



# 2024 Market Trends and Reappraisal



# Noticing Timeline

- Residential:
  - Selected March 15<sup>th</sup>
  - Letter dated April 19<sup>th</sup>
- Commercial:
  - Selected March 15<sup>th</sup>
  - Letter dated April 19<sup>th</sup>
- Industrial Real & Dealer Inventory
  - Selected March 15<sup>th</sup>
  - Letter dated April 19<sup>th</sup>
- Other Personal Property:
  - Selected March 15<sup>th</sup>
  - Letter dated April 19<sup>th</sup>



**JOB GROWTH**— Metro Houston created an estimated 83,000 jobs thru December of 2023

**UNEMPLOYMENT** - Texas Labor Market Reached Historic Highs in 2023 - Texas Workforce Commission

Dec 2019 – 3.9%

Dec 2020 – 8.0%

Dec 2021 – 4.8%

Dec 2022 – 3.6%

Dec 2023 – 3.5%



# Residential Property Market Overview

Tax Year 2024



# Houston Residential Home Market

After 3 years of rapid appreciation which saw market values increasing >50% across almost all areas, the Harris County housing market took a “breather” in 2023

Economic indicators are a mixed bag but in general the market is doing well and is stable



# Leading Indicators

Key metrics used to predict or explain market behavior:

- Interest rates & mortgage rates
- Inventory levels & new starts
- Sales prices & sales volume



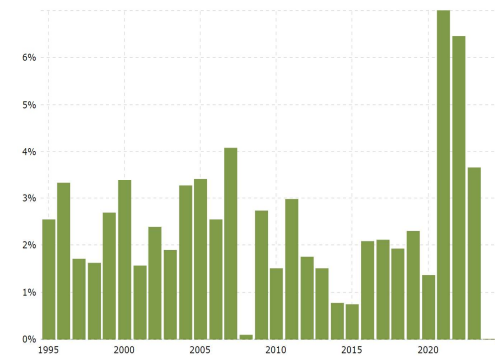
# Inflation

Inflation began to spike in 2021 as the federal Gov't. battled Covid

The Fed began raising interest rates to combat inflation in early 2022

Mortgage rates follow the federal funds rate

These increases are having the desired affect



FOMC Meeting Date	Rate Change (bps)	Federal Funds Rate
July 26, 2023	+25	5.25% to 5.50%
May 3, 2023	+25	5.00% to 5.25%
March 22, 2023	+25	4.75% to 5.00%
Feb 1, 2023	+25	4.50% to 4.75%
Dec 14, 2022	+50	4.25% to 4.50%
Nov 2, 2022	+75	3.75% to 4.00%
Sept 21, 2022	+75	3.00% to 3.25%
July 27, 2022	+75	2.25% to 2.50%
June 16, 2022	+75	1.50% to 1.75%
May 5, 2022	+50	0.75% to 1.00%
March 17, 2022	+25	0.25% to 0.50%



# Interest Rates

Fed Funds Rate was increased 11 times between 2/22 – 7/23.



# Interest Rates

Mortgage rates have fallen consistently over the last 30+ years. This has changed. **As of 4/1/24 30-year mortgage rate is 7.0-7.5%.**





