



Harris County Appraisal District News Release

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Harris County Appraisal District Readies Property Value Notices

Houston —The Harris County Appraisal District has started mailing property value notices to residential property owners and will follow with commercial and industrial value notices.

The district is advising property owners that Houston's booming economy will continue to have an impact on property values for 2015.

"Property values across most of the property types continued to increase again this year," said Sands Stiefer, chief appraiser. The property types include residential, commercial (apartments, office buildings, retail, medical offices, hospitals, hotels, warehouses) and industrial (manufacturing, refineries and chemical plants).

"Many property owners will likely be looking at value increases this year, while taxing jurisdictions should expect to see increases in their taxable value base," Stiefer said.

"Even in the face of falling oil prices and some job losses, the Harris County economy in general is doing very well. What property owners should understand is that we are looking at the property value for January 1 and basing our reappraisal on the prices property sold for in 2014. "

Stiefer 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 the property types is below, and market area maps will be available by April 10 on the HCAD web site at www.hcad.org under "2015 Reappraisal Values." Individual values of property also are available at www.hcad.org.

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Residential:

As a whole, the value of residential property in the county rose 15 percent. Some of this growth was due to new construction, but most came from increasing values of existing homes. Almost 90 percent of the homes in the county increased in value since last year.

The housing market remains strong and the supply of available homes has hovered at or slightly below 2.5 months for the past year, although there was a slight uptick to a 2.7-month supply in February. A 6 month supply is considered a balanced market. 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 7.9 percent in February to \$199,400 according to the Houston Association of Realtors.

The homes priced between \$80,000 and \$500,000 had the highest volume of sales, which are occurring primarily in north and northwest sections of the county as well as inside The Loop. Homes priced at \$1 million and above continued to see the highest percentage value increases, however homes in all price ranges will see value increases.

Another sign of the very strong economy is that foreclosures recorded by the appraisal district have dropped by almost half from 4,946 foreclosures in 2013 to 2,636 foreclosures in 2014.

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

Commercial:

The rising prices and tight supply of single family homes have driven demand for multi-family housing as well. New apartment construction is highly concentrated in the Inner Loop and along I-10 West in the Energy Corridor. Increased market rents and higher occupancy will increase market values of multi-family housing approximately 22 percent. Higher occupancies continue to decrease concession offerings and the average rental rates have gone up 8 percent compared to 6 percent in the previous year.

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The retail market also has increased and is expected to continue this trend because of population growth in the county. Values for the 2015 tax year represent a 21 percent increase over the 2014 tax year. Occupancy rates are the highest on record at well above 90 percent in key trade areas such as the Inner Loop, west, northwest and north.

Values of office buildings increased 12 percent for the 2015 tax year, compared with an 18 percent increase the previous year. A decline in overall vacancy rates helped push office building rental rates up 9 percent.

Warehouses also have seen an increase in value because Houston's industrial growth is directly related to its transportation infrastructure. Warehouse values increased 23 percent in 2015, compared with 14 percent in the 2014 tax year. Increased trade through the county has continued to strengthen Houston's industrial market and warehouse sector.

The demand for vacant land continues to grow with improved sales volume over the past two years. The strongest demand is concentrated in or near the Central Business District, Galleria, West Houston and Northwest Houston. Land value increased approximately 23 percent.

Industrial:

Values of refineries and inventories are expected to be similar to 2014 values. There have been several announcements of increased chemical plant capacity or new unit construction, led by new construction by ExxonMobil, Lyondell Bassell and Chevron Phillips, so values for most chemical facilities are expected to increase slightly this year. Inventory volumes at industrial facilities are expected to be near last year's levels but values could be slightly lower.

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. The district is also offering free workshops to businesses seeking help in completing the required personal property rendition forms by April 15. [Click for workshop times and locations.](#)

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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 more than 1.7 million parcels of property to assess each year with a total market value of approximately \$419 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.

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