



# MARKET TRENDS

A discussion on 2024 values

# WHAT'S THE STORY IN 2024?

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**RISE**  
INTEREST  
RATES



# KEY MARKET DRIVERS

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Rising interest rates\*

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Inflation\*

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New construction slowed

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Overall demand lower, but steady

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Demand for luxury homes down 24%

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Investor purchases dropped nearly 50% nationwide

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Inventory remains low approaching equilibrium

# ECONOMIC OVERVIEW IN FORT BEND

Industry diversity

Population growth

Employment trends

Economic Indicators

Infrastructure investments



# INDUSTRY DIVERSITY

## Diverse economic base:

- Residential construction
- Engineering services
- Healthcare
- Energy

Diversity in industry contributes to economic stability and resilience

<https://www.h-gac.com/getmedia/e19f5c4a-2de4-41c5-9e3b-4fcc1a034914/10-Fort%20Bend-County-Profile2.pdf>



# POPULATION GROWTH

## More Counties Saw Population Gains in 2023 (3/24)

- “More U.S. counties experienced population gains than losses in 2023, as counties in the South saw faster growth”
- “On average, counties in the South experienced faster growth in 2023 than in 2022.”
- “Eight of the 10 counties that led the nation by numeric change in 2023 were in Texas.”

**Top 10 Counties in Annual Numeric Growth: July 1, to July 1, 2023**

Rank	State	County	April 1, 2020 (Estimates Base)	July 1, 2022	July 1, 2023	Numeric Growth
1	Texas	Harris County	4,731,122	4,781,337	4,835,125	53,788
2	Texas	Collin County	1,066,467	1,158,995	1,195,359	36,364
3	Texas	Montgomery County	620,460	679,554	711,354	31,800
4	Arizona	Maricopa County	4,425,102	4,555,833	4,585,871	30,038
5	Florida	Polk County	725,048	788,382	818,330	29,948
6	Texas	Denton County	906,419	977,760	1,007,703	29,943
7	Texas	Fort Bend County	822,797	888,919	916,778	27,859
8	Texas	Bexar County	2,009,316	2,060,191	2,087,679	27,488
9	Texas	Tarrant County	2,110,623	2,155,646	2,182,947	27,301
10	Texas	Williamson County	609,006	672,273	697,191	24,918

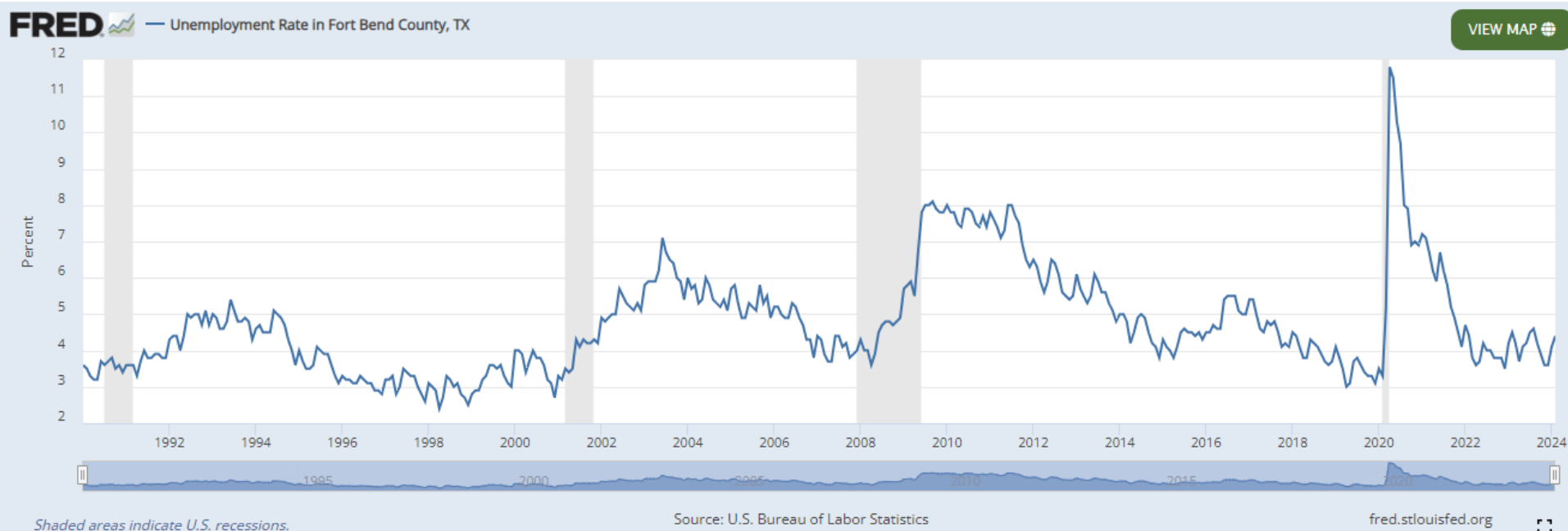
<https://www.census.gov/newsroom/press-releases/2024/population-estimates-more-counties-population-gains-2023.html>