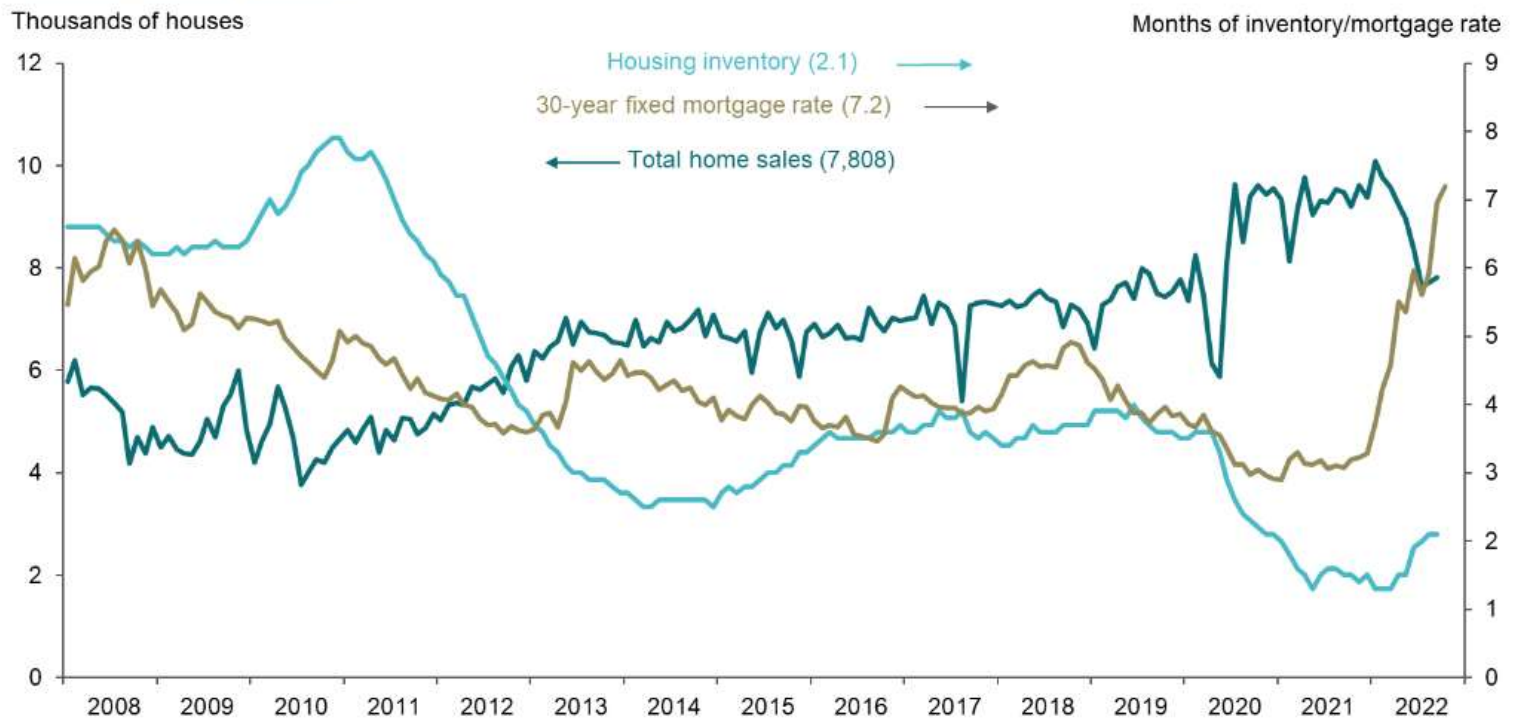
# Home Inventory

- According to the Houston Association of Realtors (HAR), the inventory of available homes has increased from 2.6 months in January 2023 to 3.3 months of supply in December 2023
- The is significantly higher than the 1.3 months in January of 2022
- The increase in inventory is a welcome sight as it helped the median and average price of homes in Harris County remain flat from the previous year
- **No Inventory, No bubble**

[Monthly Housing Update - HAR.com](https://www.harc.com/monthly-housing-update)

