



# Fort Bend County – Future Growth Implications

## Todd LaRue, Principal, RCLCO

Fort Bend County Economic Development Council | July 18, 2013





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RCLCO NATIONAL MPC SURVEY

# SALES IN TOP MPCs NATIONALLY UP 37% FROM 2011-2012

**EIGHT communities in the Houston Region, FIVE in Ft Bend County and TWO Emerging**

Rank 2012	Rank 2011	Name	Location	2012 Sales	2011 Sales	% Change
1	1	The Villages	Ocala, Florida	2,851	2,307	24%
2	4	Irvine Ranch	Orange Co, California	1,436	744	93%
3	2	The Woodlands	Houston, Texas	1,007	945	7%
4	3	Cinco Ranch	Houston, Texas	982	862	14%
5	7	Mountain's Edge	Las Vegas, Nevada	948	434	118%
6	8	Providence	Las Vegas, Nevada	760	421	81%
7	15	Riverstone	Houston, Texas	605	302	100%
8	5	Alamo Ranch	San Antonio, Texas	583	490	19%
9	9	Lakewood Ranch	Sarasota, Florida	573	391	47%
10	14	Nocatee	Ponte Vedra, Florida	508	313	62%
11	11	Stapleton	Denver, Colorado	507	380	33%
12	25	Summerlin	Las Vegas, Nevada	471	221	113%
13	6	Brambleton	Washington, D.C.	466	454	3%
14	-	Lake Nona	Orlando, Florida	441	164	169%
15	13	Bridgeland	Houston, Texas	423	334	27%
16	18	Sienna Plantation	Houston, Texas	387	267	45%
17	17	Shadow Creek Ranch	Houston, Texas	362	277	31%
17	23	FishHawk Ranch	Tampa, Florida	362	229	58%
19	-	Woodforest	Houston, Texas	308	-	-
20	10	Telfair	Houston, Texas	307	381	-19%

# FORT BEND COUNTY HOME TO MOST OF HOUSTON'S TOP MPC'S

- The most successful MPCs are special places in their respective markets, clearly differentiated from standard subdivisions
  - *Attention to detail, higher-quality built environment and superior lifestyle offering*
- Once again realizing premiums for lots

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4	3	Cinco Ranch	Ft Bend County	982	862	14%
7	15	Riverstone	Ft Bend County	605	302	100%
15	13	Bridgeland	Harris County	423	334	27%
16	18	Sienna Plantation	Ft Bend County	387	267	45%
17	17	Shadow Creek Ranch	Ft Bend/Brazoria	362	277	31%
19	-	Woodforest	Montgomery County	308	-	-
20	10	Telfair	Ft Bend County	307	381	-19%
22	-	Aliana	Ft Bend County	300+		
23	-	Cross Creek Ranch	Ft Bend County	300+		

# HOUSTON MPC PERFORMANCE

- Sales up 25%+ Houston but not in mature communities such as The Woodlands and Cinco Ranch
  - Less product diversification
  - Approaching build-out
- Houston communities with fewer land constraints such as Bridgeland and Riverstone increased sales
- Demand is up but lot development continues to lag absorption - MPCs account for about 30% of sales, but only represent less than 20% of lot inventory
- Lot inventory is at its lowest level in nearly 10 years—true in Austin and Dallas as well
- Builders skeptical MPC's can keep up with demand and are self-developing smaller communities in the absence of sufficient new replacement master-planned communities.



Riverstone, Johnson Development

# NATIONAL MPC OUTLOOK

- There is once again strong market demand for homes and lots in MPC's, as demonstrated in both mature and relatively new communities
- Though MPC's are once again realizing premiums for homes and lots, the economics of launching new MPC's are challenging
- One of the biggest challenges with new MPC's wanting to take advantage of this is the upfront infrastructure costs—use of MUD's and PID's in TX and CDD's in FL may point the way
- Some markets like Phoenix that seemed very oversupplied a year ago and are now supply constrained as the market has turned around
- Prices of labor and materials continue to go up as residential recovery continues—will prices keep up?
- **MPC's with good access to job centers, or able to tap the growing AAC demand, have the strongest sales**

