

Trends in Property Appraisals Across Houston and the Effects on Affordable Housing

Center for Civic and Public Policy Improvement



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Introduction

- CCPPI provides affordable housing for families in the Third Ward (CCPPI, 2023).
 - Up to 120% Area Median Income
 - Houses valued ~\$195,000-215,000
- CCPPI works with the Midtown Redevelopment Authority to convey parcels of land for affordable homes (CCPPI, 2023).



The Problem

- Home values are rising in Houston's Third Ward.
- As home values increase, property taxes increase.
 - This increases costs for affordable home recipients, increasing the risk of being priced out of one's home.
- Median property taxes in Texas have risen 26% between 2019 and 2023 alone (Stringer and Sparber, 2024).
- Q: Should CCPPI consider other areas of Houston for affordable housing construction?



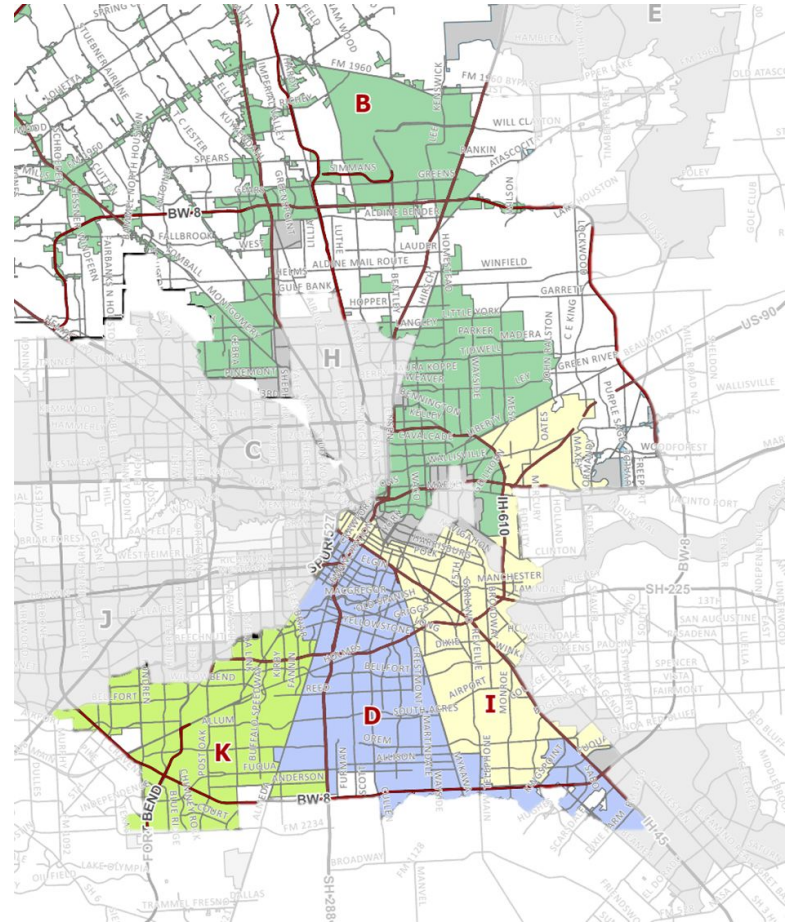
Target Region - District D

- CCPPI operates in the 3rd Ward
 - Median owner home value of \$306,100 (Houston Community Data Collection 2024)
 - 29% Population in owner-occupied housing
- Median Housing value of \$199,379 in District D (Houston City Council 2024)
- Population of 207,510 in 2021 (Houston City Council 2024)
 - Median age of 34



Target Region

- City of Houston Districts I, K, and B



Sourced from Houston City Council, 2024

Methods and Approach

- Analyzed Harris County Appraisal Data
 - Separated all single-family properties by districts of interest
- Computed the average appraisal for single-family homes in each district of interest
 - Years 2014-2023
- Calculated the average year over year percentage change for home appraisals



