



we value
our community

Residential Property Market Overview

Tax Year 2026



we value our community

Houston Residential Home Market

During 2025, the Houston real estate market offered a combination of strong fundamentals, competitive pricing, and growing investor interest. Despite headwinds such as elevated mortgage rates and persistent inflation, Houston continued to outperform many major metropolitan areas in terms of housing affordability, market stability, and long-term growth potential.

[Houston Housing Market Analysis & Forecast \(2024 - 2026\) | The Luxury Playbook](#)



we value our community

Leading Indicators

Key metrics used to predict or explain market behavior:

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



we value our community

Inflation

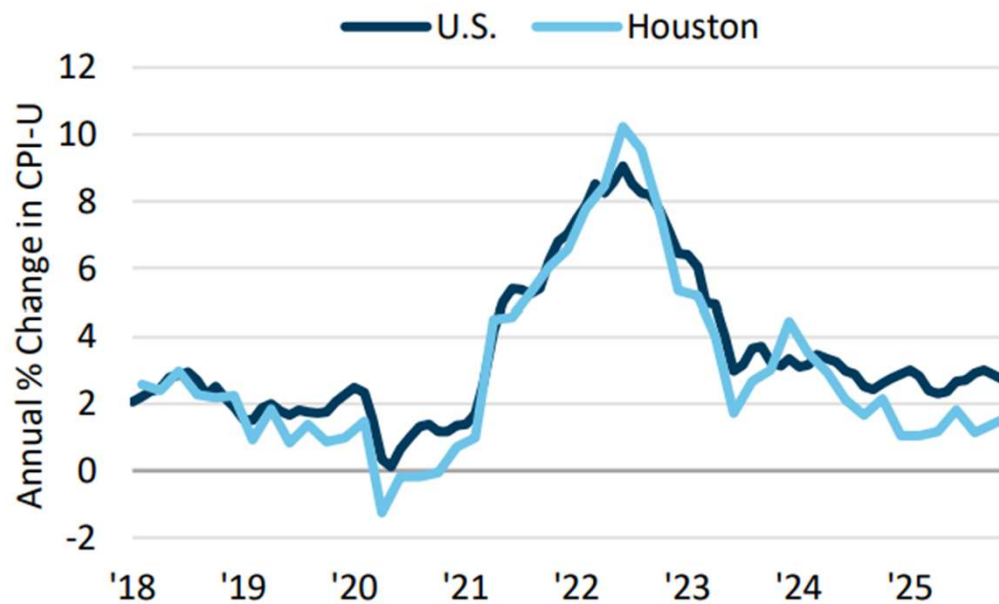
During 2025 inflation remained above the Federal Reserve's 2.0 percent target rate but did not rise dramatically higher following the implementation of tariffs in the spring.



we value our community

Inflation

U.S. & METRO HOUSTON INFLATION RATES



Source: Partnership Analysis of Bureau of Labor Statistics Data

[Glance-February-2026-Final-1.pdf](#)



we value our community

Interest Rates

Despite the Federal Reserve inflation target rate not being reached. The Fed Funds Rate was lowered three times during 2025.



we value our community

FOMC's target range for the federal funds rate

Effective Date	Federal Funds - Level % (Low)	Federal Funds - Level % (High)
01/30/2025	4.25	4.5
03/20/2025	4.25	4.5
05/08/2025	4.25	4.5
06/20/2025	4.25	4.5
07/31/2025	4.25	4.5
09/18/2025	4	4.25
10/30/2025	3.75	4
12/11/2025	3.5	3.75
01/29/2026	3.5	3.75