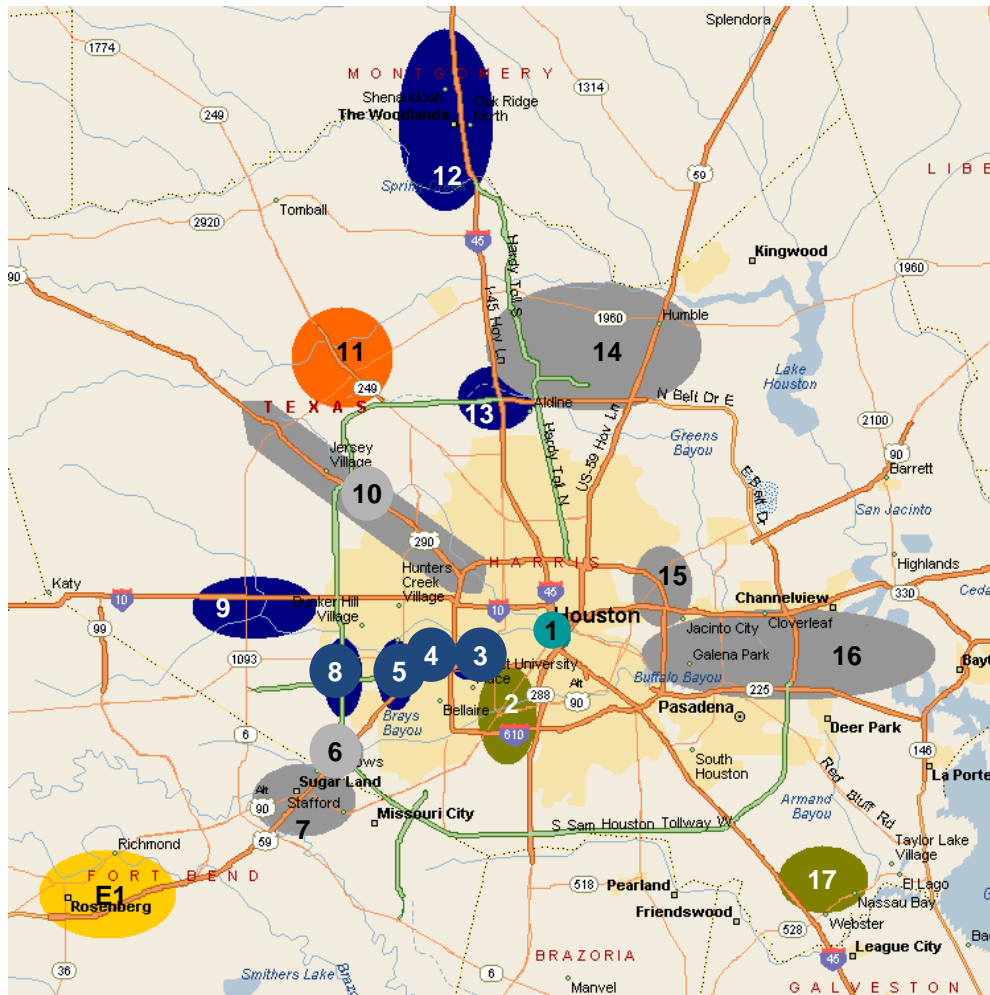


## HOUSTON JOB CORES





# HOUSTON EMPLOYMENT CORES – MOST IN HARRIS CO. FT BEND COUNTY HAS ONLY 1 TRUE EMPLOYMENT CORE



MAP KEY	CORE	CORE TYPE	2009 TOTAL JOBS	2040 TOTAL JOBS
	<b>URBAN</b>			
1	Downtown	Urban	145,417	156,569
	<b>OFFICE</b>			
3	Greenway Plaza	Office	71,084	99,473
4	Galleria	Office	82,050	84,791
5	SW/West Park Toll	Office	72,360	80,901
8	Westchase	Office	59,275	66,261
9	Katy Freeway/Energy Corridor	Office	57,941	66,136
12	The Woodlands	Office	36,153	54,838
13	Greenspoint	Office	59,515	86,928
	<b>INDUSTRIAL</b>			
6	Beltway & SW Freeway	Industrial	20,684	26,298
7	Sugarland/Stafford/Missouri City	Industrial/ Emerging Office	50,649	70,711
10	Northwest Freeway Corridor	Industrial	174,916	244,374
14	IAH	Industrial	56,439	87,746
15	Northeast Loop Core	Industrial	17,623	30,149
16	Pasadena/Shipping Channels	Industrial	43,439	66,706
	<b>CATALYTIC</b>			
2	Texas Medical Center/Rice	Catalytic	98,989	127,190
17	NASA	Catalytic	35,824	41,646
	<b>RETAIL</b>			
11	FM 1960 Tomball	Retail	23,037	38,501
	<b>EMERGING</b>			
E1	Richmond/Rosenberg	Emerging	21,640	46,351



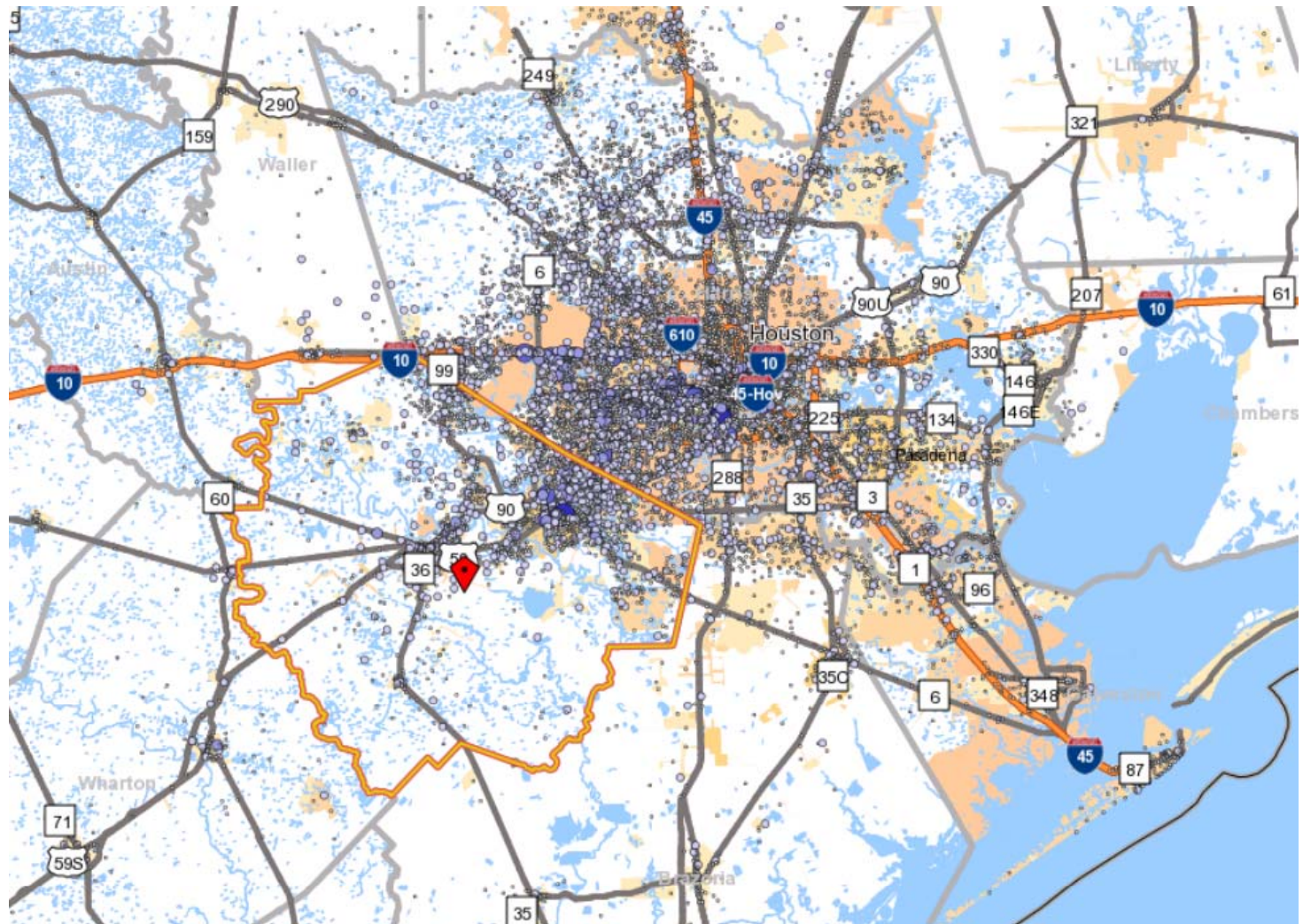
WHY DOES FORT BEND COUNTY NEED AN  
EMPLOYMENT CORE?