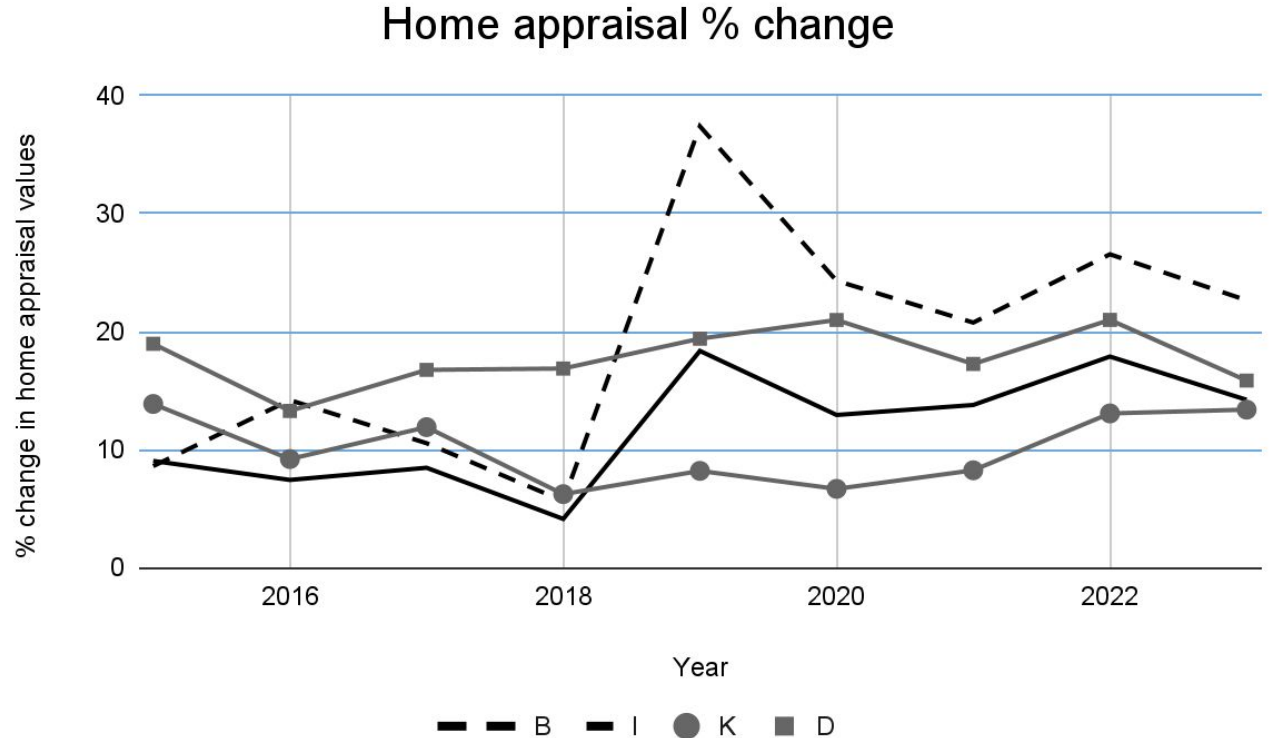
Findings - Average Home Value

- Average home values in the districts of interest range from \$142,000 - \$249,000
- Goal for affordable home is \$195,000 - \$215,000

District	2023 Average Home Value
CCPPI - D	\$214,338
K	\$249,297
I	\$189,908
B	\$142,329