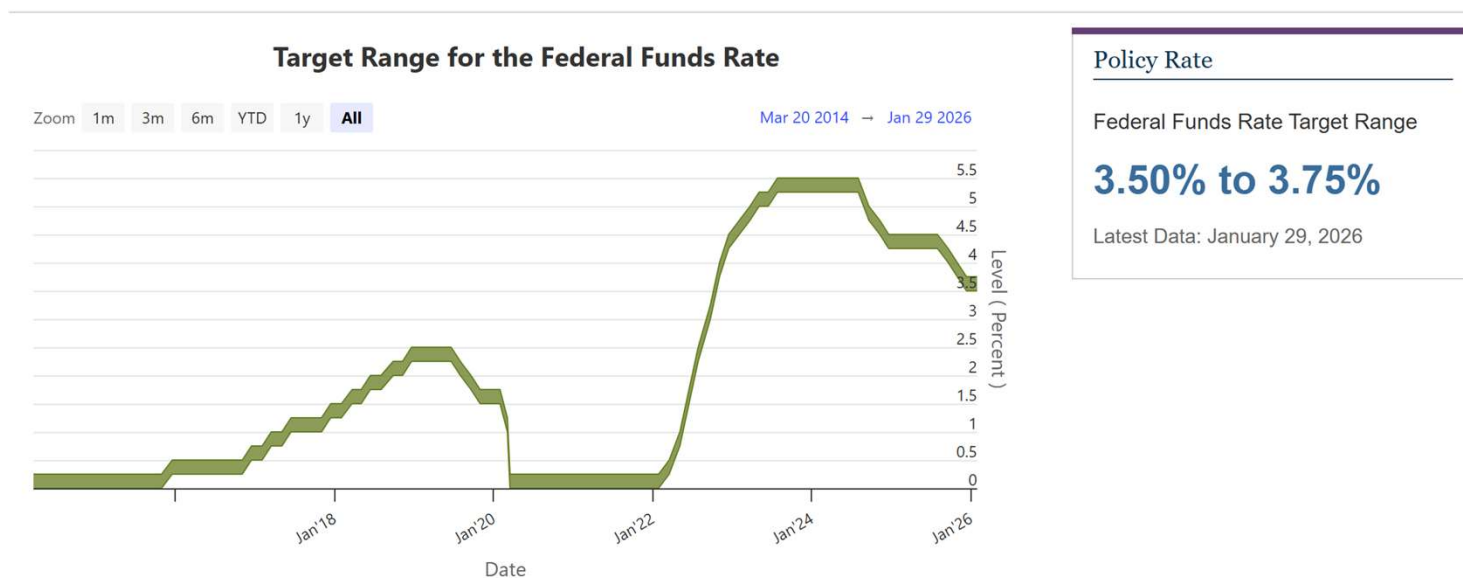
[The Fed Explained - Accessible: FOMC's target federal funds rate or range, change \(basis points\) and level](#)



we value our community

Interest Rates

Since 9/19/2024 we have seen steady rate reductions. As of January 29, 2026, the target rate range was between 3.50 to 3.75%.



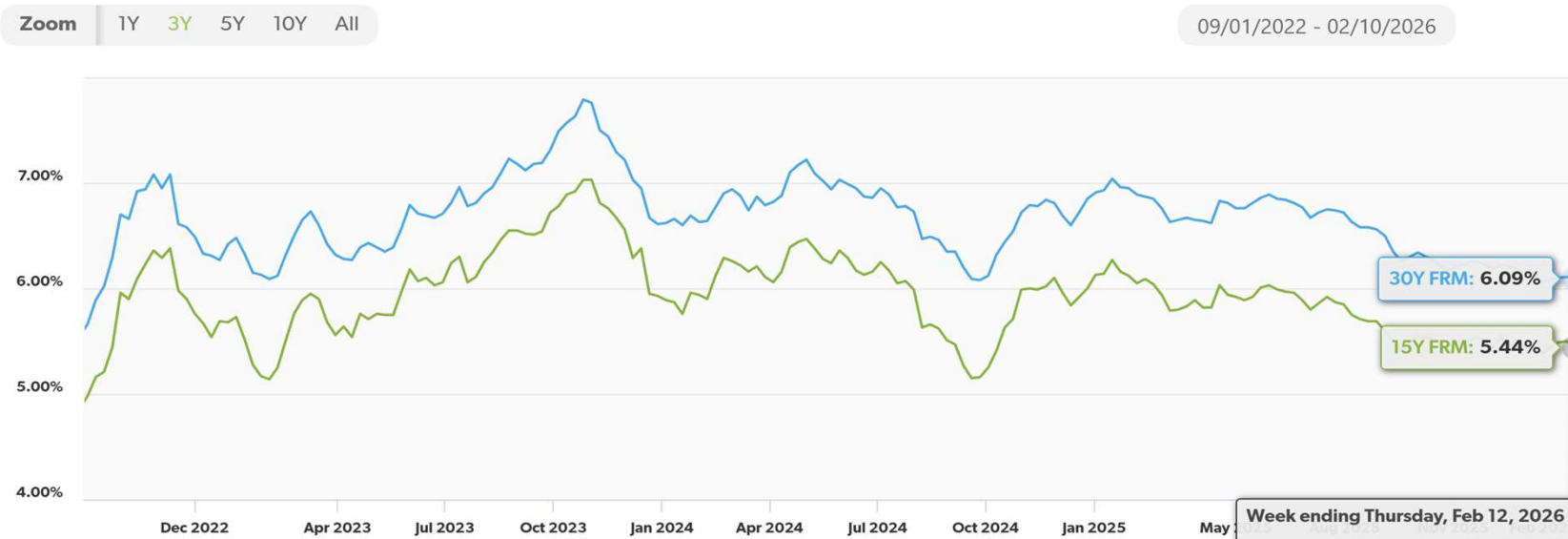
[The Fed - Economy at a Glance - Policy Rate](#)



