

# HUD PD&R Housing Market Profiles

## Corpus Christi, Texas



### Quick Facts About Corpus Christi, Texas

- **Current sales market conditions: balanced**
- **Current apartment market conditions: balanced**
- **In 2018, the Port of Corpus Christi—located in Nueces County—was the third largest U.S. port by total revenue in tonnage of trade. Industrial projects amounting to \$52 billion are planned for the area, with nearly \$1.3 billion directed to fund the Channel Improvement Project, estimated for completion in 2023. The Channel Improvement Project will deepen the Corpus Christi Ship Channel to 52 feet, widen the port to 530 feet, and replace the Harbor Bridge to support post-Panamax ships.**



By T. Michael Miller | As of November 1, 2019

## Overview

The Corpus Christi metropolitan area consists of Aransas, Nueces, and San Patricio Counties on the Texas Gulf Coast, situated 150 miles northeast of the U.S. border with Mexico and 150 miles southeast of San Antonio. In 2015, the Energy Policy and Conservation (EPC) Act of 1975, which banned the export of petroleum products, was lifted, contributing to economic growth in the metropolitan area; the expansion of petroleum processing and distribution at the Port of Corpus Christi has since caused this growth. The main sources of petroleum passing through the port are the Eagle Ford Shale and Barnett Shale fields, which are proximal to the Corpus Christi metropolitan area. Hurricane Harvey, a Category 4 hurricane, reached land just east of the Corpus Christi metropolitan area in August 2017, which resulted in severe property damage and flash flooding in portions of the metropolitan area. Property damage was most significant in Aransas County, where nearly one-half of the structures experienced damage in excess of 25 percent.

- As of November 1, 2019, the estimated population in the Corpus Christi metropolitan area was 453,600, an average increase of 2,650, or 0.6 percent annually since April 2010.
- From 2016 to 2018, weak economic conditions contributed to population decline as people moved away from the area. During that time, the population declined by an average of

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670 people, or 0.1 percent annually, and net out-migration averaged 2,500 people annually.

- Since 2018, improved economic conditions have reversed recent population declines. The population has grown by an

average of 500 people, or 0.1 percent annually, and net out-migration has averaged 1,300 people annually, diminishing the net natural increase (resident births minus resident deaths) of 1,800 people annually.

## Economic Conditions

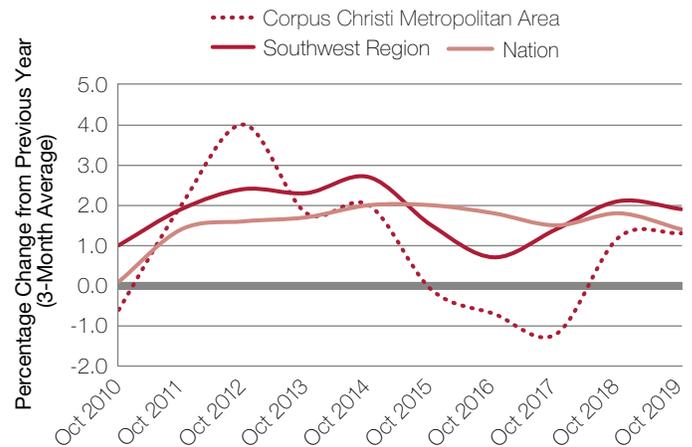
Total nonfarm payroll job growth in the Corpus Christi metropolitan area expanded during the past 2 years, following 2 years of job losses. Total nonfarm payrolls declined by an average of 0.4 percent annually from 2016 through 2017, compared with an average annual increase of 0.7 percent since 2018. After the EPC Act of 1975 expired in 2015, global demand for oil- and gas-related products declined through January 2016. In subsequent years, as global demand for oil and gas products improved, petroleum processing and distribution in the metropolitan area benefited from the Consolidated Appropriations Act, 2016 with increased production.

During the 3 months ending October 2019—

- Total nonfarm payrolls averaged 195,300, an increase of 2,500 jobs, or 1.3 percent, from the same period in 2018. Payroll growth in the Corpus Christi metropolitan area, however, lagged behind the Southwest region and national growth rates, which averaged 1.9 and 1.4 percent, respectively.
- The mining, logging, and construction sector added the most jobs and grew at a faster rate than any other sector, with an increase of 900 jobs, or 3.7 percent, compared with a year earlier.