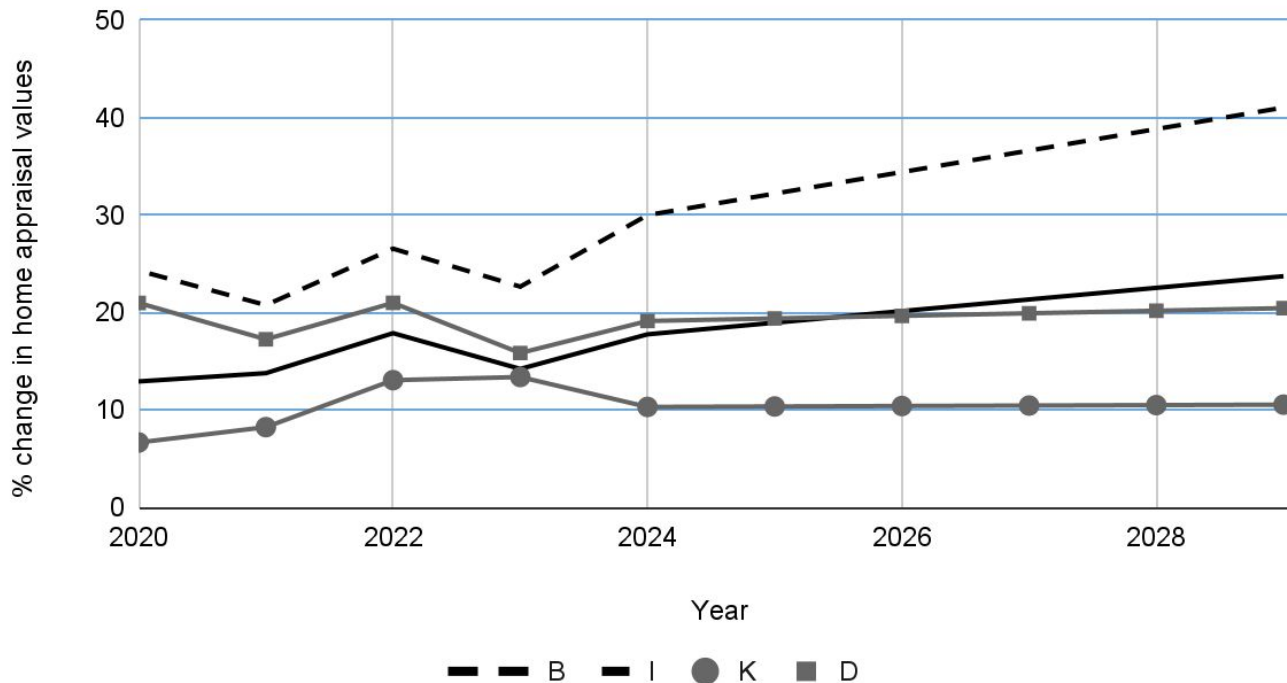
Findings - Change in Home Value

- District B - highest % change
- I & K - lowest % change



Findings - Home Value Projections

Projected % change in home appraisal values

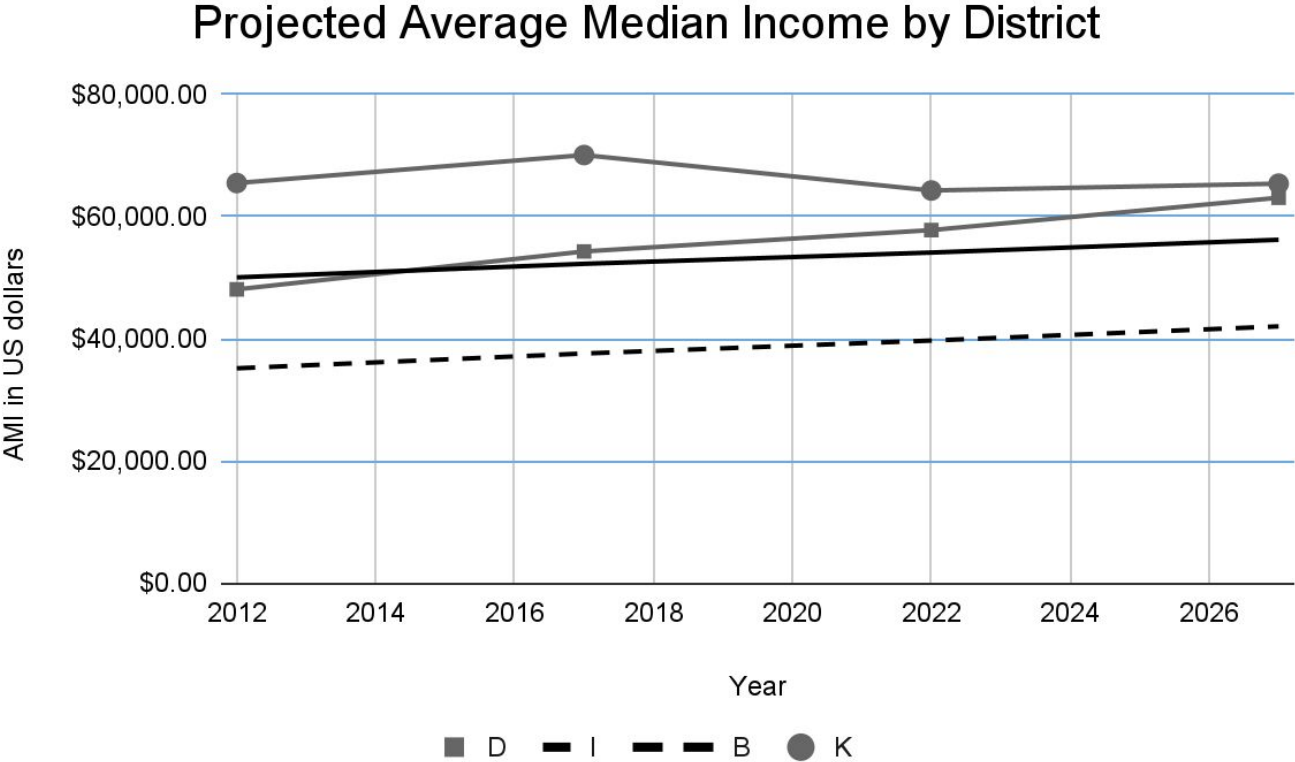


Findings - Income Growth

- Average median household income for each district in years 2012, 2017, and 2022.
- Averages used to project income growth in each district.