we value our community

Mortgage Rates

After experiencing mortgage rates increase starting in 2022, that mirrored the rise in the Fed rate. We have now seen a rate reduction.



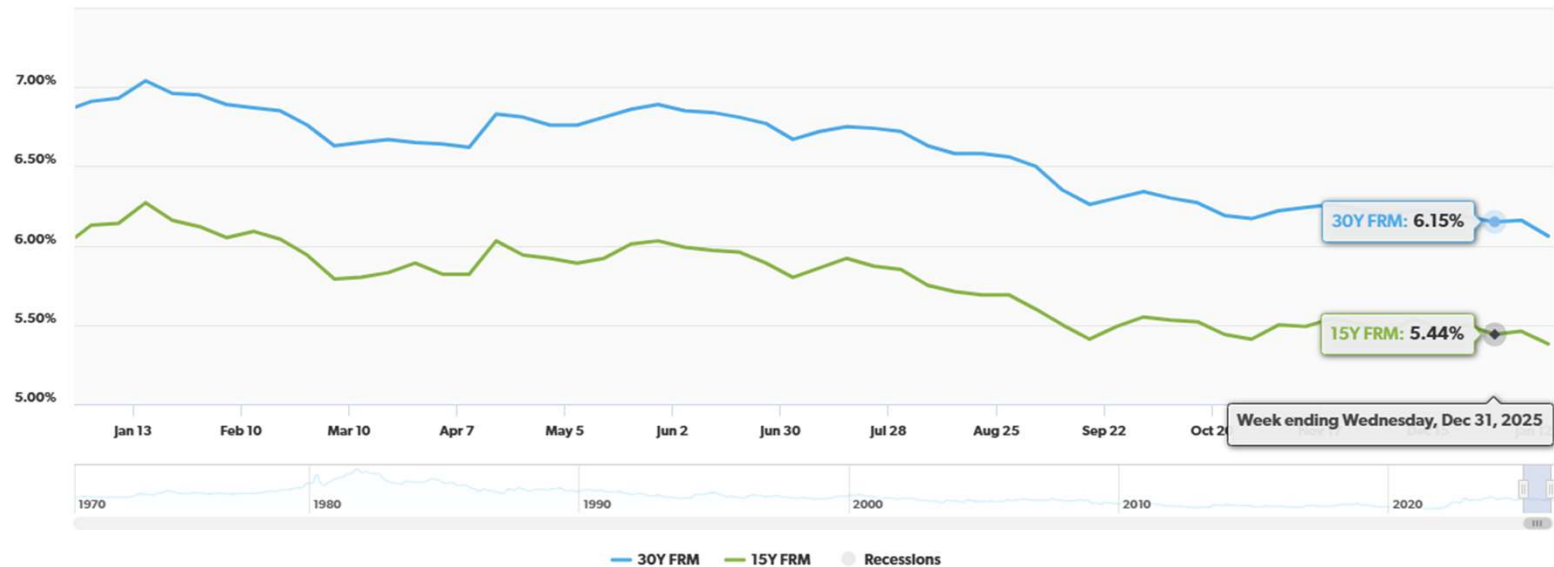
[Mortgage Rates - Freddie Mac](#)



we value our community

Mortgage Rates

The Fed Funds Rate started to be increased in 2022 to reduce inflation . **As of 1/1/26 30-year mortgage rate was 6.15% and a 15-year mortgage rate was 5.44%.**