# EMPLOYMENT TRENDS

Steady employment growth

Relatively low unemployment rate

Labor market remains robust



<https://fred.stlouisfed.org/series/TXFORT5URN>

# ECONOMIC INDICATORS

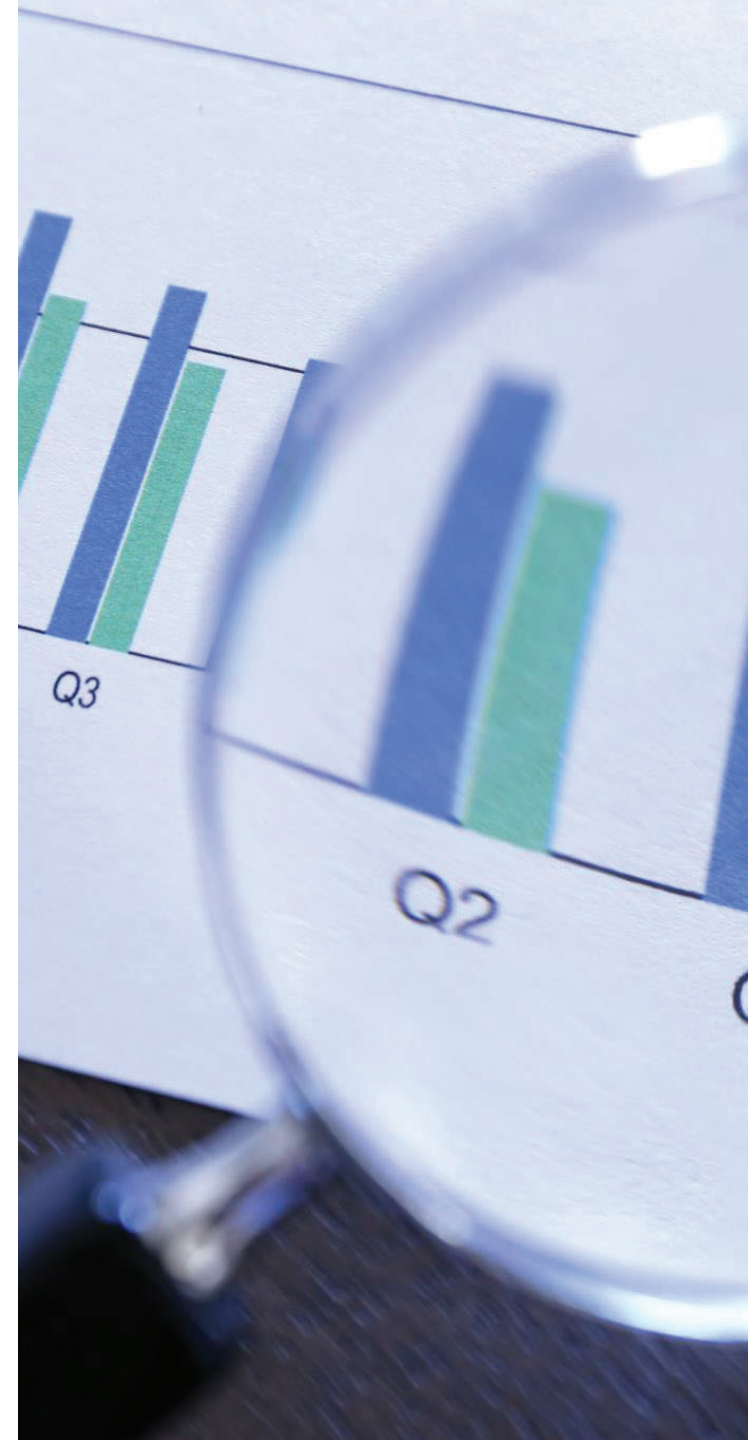
Fort Bend County has shown consistent GDP growth