# WHY DOES FORT BEND COUNTY NEED MORE EMPLOYMENT CORES?

- ▶ **Fort Bend County is the region's fastest growing county**—it is gaining more than twice its fair share of the region's population growth
- ▶ Fort Bend is nationally known for its high quality of life, but more employment cores needed to support its burgeoning household base
  - Fort Bend County is loaded with high-quality master planned communities (MPCs) with retail and supporting services, but affluent, educated residents of those households are working elsewhere in most cases
  - Household growth occurring further and further from job centers, further stressing road infrastructure that must accommodate more commuters going east/northeast
  - The more rooftops Ft Bend accommodates without another well-planned large job center may put at risk its high quality of life due to traffic, congestion, mobility problems, etc.
- ▶ Fort Bend should work towards a better balance of jobs and households to ensure its economic future
  - Increasing the amount of high paying, export-oriented industry jobs in Fort Bend County will help keep and attract new residents with high wage jobs working in Fort Bend County
  - Based on improving jobs to housing ratios, there is demand for at least one and up to three new employment cores in the County over the next 30 years
  - ***Infrastructure projects crucial to facilitating new job centers***

**ONLY 20% OF FORT BEND COUNTY RESIDENTS BOTH LIVE AND WORK IN THE COUNTY**  
**65% COMMUTE TO HARRIS COUNTY**

**Where  
Residents of  
Fort Bend  
County Work  
2011**

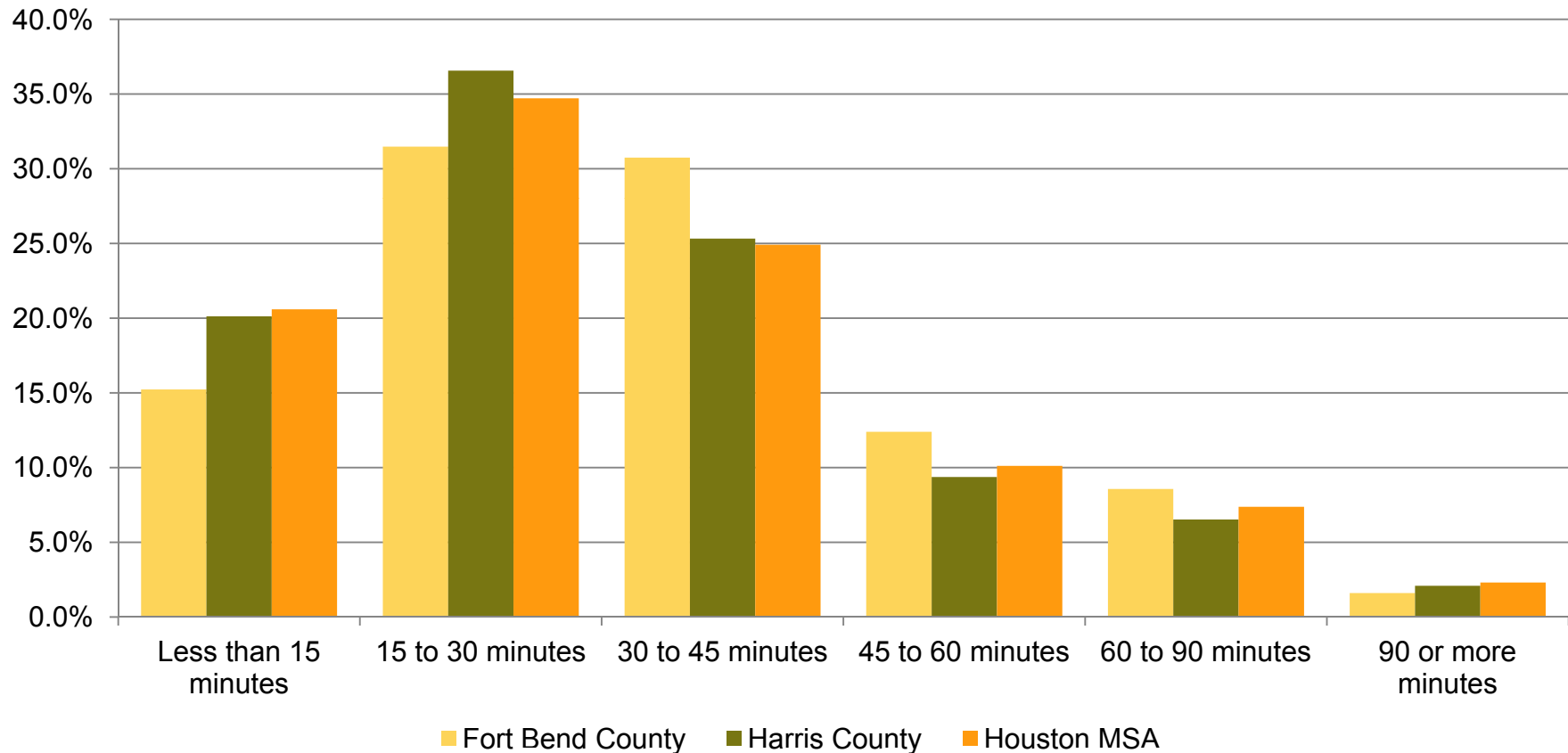


SOURCE: U.S. Census Bureau; Local Employment Dynamics; On The Map

# FORT BEND HAS A GREATER SHARE OF WORKERS COMMUTING 30 TO 90 MINUTES

## IF PATTERN CONTINUES WHAT HAPPENS TO QUALITY OF LIFE?

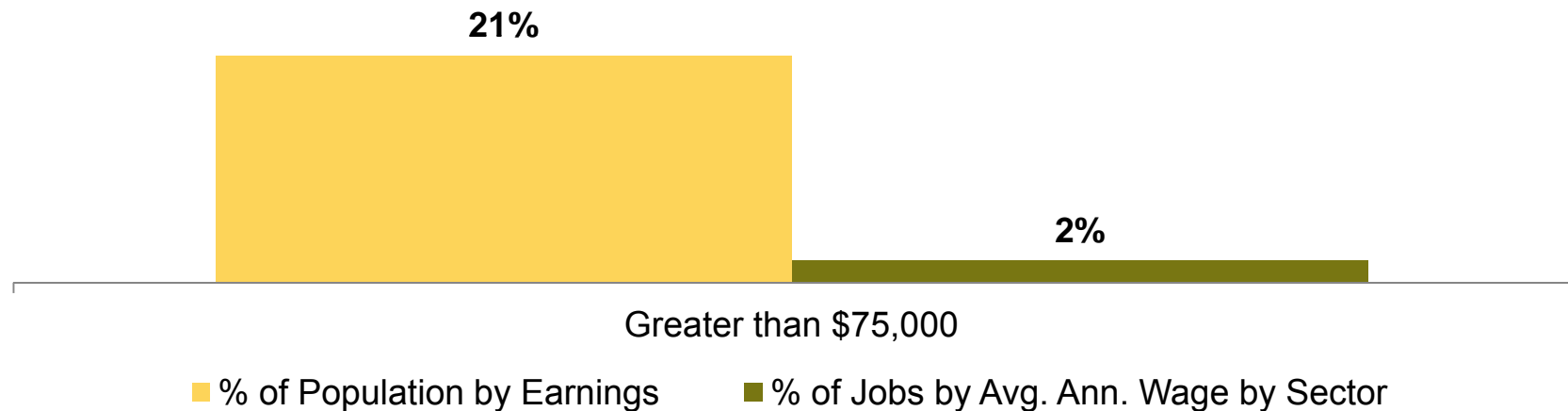
**Distribution of Workers by Travel Time to Work**  
 Fort Bend County, Harris County, and Houston MSA  
 2009



SOURCE: U.S. Census, American Community Survey, 2007-2009

ADDITIONALLY, THE JOBS THAT ARE LOCATED IN FORT BEND DO NOT LINE UP WITH THE EARNINGS OF THE RESIDENTS  
HIGH-WAGE JOBS ARE LOCATED ELSEWHERE IN HOUSTON REGION

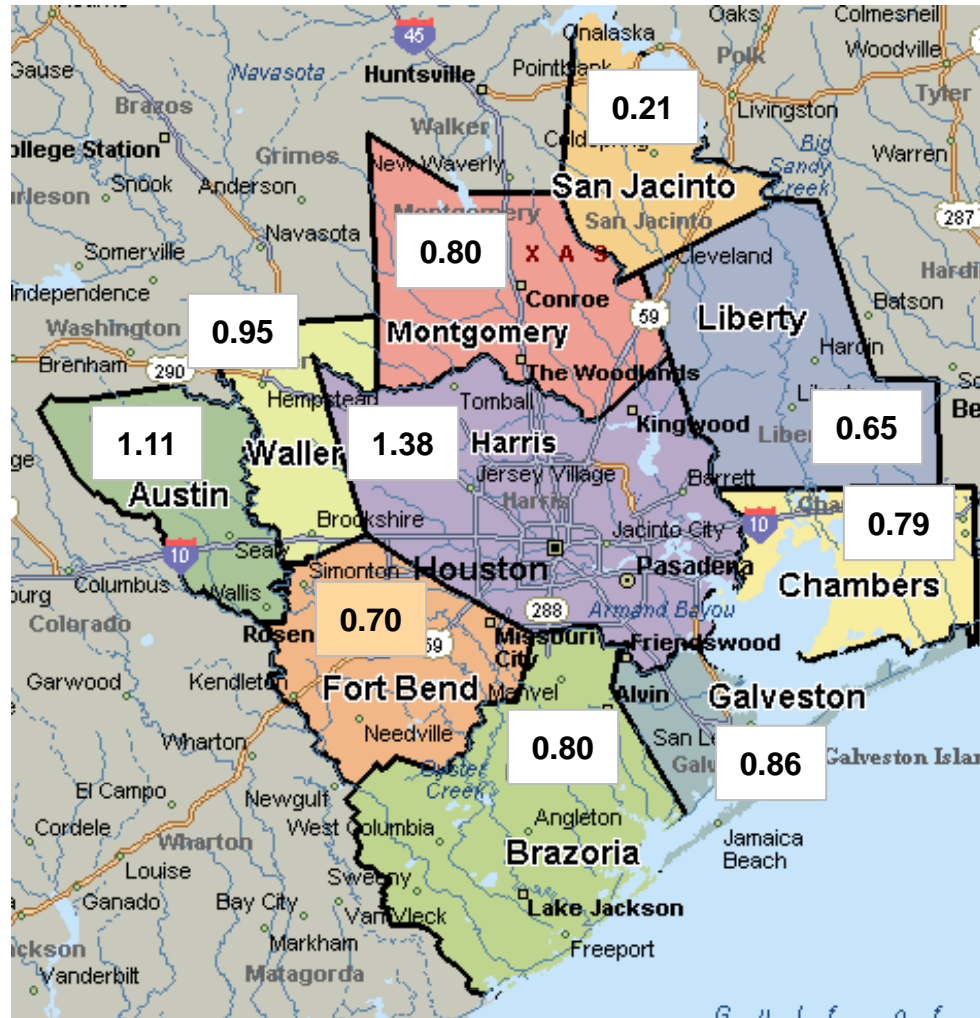
**Distribution of Resident Earnings and Employee Wages**  
Fort Bend County, Texas  
2010



SOURCE: BLS; U.S. Census American Community Survey

**FORT BEND IS 2<sup>ND</sup> LARGEST COUNTY IN REGION, BUT HAS ONE OF THE LOWEST JOBS TO HOUSING RATIOS**  
**AVERAGE FOR HOUSTON REGION IS 1.3 JOBS/HOUSEHOLD**