[Mortgage Rates - Freddie Mac](#)



we value our community

Home Inventory

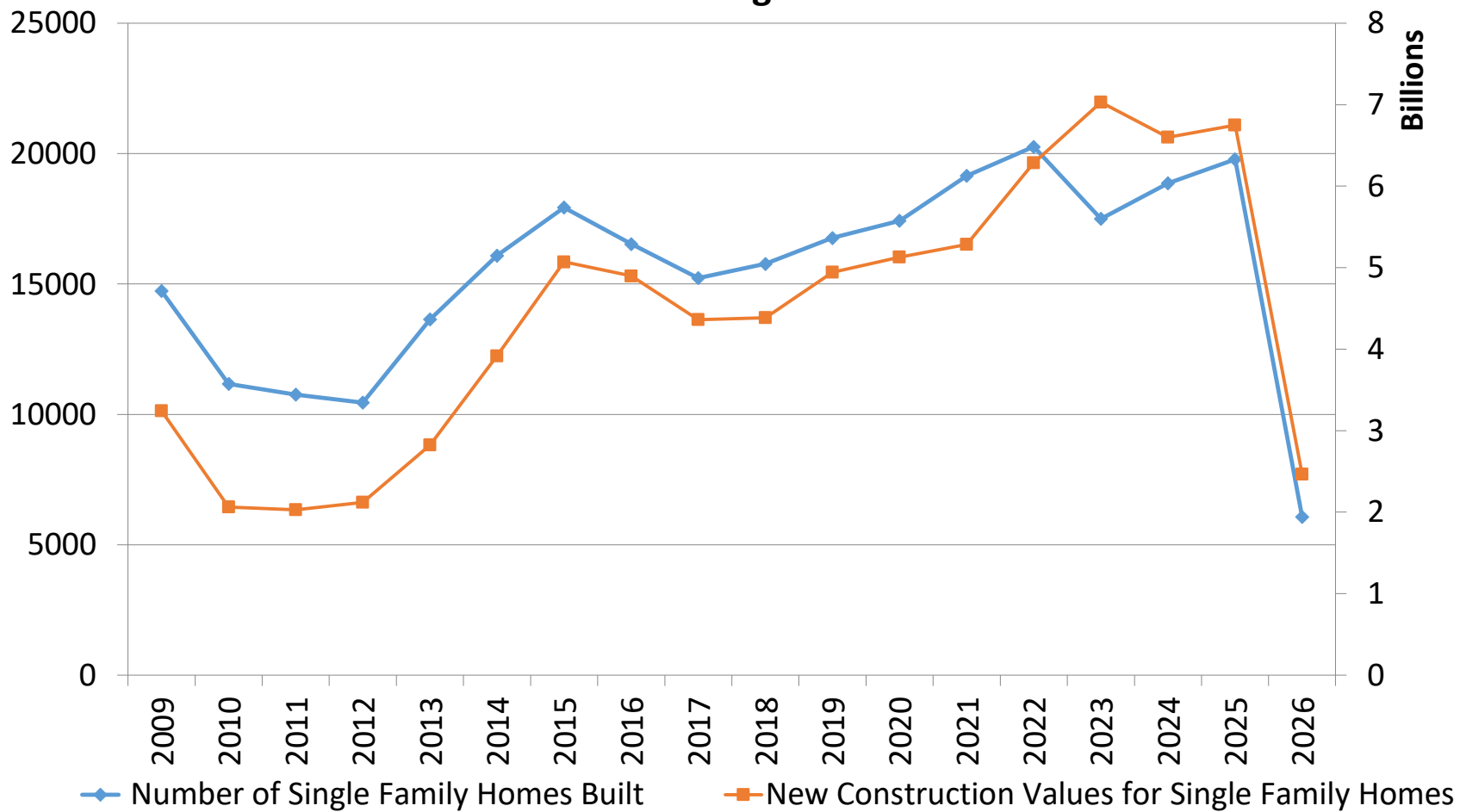
- According to the Houston Association of Realtors (HAR), the inventory of available homes increased from 4.0 months in December 2024 to 4.5 months of supply in December 2025.
- Throughout 2025 inventory supply remained at equilibrium levels. Traditionally inventory between 4.0 to 6.0 is considered a “balanced market”.

