



# Residential Property Market Overview

Tax Year 2018



# Houston Economy

Indicators of a healthy market:

- Home inventory
- Home starts
- Sales volume
- Sales prices
- Foreclosures



# Home Inventory

- According to the Houston Association of Realtors (HAR), the inventory of available homes was 3.2 months in January 2018
- 3.2 months is below the national average inventory
  - National: 3.4 months of supply



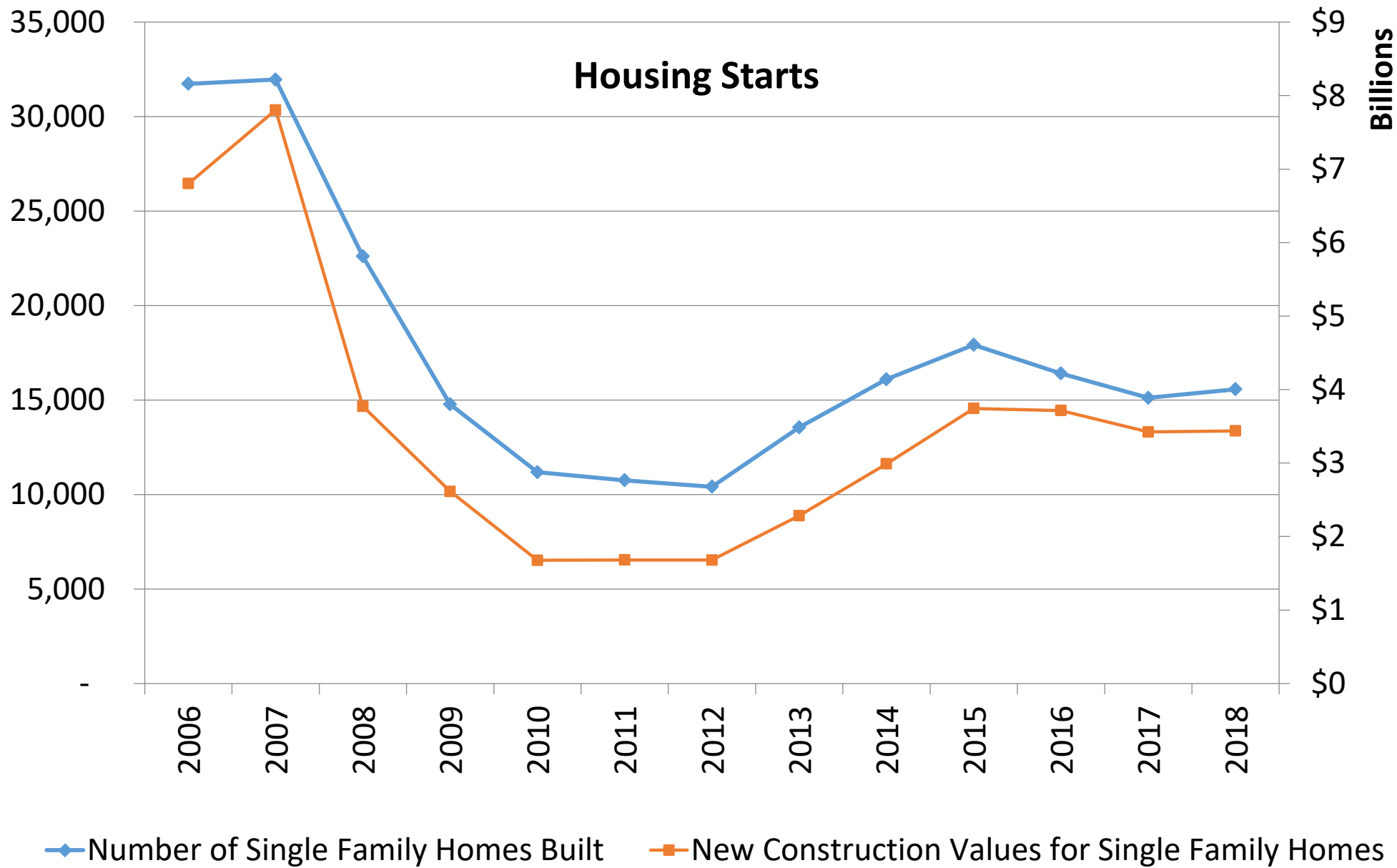
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# Home Inventory

## MONTHS OF INVENTORY, HOUSTON RESALE HOUSING MARKET



Source: Houston Association of Realtors, Multiple Listing Service





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# Sales Volume

- According to HAR, sales volume for single family residential properties increased 3.5 percent from 2016 to 2017
  - 2017: 79,117 units
  - 2016: 76,450 units



