



MONTGOMERY CENTRAL APPRAISAL DISTRICT

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Montgomery Central Appraisal District sees Property Values Rising at Historic Rates

The Montgomery Central Appraisal District (MCAD) is preparing to mail 2022 Notices of Appraised Value and is seeing property values rising at historic rates.

As of January 1, 2022, the real estate market in Montgomery County was in high demand. Population growth, low home inventory, low available interest rates, and other factors have contributed to this demand. Real estate values of most property types (residential, commercial, & land) in Montgomery County have experienced around 30% appreciation in value based on Appraisal District data.

Montgomery County Chief Appraiser, Tony Belinoski, points out “Texas law requires Appraisal Districts to appraise all properties at 100 percent of market value as of January 1. Market value is defined as the amount a property would sell for at that specific date (January 1st). MCAD typically utilizes time adjusted market data from the previous calendar year to determine values.”

According to the Texas A&M Real Estate Research Center the Average Sale Price of homes in Montgomery County rose from **\$339,521 for 2020** to **\$394,621 for 2021**, while the median home price increased from **\$276,000 for 2020** to **\$315,000 for 2021**. The inventory of available homes in Montgomery County dropped from a 3.4-months’ supply in January 2020 to a 1.3-months’ supply in January 2022.

This change in market is not just limited to Montgomery County. Some areas of the state have experienced a preliminary average residential value increase of up to 50%. Harris County reported a 21% overall average increase, Grimes County 33%, Waller County 18%, and Ft. Bend County 31%.

Alvin Lankford, chief appraiser of Williamson County and president of the Texas Association of Appraisal Districts, said in a recent press release, “The Texas real estate market is growing as fast as we have ever seen it in the state’s history. We have all seen the countless stories about people moving to Texas from other states. This increase in population contributes to a shortage of homes available and to the increase in prices paid for homes.” He goes on to remind the public that “appraisal districts are to appraise property at its market value. In fact, the State of Texas regulate us to make sure we do our jobs fairly and accurately.”

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The real estate market will influence the valuation of property for tax year 2022; however, the market values applied by appraisal districts are just one part of the formula for calculating a property owner's tax bill. There are other parts property owners must consider, and it is more relevant in today's market than in previous years, they are tax rates and property tax exemptions.

Local taxing units set tax rates based on the appraisal roll certified by the appraisal district. Taxing units must follow specific guidelines when determining their tax rate. Per the Texas Property Tax Code "Beginning August 7th, visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information regarding the amount of taxes that each entity that taxes your property will impose if the entity adopts its proposed tax rate. Your local property tax database will be updated regularly during August and September as local elected officials propose and adopt the property tax rates that will determine how much you pay in property taxes."

The other variable in determining the property owner's liability in property taxes, are property tax exemptions. Chief Appraiser Belinoski stated "exemptions for qualifying taxpayers can have a dramatic impact on their taxable value and tax bill. Residential property owners, which qualified for a homestead exemption on January 1, 2021, will benefit from the homestead cap limit of 10%. This means that the taxable value before exemptions may only increase 10%, if no new value (new structures, extra land, etc.) were added to the account."

MCAD encourages all property owners to visit our website at mcad-tx.org to check your exemption status. You can also find information on other exemptions you may qualify for under our "Public Data" tab on the website.

Once property owners receive their Notice of Appraised Value, MCAD encourages them to review the value applied to their property in comparison to the market. You can retrieve local market data from available online sources and your local realtor. MCAD also has market data overviews available on our website.

Upon reviewing this information, Mr. Belinoski reminds property owners "if they still feel the value determined by MCAD is not fairly accurate, they are encouraged to file a protest. MCAD encourages property owners, who received a Notice of Appraised Value to utilize the online appeals option available through MCAD's website. This process does require an online passcode provided on the Notice of Appraised Value. Without an online passcode property owners must file via mail or in person. The deadline to file a protest is May 16th or 30 days from the date of the notice, whichever is later."