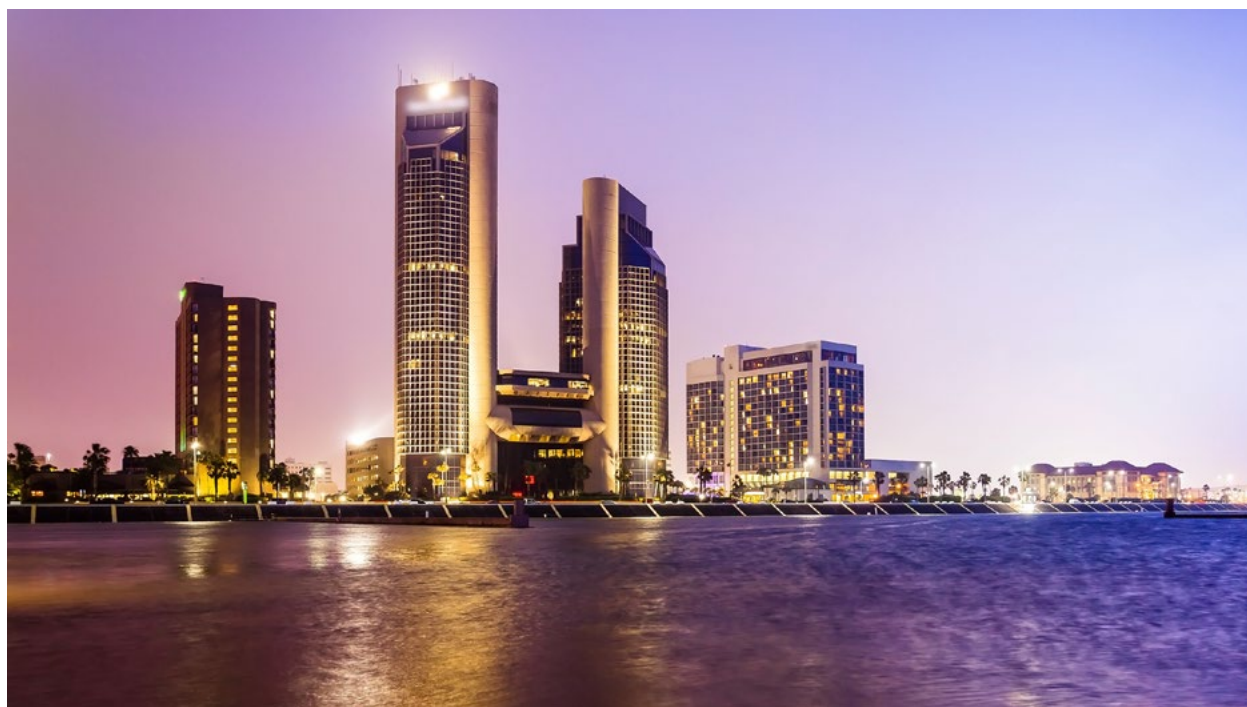


Still Sparkling After Harvey

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Hurricane Harvey devastated the Texas coast and left billions of dollars in damage in its wake. Both residential and commercial properties weathered substantial damage, resulting in the temporary or permanent displacement of households and businesses.

By January 22, 2018, approximately 86,000 households within the Corpus Christi Metropolitan Statistical Area (MSA) had registered for Individual Assistance from the Federal Emergency Management Agency (FEMA) because of Hurricane Harvey. That represents 53 percent of all 160,922 households according to 2016 Census data. The overwhelming majority of these registrants—around 71.5 percent—reported some home damage (Table 1). That means approximately 38 percent of total households in the metro sustained home damage from Harvey.

Disparities in Assistance Registration

The proportion of FEMA registrants reporting home damage varies across the MSA’s three counties—Aransas, Nueces, and San Patricio. Registrants in Aransas County

The Takeaway

Within the Corpus Christi MSA, about 86,000 households have registered for help from FEMA since Hurricane Harvey. Around 71.5 percent of those reported home damage from the storm. Although homebuying activity fell after the storm, prices have remained mostly unchanged in the MSA, except in Aransas County, where prices showed a more significant drop.

sustained the biggest share of home damage (89.7 percent), followed by San Patricio and Nueces County at 76.2 and 67 percent, respectively (Table 1). The difference in the proportion of registrant homes damaged across counties suggests that, within the MSA, Aransas County received the greatest physical impact from Harvey. By that standard, Aransas County should have recorded the greatest effect on its housing market.

