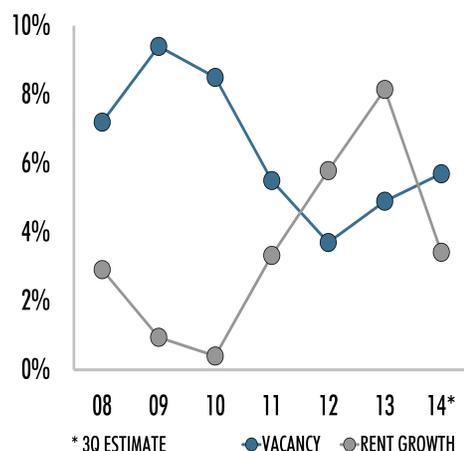


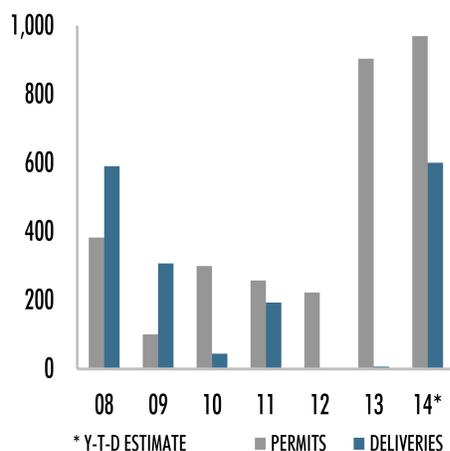
# CORPUS CHRISTI THIRD QUARTER 2014



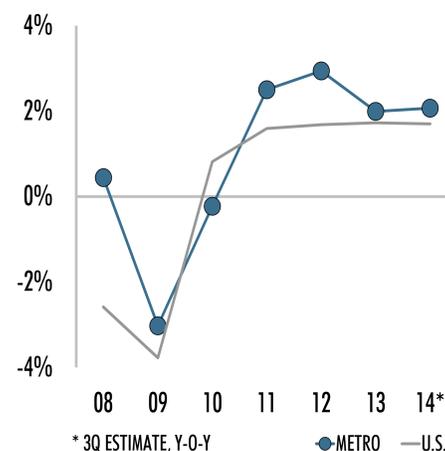
## VACANCY & RENT



## PERMITS & CONSTRUCTION



## EMPLOYMENT GROWTH



## VACANCY & RENT COMPARISON

SUBMARKETS	VACANCY		AVERAGE RENT INCREASE		AVERAGE RENT	
	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013
CITY OF CORPUS CHRISTI	5.7%	4.0%	3.4%	7.2%	\$908	\$878
MARKET TOTAL	5.7%	4.0%	3.4%	7.2%	\$908	\$878

- The Corpus Christi employment market strengthened as local employers hired 4,000 workers through the third quarter, increasing the labor-force 2.1% year over year. Local job growth consistently outperformed the national average rate of growth since 2011. The largest absolute gain in employment was in the leisure and hospitality industry, which expanded 5.2% with the creation of 1,500 jobs. The other services sector had the highest rate of growth, a gain of 5.9%, as 500 workers were hired. Likewise, the education and health services and the financial activities sectors expanded 2.5% and 2.3%, respectively, with a combined addition of 1,100 workers.
- The resilient employment market facilitated a 120-basis point decline in unemployment since the third quarter of 2013 to 4.9% in September of this year. The local jobless rate was 120 basis points below national unemployment of 6.1%.
- Single-family home prices increased 12.3% in the past four quarters to \$175,600 in September, the highest price on record. Home sales increased 0.8% year over year to 6,700 annualized transactions, though were still 19.6% below average annual velocity in the five-year period prior to the recession.
- Sustained job growth bolstered leasing activity. Renters absorbed 230 units in the third quarter, outpacing apartment demand in every quarter since mid-2012. Year to date, renters newly occupied 310 apartments, a shift from the negative absorption of 370 units in all of 2013.
- Builders completed 310 units in the last three months, the highest quarterly total since early 2007. Recent deliveries were a reversal from the dearth of completions since the first quarter of 2012. By the end of this year, approximately 220 additional apartments are expected to be delivered.
- Multifamily developers were encouraged by continued job growth and healthy apartment demand, as requests for permits ramped up 80.2% in the last 12 months to 1,450 annualized rentals in September. Single-family issuance rose 13.3% to 1,610 annualized homes.
- Vacancy increased 170 basis points year over year to 5.7%, while rising 80 basis points since the start of the year. Class A vacancy was 4.4%, a 160-basis-point increase since September of 2013. During the same period, the rate at Class B and C communities ascended 190 basis points to 5.5% and 6.4%, respectively.
- Rent appreciation persisted, despite the significant increase in vacancy in the last 12 months. By September of this year, average rent was \$908 per month, a gain of 3.4% from the third quarter of 2013. Class A rents advanced more slowly, rising 2.5% to \$1,197 per month.