



## Harris County Appraisal District News Release

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### Harris County Appraisal District Mails Property Value Notices

**Houston** —The Harris County Appraisal District has mailed property value notices to many residential property owners and is following with commercial and industrial value notices.

“We are seeing a large number of residential and commercial properties in Harris County that are increasing in value this year,” said Roland Altinger, chief appraiser. “Despite the flooding from Hurricane Harvey, many properties throughout the county have been rebuilt or restored and continue to go up in value.”

Altinger explained that the appraisal district is required by law to appraise all property at 100 percent of market value as of January 1.

Specific information for residential and commercial property is below, and market area maps are available on the HCAD web site at [www.hcad.org](http://www.hcad.org) under “Appraisal” and then “Reappraisal.” Individual property values also are available at [www.hcad.org](http://www.hcad.org).

#### Residential:

The Harris County housing market remains strong even though the inventory of available homes has increased slightly to a 3.7 month supply. For the past 5 years, the county has hovered between a 2.9 and 3.3 month supply of homes, which means the supply of homes for sale is low. A 6-month inventory of homes is considered a balanced market.

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The sales volume of homes has increased, and home values continue to rise. The sales volume for single family residential properties was 82,177 homes in 2018, which is a 3.8 percent increase from the 79,143 homes sold in 2017, according to the Houston Association of Realtors. The average sales price has increased to \$298,982, which is a 2.6 percent increase from \$291,340 in 2017.

Year-over-year, the median sales price of single-family homes – the figure at which half the homes sold for more and half for less – rose 3.3 percent to \$237,500 in 2018, compared with \$229,900 in 2017, according to the Houston Association of Realtors.

Homes in all price ranges saw value increases, but homes priced under \$250,000 saw the biggest increases. Homes in that price range saw an approximately 10-15 percent increase, while homes above \$250,000 had an increase of approximately 8-9 percent. The highest volume of sales is continuing to occur on the east side of the county because prices are the most affordable.

Exemptions can provide significant relief for qualifying taxpayers by reducing taxable value and tax levies. Residence homestead exemptions are the most common type of exemption and apply to most owner-occupied homes in Texas. Property owners should check their account online to make sure that all exemptions they are entitled to are in place.

Commercial:

Overall, approximately 89 percent of the commercial property accounts that have received value notices have had value increases; approximately 5 percent have not changed and 6 percent have decreased. Commercial property includes apartments, office buildings, retail, medical offices, hospitals, hotels, warehouses and vacant land.

The Houston office market is on the brink of recovery. By the end of 2018, vacancies had inched down to 18.7 percent. While overall vacancy rates are still elevated compared to the five-year average of 16.4 percent, the amount of sublease space is shrinking.

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Newer and renovated Class A properties are continuing to outperform the rest of the market as tenants are paying premium rents for the higher quality, more efficient buildings that are well located. There is about 183 million square feet of existing office inventory. Market rents remain flat, but concessions are still common as landlords move to retain tenants whose leases are expiring.

Houston's demand for apartments is slowing after the boost that came after Hurricane Harvey, but the market is still performing well. There are approximately 12,800 units under construction. The overall Houston vacancy rate is estimated at approximately 10 percent. Demand for apartments is expected to remain strong because of population growth, the rising cost of single-family housing, real wage growth and rising mortgage rates.

While the retail market remains extremely healthy, Houston retail development is finally starting to show signs that it has peaked after several years of expansion. Core retail property types are expected to continue to perform well, with vacancy rates below 6 percent going on five years in a row and rental rates continuing to inch upward. The move toward the suburbs is being fueled by infrastructure projects such as the Grand Parkway and demand for newer grocery store neighborhood centers continues to rise.

Warehouses are expected to continue to grow because of the explosion in e-commerce activity and Houston's position as a regional major distribution center. Occupancy rates remained high at 95 percent.

The demand for vacant land has continued to slow almost county-wide in 2018, continuing the trend from 2017. However, there was some significant activity as investors focused on developing the tracts they acquired in prior years, particularly within the inner loop, where prices have gone up significantly because of the scarcity of available property.

Property owners who receive their notices may begin the protest process immediately. While there is a protest form included in the packet, one of the fastest and easiest ways to do this is to use the district's online iFile program at [www.hcad.org/iFile](http://www.hcad.org/iFile).

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### **About HCAD**

The Harris County Appraisal District is a political subdivision of the State of Texas established in 1980 for the purpose of discovering and appraising property for ad valorem tax purposes for each taxing unit within the boundaries of the district. The district has approximately 1.8 million parcels of property to assess each year with a total market value of approximately \$588 billion. The appraisal district in Harris County is the largest in Texas, serving approximately 500 taxing units, and one of the largest appraisal districts in the United States. For further information, visit [www.hcad.org](http://www.hcad.org).

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