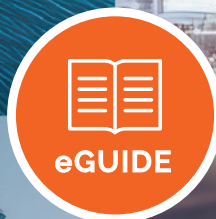


What Keeps Houston's Economy Moving?





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Recently, BoyarMiller hosted its annual Forum discussing the forces shaping our city's economic future. The discussion explored the city's trajectory through the lenses of real estate development, corporate finance, and port and trade operations to examine how growth, hiring, and investment shifts are influencing Houston's business environment.

In a panel moderated by Chairman Chris Hanslik, speakers included Houston leaders:



Brad Freels
Chairman and CEO
Midway



Jessica Seff
Vice President M&A
Statesman
Business Advisors



Charlie Jenkins
CEO
Port Houston



"What I can say emphatically is that Houston has always come out better on the backside of the cycle, and I think that's because we slow down to figure out what we're doing wrong and what we can do better, and then we make those adaptations and we go forward."

– Brad Freels, Midway



REAL ESTATE

The market has bifurcated dramatically for commercial real estate: modern buildings with strong amenities are thriving, while older properties struggle to maintain sustainable occupancy. This divergence presents both challenges and unique opportunities for Houston, a city with significant legacy real estate stock that must evolve to meet contemporary demands, and the benefit of minimal regulation due to the absence of zoning laws.

Rather than pursuing new ground-up development in this uncertain environment, strategic investors are focusing on adaptive reuse and mixed-use conversions that transform underutilized assets into vibrant urban destinations. These "city centers" represent the future of Houston development, addressing both the oversupply of traditional office space and the growing demand for urbanist, amenity-rich environments that support the city's evolving workforce.

The Texas Medical Center continues to serve as a powerful economic engine, with ongoing medical industry advancements driving sustained demand for both specialized healthcare real estate and supporting commercial infrastructure that serves the world's largest medical complex.

In today's real estate market, patient capital and disciplined underwriting separate successful investors from the rest. With debt capital scarce and many overleveraged players sidelined, competition for quality assets has diminished significantly, creating compelling entry points for those with strong balance sheets.

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"If we were doing what we were doing five years ago, we wouldn't be in business today because it changes that rapidly. We're buying structures that we think have value in the marketplace that are just mismatched and mispriced in this environment."

—Brad Freels, Midway

FINANCE & INVESTMENT BANKING

As buyers and sellers scrutinize tariff exposure, labor availability, and supply chain resilience with intensity rarely seen in previous cycles, upfront due diligence has increased dramatically. As a result, transaction timelines have extended significantly.

Material pricing volatility driven by tariff uncertainty has emerged as a particularly acute challenge, causing deals to stall as parties struggle to model future margins and working capital needs with confidence.

Even domestically-focused businesses that theoretically should be insulated from international trade disruptions are experiencing slowdowns, as their customer bases cool amid broader economic uncertainty.

The extended due diligence periods and multiple rounds of financial modeling reflect a market where trust must be earned through documentation rather than relationship, and where every assumption faces rigorous stress-testing.

The finance community anticipates this selective, cautious environment will persist as stakeholders await greater clarity on trade policy, interest rates, and broader economic direction.

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"Uncertainty impacts business owners in that they may not feel ready to embark on a big change. Whether it's a buyer or a seller, both parties need to feel confident in the future."

—Jessica Seff, Statesman Business Advisors



PORT & TRADE

Port Houston's trajectory stands in sharp contrast to the caution pervading other sectors, with exceptional growth driven by strategic investments and Houston's commanding position in global trade.

The port ranks number one nationally in export containers and leads the country in growth metrics that underscore Houston's ascending role in international commerce: 6.5% compounded annual growth, an 88% increase over the past decade, expansion occurring at twice the rate of the second-fastest growing port, and four times faster than the top ten.

This explosive growth translates directly into regional prosperity, with the container market alone supporting 700,000 jobs and generating \$280 billion in annual economic impact, projected to double in the next eight years.

The infrastructure supporting this success story reflects decades of strategic vision and sustained investment. These investments, fueled by private funding, reflect

confidence that Houston's competitive advantages will continue driving volume growth for decades.

Roadway capacity has emerged as the number one strategic priority to keep pace with cargo growth. The existing infrastructure challenges demand innovative solutions that will further strengthen Houston's competitive position and generate additional economic benefits for the region.



"A huge part of the region's success is related to the vision of creating a port done differently than it's ever been done in the history of the nation."

—Charlie Jenkins, Port Houston

Hope Abounds in a Wait-and-See Era

The collective "wait-and-see" posture reflects hard-won wisdom from prior cycles: maintaining optionality and financial strength during uncertain times positions organizations to capitalize decisively when conditions improve.

While transaction volumes soften and development slows, Houston's leaders are actively strengthening balance sheets, repositioning assets, and investing in infrastructure that will serve the region for decades.

Houston's business-friendly environment, strategic location, and entrepreneurial culture remain powerful advantages that have historically enabled the city to emerge from challenging periods stronger than before.



"Every issue and challenge creates an opportunity for a better solution."

—Charlie Jenkins

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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