Median household incomes are above state and national averages

County offers favorable business climate

<https://fred.stlouisfed.org/series/GDPALL48157>

<https://www.census.gov/quickfacts/fact/table/fortbendcountytexas/PST045223>





# INFRASTRUCTURE INVESTMENT

“In the past, the county had a position that all we do is maintain roadways, we don’t build new ones. That shifted over the last two decades.” – Commissioner McCoy

Voters approved \$865 million dollar mobility bond in Nov 2023

Investment will fund:

- Future mobility projects
- Existing mobility projects
- Parks projects

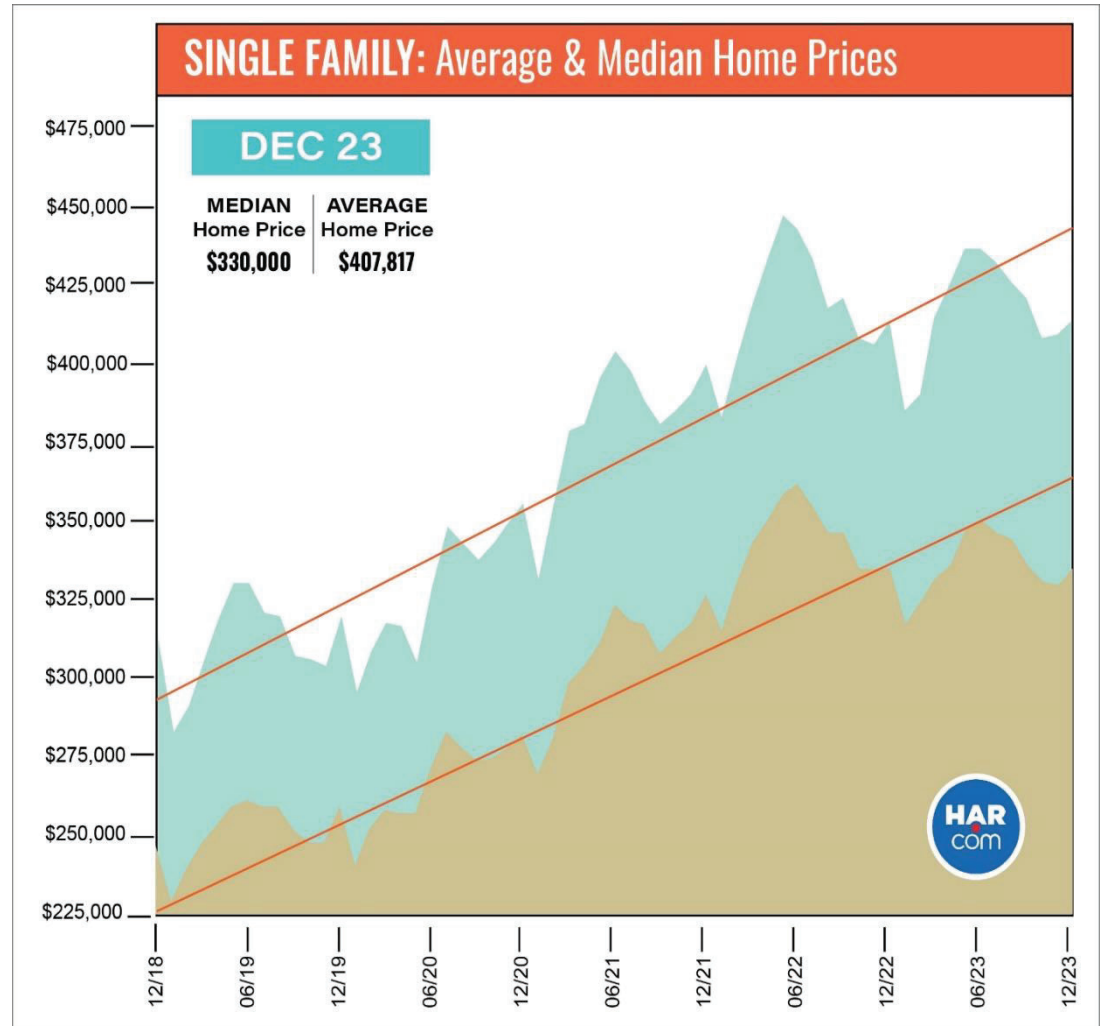
<https://www.houstonpublicmedia.org/articles/news/fort-bend/2023/11/08/468989/fort-bend-voters-approve-865-million-bond-for-mobility-parks-projects/>



