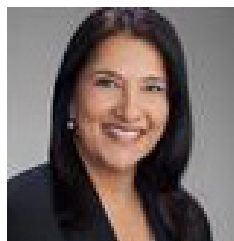




# O'Connor Land Forecast Luncheon

Simmi Jaggi - Jones Lang LaSalle



Simmi Jaggi

## Houston fundamentals:

- 6.5 million population now, with 8.7 million expected in only 13 years-a huge projected growth-this bodes well for future retail since it 'follows rooftops'... however...some retailers are still 'figuring it out' with respect to online vs.

brick and mortar sales going forward

- Oil & gas are still our major industries, but they are 'defining' our economy less and less

## Office:

- There is 22% vacancy but with an overhang of 11 million SF of sub-lease space, which, as it comes back on the primary lease market, may delay return to equilibrium for as much as ten years into the future

## Retail:

- 5% vacancy-very healthy sector
- Retailers don't know if the future will be 'click it and ship it' or "come on in the store and shop around"-retailers are 'looking for definition' for their future
- The NW sector of the Grand Parkway has spurred strong retail development since that is where a lot of the homebuilding is taking place

## Residential:

- Steady, especially in the NW and South along 288

## Industrial:

- Strong market with only 5% vacancies
- Recent development has been trending toward large distribution centers

## Multi-family:

- Not as slow as one might think given the current oversupply of units

- Developers are counting on population growth and the approximately two years it takes to go from land acquisition to completion

**Takeaway: Demand for retail and industrial sites remains strong, and multi-family is having some activity, but no demand exists for office sites. There is a healthy demand for residential both in infill and in the far suburbs. There are some transactions for land for medical development, but now that the large 20 acre satellite hospitals are mostly in place around the far suburbs, future development should be on smaller sites.**

## Roundabouts:

Why we don't see them yet in Houston and Texas?

### (The case for more traffic roundabouts)

From Priceconomics: "The roughly 3,700 circular traffic intersections in the U.S. are feared, avoided, and even loathed...Australia has more than 10,000. France features 32,000. The U.K. boasts 25,000, the most in the world as a proportion of total road space.

In every single metric, roundabouts outperformed intersections in terms of efficiency. Average delays were cut by 65%; no more than one-third of vehicles were not in motion at any given time, and the circle never went over 22% of its full capacity."

From Discover: "The roundabout is the single most important device ever created to help control traffic safely and smoothly."

From Washington State DOT: "Studies have shown that roundabouts are safer than traditional stop sign or signal-controlled intersections. [They] reduced injury crashes by 75% at intersections where stop signs or signals were previously used for traffic control.

### Roundabouts typically achieve:

- 37% reduction in overall collisions
- 75% reduction in injury collisions
- 90% reduction in fatality collisions
- 40% reduction in pedestrian collisions

### Why are roundabouts so effective? Again from Washington State DOT:

- Drivers must slow down and yield to traffic before entering a roundabout.
- Roundabouts are designed to promote a continuous, circular flow of traffic; if there is not traffic in the roundabout, drivers are not required to stop. Because traffic is continuously flowing drivers don't have an incentive to speed up and 'beat the light'
- Roads entering a roundabout are gently curved to help them enter the counter-clockwise flow around the roundabout, thus eliminating the possibility for T-bone and head-on collisions.



The following forward-looking communities in the U.S. have installed roundabouts, with a sharp reduction in crashes and injuries:

•Arundel County, MD	•West Boca Raton, FL
•Carroll County, MD	•Gainesville, FL
•Cecil County, MD	•Gorham, ME
•Howard County, MD	•Hilton Head, SC
•Washington County, MD	•Manchester, VE
•Avon, CO	•Manhattan, KS
•Vail, CO	•Montpelier, VE
•Bradenton Beach, FL	•Santa Barbara, CA

**And Hankamer only knows of TWO roundabouts in the entire City of Houston: Montrose at Main, and Westcott at Washington Ave. Why don't we have more?**