



Harris County Appraisal District News Release

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April 26, 2021

Harris County Appraisal District Mails Property Value Notices

Houston —The Harris County Appraisal District has mailed property value notices to many residential property owners and is following with commercial and industrial value notices.

“We are seeing a large number of residential and commercial properties in Harris County increasing in value this year,” said Roland Altinger, chief appraiser. “Residential properties are in high demand and have gone up about 8 – 10 percent in value, and commercial properties are following along the same lines with a value increase of just over 9 percent.”

Altinger 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 residential and commercial property is below, and market area maps are available on the HCAD web site at www.hcad.org under “Appraisal” and then “Reappraisal.” Individual property values also are available at www.hcad.org.

Residential:

The Harris County housing market had a robust year because of low interest rates and a shrinking inventory of homes. The inventory of available homes fell to a 1.9-months supply at the end of December 2020, which means the supply of homes for sale is very low. The county has hovered around a 3-months supply for the past 5 years, which indicates a seller’s market. A 6-month inventory of homes is considered a balanced market. With inventory at historically low levels, the issue of housing prices and affordability will continue.

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The sales volume of homes has increased, and home values continue to rise. The sales volume for single family residential properties was 96,151 homes in 2020, which is a 10.5 percent increase from the 86,996 homes sold in 2019, according to the Houston Association of Realtors. The average sales price increased to \$324,069 in January 2021, which is a 5.1 percent increase from \$305,959 in January 2020.

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 6.1 percent to \$260,000 in January 2021, compared with \$245,000 in January 2020, according to the Houston Association of Realtors.

Homes in all price ranges saw value increases of between 8 – 10 percent with 84 percent of all the homes in the county going up in value because of the demand for single family homes.

“Exemptions can provide significant relief for qualifying taxpayers by reducing taxable value and tax levies,” Altinger said.

Residence homestead exemptions are the most common type of exemption and apply to most owner-occupied homes in Texas. Property owners should check their account online to make sure that all exemptions they are entitled to are in place.

Commercial:

All commercial property categories are increasing in value except for hotel and motel properties. Values for commercial properties rose 9.3 percent overall, with 65 percent of commercial properties increasing in value, 27 percent remaining unchanged and 8 percent falling in value. Commercial property includes apartments, office buildings, retail, medical offices, hospitals, hotels, warehouses and vacant land.

While values of medical properties increased 11.8 percent, vacant land increased 10.4 percent and office properties increased 6.6 percent from the certified value in 2020 to 2021, the values of hotel and motel properties fell about 5 percent because of the impact of the pandemic.

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The Houston office market was suffering before the pandemic, but the pandemic has caused many companies to put office space decisions on hold until they can figure out how they want to configure their office space for work at home or social distancing. Vacancy rates grew to 22.1 percent over 2020's 19.9 percent. Overall rental rates remain steady but with generous concessions.

Houston's apartment values have remained stable but there has been some pandemic impact. There is an oversupply of new Class A units primarily in the center of the county, such as downtown, Galleria and Upper Kirby. Rental rates have declined in those areas by 1.7 percent and landlords are giving generous concessions to absorb some of the excess units. Rental rates in the suburban market are staying steady, and with more people working from home, many apartment dwellers have moved to the suburbs where they can pay a lower rate.

The retail market took one of the hardest hits from the economic shutdown but started to recover in the fourth quarter. Vacancy rates rose to 5.8 percent at the end of 2020, up from 5.3 percent the previous year. Warehouses are continuing to grow with 30 million square feet of new construction because of the explosion in e-commerce activity from the pandemic. The demand for vacant land grew in 2020 with the strongest demand concentrated in or near the Aldine, Klein, Tomball, Cy-Fair, Katy and Houston school districts.

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.

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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 approximately 1.8 million parcels of property to assess each year with a total market value of approximately \$669 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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