



2015 Market Trends and Reappraisal

April 7, 2015



Residential Property Market Overview Tax Year 2015



Houston Economy

- Houston's economy has continued to experience vigorous growth
- Job growth, low unemployment, low interest rates, and affordable housing have combined to create a very strong residential market
- Sales volume, average price, median price, and months of inventory all reflect a healthy local residential real estate market



Housing Starts

- 2014 single-family home starts up 11% over 2013
- The Houston Metro Area lead the nation in single-family home starts for 2014 with the top 4 ranked accordingly:
 - Houston Metro Area @ 38,250
 - Dallas/Fort Worth Metro Area @ 22,610
 - Atlanta Metro Area @ 16,880
 - Austin, Texas & Phoenix, Ar. @ 11,600



Housing Inventory

- Inventory of homes available for sale:
 - November 2012 > 4 months
 - November 2013 > 3 months
 - December 2013 = 2.6 months
 - December 2014 = 2.5 Months
- As of December 2014, the national average was 5.1 months
- 6 months of inventory is considered equilibrium
 - < 6 months is considered a seller's market



Single-Family Housing Market

- Sales volume increased 2.8%
 - 2013: 73,266 total sales
 - 2014: 75,319 total sales
- Total dollar volume increased 12.7%
 - 2013: \$20,891,392,084
 - 2014: \$23,553,542,859



Single-Family Housing Market

- Average sales price increased 8.68%
 - 2013, \$248,591
 - 2014, \$270,182
- Median sales price increased 10.55%
 - 2013, \$180,000
 - 2014, \$199,000



Single-Family Housing Market

- December 2014
 - Average price of \$280,863 is the highest ever in December for Houston
 - Median price of \$209,590 is the highest ever in December for Houston
 - Inventory of 2.5 months is the lowest ever



Foreclosures

- Foreclosure Results (Houston Business Journal)
 - Houston ranks 3rd best in the country with only 7.4% of the homes being “underwater” which is defined as owing more on a home than what it is worth
 - Houston has a relatively low number of homes in the foreclosure process with 3,535 as of December
- HCAD recorded foreclosures:
 - 2013: 4,946
 - 2014: 2,636



2015 Single-family Reappraisal Status (as of April 2)

Stratum	Parcels	Percent of Parcels in Stratum		
		No Change	Increase	Decrease
Under 80,000	144,588	36.9%	58.6%	4.4%
80000 - 149,999	324,272	9.0%	89.7%	1.3%
150,000 - 249,999	245,692	4.0%	94.9%	1.1%
250,000 - 499,999	144,501	4.6%	94.2%	1.1%
500,000 - 999,999	42,650	3.7%	94.7%	1.6%
1 million and up	15,376	2.4%	96.1%	1.5%
Percent of Total	917,079	11.0%	87.3%	1.7%
Tax Year 2014		22.5%	73.9%	3.7%



2015 Single-family Valuation (as of April 2)

Stratum	Overall Percent of Change	Average Percent of Change	
		with New Construction	Reappraisal Only
Under 80,000	11.67%	13.49%	13.14%
80000 - 149,999	16.01%	20.98%	16.94%
150,000 - 249,999	15.73%	26.79%	15.28%
250,000 - 499,999	17.36%	30.26%	16.80%
500,000 - 999,999	19.26%	28.81%	18.74%
1 million and up	20.87%	26.02%	20.36%
Percent of Total	17.22%	23.26%	16.02%