

# HOUSTON CRAFT BEER MARKET INSIGHT

Summer 2021



**CRAFT BEER IN HOUSTON SHOWS NO SIGNS OF SLOWING DOWN EVEN AFTER A YEAR OF UNCERTAINTY, WITH 10 NEW BREWERIES COMING ONLINE SINCE THE BEGINNING OF 2020, MAKING THE GREATER HOUSTON AREA HOME TO 71 TOTAL.**

**SINCE THE END OF 2013, 55 CRAFT BREWERIES HAVE OPENED IN HOUSTON, REPRESENTING A 344% INCREASE.**

- As of the end of 2013, the greater Houston area was home to just 16 craft breweries, totaling 234,301 sq. ft. of mostly industrial (manufacturing/warehouse) space.
- Today that number stands at 71, according to NAI Partners' research. That's 55 new breweries in a little under a decade, or a 344% increase!
- Those 55 craft breweries added since the end of 2013 total 418,232 sq. ft. of industrial space (with a small portion classified as retail space), representing 179% growth!
- According to NAI Partners' research, there are another 19 breweries-in-planning across Houston, Kingwood, Conroe, Dickinson, and Tomball.

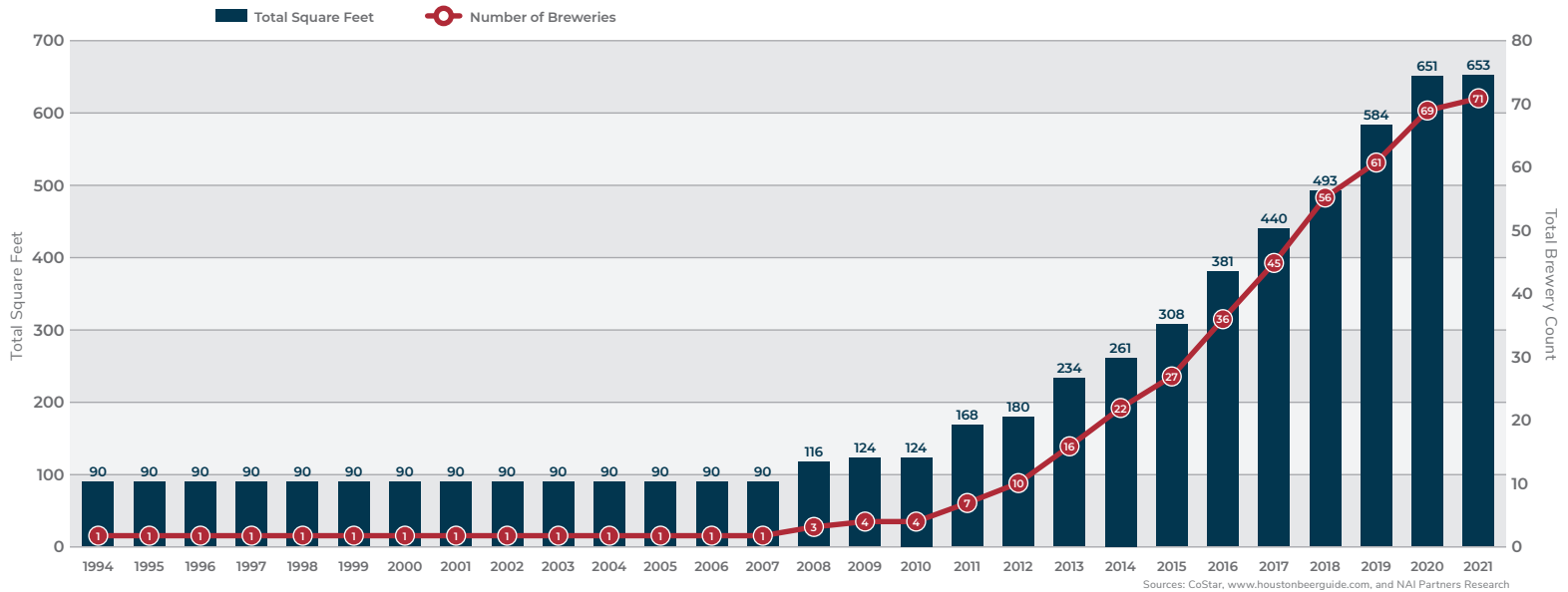
It turns out not even a global pandemic can slow Houstonians' love of craft beer down. Even with the closing of a handful of breweries over the past year-plus, the Greater Houston area's overall brewery count has continued to climb, and by not-insignificant percentages.