**Jobs to Housing Ratio**  
**Houston Region**  
**2010**

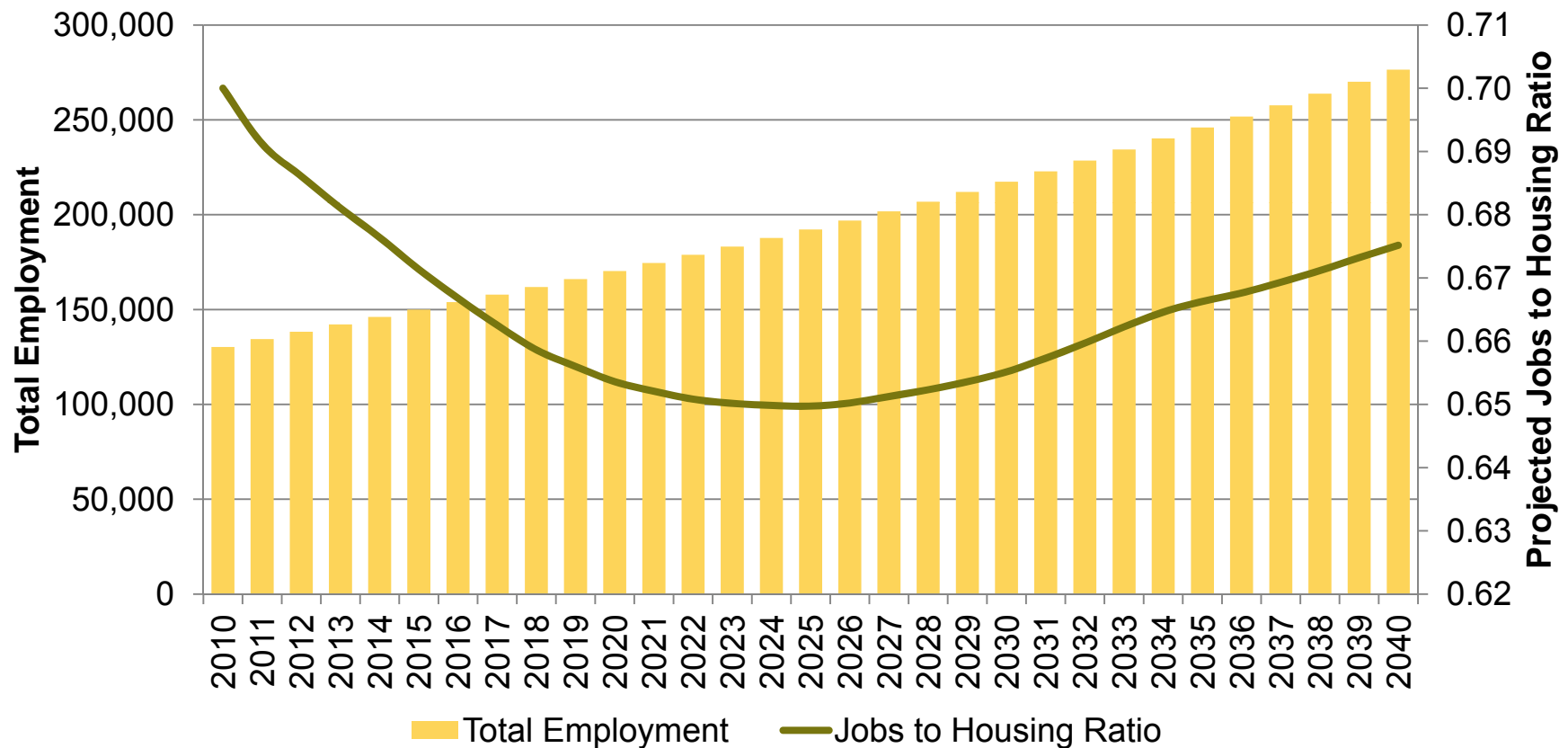


SOURCE: U.S Census 2010; BLS



# GOING FORWARD, A CONTINUED IMBALANCE OF JOBS AND HOUSING MAY LEAD TO MORE CONGESTION AND IMPACT THE COUNTY'S COMPETITIVE ADVANTAGE & QUALITY OF LIFE

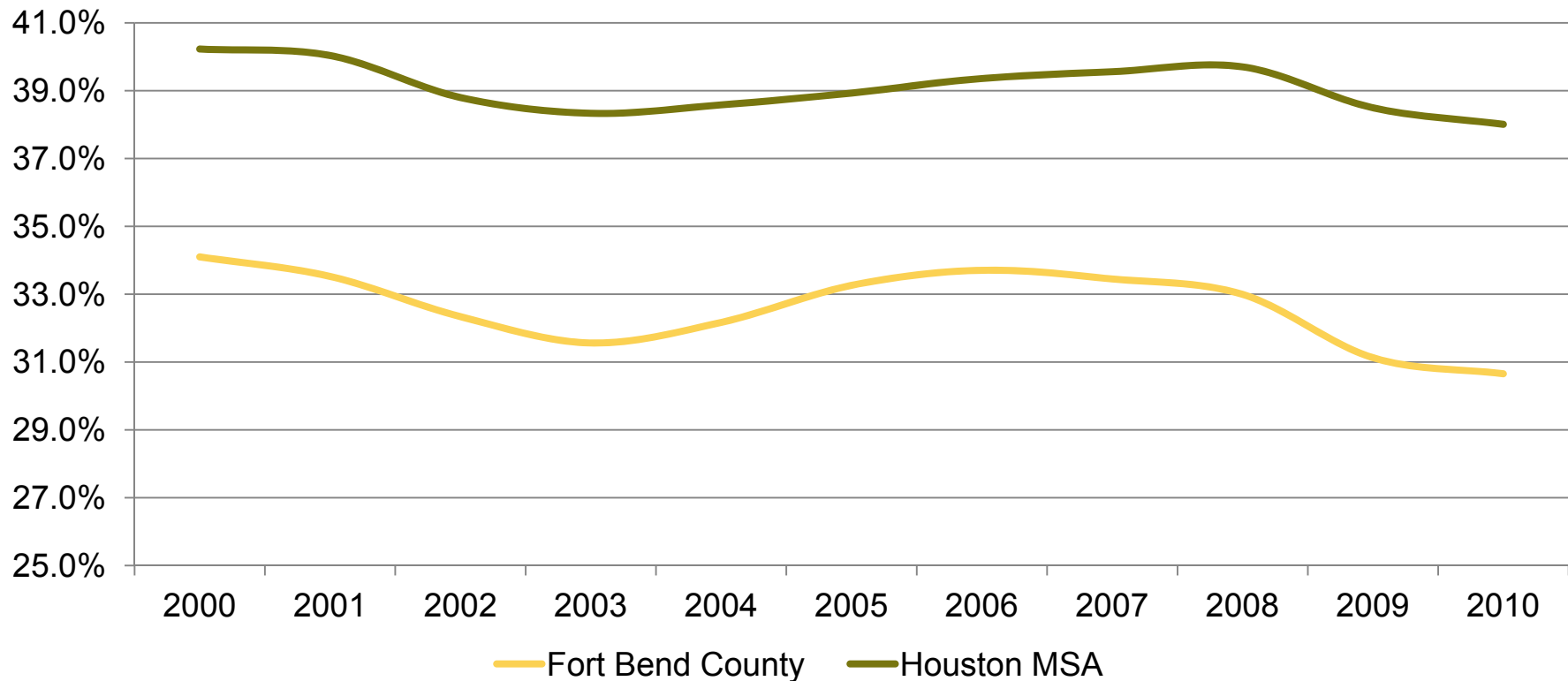
## Projected Total Employment and Jobs to Housing Ratio Fort Bend County, Texas 2010 – 2040



