Residential Property Market Overview

Tax Year 2020
Houston Economy

Houston’s economy and residential market are doing well.
Houston Economy

Key metrics to healthy Houston housing market:

• Home inventory
• Home starts
• Sales volume
• Sales prices
Home Inventory

• According to the Houston Association of Realtors (HAR), the inventory of available homes was 3.6 months in January 2019.
• As of January 2020 this number decreased to 3.5 months supply.
• 3.0 months of inventory is the national average.
Home Inventory

Single-family home supply (months)*

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


Housing Starts

- Number of Single Family Homes Built
- New Construction Values for Single Family Homes

Billions


5,000 10,000 15,000 20,000 25,000 30,000 35,000


$0 $1 $2 $3 $4 $5 $6 $7 $8 $9
Single Family Sales Volume

• Full year increase (4.8%)
  • 2018: 82,229
  • 2019: 86,205

• Month-over-month increase (14.3%)
  • January 2019: 4,122 units
  • January 2020: 4,699 units
Sales Prices

• Average sales price (4.6%):
  • 2019: $278,100
  • 2020: $291,000

• Median sales price (4.5%):
  • 2019: $224,000
  • 2020: $234,000
Add 5 year average and median sales price trend here
2020 Outlook and Insights

Natural Disasters:
- 11,000 flood properties still under review
- Homes affected by explosion to be reviewed for 2021

Interest Rates:
- Increase in interest rates can have a cooling effect on economy and housing market
- Fed funds rate near 0
2019 Residential Noticing

- Residential noticing began Friday, March 6th
  - Single family homes, including townhomes & condos
  - Real and personal property mobile homes
  - Vacant land
  - Disaster review properties
- Approximately 1,163,441 accounts noticed the first weekend
- Another 19,382 accounts noticed the second weekend
## 2020 Single-family Increase, Decrease, No Change (as of March 16)

<table>
<thead>
<tr>
<th>Market Value</th>
<th>Parcels</th>
<th>No Change</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 80,000</td>
<td>71,309</td>
<td>32.8%</td>
<td>62.6%</td>
<td>4.5%</td>
</tr>
<tr>
<td>80,000 - 149,999</td>
<td>237,676</td>
<td>16.2%</td>
<td>78.3%</td>
<td>5.4%</td>
</tr>
<tr>
<td>150,000 - 249,999</td>
<td>434,975</td>
<td>13.7%</td>
<td>78.4%</td>
<td>7.9%</td>
</tr>
<tr>
<td>250,000 - 499,999</td>
<td>238,425</td>
<td>14.3%</td>
<td>67.7%</td>
<td>18.0%</td>
</tr>
<tr>
<td>500,000 - 999,999</td>
<td>57,659</td>
<td>17.1%</td>
<td>65.5%</td>
<td>17.3%</td>
</tr>
<tr>
<td>1 million and up</td>
<td>26,055</td>
<td>11.6%</td>
<td>71.4%</td>
<td>17.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,066,099</strong></td>
<td><strong>15.8%</strong></td>
<td><strong>74.0%</strong></td>
<td><strong>10.1%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax Year 2019</th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.1%</td>
<td>81.6%</td>
<td>8.3%</td>
<td></td>
</tr>
</tbody>
</table>
## 2020 Single-family Percent Change
*(as of March 16)*

<table>
<thead>
<tr>
<th>Market Value</th>
<th>Average Percent of Change</th>
<th>Overall Percent of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reappraisal Only</td>
<td>with New Construction</td>
</tr>
<tr>
<td>Under 80,000</td>
<td>12.13%</td>
<td>12.80%</td>
</tr>
<tr>
<td>80,000 - 149,999</td>
<td>9.18%</td>
<td>10.70%</td>
</tr>
<tr>
<td>150,000 - 249,999</td>
<td>6.66%</td>
<td>12.92%</td>
</tr>
<tr>
<td>250,000 - 499,999</td>
<td>5.32%</td>
<td>17.30%</td>
</tr>
<tr>
<td>500,000 - 999,999</td>
<td>5.00%</td>
<td>11.44%</td>
</tr>
<tr>
<td>1 million and up</td>
<td>5.22%</td>
<td>9.84%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7.16%</strong></td>
<td><strong>13.24%</strong></td>
</tr>
</tbody>
</table>