# LOCAL NEWS

[MLS Press Releases and Archive - HAR members - HAR.com \(1/2024\)](#)

“As 2024 gets underway, Houston’s residential housing landscape is considered to be on solid footing if you factor out the uncertainty of what the Federal Reserve may do with interest rates and lingering consumer jitters over inflation..”



# LOCAL NEWS

[MLS Press Releases and Archive - HAR members - HAR.com \(1 / 2024\)](#)

CATEGORIES	DEC 2022	DEC 2023	CHANGE
TOTAL PROPERTY SALES	7,778	7,395	-4.9%
TOTAL DOLLAR VOLUME	\$3,012,125,324	\$2,901,567,769	-3.7%
TOTAL ACTIVE LISTINGS	33,394	38,028	13.9%
SINGLE-FAMILY HOME SALES	6,506	6,103	-6.2%
SINGLE-FAMILY AVERAGE SALES PRICE	\$406,691	\$407,817	0.3%
SINGLE-FAMILY MEDIAN SALES PRICE	\$330,000	\$330,000	0.0%
SINGLE-FAMILY MONTHS INVENTORY*	2.6	3.3	0.7 months
SINGLE-FAMILY PENDING SALES	4,997	5,723	14.5%

\* Months inventory estimates the number of months it will take to deplete current active inventory based on the prior 12 months sales activity. This figure is representative of the single-family homes market.

# LOCAL NEWS

[MLS Press Releases and Archive - HAR members - HAR.com \(1 / 2024\)](#)

CATEGORIES	FULL-YEAR 2022	FULL-YEAR 2023	CHANGE
SINGLE-FAMILY HOME SALES	95,302	83,854	-12.0%
TOTAL PROPERTY SALES	117,784	102,367	-13.1%
TOTAL DOLLAR VOLUME	\$45,631,779,205	\$39,863,058,473	-12.6%
SINGLE-FAMILY AVERAGE SALES PRICE	\$413,657	\$412,161	0.0%
SINGLE-FAMILY MEDIAN SALES PRICE	\$338,295	\$330,000	-2.5%

\* Months inventory estimates the number of months it will take to deplete current active inventory based on the prior 12 months sales activity. This figure is representative of the single-family homes market.



2023 Notice Value:  
**\$118,200,825,969**



2024 Total Notice Value:  
**\$123,377,240,948**



There is a **4.4%** difference in  
last year to this year's value.



