

Real estate firm calls Houston valuations ‘spotty and uneven’ in 2016

By Dylan Baddour | June 27, 2017



Photo: Smiley N. Pool, Staff

The commercial real estate market is boosting some property values while deflating others.

Houston-based real estate valuation firm Deal Sikes and Associates reported Monday that varying conditions across the city’s submarkets and property types have created uneven changes in commercial property value over the last year.

The firm said 57 percent of commercial properties recently received notifications of value increases, 18 percent received decreases and 25 percent were unchanged.

“Overall the prevailing trends for Houston commercial real estate valuations have indeed been mixed over the last year,” said Matthew Deal, principal at Deal and Sikes. “In general, Houston’s retail and industrial properties have performed better than office and multifamily. But now, more than ever, properties must be carefully evaluated on an individual basis to determine market value.”

Mark Sikes, principal with Deal Sikes, said demand for warehouses and industrial sites has pushed those property values up, while continued strength in retail has kept storefront prices high. Scarcity of land near Port Houston has driven up local prices, and a spate of development plans east of downtown should keep land property values rising there, Sikes said.