NOTE: Adjusted based on projected employment growth rates from HGAC applied to BLS 2010 employment in Fort Bend County  
SOURCE: H-GAC; RCLCO; BLS

# TO IMPROVE THE JOBS AND HOUSING BALANCE IN FORT BEND WITH ADDITIONAL JOB GROWTH WILL REQUIRE ADDITIONAL GROWTH IN EXPORT INDUSTRY SECTORS

## Historical Share of Jobs in Export Industries<sup>1</sup> Fort Bend County vs. Houston MSA 2000 – 2010



<sup>1</sup> Export industries include Natural Resources & Mining, Manufacturing, Wholesale Trade, Information, Financial Activities & Professional Business Services

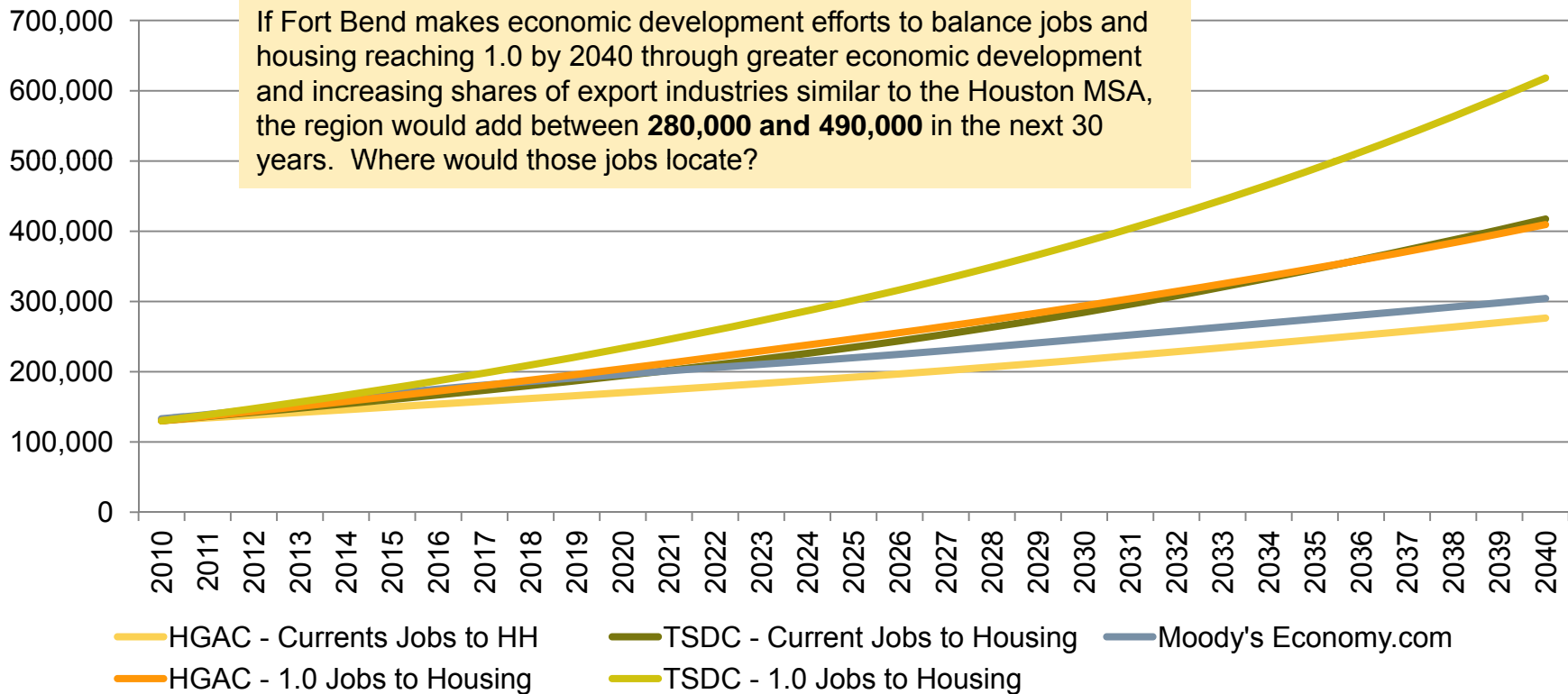
SOURCE: Moody's Economy.com; RCLCO

# SIGNIFICANT JOB GROWTH IN THE NEXT 30 YEARS WILL REQUIRE NEW JOB CORES

## Projected Total Employment Scenarios Fort Bend County, Texas 2010 – 2040

At current projected low jobs to housing ratios, Fort Bend is expected to add between 150,000 and 290,000 jobs. Where will those jobs locate?

If Fort Bend makes economic development efforts to balance jobs and housing reaching 1.0 by 2040 through greater economic development and increasing shares of export industries similar to the Houston MSA, the region would add between **280,000 and 490,000** in the next 30 years. Where would those jobs locate?