Homestead properties up an  
average **2.1%**

## RESIDENTIAL PROPERTY OVERVIEW



# RESIDENTIAL PROPERTY OVERVIEW

## 2023 Notice Value and 2024 Notice Value by School District

**2023 Noticed Value: \$118,200,825,969**

School District	Lamar	Brazos	Needville	Ft. Bend	Stafford	Katy
Improvement Value	\$26.26 B	\$186.14 M	\$1.40 B	\$52.15 B	\$968.35 M	\$20.73 B
Land Value	\$4.63 B	\$43.71 M	\$374.61 M	\$8.39 B	\$127.31 M	\$2.94 B
Total Mkt Value	<b>\$30.89 B</b>	<b>\$229.85 M</b>	<b>\$1.77 B</b>	<b>\$60.54 B</b>	<b>\$1.10 B</b>	<b>\$23.67 B</b>

**2024 Total Proposed Notice Value: \$123,377,240,948**

School District	Lamar	Brazos	Needville	Ft. Bend	Stafford	Katy
Improvement Value	\$26.10 B	\$183.45 M	\$1.33 B	\$51.57 B	\$943.31 M	\$20.48 B
Land Value	\$6.81 B	\$90.65 M	\$822.57 M	\$11.02 B	\$177.50 M	\$2.93 B
Total Mkt Value	<b>\$32.91 B</b>	<b>\$274.10 M</b>	<b>\$2.16 B</b>	<b>\$62.59 B</b>	<b>\$1.12 B</b>	<b>\$24.33 B</b>

# RESIDENTIAL NEW CONSTRUCTION

ISD	2023	2024	% Dif.
<b>Lamar</b>	4,331	4,577	5.68%
<b>Brazos</b>	7	2	-71.43%
<b>Needville</b>	130	66	-49.23%
<b>Fort Bend</b>	2,874	2,386	-16.98%
<b>Stafford</b>	14	14	0.00%
<b>Katy</b>	66	277	319.70%
<b>Total</b>	<b>7,422</b>	<b>7,360</b>	<b>-0.84%</b>

- On the year, Fort Bend County added 7,360 new construction properties, relatively flat.
- Getting closer to equilibrium: inventory is increasing with homes staying on the market for longer
- Sales volume is down, but values are stable and slightly increasing across Fort Bend County.

# COMMERCIAL PROPERTY OVERVIEW



2023 Notice Value:

**\$25,639,111,800**



2024 Total Proposed Notice Value:

**\$27,923,375,357**



There is a **+8.9%** difference in last year to this year's value.

# RETAIL

Strong retail activity in Fort Bend outpaces Harris county

Overall average increase is 25%



# WAREHOUSES

Warehouse performance mixed but trending down over 2-year span

Distribution warehouses down an average 16% (up 12% last year)

Industrial flex up an average 4% (down 10% last year)

Self storage down an average 9% (up 7% last year)