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Total nonfarm payroll growth in the Corpus Christi metropolitan area has been consistently below the rates of growth for the nation and the Southwest region since December 2014.



Note: 3-month average nonfarm payroll job growth. Source: U.S. Bureau of Labor Statistics

### Seven sectors in the Corpus Christi metropolitan area increased during the 3 months ending October 2019.

	3 Months Ending		Year-Over-Year Change	
	October 2018 (Thousands)	October 2019 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	192.8	195.3	2.5	1.3
Goods-Producing Sectors	32.5	33.8	1.3	4.0
Mining, Logging, & Construction	24.2	25.1	0.9	3.7
Manufacturing	8.3	8.6	0.3	3.6
Service-Providing Sectors	160.3	161.5	1.2	0.7
Wholesale & Retail Trade	27.3	27.1	-0.2	-0.7
Transportation & Utilities	5.8	5.9	0.1	1.7
Information	1.6	1.6	0.0	0.0
Financial Activities	8.3	8.6	0.3	3.6
Professional & Business Services	19.0	19.0	0.0	0.0
Education & Health Services	32.2	32.8	0.6	1.9
Leisure & Hospitality	25.9	26.2	0.3	1.2
Other Services	6.3	6.5	0.2	3.2
Government	33.9	33.8	-0.1	-0.3
	<b>(Percent)</b>	<b>(Percent)</b>		
Unemployment Rate	4.7	4.1		

Note: Numbers may not add to totals due to rounding. Source: U.S. Bureau of Labor Statistics



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This growth was primarily a result of the start of construction of the \$22 billion joint Exxon Mobil Corporation and Saudi Basic Industries Corporation facility. When complete in 2022, the facility will produce chemicals used in automotive coolants, packaging, agricultural film, construction materials, and clothing.

- The only two nonfarm payroll sectors to lose jobs were the wholesale and retail trade and the government sectors, decreasing by 200 and 100 jobs, or 0.7 and 0.3 percent, respectively.
- In the Corpus Christi metropolitan area, the unemployment rate averaged 4.1 percent, down from 4.7 percent a year earlier. For comparison, unemployment rates for the United States and the state of Texas averaged 3.4 and 3.5 percent, respectively, each down from 3.7 percent a year earlier.

## Sales Market Conditions

Sales housing market conditions in the Corpus Christi metropolitan area are currently balanced, with an estimated vacancy rate of 2.0 percent, down from 2.5 percent in April 2010. As of September 2019, the metropolitan area had 5.2 months of for-sale inventory available, down slightly from 5.3 months a year ago (CoreLogic, Inc.). As of September 2019, 2.0 percent of home loans in the metropolitan area were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status, down from 3.2 percent a year earlier, but higher than the Texas and national rates of 1.3 and 1.4 percent, respectively.

**New and existing home sales prices in the Corpus Christi metropolitan area have mostly increased since mid-2013 and late 2011, respectively.**



Note: Includes single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

## Largest Employers in the Corpus Christi Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Naval Air Station Corpus Christi	Government	4,500
HEB Grocery Co. LP	Wholesale & Retail Trade	3,840
CHRISTUS Spohn Health System	Education & Health Services	3,000

Notes: Excludes local school districts. Data for Naval Air Station Corpus Christi include 1,900 military personnel who are generally not included in nonfarm payroll survey data.

Source: Corpus Christi Economic Development Corporation

During the 12 months ending September 2019—

- Existing home sales (including single-family homes, townhomes, and condominiums) totaled 9,650, down 2 percent from the 9,825 homes sold during the 12 months ending September 2018 (CoreLogic, Inc., with adjustments by the analyst).
- The average sales price for an existing home was \$210,100, an increase of 4 percent from \$201,700 during the previous 12 months. The average existing home sales price declined

