

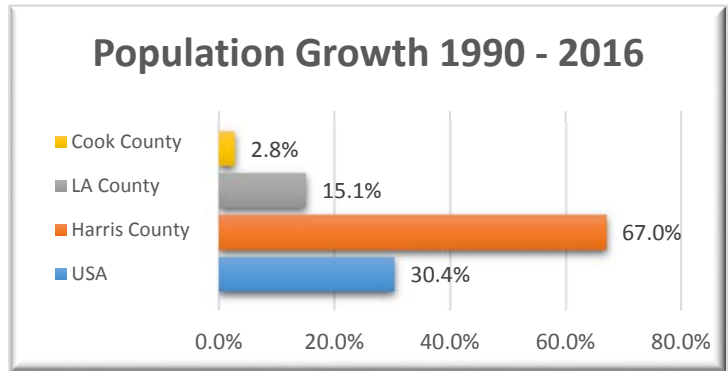
# Population Report – January 2017

Harris County’s population has grown to an estimated 4.7 million residents as of December 31, 2016. The population estimates and information included in this report are based on U.S. Census Bureau estimates, Harris County Appraisal District (HCAD) data, and historical trends.

## Sustained Rapid Growth

Harris County continues to be the third largest county in terms of population and one of the fastest growing counties with 67% growth since 1990.

The chart shows the percentage of population growth for Harris County, the entire nation, and both LA and Cook counties, which are the only two counties with more population than Harris County. Over a 26 year period, Harris County’s population has grown more than twice as fast as the nation’s population.



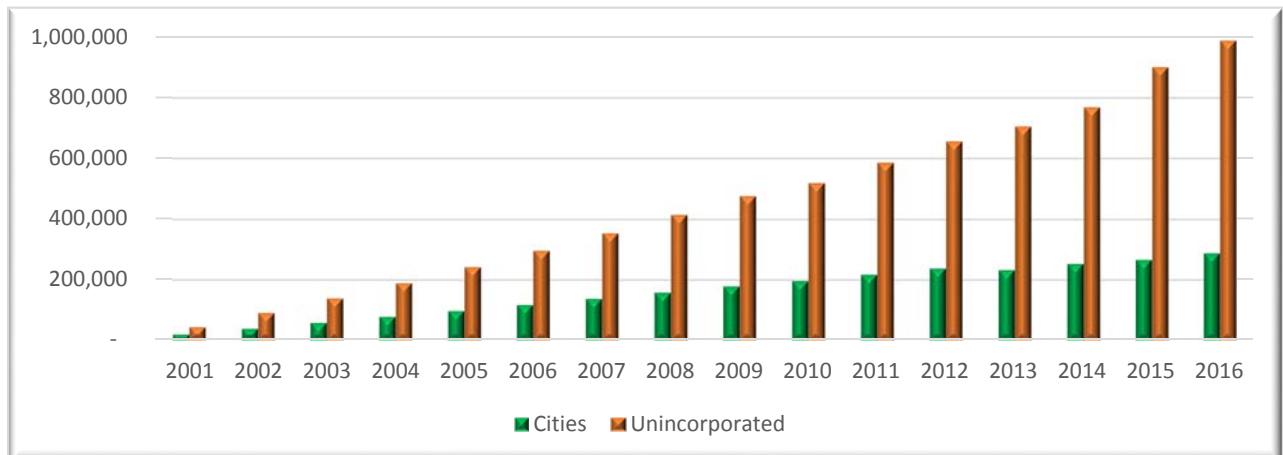
Harris County is on track to pass Cook County and become the second most populous U.S. County within the next five to seven years.

## Unique Unincorporated Area

Harris County is unique among all counties in the nation for having an unincorporated area population in excess of two million residents. “Harris County Unincorporated” would be the second largest city in Texas, the fifth largest in the U.S. and has a larger population than 14 U.S. states.

Harris County has more population than 26 states passing Louisiana this year. Harris County now has more residents than each of the states that border Texas (OK, LA, NM, AR).

Over 80% of the growth in population since 2000 has been in the unincorporated area. The chart below shows the population growth for the unincorporated area compared to the growth for the City of Houston and the 34 other cities within Harris County.



The unincorporated area now represents 43% of the total Harris County population, which is up from 31% in 2000 and 38% in 2010.