\*\*'23 notice value to '24 notice value\*\*





# OFFICES

Office values up just 1% notice to notice

Fort Bend County office market performing better than Houston Metro



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# MULTI-FAMILY

Cap rates are up

Rents are up

Occupancy down

Expenses down

20% increase notice to notice





# LAND

Average increase in land value is about **33%**

Strong development trends and growing population

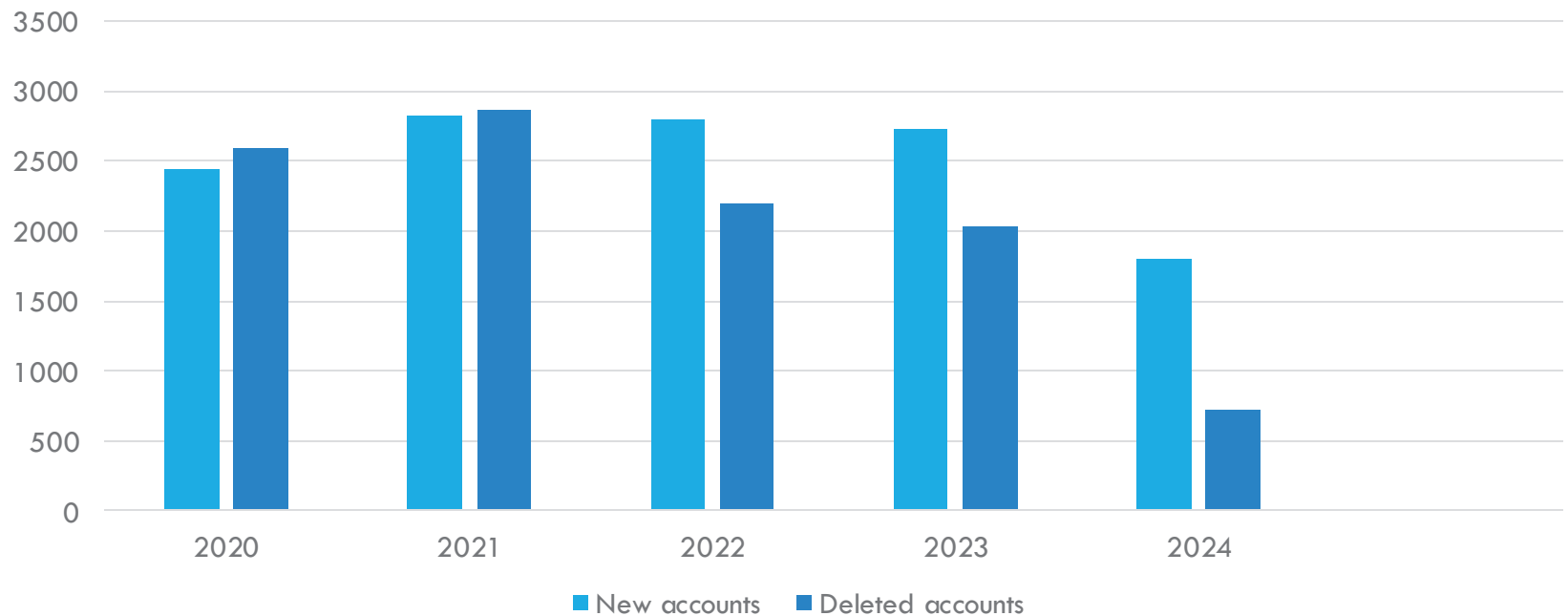
Paired sales analysis, market trend analysis, allocation study, and 3<sup>rd</sup> party contract appraisal firm used to develop values



# BUSINESS PERSONAL PROPERTY

During the pandemic, companies were shutting down at the same or higher rate than they were opening.

