

EGUIDE

The Future of Houston:
**What's Shaping
Our Economy**



THE FUTURE OF HOUSTON: WHAT'S SHAPING OUR ECONOMY



Three Houston business leaders provided their perspectives regarding “The Future of Houston: What’s Shaping Our Economy” to guests at the BoyarMiller Breakfast Forum in September, 2022.

Spoiler alert: they are optimistic.

BoyarMiller Chairman **Chris Hanslik** monitored the discussion with **David Hightower**, EVP Development at Midway Companies; **Sanjiv Shah**, Global Co-Head of Energy and Power Investment Banking at Piper Sandler; and **Julie Sudduth**, Regional President, Greater Houston at PNC Bank.



“Texas is growing, the energy industry is strong, capital is available, and the real estate market has much opportunity,” said Chris Hanslik. “We invite you to browse key takeaways from our panel discussion in the hope that these insights will inform your future business planning.”



KEY TAKEAWAYS

1 Energy Industry Transitions

The energy industry has been bifurcated. During the past two years, interest in oil and gas related companies waned, and there was a surge of interest in renewables and clean energy. Now, the pendulum has started to swing towards conventional energy being attractive for investors.

In Europe, there is a power and energy crisis with government intervention occurring whether it is nationalization or deregulation of energy and power. So many new liquefied natural gas (LNG) and power generation projects are starting up, but it will be several years before these projects will impact the current situation.

The Inflation Reduction Act aims to stimulate renewables and new energy sources as well as provide support for the conventional energy market. Houston is well positioned because of the city’s strength in both energy transition and conventional energy.





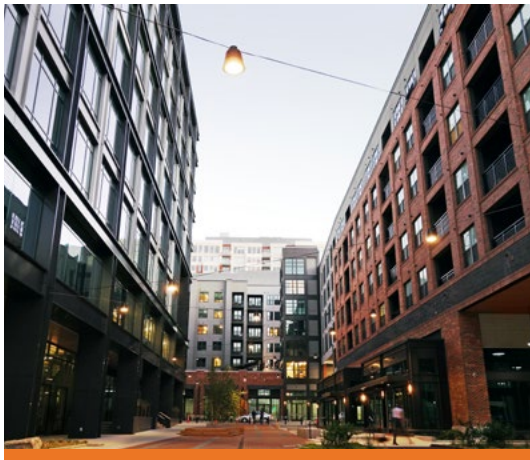
KEY TAKEAWAYS

2 Capital Finance Available

Good news in the capital markets: there is broad access to capital for the right projects and non-banks have filled the void where needed.

GDP growth in Houston is stronger than in the Midwest markets, creating a vast opportunity for investments. Among them, real estate investment bankers confirm that capital is readily available for development projects in Houston.

The energy and power industries have been very active with capital markets, initial public offerings, and M&A activity as the type of companies involved has transitioned during the past two years.



3 Houston Real Estate Strengthens

The retail sector is strong right now because Houston is seeing a lot of new retailers coming into the market that have not had a presence before.

It is going to take a few more years for Houston's office sector to recover after the pandemic as businesses adjust to different type of work programs and space needs.

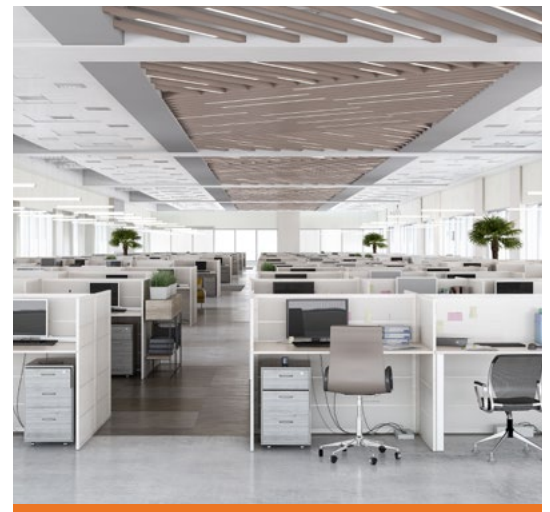
Mixed-use environments are the focus for future office developments. The workforce is driving the decisions for buildings with more natural light, open space, private space, and walkable proximity to restaurants and other amenities.

4 Workplace Changes

Businesses are evaluating just how much space is needed when employees are working a few days a week in the office. Hybrid work programs translate into different space requirements.

Another change in the workplace is a preference for private space to accommodate more individual focus; however, collaborative spaces will continue to be part of the office environment.

Employers must provide a workspace desirable to employees. The pandemic created work-from-home scenarios, and now some employees are tired of being in the same place all the time. While the hybrid programs allow interaction, workers still want an accommodating and office environment.





HOUSTON ACCOLADES

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I used to say Houston was the Rodney Dangerfield of cities; now we are recognized as a global gateway city.

-David Hightower



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Houston is the epicenter of the convergence of renewables and conventional energy.

-Sanjiv Shah



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There are strong signs of life for Houston in the ability to raise capital and pursue projects.

-Julie Sudduth



ABOUT BOYARMILLER

BoyarMiller is a mid-size Houston-based law firm that advances client business goals by bringing new possibilities into focus with confidence and clarity to achieve extraordinary outcomes. Since 1990, we have been providing practical and smart business solutions. Our firm is comprised of three [practice groups](#)—corporate mergers and acquisitions, real estate, and litigation—and we [serve](#) multinational companies, middle-market businesses and entrepreneurs in need of collaborative and strategic representation. See boyarmiller.com for more information

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