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Deal Sikes & Associates: Harris County Appraisal District Hikes Real Estate Appraisals Sharply in Houston Area Mass Appraisal

HOUSTON--(BUSINESS WIRE)--The Harris County Appraisal District, an agency that appraises all private properties for tax purposes, has increased appraisals by more than 20 percent on many commercial properties in the Houston area, resulting in excessively high tax bills in 2014, according to Deal Sikes & Associates, the leading valuation firm in Texas.

"The Houston commercial real estate market boomed in recent years as strong job growth fueled demand for office space, multifamily and other types of commercial property," said Matthew Deal, principal of Deal Sikes & Associates. "Values for Houston area properties increased in 2013. However, HCAD's mass appraisals tend to be inconsistent and there can be a marked disparity between the agency's appraisals and market value."

Across the county, the initial appraised values for multifamily properties were increased by HCAD by 22 percent over 2013 levels, the largest increase of any commercial property type. HCAD increased office building values by 17.8 percent; retail property values by 18.5 percent and commercial land by 21.4 percent.

"Undoubtedly, Houston's commercial land prices have increased over the last year. Growth in employment and population have applied upward pressure on residential land prices," said Mark Sikes, principal of Houston-based Deal Sikes & Associates. "However, every parcel of land should be evaluated on an individual basis, considering the changing characteristics that make it unique. The mass appraisal method often does not reflect market value."

The appraisal agency has responsibility for appraising over 1.7 million parcels valued at more than \$419 billion.

A leading commercial real estate valuation firm in Texas, Deal Sikes & Associates provides valuation and counseling services for real estate companies, governmental agencies, law firms, real estate investors and corporate clients across the nation. The Houston-based firm provides counseling on a variety of matters including right-of-way acquisition management, economic impact studies, portfolio analysis, environmental contamination analysis and valuation services for financial transactions, estate tax planning and other real estate issues. www.DealSikes.com

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