



Harris County Appraisal District News Release

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Harris County Appraisal District Sees Increasing Property Values

Houston —The Harris County Appraisal District is seeing increasing property values as it prepares the residential and commercial property value notices.

“We are seeing most residential and commercial properties in Harris County increasing in value this year,” said Roland Altinger, chief appraiser. “Value increases this year have been unprecedented. In my almost 40 years in the real estate business, I have never, ever seen such large increases in market values.”

Altinger explained that the appraisal district is required by law to appraise all property at 100 percent of market value as of January 1. Market value is the amount the property would sell for currently.

Residential properties are in high demand because of population growth, low interest rates, supply chain issues and the ability to work remotely. These factors have combined to create a limited supply of homes.

“Residential properties have gone up about 15 – 30 percent in value, depending on where they are located,” Altinger said. “Over 95 percent of residential properties will increase an overall average of more than 20 percent in value. Properties with homestead exemptions will be limited, or capped, to a 10 percent increase. Commercial properties are following along the same lines with a average value increase of 18 percent.”

Specific information for residential and commercial property is below. The chief appraiser has a video explaining the increasing values and how to reduce the impact on the main page of the website at www.hcad.org where individual property values are also available.

Residential:

The Harris County housing market had a dynamic/vigorous/robust year because of low interest rates, the number of new home starts and a shrinking inventory of homes – all of which

significantly contributed to the higher sales prices, which equate to property values. The inventory of available homes fell to a 1.4-months supply in January 2022, down from a 1.7-months supply in January 2021. This means the supply of homes for sale is very low, which tends to drive up the prices of available homes. The county has hovered around at or below a 3-months supply for the past 6 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.

The sales volume of homes has increased, and home values continue to rise. The sales volume for single family residential properties was 106,229 homes in 2021, which is a 10.3 percent increase from the 96,271 homes sold in 2020, according to the Houston Association of Realtors. The average sales price increased to \$376,075 for the full year of 2021, which is a 16 percent increase from \$324,069 in 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 15.4 percent to \$300,000 for the full year of 2021, compared with \$260,000 in 2020, according to the Houston Association of Realtors.

Homes in all price ranges saw value increases of 21 percent overall, which includes new construction, with almost 97 percent of all the homes in the county going up in value because of the demand and increased sales prices 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. Altinger encouraged property owners to check their HCAD property account online to make sure that all exemptions they are entitled to are in place and then check the value of their homes on other websites.

“If you still think our value is off base, then we encourage you to file a protest,” Altinger said.

Commercial:

All commercial property categories are increasing in value and rose 18 percent overall. Commercial property includes apartments, warehouses, office buildings, retail, medical offices and hospitals, hotels and vacant land.

The two commercial categories that increased the most in value were apartments, which rose 24 percent, and warehouses which rose 20 percent. These were followed by retail, which increased 18 percent and medical properties, which increased 17 percent.

Apartments are the largest property type in the commercial property segment at 29 percent, followed by retail at 23 percent, warehouses at 19 percent and offices at 16 percent. 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.

The chief appraiser has an 8-minute video explaining the increasing values and the measures homeowners can take to reduce their tax burden on the main page of HCAD's website:

www.hcad.org . There is a link to the maps in the announcement bar.

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 \$691 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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