



Residential Property Market Overview

Tax Year 2021



Houston Residential Home Market

Houston's residential market is doing really well.



Leading Indicators

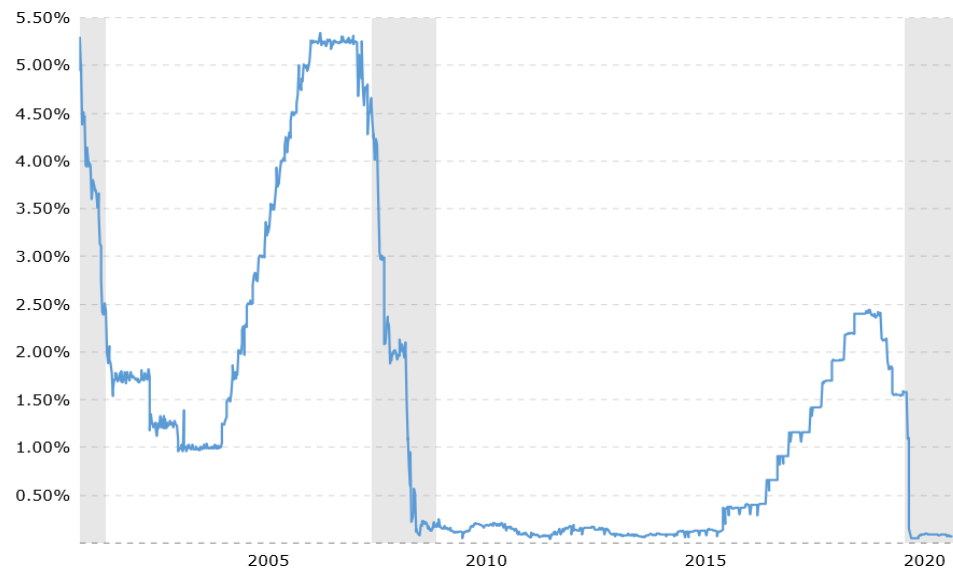
Key metrics depicting a healthy housing market

- Interest rates
- Inventory levels & new starts
- Sales price and sales volume levels



Interest Rates

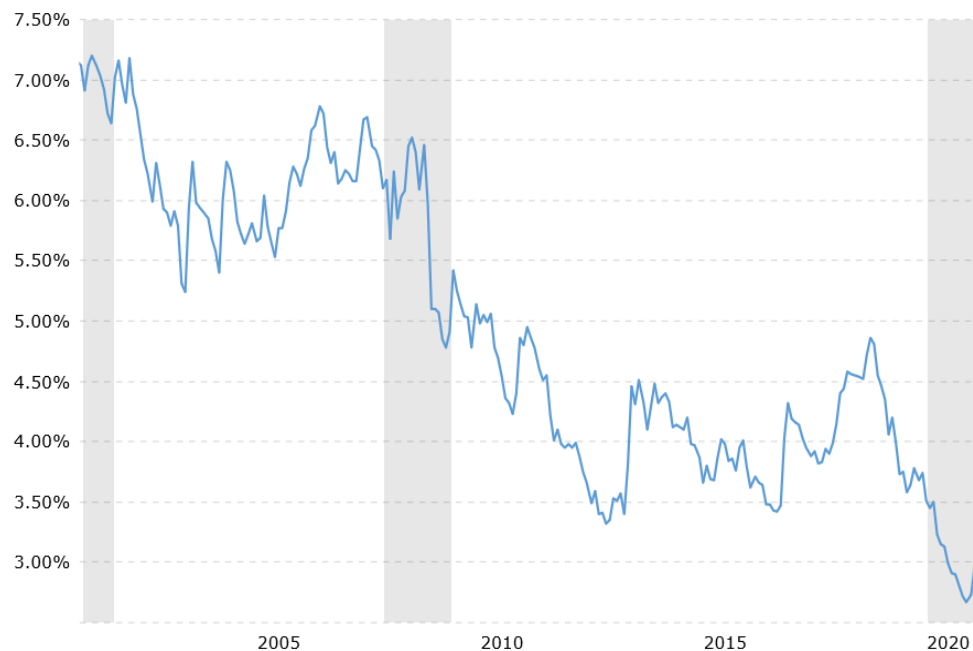
Fed Funds Rate remains just above zero for last 11 of 15 years. Indirectly affects other rates.





Interest Rates

Mortgage rates have fallen consistently over the last 30 years





Home Inventory

- According to the Houston Association of Realtors (HAR), the inventory of available homes was 3.2 months in December 2019 with 37,574 listings
- As of December 2020, this number decreased to 1.9 months supply with 26,821 listings.
 - 1.7 months of inventory is the national average
- While inventory remains at these historically low levels the issue of housing affordability will persist.