A higher percentage of owner-occupied households (58.6 percent) than renter-occupied households registered for FEMA Housing Assistance in the Corpus Christi

MSA. Owner-occupied households make up 60 percent of all MSA households.

Owner-occupancy rates are 75 percent in Aransas County, 57 percent in Nueces County, and 68 percent in San Patricio County. In Aransas County, 68 percent of registrants were in owner-occupied households. In Nueces and San Patricio Counties, owner-occupied households represent 55 and 64 percent of all households that registered for disaster assistance.

Historically, owner-occupied households have relied on private insurance more than governmental assistance.

Damage to Owner-Occupied Households

Among units registered to owner-occupied households, damage is approximately \$79 million in the Corpus Christi MSA. This is an average of \$1,595 per owner-occupied household that registered for Housing Assistance. However, the damage sustained by owner-occupied households varies greatly by county.

Aransas County, home to Rockport, had upward of \$66 million in damage to owner-occupied units. This resulted in \$3,997 in damage per household that registered for Housing Assistance. Meanwhile, Nueces County, home to Corpus Christi, and San Patricio County reported approximately \$36 million and \$26 million in damage to owner-occupied units, respectively. This equates to \$956 and \$1,630 in home damage per owner-occupied household that registered for Housing Assistance.*

Unsurprisingly, the three ZIP codes with the greatest dollar amount of damage to owner-occupied units are in Aransas County. ZIP codes 78336 (Aransas Pass), 78373 (Port Aransas), and 78382 (Rockport) had \$13 million, \$10 million, and \$34 million in damage to owner-occupied units. This equates to \$3,795, \$5,480, and \$4,275 in damage per owner-occupied household that registered for Housing Assistance. The proportion of owner-occupied households that reported damage and the dollar amount of damage reported by FEMA suggests that Aransas County should have reported the greatest impact on its housing market.

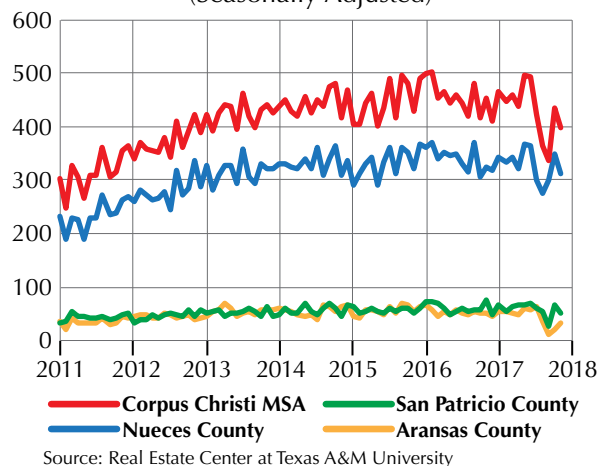
Based on percentage of homes damaged, the storm was most destructive in Aransas County and less populated areas to the northeast (Table 1).

Post-Harvey Housing Activity

Housing activity was analyzed within four geographies—the Corpus Christi MSA and Aransas, Nueces, and San Patricio Counties. New and existing single-family homes, condominiums, and townhomes were considered in this analysis. Housing activity in the MSA indicates the effect of Harvey on the overall housing market. Housing activity in the individual counties allows for comparison between counties.

The number of home sales (closed listings) and the median sales price per square foot (PSF) are used to estimate Harvey’s impact on the housing market (Figures 1 and 2 show historical trends since 2011). Sales are impacted by the ability and desire of households to purchase a home within a given market as well as the overall movement of households into, within, and out of the market.