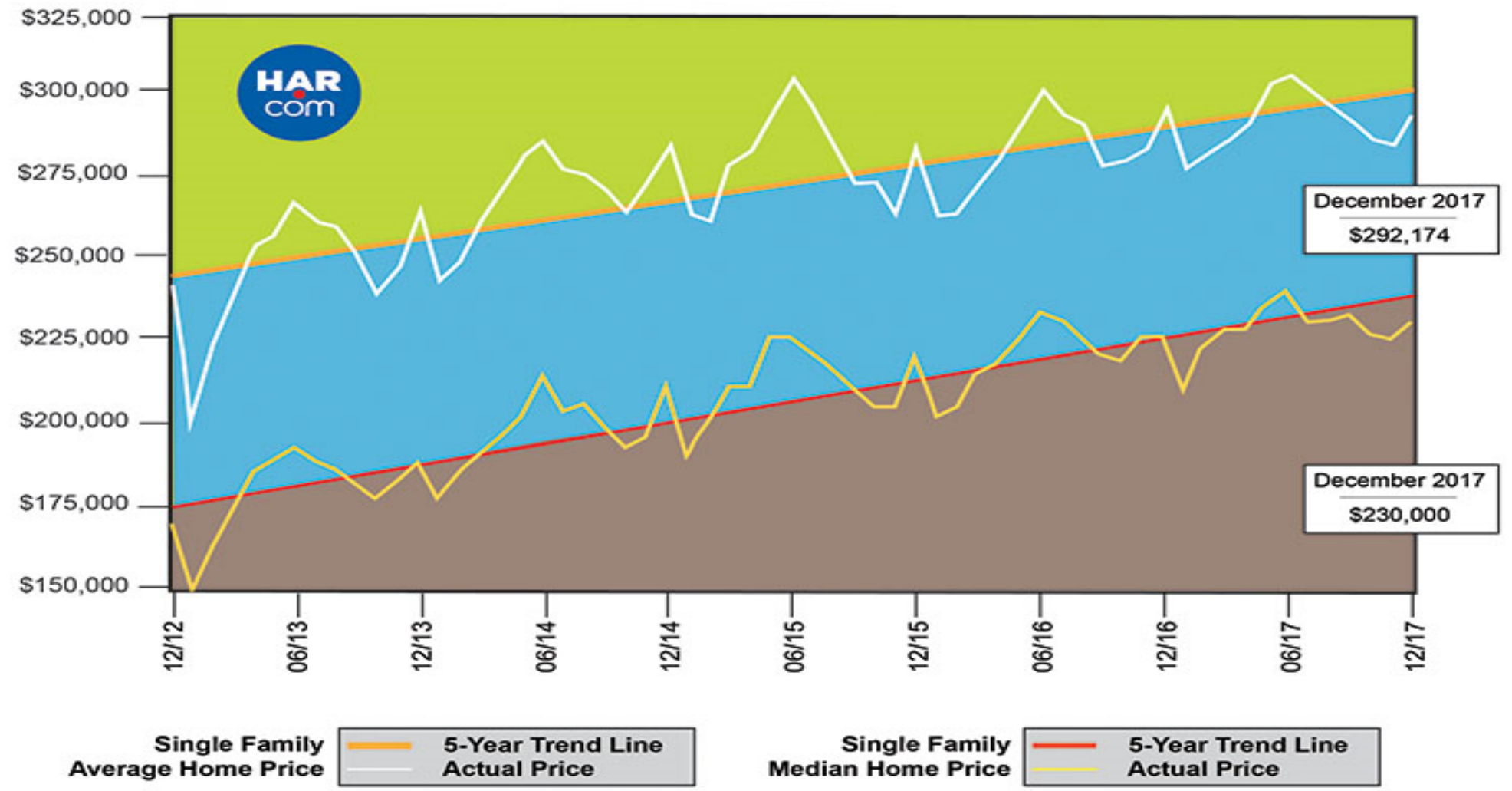
# Sales Prices

- Average and median sales prices continued to rise
- Average sales price increased 2.9 percent for the full year sales:
  - 2016: \$283,133
  - 2017: \$291,340
- Median sales price increased 3.8 percent for the full year sales:
  - 2016: \$221,500
  - 2017: \$229,900



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## Single Family Average Home Price & Single Family Median Home Price







# Foreclosures

- Number of foreclosures in Houston continues to fall
- HCAD recorded foreclosures:
  - 2013: 4,946
  - 2014: 2,636
  - 2015: 1,882 (4.4 percent of residential sales)
  - 2016: 1,198 (2.5 percent of residential sales)
  - 2017: 1,040 (2.2 percent of residential sales)



# Hurricane Harvey

- Conducted a driving review of almost 240,000 homes to identify those damaged in the storm
  - (September to mid-November)
- Identified almost 70,000 damaged homes
- Revisited all damaged homes for tax year 2018 valuation
  - (January- March)



# Areas of concern:

- **Natural Disasters:**
  - Disasters put a strain on local economies and governments
  - With three disasters in a 27 month period, what effect will new legislation on FEMA rules have on the housing market
- **Interest Rates:**
  - An increase in interest rates can have a cooling effect on the economy and the housing market
- **Tax Policy:**
  - What impact will the new federal tax policy have on the housing market, especially for homes on the higher end of the market



# 2018 Residential Noticing

- Residential noticing will begin Friday, March 23
- Noticing selection will include single family homes, including townhomes and condos
- Flood related property will notice mid-April
- Approximately 700,000 accounts will notice this weekend