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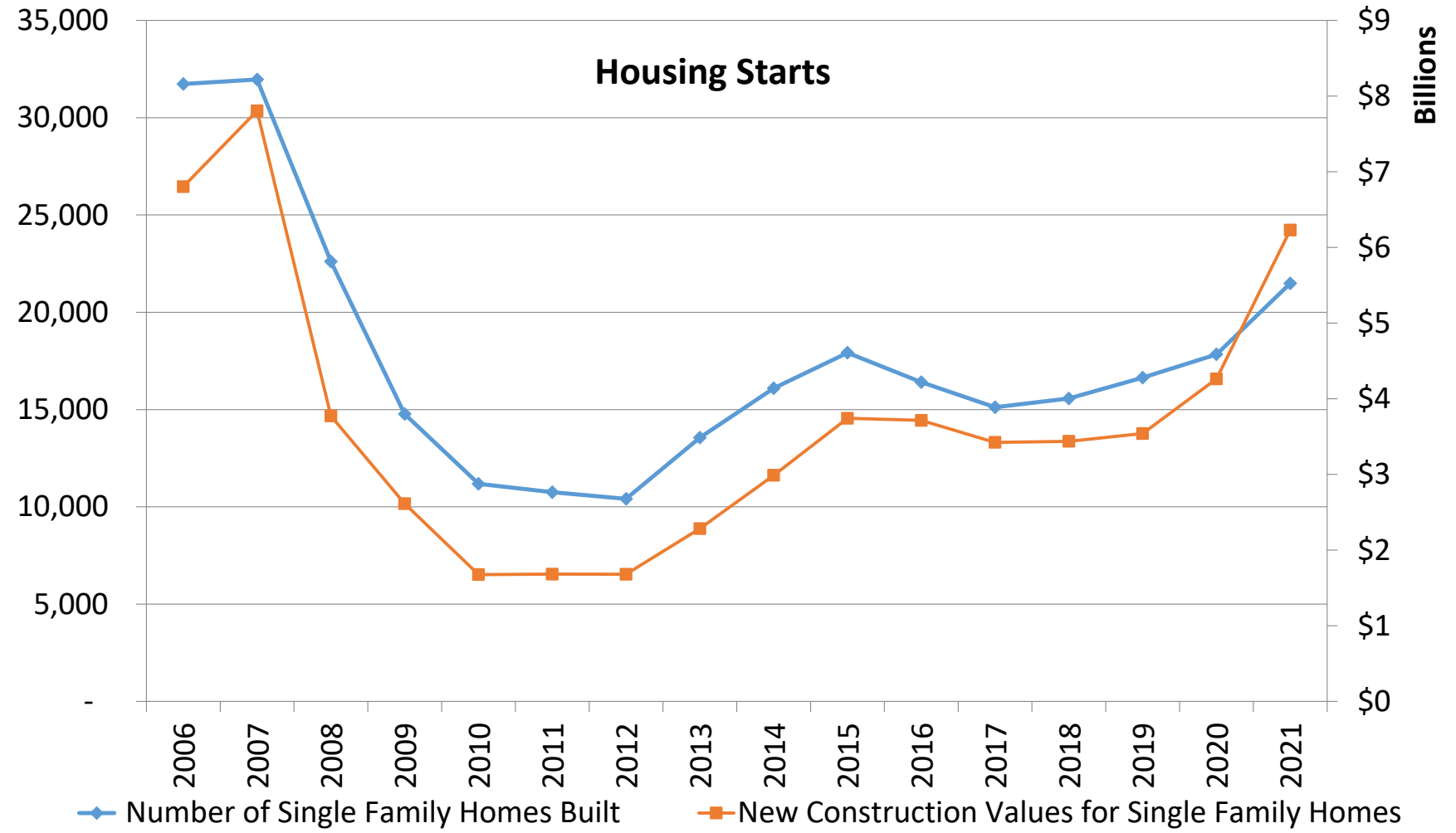
Home Inventory

Single-family home supply (months)*



*Seasonally adjusted.

SOURCES: Real Estate Center at Texas A&M University; Multiple Listing Service.