[Monthly Housing Update - HAR.com](#)



we value our community

Housing Starts





we value our community

Single Family Sales Volume

- Full year increase (3.8%)
 - 2024: 85,373
 - 2025: 88,634

- Month-over-month increase (1.2%)
 - December 2024: 8,600 units
 - December 2025: 8,707 units



we value our community

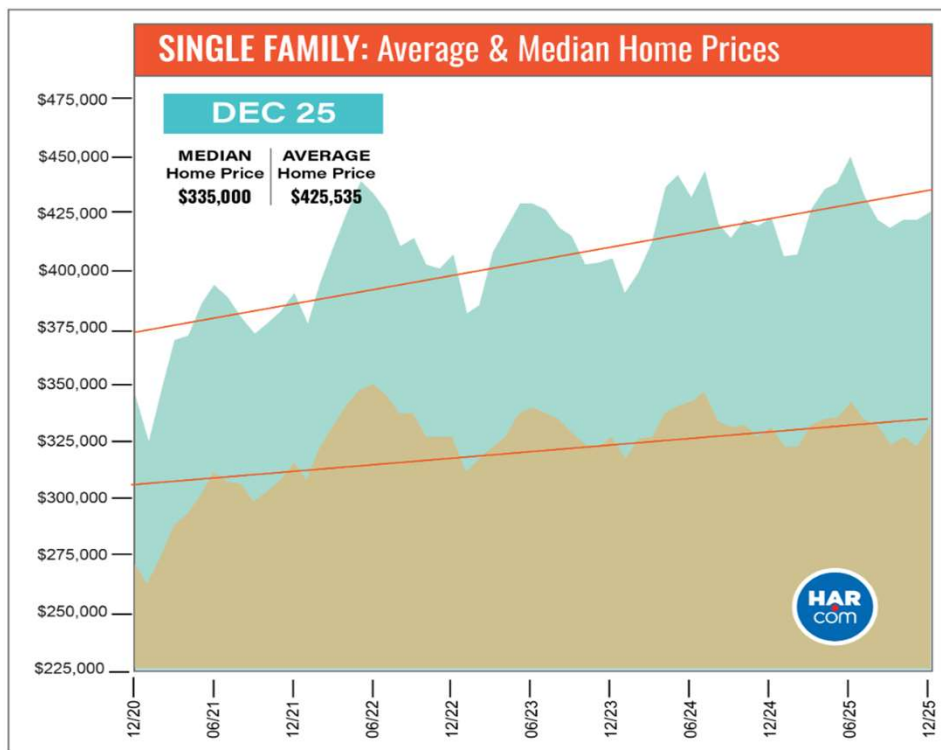
Sales Prices

- Average sales price (2.5%):
 - Full year 2024: \$422,590
 - Full year 2025: \$426,558
- Median sales price (FLAT):
 - Full year 2024: \$335,000
 - Full year 2025: \$334,990



we value our community

Sales Prices



Average Price \$425,535

Median Price \$335,000



we value our community

2026 Outlook and Insights

With a strong finish to 2025 the Houston housing market returned to a more balance pace making it a solid year for both buyers and sellers. Houston experienced modest growth in 2025. As 2026 gets underway this growth is expected to continue.

- Unemployment remains low
- The Federal Reserve dropped rates 3 times during 2025
- The economy & job growth in Texas and nationally remain positive
- Inflation is near 2.0 percent tar-get
- Housing inventory remain at equilibrium

[The Fed Explained - Accessible: FOMC's target federal funds rate or range, change \(basis points\) and level](#)

[Economy at a Glance - January 2026](#)

[Monthly Housing Update and MLS Sales Activity - HAR.com](#)



