

## What's the Deal By [Daniel Lesser](#)

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## Once again, Houston's time has arrived

*(The views and opinions expressed in this blog are strictly those of the author.)*

For more than a century, the city of Houston along with the state of Texas has experienced numerous boom and bust economic cycles, for the most part predicated on dramatic fluctuations in the price of oil and gas. Population and job growth, along with a flourishing energy sector, resulted in Houston being one of the nation's first metropolitan areas to emerge from the Great Recession during 2010. As oil prices began to decline in late 2014, the area experienced economic contraction that along with new hotel supply negatively impacted lodging fundamentals throughout the region. Based on overall market sentiments earlier this year, it was widely believed that the Houston lodging market reached bottom and was anticipated to stabilize during this year; however, the recent devastation due to Hurricane Harvey, and the subsequent tropical storm, has derailed those plans. Catastrophic flooding in southeastern Texas has no doubt caused immense property damage that will require years of cleanup, demolition, and reconstruction of individual homes, large buildings, and infrastructure.

The good news coming out of this catastrophic event is that I believe it is now safe to say that Houston has reached bottom. As the nation's fourth largest city, it is not a matter of if, but when the area will prosper again. America is a resilient nation that has an exemplary track record, rebounding from a myriad of disasters both natural and man-made. Twelve years ago, Hurricane Katrina shattered the city of New Orleans and surrounding areas, and at the time many had abandoned and written off the Big Easy. New Orleans's dramatic revival has been remarkable and today the city is one of the nation's most desirable hotel markets. Subsequent to the devastating attacks of 9/11, many concluded a demise for lower Manhattan. Similar to New Orleans, downtown Manhattan has not only recovered, it has been redeveloped into a world class 24/7 urban area which is thriving with significant new projects including the World Trade Center complex. The Houston metropolitan area is vital for the nation's energy, chemical and shipping industries, and the region will likely recover rapidly with a good chance to experience a jolt in growth from reconstruction.

"Been there, done that, will be doing it again" is an appropriate description for Houston today. Y'all stay tuned.

9/4/2017