.

# ECONOMIC & FINANCIAL NEWS

The total number of nonagricultural wage and salary jobs in the ten-county Houston area increased by about 5,600 jobs to 2,489,800 in February 2010, according to the **U.S. Department of Labor**. This month's total is 81,600 fewer jobs than the 2,571,400 jobs at this time last year. Of nonagricultural employers, the Professional and Business Services sector posted the largest gain over the month at 2,500 jobs, while the largest year over year increase occurred in the Education and Health Services sector, which added 12,700 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 February 2010 were \$355.5 billion, an increase of 0.3% from January and 3.9% above February 2009. Retail trade sales in February were up 0.3% from January and 4.4% above last year's level.

Personal income increased \$1.2 billion, or less than 0.1%, and Disposable Personal Income (DPI) increased \$1.6 billion, or less than 0.1%, in February 2010, according to the **Bureau of Economic Analysis**. Personal Consumption Expenditures (PCE) increased \$34.7 billion, or 0.3%, in February 2010. Meanwhile, the **U.S. Department of Labor** reports that the seasonally adjusted Consumer Price Index (CPI) for urban consumers remained unchanged in February 2010 and is 2.1% higher than February 2009.

The latest **Conference Board Survey** indicates that the **Consumer Confidence Index** increased to 52.5 in March 2010, up 6.1 points from February. 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 0.1% in February, following a 0.3% increase in January and 1.2% in December. 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 0.1% in February 2010 from previous month and is up 1.7% from the February 2009 level. Output in the manufacturing sector decreased 0.2%, while output at mines increased 2.0% and output of utilities decreased 0.5% in February. The rate of industrial capacity utilization was 72.7% in February, which is up 0.2% from January's revised level but down 1.2 points compared to the previous year's level.

**Freddie Mac** reports that the **30-year fixed-rate mortgage (FRM)** averaged 4.97% in March 2010, down 0.02 points from February 2010 and down 0.03 points from one year ago. The average for the **15-year FRM** averaged 4.33% in March 2010, down 0.04 points from February 2010 and down 0.31 points from March 2009.

The **Bureau of Economic Analysis** (U.S. Department of Commerce) reports that third estimate 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 5.6% in the fourth quarter of 2009. This increase in GDP in the fourth quarter primarily reflected positive contributions from personal consumption expenditures (PCE), exports, private inventory investment, and nonresidential fixed investment.

The **U.S. Department of Commerce** reports that construction spending during February 2010 was estimated at a seasonally adjusted annual rate of \$846.2 billion, which is 1.3% below the revised January 2010 estimate (\$857.8 billion). The current figure is 12.8% below the February 2009 estimate of \$970.4 billion. Private residential construction was at a seasonally adjusted annual rate of \$250.8 billion in February, 2.1% below the revised January estimate of \$256.2 billion.

The **Baker Hughes** count of active domestic rotary rigs stands at 1,419 for March 2010. The current rig count is up 28.4% from last year's figure of 1,105 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 99.0 in February, up 0.7 percent from the previous month and its strongest level since November 2007. The index is a monthly composite index that tracks the health and outlook for the U.S. restaurant industry. This is the 28<sup>th</sup> consecutive month below 100.

---

---

# POTPOURRI

According to the monthly **Monster Worldwide Inc Employment Index**, online job demand increased by one point in the month of March 2010. The index currently stands at 125 and is seven points above March 2009, an increase of 5.93%. Furthermore, online demand for workers increased in all of the 28 major U.S. metro markets.

According to the February 2010 **Architecture Billings Index**, developed by the **American Institute of Architects**, February reported an index of 44.8, up 2.3 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 52.0.

**Westchase Park (17178)**, a 272,361-square-foot, Class A office tower owned by **Simmons Vedder Partners** (512-499-0088), has been awarded **LEED™ Gold certification** under the Core and Shell program by the **US Green Building Council**. This six-story, newly developed multi-tenant property is located at 3600-3700 W Sam Houston Parkway South in the Westchase sector (489Z). The project management services were provided by **Rennell Associates** (713-864-1300) and **Ambrose, McEnany and House Architects** (713-522-0815) along with **D.E. Harvey Builders** (832-379-1400), **WSP Flack+Kurtz** (713-785-1311), **Clark Condon Associates** (713-871-1414), **Pate Engineers** (713-462-3178), **Haynes Whaley Associates - Structural Engineers** (713-868-1591), and **Façade Consultants** (281-897-8533). The property is managed by **Transwestern Commercial Services** (713-270-7700). The office tower, opened in January, is currently 38% leased with **ABB's worldwide Process Automation Division** and **Logica** as tenants.

**Henry S Miller** launched its **Northwest Houston Brokerage division** April 1, 2010, headed by Executive Vice President **Shawn Ackerman**, who has been with Henry S Miller for eight years. The new division will combine comprehensive retail brokerage services with existing property management operations, which currently manages and leases approximately two million square feet of commercial and multi-family projects.

Houston witnessed many **new appointments** to executive-level positions of its commercial real estate firms during the month of March. **Ron Rodriguez**, previously with Ohio National Financial Services, has joined **Grubb & Ellis** (713-599-5112) as Regional Vice President. **Thomas O Fish**, **Michael J Melody**, and **Thomas J Melody**, previously with CB Richard Ellis, have joined **Jones Lang LaSalle** (713-374-7280) as Executive Managing Directors for the firm's Americas Real Estate Investment Banking business. **W Douglas Goff**, who has been with **The Johnson Development Corp** (713-960-9977) for 15 years, has been promoted as Chief Operating Officer. **Gill Borok** of **CB Richard Ellis** (713-881-0900) has been promoted as Chief Financial Officer. **William G Carroll** of **Liberty Property Trust** (281-955-2000) has been named as Regional Property Manager of the company's Southern region portfolios, including Houston. **Thomas Owens**, who has been with **Hines Interests** (713-621-8000) since 1973, has been named as Executive Vice President and Chief Risk Officer for the firm's Investments worldwide. **Maritza Burgos**, with **Skanska USA** (713-401-5200), has been named as Diversity Manager for Texas. **Horacio Gomez**, with **Matrix Spencer Architects** (713-522-1666), has been promoted as Principal.

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](mailto:hkelch@poconnor.com)