

# Corpus Christi, Texas

NAI Cravey Real Estate Services, Inc.

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## METROPOLITAN AREA ECONOMIC OVERVIEW

### POPULATION

Total Est. 2001	382,266
Est. Growth Rate-2006	5.00%
Income Index	0.71
Affordability Index	1.28
Education Index	0.81
Age Index	0.90

### EMPLOYMENT

Total Est. 2001	113,962
Office Using Index	1.07
Health Services Index	1.11
Government Index	0.72
Retail Services Index	1.16
Wholesale Index	1.88

## MARKET OVERVIEW

The Corpus Christi economy has cooled substantially. Construction dropped 51% while the State dropped 27%. However, unemployment is down and the oil and gas exploration is on a major upswing.

The community has pulled together to pass several bond projects such as a new \$27,000,000 sports arena downtown which will be tied to the convention center; also the Packery Channel which would allow the development of a proposed \$677 million resort on 400 acres.

The office market as a whole has softened even further. Sublease assignments have tripled. Landlords are still reporting sublease space as being leased, but as the leases expire it will eventually impact the market. Consolidations and buyouts have caused numerous businesses and banks to let space go back on the market. Southside and Central Business District have been hit evenly. Corpus Christi has over one million square feet of vacant office space.

However there is still confidence that a profit can be made in the office rental business by the recent sale of two office buildings. 101 N. Shoreline and Shoreline Terrace office buildings recent sold at prices in excess of \$35.00 per square foot.

Industrial is steady with a bright outlook. Oil and gas exploration is accelerating and service companies are moving into the area from all over Texas and Louisiana. Most of the better service yards have been leased up. Vacant dock high warehouse is hard to find but rents have not risen enough to stimulate any new construction. The only new ware-

house construction is a new 101,000 square foot beer distribution warehouse for Andrews Distributing.

Singapore Technologies Aerospace announced that it would build up to six hangars and create 400 jobs at the Corpus Christi International Airport.

The Port of Corpus Christi has agreed to a \$190 million expansion to widen the ship channel from 400' to 530' and deepen it from 45' to 52'.

A new Home Depot has opened in the northwest area of the City. The northwest area along with the Staples/Saratoga Boulevard corridor are the growth areas. However, South Padre Island Drive remains the dominant retail corridor. Moore Plaza filled the vacant Builder's Square with Linen's N Things, Marshall's and Rack Room Shoes. Shoe Carnival and Michael's joined the relocation of Best Buy.

United Artists closed its last movie theatre in the city leaving two stadium type theatres and two small theatres.

The Burger King franchisee lost his franchise and all locations closed. Local chain, Whataburger, has committed to two of the six locations.

Albertson's has announced the closing of their store at South Padre Island Drive and Everhart adjacent to Academy Sporting Goods. This will leave one Albertson's in the city.

Bennigan's bought the closed Ruby Tuesday's on South Padre Island Drive and Joe's Crab Shack bought the closed Light-house Restaurant downtown.

## CORPUS CHRISTI AT-A-GLANCE

<i>(Rental rates/square foot/year)</i>	Low	High	Effective Avg.	Vacancy
<b>DOWNTOWN OFFICE</b>				
New Construction	N/A	N/A	N/A	N/A
Class A	\$ 13.00	\$ 15.50	\$ 14.25	23.0%
Class B	\$ 7.20	\$ 11.00	\$ 9.10	41.0%
<b>SUBURBAN OFFICE</b>				
New Construction	N/A	N/A	N/A	N/A
Class A	\$ 11.75	\$ 13.00	\$ 12.38	9.0%
Class B	\$ 6.00	\$ 11.00	\$ 8.50	12.0%
<b>INDUSTRIAL</b>				
Bulk Warehouse	\$ 1.80	\$ 4.20	\$ 3.00	2.8%
Manufacturing	N/A	N/A	N/A	N/A
Flex	\$ 5.75	\$ 10.00	\$ 7.88	8.0%
<b>RETAIL</b>				
Downtown	\$ 4.50	\$ 12.00	\$ 5.75	47.0%
Neighborhood Service Center	\$ 5.40	\$ 16.20	\$ 10.80	8.0%
Community Power Center	\$ 6.50	\$ 19.00	\$ 12.75	6.0%
Regional Malls	\$ 9.75	\$ 21.00	\$ 15.38	25.0%
<b>DEVELOPMENT LAND</b>	<b>Low (Price/Acre)</b>	<b>High (Price/Acre)</b>		
Office in CBD (Per buildable foot)	\$ 217,800*	\$ 435,600*		
In Office Park	\$ 28,314	\$ 196,000		
In Industrial Park	\$ 15,000	\$ 65,340		
Office/Industrial - Non-park	\$ 22,000	\$ 217,800		
Retail/Commercial	\$ 135,000	\$ 740,520		
Residential	\$ 3,500	\$ 35,000		

Source: NAI Cravey Real Estate Services, Inc.

\*Price per acre