The last time NAI Partners conducted an analysis of the Greater Houston craft beer scene was in 2019—at the close of that year (and pre-pandemic), the number of craft breweries totaled 61. As of this writing, another 10 have come online, bringing Houston's current total brewery count to 71.

This is a far cry from the early days of the Houston craft brewing scene, which was of course solely comprised of Saint Arnold for 14 years after its 1994 inception. The cohort slowly grew after Southern Star opened in Conroe in 2008, reaching a tally of 16 breweries totaling 234,301 sq. ft. of mostly industrial (with some classified as retail) product by year-end 2013.

Why is the year 2013 important, and a line of demarcation? We're so glad you asked. In 2013, a new law passed that allowed producers that held a brewpub license the ability to sell their beer to go, directly from the brewery to consumers, instead of having to rely solely on the three-tier distribution system.

## HOUSTON CRAFT BREWERY GROWTH



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From that point on, brewery growth has simply exploded in Houston. The past 8 years have seen the total number of breweries increase by 344%(!), with total square footage expanding by 179% to 652,533 sq. ft.

That growth was also fueled in part by a 2019 law that came into effect that fall enabling all craft beer producers—brewpubs and production-only breweries alike—the ability to sell beer directly to customers. And in 2020, the state’s antiquated beer laws were eased even further to ensure that consumers could still pick up beer-to-go even as their favorite establishments were forced to shutter for significant periods of time; while locally-founded businesses like HopDrop—Houston’s only craft beer delivery service that also brings brewery-only can releases from Austin and Dallas to Houstonians—helped its local Houston brewery partners maintain access to their customer bases as well.

New breweries entering the fray in the past calendar year include fan favorite Local Group Brewing; the Heights’ beloved New Magnolia Brewing; and the perpetually buzzed-about Urban South HTX. Though the Houston beer scene of course isn’t solely driven

by what’s new, as several of its more established players continued to make waves on the national scene.

*“SpindleTap Brewery remains firmly entrenched as Houston’s top purveyor of the Hazy Double India Pale Ale (DIPA)—known for being extravagantly hopped to coax huge tropical fruit flavors showcased on a soft, creamy, hazy unfiltered body that often resembles a glass of orange juice and can even taste like one—which continues to be among the most sought-after styles in the craft beer community,”* says Larry Koestler, NAI Partners’ Senior Vice President of Marketing & Communications, and a craft beer enthusiast and consultant. *“With more and more breweries nationwide attempting their own versions of the Hazy DIPA, there’s quite a bit more distance now between the best-in-class style producers and everyone else, and so it’s still significant when a local brewery can hang with the top-tier in the country—which includes Torrance, California’s Monkish Brewing; Copiague, New York’s Root + Branch Brewing; Charlton, Massachusetts’ Tree House Brewing; Hopewell, New Jersey’s Troon Brewing; Boston, Massachusetts’ Trillium Brewing; and Broussard, Louisiana’s Parish Brewing.”*

Even with Houston’s continued craft beer evolution, the case remains that cities in Texas are vastly underserved—consider that the state is actually down from its #46 ranking of breweries per capita in the country in 2019 to #47 as of the Brewer’s Association most recent data for full-year 2020. Although despite that low national per capita ranking, the craft brewing industry still had a \$5.4 billion economic impact on Texas’ economy, good for 3rd in the U.S., and up from \$4.5 billion from 2017.

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