Figure 1. Closed Listings
(Seasonally Adjusted)



In the wake of Hurricane Harvey, some current homeowners may be more inclined to sell their home. Prospective homebuyers may also delay home purchases. Homebuyers may fear the potential for another hurricane as well as a decline in economic activity that could negatively impact prices. These indicate the

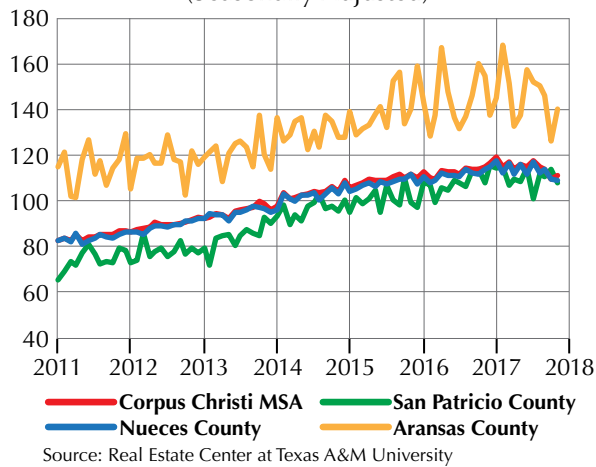
Table 1. Housing Counts by MSA and County

	Corpus Christi MSA	Aransas County	Nueces County	San Patricio County
Owner-occupied units	96,553	7,143	73,535	15,875
Renter-occupied units	64,369	2,409	54,598	7,362
Total housing units	160,922	9,552	128,133	23,237
Percent of homes damaged by Harvey*	71.5	89.7	67.0	76.2

*Percentages of registrants for FEMA individual assistance who sustained home damage, not percentages of total housing units in each geography.

Sources: 2016 American Community Survey, Real Estate Center at Texas A&M University

Figure 2. Median Close Price Per Square Foot
(Seasonally Adjusted)



number of home sales should decrease in the aftermath of Harvey, while the homes that do sell may be underpriced.

The median sales price PSF is shaped by market conditions, homebuyer preference, and the available inventory. When combined with an increase in available inventory, homebuyers would likely expect to purchase for less. As a result, the median sales price PSF should have declined in the wake of Harvey.

Harvey made landfall on August 25, 2017, and affected housing activity for the remainder of the month. Housing data for the entire month is included in this analysis.

Year-over-year (YOY) changes in home sales and median sales price PSF are displayed in Tables 2 and 3, respectively.

Corpus Christi MSA: Little Impact on Home Prices

The YOY change in the number of home sales has been largely negative since Hurricane Harvey (with the exception of October at 4.8 percent). September had the largest drop at -29.9 percent. The YOY change in median sales price PSF, which had remained positive from January 2012 through August 2017 (68 consecutive months), has dipped into negative territory since September.

Despite highly volatile declines in the YOY change in the number of home sales since the hurricane, the YOY change in median sales price PSF has stabilized. Although significantly fewer homes were

purchased after Harvey, the YOY change in median sales price PSF has declined only slightly. Overall, Harvey had little impact on home prices in the Corpus Christi MSA.

Aransas County: Home Sales, Prices Affected Most

The YOY change in home sales dipped significantly since Harvey, dropping more than 76 percent in September. Typically, there are few monthly home sales in Aransas County. Home sales totaled 627 in 2016. This means even a small change in monthly home sales can greatly affect the YOY statistics.

The YOY change in the median sales price PSF has declined since Harvey. While initially positive in August at 9.9 percent, October had the biggest drop at -21.1 percent. Homebuyers purchasing since Harvey appear to have scored homes at depressed prices.

Given the amount of physical damage to properties in Aransas County, it is not surprising that housing activity slowed, as potential buyers may remain hesitant to purchase a home. Of the four geographies in this analysis, Aransas County's home sales and prices were most affected by Hurricane Harvey.

Nueces County: Least Affected by Harvey

The majority of households within the MSA lie in Nueces County, which includes Corpus Christi. As a result, housing activity for Nueces County mimics that

Table 2. Year-Over-Year Change in 2017 Home Sales
(Seasonally Adjusted)

	Corpus Christi MSA (Percent)	Aransas County (Percent)	Nueces County (Percent)	San Patricio County (Percent)
August	-13.1	-25.8	-13.1	0.0
September	-29.9	-76.2	-19.3	-51.8
October	4.8	-62.0	14.7	13.6
November	-12.2	-32.4	-4.0	-33.8

Source: Real Estate Center at Texas A&M University

Table 3. Year-Over-Year Change in 2017 Median Sales Price PSF
(Seasonally Adjusted)

	Corpus Christi MSA (Percent)	Aransas County (Percent)	Nueces County (Percent)	San Patricio County (Percent)
August	0.3	9.9	-1.4	5.3
September	-0.2	-0.2	1.7	-2.0
October	-3.9	-21.1	-2.0	0.1
November	-3.1	-9.4	-4.0	0.0

Source: Real Estate Center at Texas A&M University

of the Corpus Christi MSA. The YOY change in home sales measured positive in October but has remained largely negative.