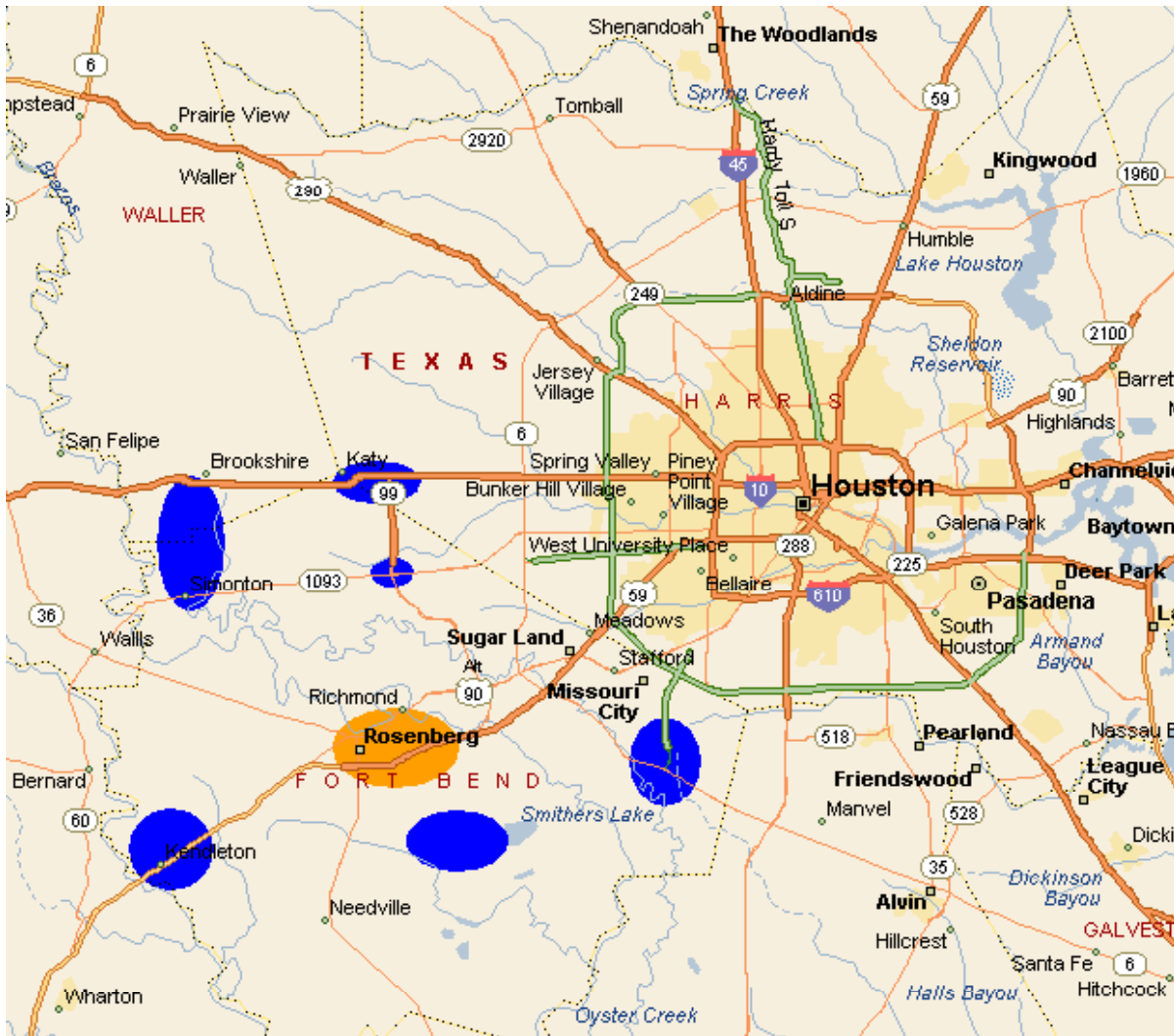
NOTE: Based on projected growth rates from H-GAC and TSDC applied to 2010 BLS employment and jobs to housing ratios  
SOURCE: RCLCO; H-GAC; Texas State Data Center



WHERE IN FORT BEND COULD EMPLOYMENT  
CORES EVOLVE?

# SEVERAL POTENTIAL LOCATIONS FOR NEW EMPLOYMENT CORES TO EMERGE IN FORT BEND COUNTY

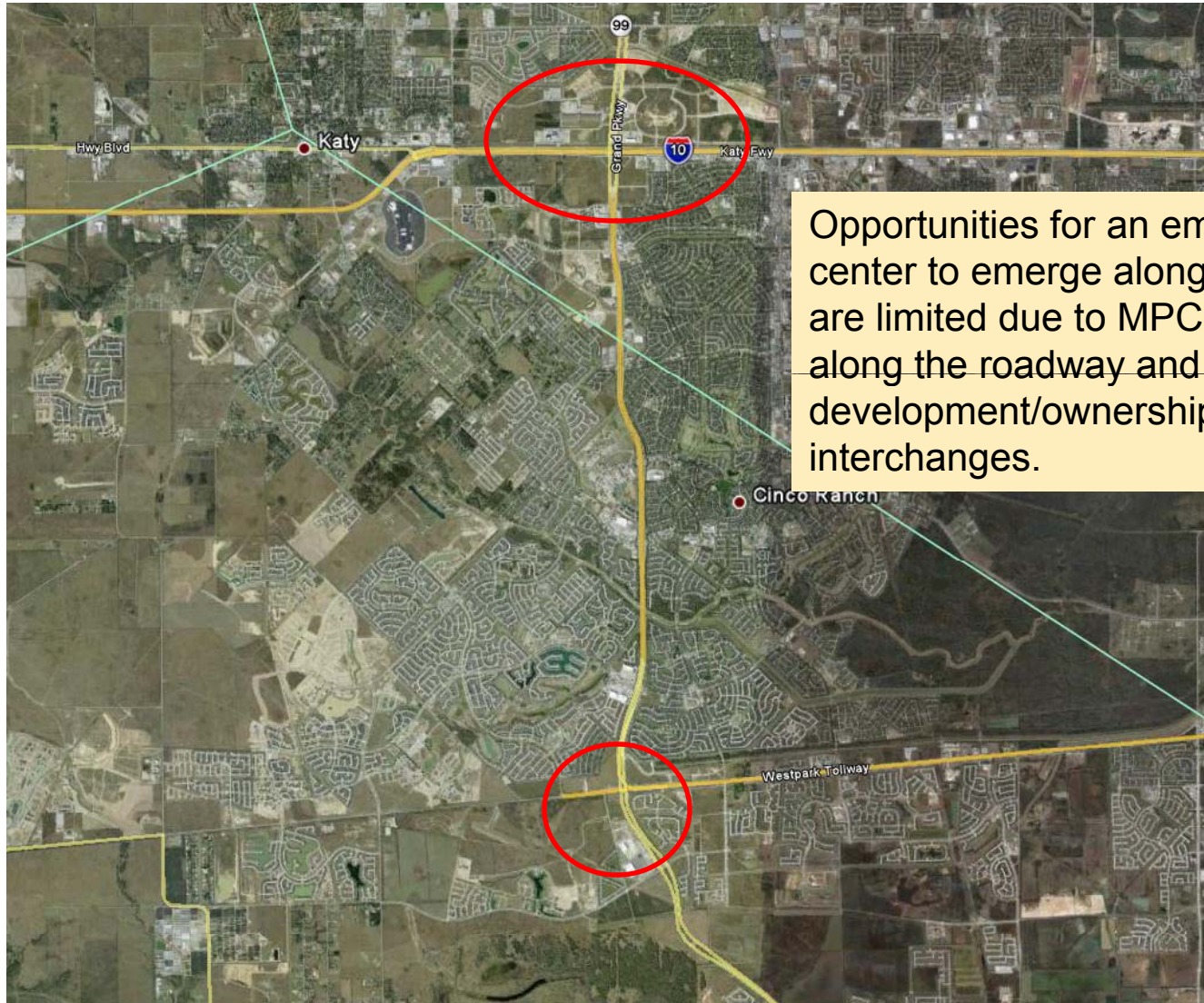
## IMPROVED EAST-WEST AND NORTH-SOUTH MOBILITY IS KEY



To become a regional employment core, potential locations need:

- ▶ **Strong transportation access (current/future) to existing centers of employment or ports**
- ▶ Proximity to executive, high-quality housing
- ▶ Large contiguous pieces of land with good visibility and infrastructure to place a large amount of employment space
- ▶ Opportunities for housing surrounding the employment core to support the jobs in the core

# GRAND PARKWAY AT WESTPARK AND I-10 CAN ACCOMMODATE SOME NEAR-TERM EMPLOYMENT, BUT AVAILABLE LAND INSUFFICIENT FOR MAJOR CONCENTRATION



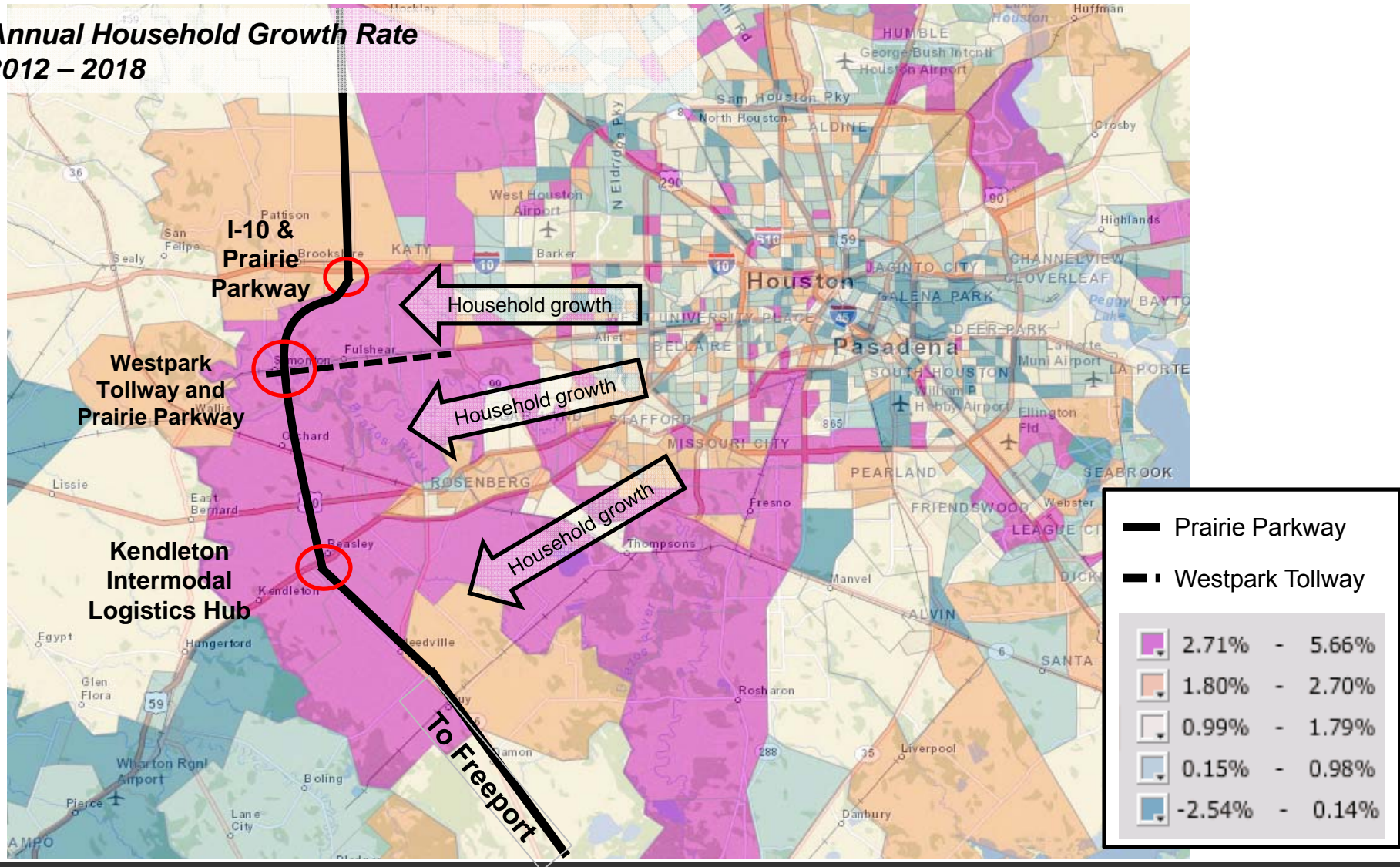
Opportunities for an employment center to emerge along Grand Pkwy. are limited due to MPC development along the roadway and fragmented development/ownership at key interchanges.

# FUTURE 36A/PRAIRIE PARKWAY COULD SERVE AS LIFELINE TO SECURE ECONOMIC SUSTAINABILITY OF FORT BEND COUNTY

- ▶ Development of Prairie Parkway/36A
  - Roadway provides key north-south connection to I-10 for growing concentration of residential development in northern and central parts of Ft Bend County
  - Provides alternative connection to I-10 West from the Gulf and growing port of Freeport
  - Serves as alternative emergency evacuation route for growing county household base
- ▶ Road network of Prairie Parkway, Westpark Tollway, and I-10 can accommodate reverse commutes, reducing further stress on infrastructure that accommodates County residents commuting to Harris County
- ▶ Critical mass of land under single ownership can ensure creation of large, cohesive job center(s) to serve the Fort Bend County and the region
  - This condition was not present along the Grand Parkway, missing the opportunity for a *large* new employment center
  - Strong growth of high-income and well educated households attractive to employers that would like to be closer to where their employees live

# 36A / PRAIRIE PARKWAY WOULD SERVE AS CRITICAL NORTH-SOUTH CONNECTION BETWEEN I-10, WESTPARK TOLLWAY, AND I-69, AND LIES DIRECTLY IN THE PATH OF THE HOUSEHOLD GROWTH

**Annual Household Growth Rate  
2012 – 2018**







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