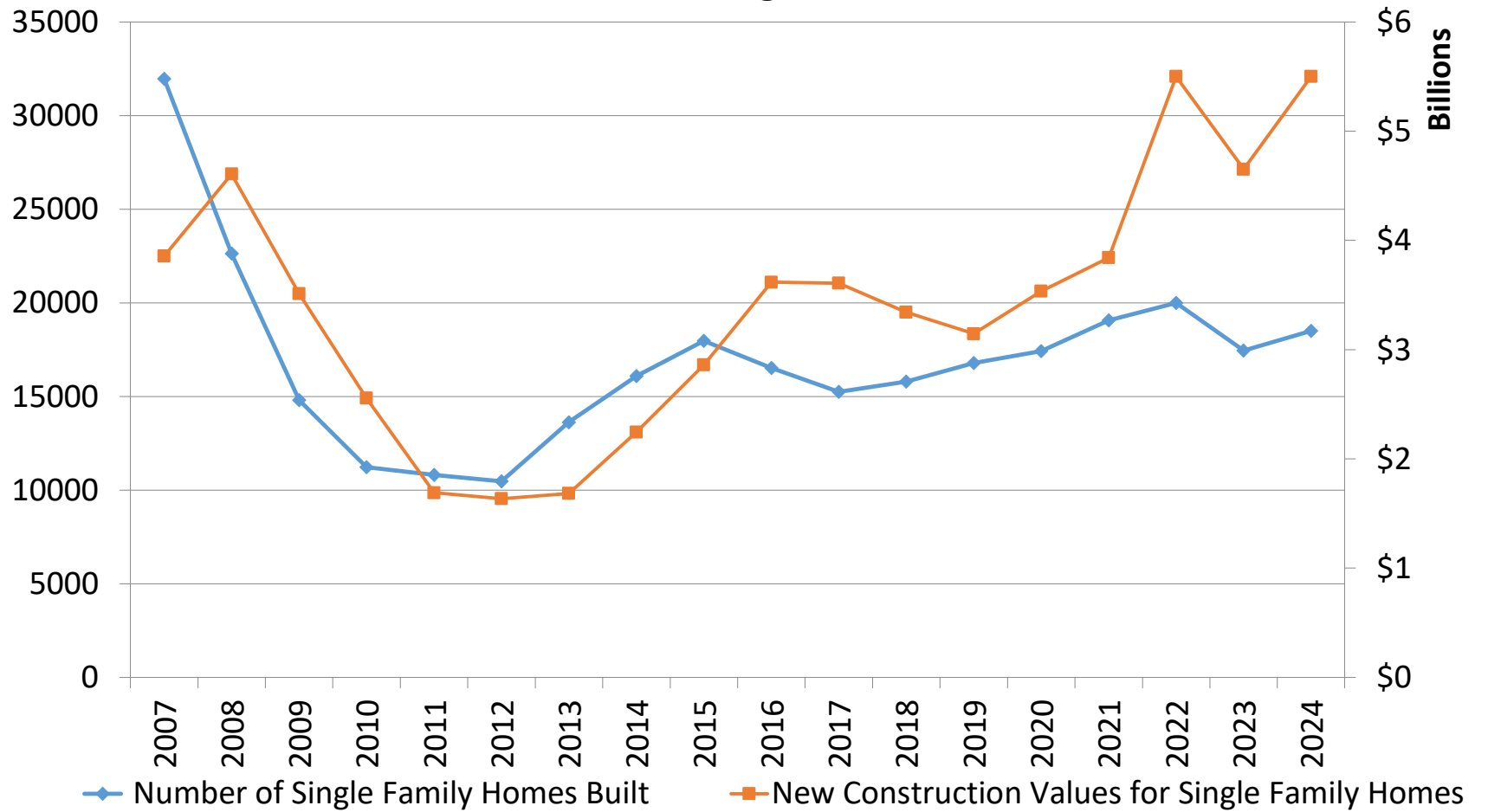
# Home Inventory – Still at historically low levels

Houston Housing Market



[Houston Economic Indicators - Dallasfed.org](https://dallasfed.org/economic/houston/)