Single Family Sales Volume

- Full year increase (10.5%)
 - 2019: 86,996
 - 2020: 96,151

- Year-over-year increase (27.7%)
 - January 2020: 4,769 units
 - January 2021: 6,088 units



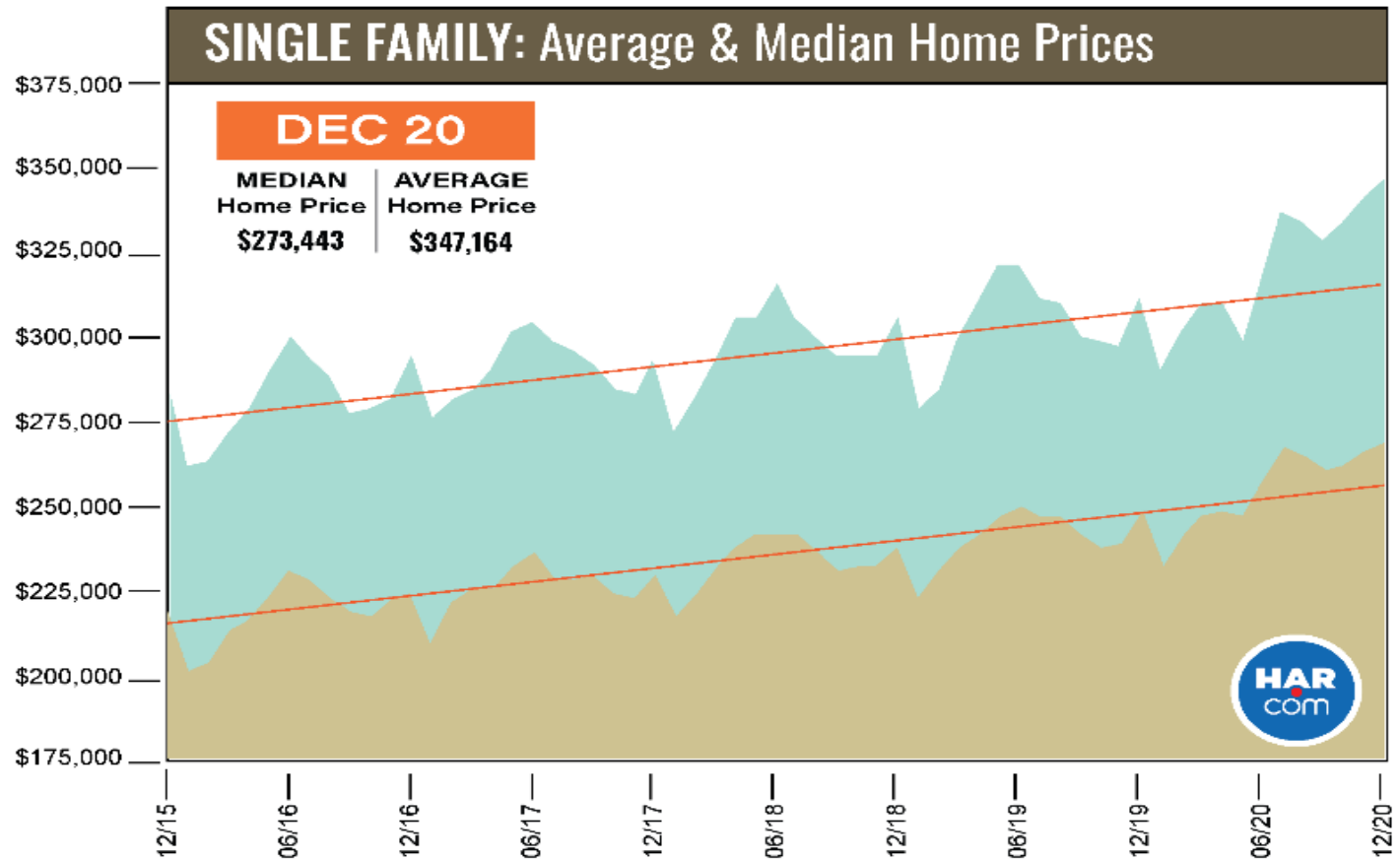
Sales Prices

- Average sales price (5.1%):
 - January 2020: \$305,959
 - January 2021: \$324,069

- Median sales price (6.1%) :
 - January 2020: \$245,000
 - January 2021: \$260,000



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2021 Outlook and Insights

Pandemic:

- Will vaccines be effective?
- With businesses reopening will we have another spike?

Interest Rates:

- Increase in interest rates can have a cooling effect on economy and housing market
- Fed funds rate near 0



