Due to the government shutdown, data critical to generating the Houston Business-Cycle Index were unavailable at the time of writing. However, anecdotal evidence and other data, such as the Houston Purchasing Managers Index, point to steady or slightly decelerating economic growth. As shown in the chart, overall activity in Houston has remained positive in 2013 despite recent contractions but has been slower than last year.

September employment and unemployment data are not available for the Houston region, but over the course of the year, nonfarm employment has grown at an annualized rate of 2.7 percent. The area has seen strong growth in information services, construction and mining, education and health, and leisure and hospitality. Other services, a category that includes fields as varied as repair and maintenance, laundering services, civil and professional organizations, and pet hotels, contracted sharply over the year. Losses in government were concentrated in local education jobs.

The Conference Board’s Help Wanted OnLine Index for Houston indicated the number of new job advertisements in the area fell 10.8 percent in October, with service occupations declining the most. All occupational categories in the index declined from September to October. Year over year, ads for most occupations are still up, with the notable exception of professional and related. That group’s contribution to total job advertisements turned sharply negative in October.

Gulf Coast diesel and gasoline prices fell in October, with on-highway diesel down 8 cents to $3.80 and gasoline pump prices off 22 cents to $3.13. Declines were in part seasonal as refiners switched to winter fuel blends. The Gulf Coast refinery utilization rate decreased to 87.1 percent from 92.6 over the same period. The Henry Hub natural gas spot price averaged $3.62 in October, up 5.8 percent from September. Ethane spot prices were flat, while propane continued to increase for the fourth straight month in September. The average monthly price of West Texas Intermediate and Brent oil both declined by a little more than a quarter of a percent to $106.29 and $111.64, respectively, in October.
Trade data for September were not available at the time of writing. Monthly changes in the real value of imports and exports have flattened out in the most recent data. The moving average of imports declined 1.9 percent in August. Much less oil is being imported than a year ago, but declines in oil imports have been tapering off. In March, that category bottomed out at 48.9 percent of the value of total imports, but its share of imports stood at 54.6 percent as of August.

Moving-average exports were 0.2 percent higher in August than July, but despite slight quarterly increases through 2013, exports remain slightly down compared with the same time in 2012. That year-over-year decline was fairly broad based. The most significant contributors were oil and related (refined products), vegetable-based gums, resins and extracts, and transportation equipment (ships).

Five of the top seven export destinations from Houston in 2013 are in Latin America, including the largest, Mexico. Compared with 2012, the nominal value of exports to Colombia have grown the most, while exports to the Netherlands have contracted.

Home sales moved higher in the third quarter. Existing-home sales grew 1 percent in September but expanded 3.2 percent over the third quarter. The median home price was $179,870 in the third quarter, down slightly from $181,426 in the second quarter. Seasonally adjusted housing inventory fell to 3.1 months in September, a record low. A shortage of available lots continues to keep upward pressure on the prices of single-family and multifamily housing. Permits and starts for single-family units were down in August.

Commercial real estate continued to do well in the area in the third quarter. Vacancy rates for industrial and retail real estate were an estimated 5.1 percent and 8.5 percent, respectively. Both rates were lower than in the same period in 2012, but industrial vacancy went up slightly from the second quarter. The square footage under construction increased both year over year and quarter over quarter, rising to 9.6 million for industrial and 3.6 million for retail.

Construction jobs have increased across all sectors in 2013. Jobs in building construction towered over other subsectors, growing 5.7 percent so far this year.