District	2022 Average	2017 Average	2012 Average	Avg % Ch 5 Yrs	Avg % Ch 10 Yrs
D	\$57,790.45	\$54,294.84	\$48,084.02	11.71%	22.91%
I	\$54,112.27	\$52,269.89	\$50,046.63	7.8%	8.20%
K	\$64,277.2	\$70,086.34	\$65,499.19	0.13%	3.82%
B	\$39,697.18	\$37,578.00	\$35,153.38	6.99%	12.40%

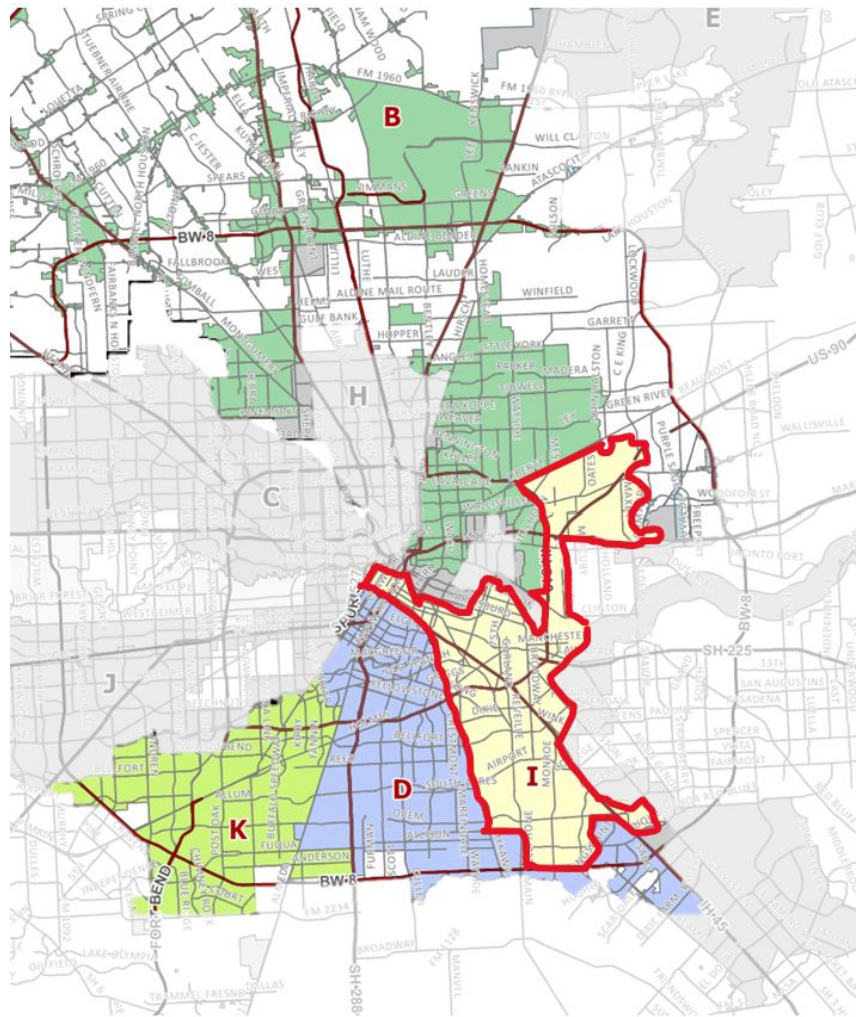
Findings - Average Median Income Projections



Recommendations

District	Current Home Value	Projected Home Value Growth	Projected Income Growth
CCPPI - D	High	Low	Very High
I	Low	Moderate	Moderate
K	Very High	Very Low	Very Low
B	Very Low	Very High	High





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Summary

- District D - home values are increasing
 - Rise in property taxes
 - Challenge for low - moderate income families
- District I - good option for affordable homes
 - Projected values are a prediction but are not guaranteed
 - Temporary solution



References

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