## Housing Starts





# Single Family Sales Volume

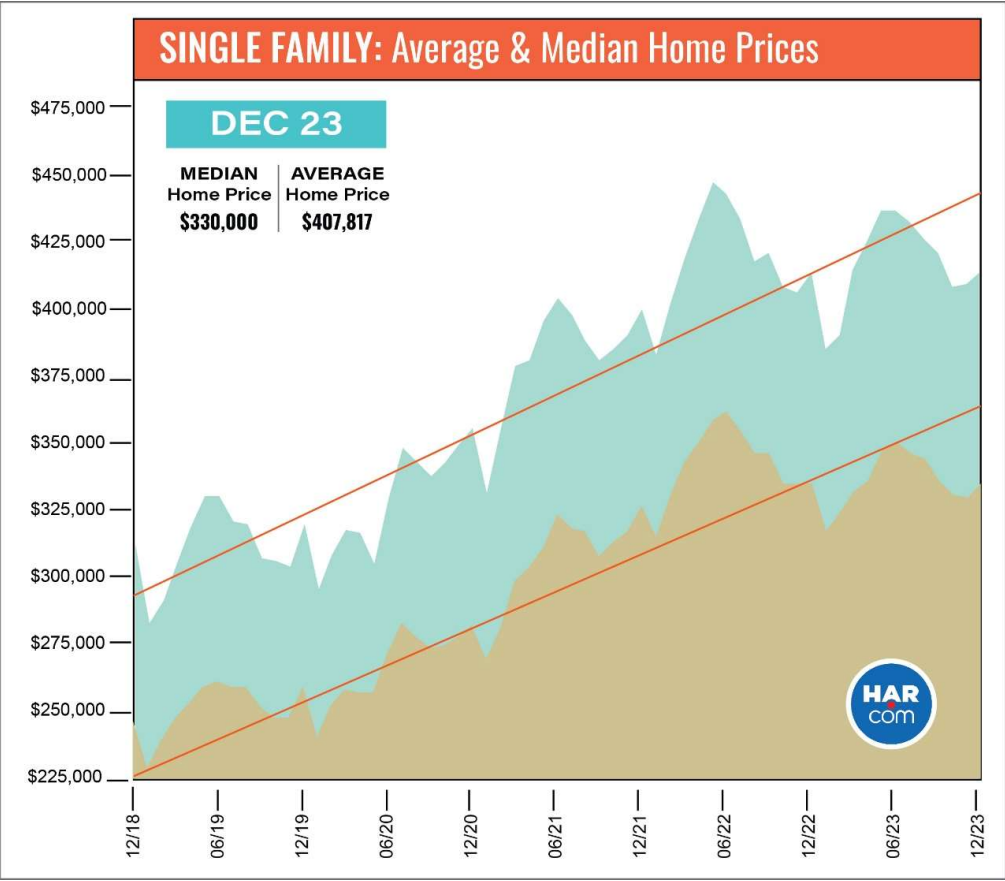
- Full year decrease **(-12.0%)**
  - 2022: 95,302
  - 2023: 83,854
- Month-over-month decrease **(-4.9%)**
  - December 2022: 7,778 units
  - December 2023: 7,395 units

**\*\*\*\*\*2 consecutive years of declining sales volume\*\*\*\*\***



# Sales Prices

- Average sales price (0.0%):
  - Full year 2022: \$413,657
  - Full year 2023: \$412,161
- Median sales price (-2.5%) :
  - Full year 2022: \$338,295
  - Full year 2023: \$330,000



Average Price \$407,817

Median Price \$330,000





# 2024 Outlook and Insights

Despite two years of decreased sales volume, elevated interest rates, and growing supply, the housing market in Harris County is stable.