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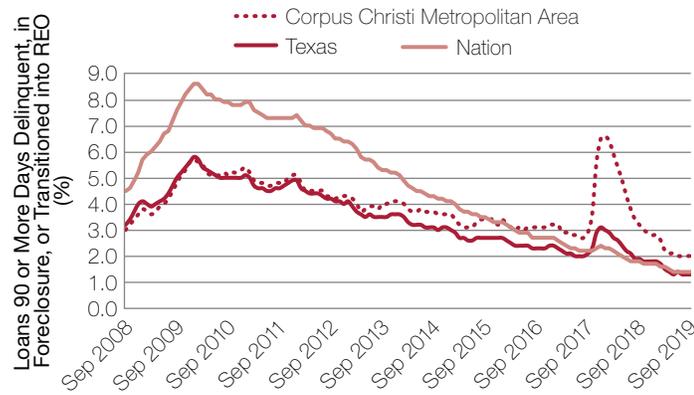
**New home sales in the Corpus Christi metropolitan area have been declining since August 2016, whereas existing home sales have been increasing since September 2018.**



Note: Includes single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

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**The proportion of seriously delinquent home loans and REO properties in the Corpus Christi metropolitan area and Texas increased in late 2017 through 2018, an impact of Hurricane Harvey.**



REO = real estate owned.  
Source: CoreLogic, Inc.

2 percent during 2017, following an average increase of 5 percent annually from 2011 through 2016.

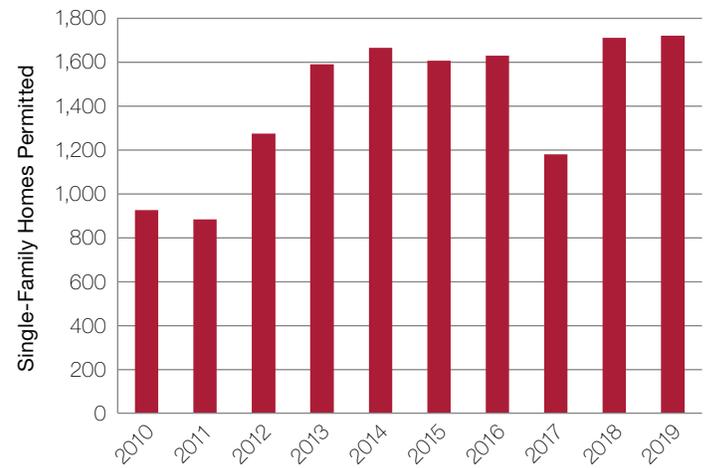
- The number of new homes sold (including single-family homes, townhomes, and condominiums) totaled 1,000, up 4 percent from the 960 homes sold during the previous 12 months, in part due to a delay in construction following Hurricane Harvey in 2017.
- The average sales price for a new home was \$285,000, a 6-percent increase from \$269,200 a year ago. New home prices are approximately 32 percent higher than the average of \$216,000 in 2013.

Single-family home construction, as measured by the number of single-family homes permitted, has been relatively consistent during the past 7 years, except for a drop in 2017 when new home construction slowed for a few months following Hurricane Harvey. Since 2010, nearly 75 percent of new home construction has been in Nueces County. New home construction within the city of

Corpus Christi, has accounted for more than 80 percent of new single-family homes permitted in the Corpus Christi metropolitan area during the past year.

- The number of single-family homes permitted totaled 2,050 during the 12 months ending October 2019, up 27 percent from the previous 12 months (preliminary data). This is above the average of 1,600 annually from 2013 through 2016.
- The Cottages at the Park, a southside neighborhood in the city of Corpus Christi with plans for about 75 single-family homes that start at \$160,000, is nearly 80 percent complete.
- The Village at Rancho Vista (North and South), a typical development in the Corpus Christi area, is a new neighborhood with plans for 175 single-family homes. Construction is under way with new single-family home prices starting at \$170,000.

**Single-family permitting activity in the Corpus Christi metropolitan area has increased since 2018 following a year of slower permitting.**



Note: Includes preliminary data from January 2019 through October 2019.  
Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

**Apartment Market Conditions**

The apartment market in the Corpus Christi metropolitan area is currently balanced, a result of decreased multifamily construction since 2016 and expanded nonfarm payroll growth during the past 12 months. The apartment vacancy rate declined to 6.3 percent during the third quarter of 2019 compared with 7.0 percent during the third quarter of 2018 (RealPage, Inc.). Currently, an estimated 38.3 percent of all households in the metropolitan area are renters, compared with 37.2 percent in April 2010. Apartments make up approximately 37 percent of renter-occupied units (2018 American Community Survey 1-year data).