we value our community

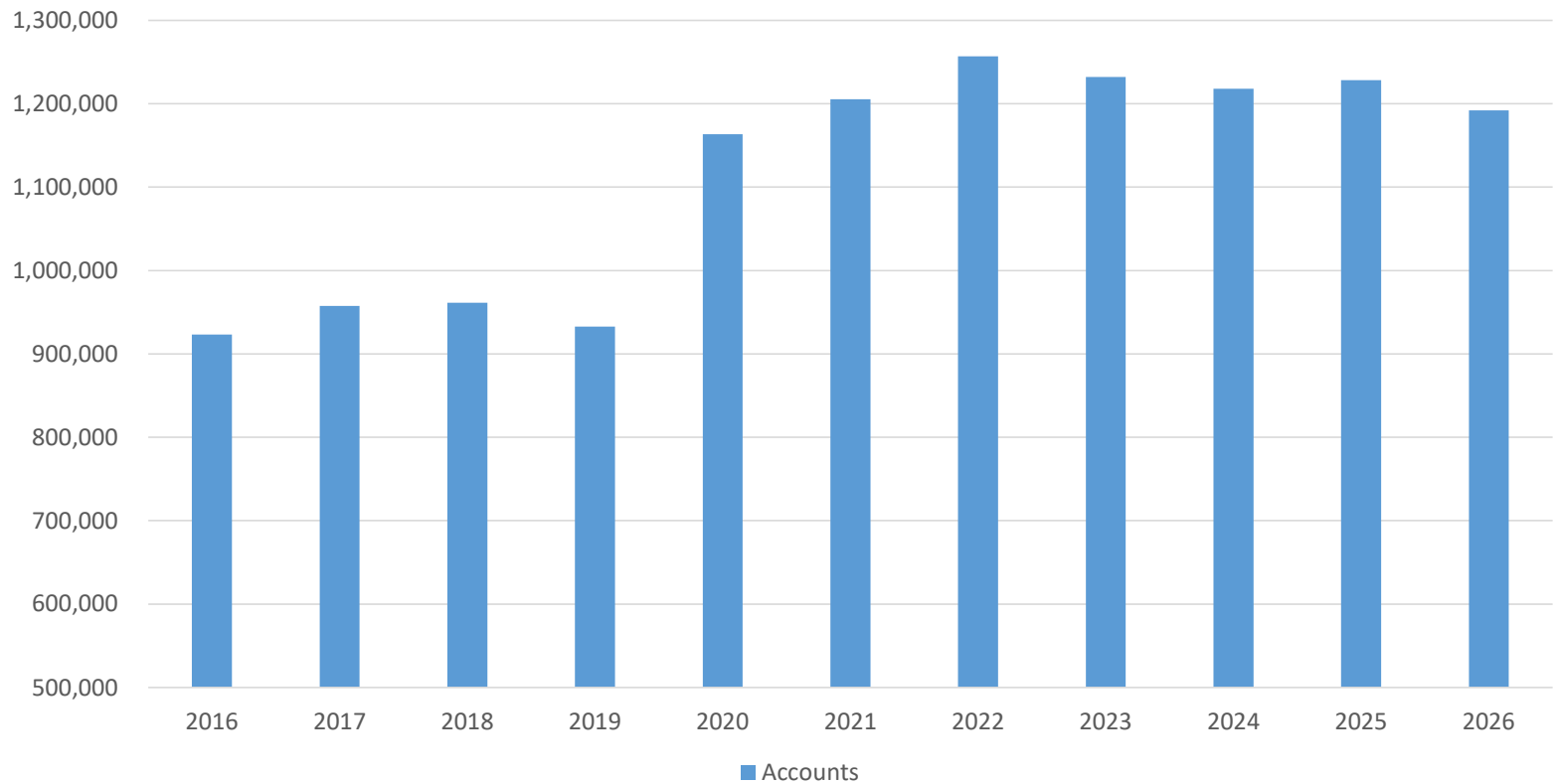
2026 Residential Noticing

- Residential noticing began Friday, March 13th
 - Single family homes, including townhomes & condos
 - Vacant land
- 1,191,961 accounts noticed as of 3/16/26 (\$427.3b)



we value our community

Initial Noticing 2016 - 2026





we value our community

2026 Single-family Increase, Decrease, No Change (as of March)

Market Value	Parcels	Percent of Parcels		
		No Change	Increase	Decrease
Under 124,999	53,043	35.7%	27.3%	37.0%
125,000 - 199,999	175,831	22.2%	35.2%	42.6%
200,000 - 299,999	400,381	13.8%	43.0%	43.3%
300,000 - 449,999	279,639	9.5%	55.4%	35.0%
450,000 - 749,999	134,400	5.4%	68.8%	25.8%
750,000 and up	77,734	3.8%	82.1%	14.1%
Total	1,121,028	13.4%	49.9%	36.7%
Tax Year 2025		12.2%	56.0%	31.8%



we value our community

2026 Single-family Percent Change (as of March)

Market Value	Average Percent of Change		Overall Percent of Change
	Reappraisal Only	with New Construction	
Under 124,999	-0.62%	-0.29%	-1.32%
125,000 - 199,999	0.29%	1.42%	-0.17%
200,000 - 299,999	1.21%	5.22%	1.14%
300,000 - 449,999	2.73%	8.63%	2.93%
450,000 - 749,999	4.71%	8.05%	4.68%
750,000 and up	8.15%	10.60%	9.29%
Total	2.26%	5.93%	4.20%