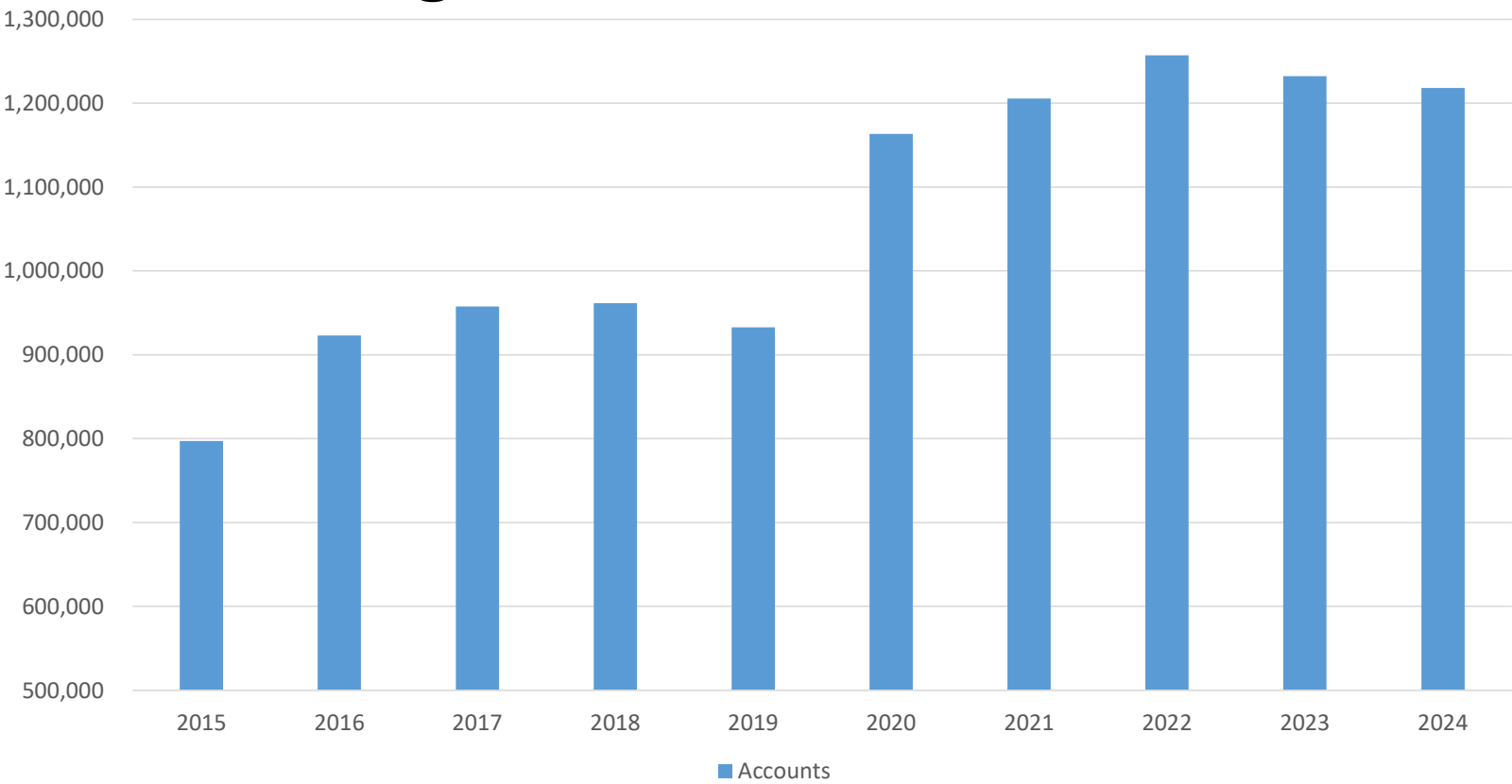
- Unemployment remains low
- The fed has not increased rates in 8 months and have suggested decreases in late '24
- The economy & job growth in Texas and nationally remain positive
- Inflation is coming down
- Inventories though growing are still below what is considered equilibrium
- No clear path to a recession



# 2024 Residential Noticing

- Residential noticing began Friday, March 15<sup>th</sup>
  - Single family homes, including townhomes & condos
  - Real and personal property mobile homes
  - Vacant land
- 1,218,000 accounts noticed as of 3/25/24 (\$423.5b)

# Initial Noticing 2015 - 2024





# 2024 Single-family Increase, Decrease, No Change (as of March 25)

Market Value	Parcels	Percent of Parcels		
		No Change	Increase	Decrease
Under 124,999	53,174	30.4%	38.7%	30.9%
125,000 - 199,999	67,350	21.2%	36.6%	42.2%
200,000 - 299,999	397,259	13.6%	28.8%	57.5%
300,000 - 449,999	282,412	9.9%	37.4%	52.7%
450,000 - 749,999	135,025	7.8%	58.1%	34.1%
750,000 and up	73,843	5.5%	73.4%	21.1%
Total	1,109,063	13.4%	39.2%	47.4%
Tax Year 2023		2.9%	95.8%	1.3%



## 2024 Single-family Percent Change (as of March 25)

Market Value	Average Percent of Change		Overall Percent of Change
	Reappraisal Only	with New Construction	
Under 124,999	2.31%	2.58%	1.33%
125,000 - 199,999	0.30%	1.19%	-0.20%
200,000 - 299,999	-0.73%	4.35%	-0.85%
300,000 - 449,999	0.49%	10.56%	0.83%
450,000 - 749,999	3.64%	12.35%	3.98%
750,000 and up	6.52%	11.13%	7.73%
<b>Total</b>	<b>0.90%</b>	<b>6.80%</b>	<b>2.60%</b>