

Specific Comments from MetroStudy:

*Though permit activity is falling, over 26,000 new apartments were introduced in Year 2016 in the Greater [Houston](#) area. Before the storm, rent concessions were rampant in Houston's apartment market. Single-family permit activity was also trending downward, but the entire Houston housing market was estimated to be over supplied by over 62,000 homes and apartments in Year 2017 – at least before Harvey hit. There is no way to know yet how many homes are damaged beyond repair, but the points set forth below reflect trends that are likely to quickly emerge:*

- *The over supplied apartment market in Houston will immediately tighten as displaced households and longer-term aid workers seek lodging.*
- *The remodeling market, which was already fairly healthy in Houston, will surge as residents begin repairs on damaged properties. Watch for HW's Residential Remodeling Forecast Index for Houston to soar in our 3Q'17 report.*
- *Economic and employment growth, which have already begun to recover in recent months, will experience a short-term surge as re-building efforts begin and as workers/relief organizations around the country are drawn to Houston. During the 12 months prior to Harvey, over 50,000 jobs were created in Houston for a 1.8% job growth rate – not impressive, but reflecting recovery. This growth rate may surge to over 4.0% as recovery and re-building and infrastructural repair begins, and as public sector dollars pour in.*
- *Over supply will diminish as thousands of homes are condemned or damaged beyond repair. Home prices for damaged homes in flooded areas may slide further as weary home buyers avoid market areas prone to flooding. Home prices for homes on high ground or areas that were relatively unscathed may experience a short-term surge. Residential land sales for 'safe' areas may experience a short-term gain in price and activity.*
- *In the short-term, damage to offshore wells and Houston's refineries will result in an increase in gasoline prices throughout the country. In the longer term, Houston's oil industry will recover. Indeed, inklings of recovery were already noticeable before Harvey.*