The YOY change in the median sales price PSF has generally trended negative but only slightly. Because Nueces County sustained the least amount of home damage of counties in the MSA, it is not surprising that its housing market has shown the least effect from Harvey.

San Patricio County: Little Change in Sales Price PSF

Similar to Aransas County, few monthly home sales occur in San Patricio County. This translates into high volatility in the YOY change in number of home sales, as depicted by the 51.8 percent dip in September. Despite dramatic declines in the YOY change in the number of home sales, the YOY change in the median sales price PSF has remained relatively flat. While fewer home sales have occurred since Harvey, homebuyers may have largely purchased homes that were undamaged by the storm. This would explain the lack of movement in median sales price PSF.

Minimal Housing Impact Overall

While homebuying activity generally fell following Hurricane Harvey, the median sales price PSF has remained relatively unchanged YOY in all four geographies except Aransas County.

Before and After Home Sales

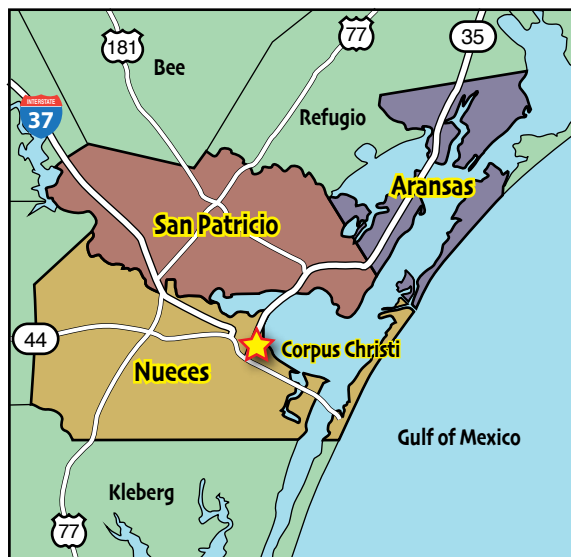
Repeat sales data provide another means for analyzing the effect of Harvey on housing activity. Data on home sales that occurred after Harvey were isolated from data on sales of the respective homes that occurred prior to Harvey. The ratio of sales price to original list price serves as a measure of housing market strength (Table 4). The ratio was calculated for homes sold before Harvey and compared with the corresponding ratio for homes sold after Harvey.

Table 4. Ratio of Close Price to Original List Price

	Before Harvey	After Harvey
Aransas County	0.89	0.85
Nueces County	0.95	0.93
San Patricio County	0.96	0.93
Corpus Christi MSA	0.94	0.93

Source: Real Estate Center at Texas A&M University

Corpus Christi Metropolitan Area



Across all four geographies, the ratio of sales price to original list price is slightly smaller after Harvey than before. This implies the difference between sales price and original list price is wider for homes sold after Harvey. In essence, price discounts are greater for homes sold after Harvey than for homes sold before.

The biggest difference in the ratios before and after Harvey lies in Aransas County. This suggests that Harvey had the greatest effect on Aransas County's housing market. The smallest difference falls in the MSA. However, the difference in the ratios between geographies is slight.

It is possible that sellers, anticipating less homebuying activity in the wake of Harvey, adjusted original list prices downward. This would artificially inflate the after-Harvey ratios. However, overall, Harvey appears to have had minimal impact on home sales prices.

Harvey's damage to people's lives and belongings should not be ignored. Many households suffered significant personal loss. But the data show that the Corpus Christi area's overall housing market emerged from the storm relatively unscathed.

*The sum of the damage sustained by individual counties amounts to more than the damage sustained by the MSA due to overlap in ZIP codes between counties. 🇹🇽

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