

## Corpus Christi, Texas

NAI Cravey Real Estate Services, Inc.

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### Metropolitan Area Economic Overview

POPULATION		EMPLOYMENT	
Total Est. 2006	408,493	Total Est. 2006	164,404
Population Growth Index – 2011	0.29	Office Index	0.89
Income Index	0.78	Health Services Index	0.98
Affordability Index	1.39	Government Index	1.20
Education Index	0.93	Retail Services Index	1.04
Age Index	0.94	Wholesale Index	0.78

### Corpus Christi At-A-Glance

(Rent/Square foot/Year)	Low	High	Effective Avg.	Vacancy
<b>DOWNTOWN OFFICE</b>				
New Construction (AAA)	N/A	N/A	N/A	N/A
Class A (Prime)	\$ 12.00	\$ 17.00	\$ 14.50	11.0%
Class B (Secondary)	\$ 7.80	\$ 13.00	\$ 10.40	32.0%
<b>SUBURBAN OFFICE</b>				
New Construction (AAA)	N/A	N/A	N/A	N/A
Class A (Prime)	\$ 11.50	\$ 13.50	\$ 12.50	10.0%
Class B (Secondary)	\$ 6.00	\$ 11.00	\$ 8.50	11.0%
<b>INDUSTRIAL</b>				
Bulk Warehouse	\$ 3.00	\$ 4.20	\$ 3.60	2.0%
Manufacturing	N/A	N/A	N/A	N/A
High Tech/R&D	\$ 5.40	\$ 10.00	\$ 7.70	7.0%
<b>RETAIL</b>				
Downtown	\$ 6.00	\$ 12.00	\$ 9.00	50.0%
Neighborhood Service Centers	\$ 7.20	\$ 25.00	\$ 16.10	9.0%
Community Power Center	\$ 6.50	\$ 19.00	\$ 12.75	8.0%
Regional Malls	\$ 9.75	\$ 21.00	\$ 15.38	29.0%
<b>DEVELOPMENT LAND</b>				
	Low (Price/Acre)		High (Price/Acre)	
Office in CBD	\$ 217,800		\$ 435,600	
Land in Office Parks	\$ 76,230		\$ 196,000	
Land in Industrial Parks	\$ 43,560		\$ 196,000	
Office/Industrial Land - Non-park	\$ 15,000		\$ 87,120	
Retail/Commercial Land	\$ 196,020		\$ 958,320	
Residential	\$ 10,000		\$ 35,000	

### Market Overview

■ The Corpus Christi economy is growing steadily. Tourism, oil and gas exploration, refining, medical, port related and construction projects have all supported the economy. The extension of Crosstown Expressway (SH 286) is now fully open and the anticipated activity along this new corridor is growing steadily. Flour Bluff, Padre Island, south side and northwest areas remained main growth areas.

The office market remained stagnant in 2006. Downtown occupancy stayed in the 90% range for Class A buildings. No new multi-tenant office building have been built in Corpus Christi since the 1980's because of the low rental rates. The office market on the south side has been doing much better with 90% average occupancy of all classes of properties.

Housing starts have been slowing because of reduced demand and higher interest rates. The biggest concern was the large amount of new subdivisions that were opened with no major housing starts planned. There was still an over supply of residential lots.

Demand for bulk warehouse space was steady. Rents remain too low to justify any speculative building. However, the demand for small distribution buildings with a showroom has been heating up. Many of the local suppliers are looking to re-locate to the south side from the west side industrial district to be closer to their market. We

are beginning to see build to suit proposals for the south side. Some of the suppliers were paying \$3.60 per square foot per year in their existing locations and the new locations have been quoted at \$6.50 per square foot per year. National oil field supply and construction companies are asking for build to suit proposals also because of lack of supply.

Retail has seen some overbuilding of smaller strip type centers containing 5-15,000 square feet. Corpus Christi also has some large vacant stores along South Padre Island Drive, including former locations for Academy, Office Max, Mervyn's and Montgomery Ward. Normally these vacant facilities would have been filled but many of the retailers are looking at other locations of the city for re-location or expansion. Parkdale Plaza, an older open air mall built in the 50's was scheduled to be partially torn down and a new Super Wal-Mart built in its place with approx. 40,000 sf. of shadow space. The intersection of Saratoga and Staples continued to draw attention because of the success of the HEB Plus and Kohl's. Flour Bluff and the Five Points (northwest) area have some major new retail planned. The intersection of Crosstown and S.P.I.D had the largest proposed project which will sit on over 200 hundred acres. This proposed project has led all of the major retailers to reconsider their future options.

Source: NAI Cravey Real Estate Services, Inc.