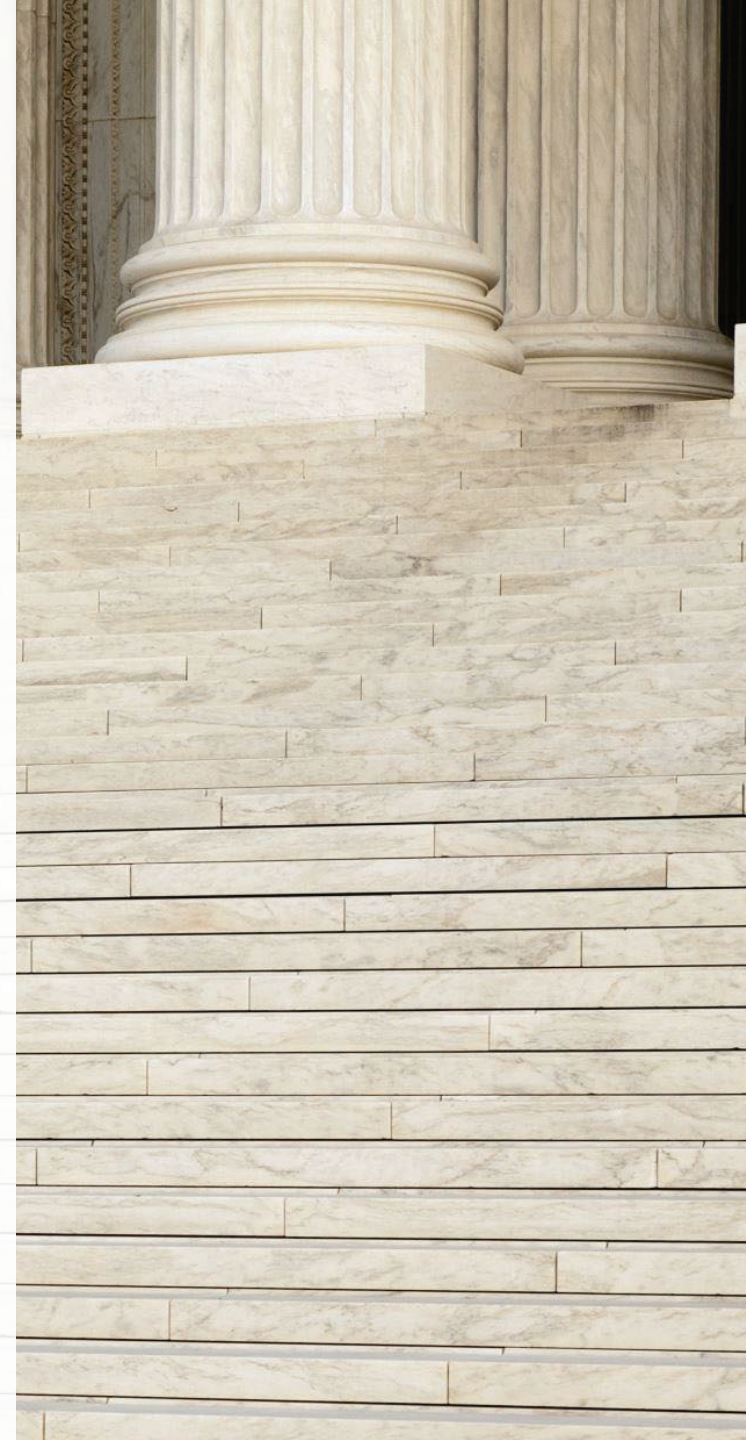
Businesses are making a recovery with a noticeable decrease in closures and an increase in growth beginning in 2022.



# HOW DO I LOWER MY TAX BURDEN?

Two primary ways to lower your value:

- Exemptions
  - Homestead
  - Over 65
  - Disabled persons
  - Surviving spouse over the age of 55
  - Disabled veterans
  - Disaster
- Protest your property value with the ARB
  - Independent, impartial group of citizens appointed by the local administrative district judge
  - Resolves disputes between property owners and the appraisal district





# NEW FOR 2022

Beginning January 1<sup>st</sup>, 2022, no longer need to wait until January 1<sup>st</sup> to get homestead exemption, prorated from move-in date\*

\*effective date of the exemption is January 1<sup>st</sup> of the following year for homestead cap purposes

Still must own AND occupy as of that date

Voters utilized opportunity in May 2022 to vote to increase the state mandated homestead exemption amount; \$25k to \$40k

# NEW FOR 2023

Governor signed SB 2:

- Buys down school district tax rates (compression)
- Homestead exemption from \$40k to \$100k
- Non-homesteaded property capped at 20% increase per year (3-year trial)
- Creates 3 new elected CAD board seats
- Approved by voters in November election
- Average homeowner saw tax savings although many jurisdictions raised taxes
- Effective for tax year 2023



# HOMESTEAD CAPS

Market value up slightly, but many owners will see a 10% increase to their appraised value

“The CAD raised my value to the 10% max AGAIN!”

The 10% limitation is a BENEFIT that spreads large increases over multiple years



# SUMMARY

Strong population growth in Fort Bend compared nationally

Residential market values up slightly. Appraised values up 10% for many.

Commercial market performance was segment specific. Strong performance in multi-family and retail.

Big increases in land value

FB continues to be a place people want to be



QUESTIONS?

[INFO@FBCAD.ORG](mailto:INFO@FBCAD.ORG)