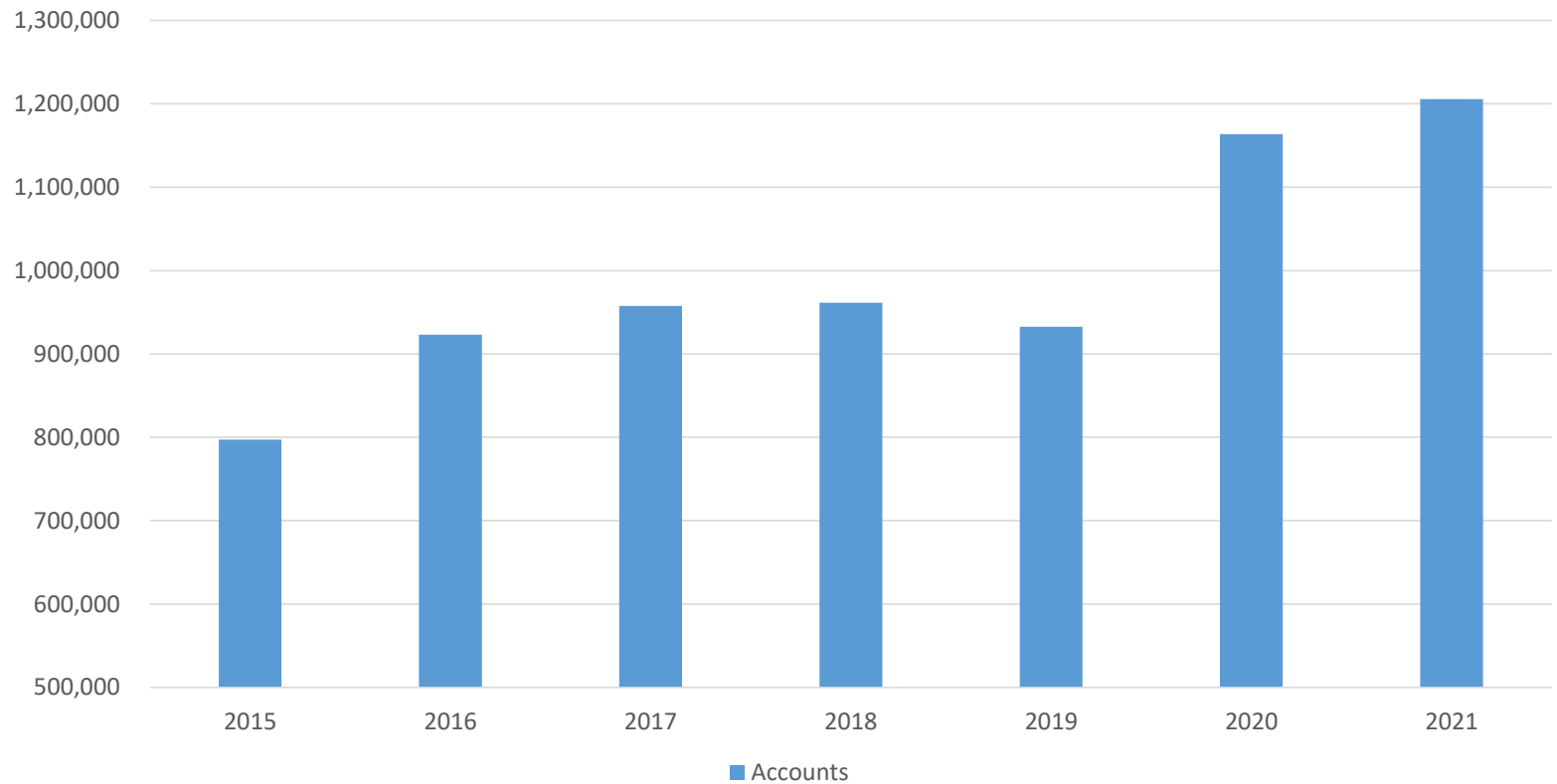
2021 Residential Noticing

- Residential noticing began Friday, March 5th
 - Single family homes, including townhomes & condos
 - Real and personal property manufactured homes
 - Vacant land
- 1,205,551 accounts noticed the first weekend



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Initial Noticing 2015 - 2021





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2021 Single-family Increase, Decrease, No Change (as of March 12)

Market Value	Parcels	Percent of Parcels		
		No Change	Increase	Decrease
Under 80,000	53,390	39.1%	54.2%	6.7%
80,000 - 149,999	202,674	13.1%	79.6%	7.3%
150,000 - 249,999	457,877	6.4%	88.6%	5.0%
250,000 - 499,999	280,620	6.9%	86.7%	6.3%
500,000 - 999,999	63,917	10.0%	79.9%	10.1%
1 million and up	27,944	10.5%	79.5%	10.0%
Total	1,086,422	9.7%	84.0%	6.3%
Tax Year 2020		15.8%	74.0%	10.1%



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2021 Single-family Percent Change (as of March 12)

Market Value	Average Percent of Change		Overall Percent of Change
	Reappraisal Only	with New Construction	
Under 80,000	10.57%	11.04%	9.11%
80,000 - 149,999	10.99%	12.22%	9.77%
150,000 - 249,999	9.33%	15.78%	9.04%
250,000 - 499,999	9.03%	20.72%	9.19%
500,000 - 999,999	7.72%	13.63%	7.94%
1 million and up	8.43%	13.07%	8.51%
Total	9.50%	15.96%	8.90%