



## Hurricane Harvey May Determine the Winners and Losers in Houston Real Estate Valuations, Reports Deal Sikes & Associates

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HOUSTON--([BUSINESS WIRE](#))--Some Houston properties face the possibility of permanent market value losses in the wake of Hurricane Harvey, while other properties may actually benefit from the impact of the storm, according to Deal Sikes & Associates, a Houston-based real estate valuation and consulting firm.

Hurricane Harvey inflicted an estimated \$100 billion in property losses in the Greater Houston area in late August. The storm temporarily removed a significant amount of supply – apartments, single-family homes, office and retail space – from the Houston real estate market.

“Some properties that did not flood have actually benefitted. For example, apartment occupancy and rental rates have spiked and a great deal of empty office space has been absorbed,” said Matthew Deal, principal at Deal Sikes & Associates. “An otherwise soft market has tightened because flooded properties have been at least temporarily taken off the market.”

The Greater Houston Partnership reports more than 500 business establishments and 72,000 single-family homes suffered major property damage.

“Some of the commercial space that flooded may be permanently removed from the market. This will place upward pressure on occupancy and rents and that could be reflected in increased property values,” Deal said.

“For those hurt by flooding, the story is completely different,” Deal said. “These unfortunate property owners, many whose properties have never flooded before, face more than the cost of repairs and temporary displacement. The flooded properties may suffer permanent market value losses caused by the likelihood of future flooding and the stigma caused by the effects of contaminated water inundating properties, at times for more than a week.”

Mark Sikes, principal of Deal Sikes & Associates, said the Houston real estate market is filled with uncertainty during this recovery phase.

“The market is fluid and transactions involving affected properties will occur in the months ahead. We will soon begin to see a clearer picture of the impact on the value of flood-damaged properties,” Sikes said.

Houston-based Deal Sikes & Associates provides valuation and counseling services for real estate companies, governmental agencies, investors, corporate clients and attorneys.

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