During the third quarter of 2019—

- Apartment vacancy rates ranged from 5.2 percent in the Downtown-Bayside RealPage, Inc.-defined market area (hereafter, area) to 8.4 percent in the San Patricio-Aransas Counties area.
- The average asking rent was \$982, up 1.7 percent from the average rent a year earlier compared with an increase of 4.5 percent during the third quarter of 2018.

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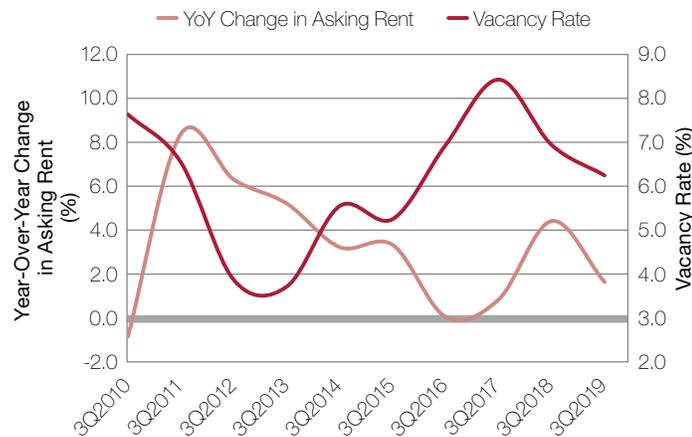
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- The Inland Corpus Christi area reported the lowest average rent, \$961, and the largest annual increase in average rent, 2.8 percent, compared with a year earlier.
- The average asking apartment rents by number of bedrooms were \$860, \$1,059, and \$1,275 for one-, two-, and three-bedroom units, respectively.

Multifamily construction activity, as measured by the number of units permitted, declined during the 12 months ending October 2019 compared with construction activity a year earlier; nearly 350 apartment units are currently under construction.

- During the 12 months ending October 2019, 420 multifamily units were permitted (preliminary data), about 14 percent less than the 480 multifamily units permitted during the previous 12 months.

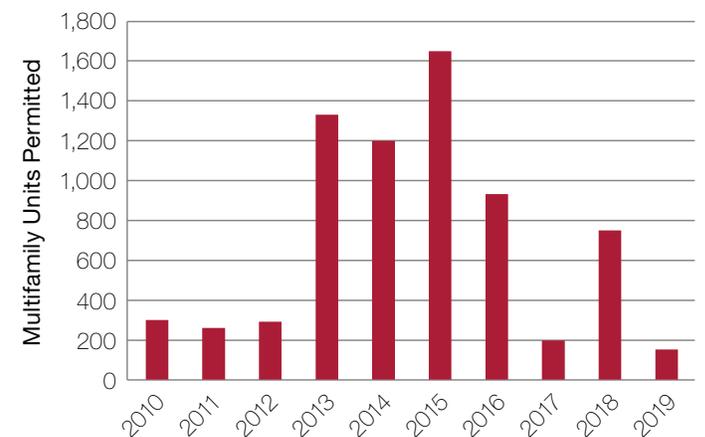
**Vacancy rates have declined whereas rent growth has slowed in the Corpus Christi metropolitan area during the past year.**



3Q = third quarter. YoY = year-over-year.  
 Note: Based on four-quarter moving averages.  
 Source: RealPage, Inc.

- From 2013 through 2016, an average of 1,225 multifamily units were permitted annually, a significant increase from the average of 370 multifamily units permitted annually from 2007 through 2012.
- The 96-unit Riverview at Calallen opened in 2018 in northwest Corpus Christi, with one-, two-, and three-bedroom units ranging from 736 to 1,250 square feet and monthly rents ranging from \$335 to \$973.
- The 286-unit Ariza Corpus Christi is currently under construction in the city of Corpus Christi and is expected to begin leasing in early 2020, with monthly rents for one-, two-, and three-bedroom units starting at \$965, \$1,275, and \$1,450, respectively.

**Multifamily permitting in the Corpus Christi metropolitan area is currently below its recent peak in 2015.**



Note: Includes preliminary data from January 2019 through October 2019.  
 Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