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## Population Estimates

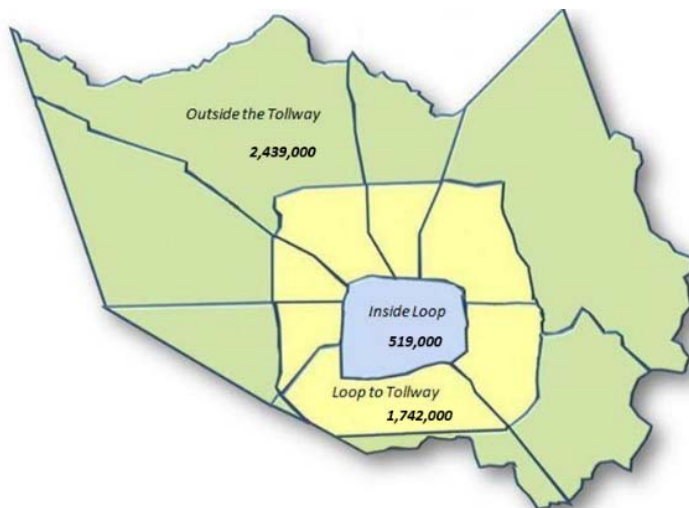
Harris County’s population is increasing by about 100,000 people every year since the 2010 Census. The following chart shows the latest estimates.

Within Harris County	2000	2010	12/31/2016	Growth since 2000	
	Census	Census	Estimate	Population	%
City of Houston	1,919,789	2,057,280	2,180,000	260,211	14%
Other Cities	439,615	473,716	490,000	50,385	11%
Unincorporated Area	1,041,174	1,561,463	2,030,000	988,826	95%
	3,400,578	4,092,459	4,700,000	1,299,422	38%
<i>Percent Unincorporated</i>	31%	38%	43%	76%	

Over the last 16 years, the population in Harris County has spread out considerably. The Sam Houston (SH) Tollway forms a complete outer loop in the county. The following chart shows the estimates for inside Loop 610, between the Loop and the Sam Houston Tollway, and outside the tollway.

Within Harris County	2000	2010	12/31/2016	Growth since 2000	
	Census	Census	Estimate	Population	%
Inside Loop 610	456,649	469,051	519,000	62,351	14%
Loop 610 to SH Tollway	1,493,635	1,597,326	1,742,000	248,365	17%
Subtotal Inside Tollway	1,950,284	2,066,377	2,261,000	310,716	16%
Outside the Tollway	1,450,294	2,026,082	2,439,000	988,706	68%
	3,400,578	4,092,459	4,700,000	1,299,422	38%
<i>Percent Outside Tollway</i>	43%	50%	52%	76%	

The number of residents living outside the Sam Houston Tollway now represents 52% of the total county population up from 43% in the 2000 census. Harris County government is primarily responsible for providing law enforcement and related services to most of the area outside the Sam Houston Tollway. This growth trend is not expected to change significantly over the next few years.

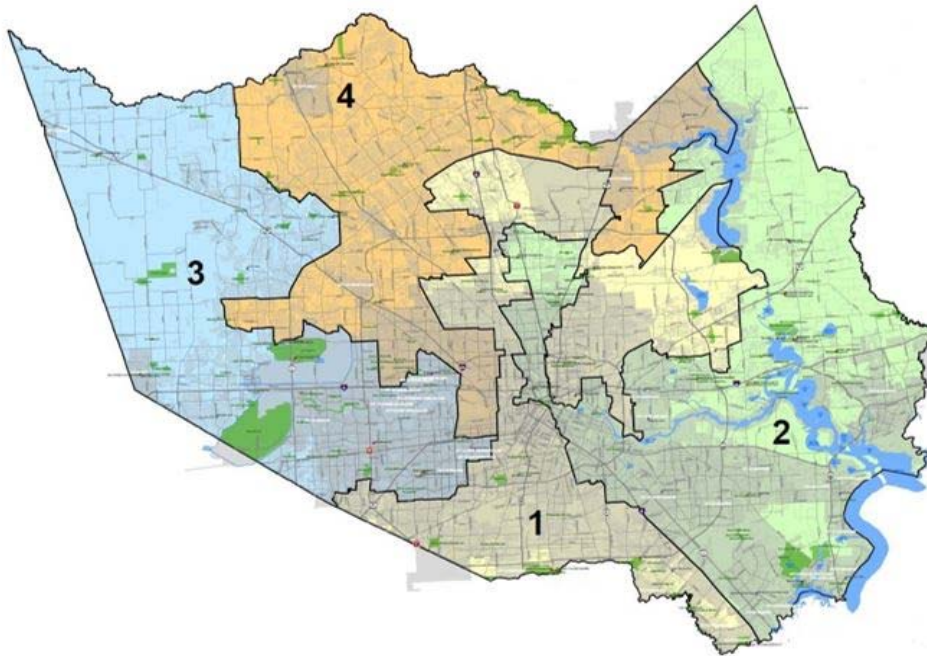


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## Estimated Population by Precinct

The map below shows the boundaries of each of the four commissioner precincts. The shaded areas represent the 35 cities including the City of Houston. Houston extends into both Fort Bend County to the south and Montgomery County to the north. The City of Houston includes areas outside the Sam Houston Tollway and some of the unincorporated area is located inside the Sam Houston Tollway. Other cities are spread over multiple counties including Katy to the west, Pearland, Friendswood, and other cities to the south.

Each precinct has a fairly significant unincorporated area and population, as indicated on the map in the light colored areas.



Since the last census count was completed in 2010 and the Census Bureau does not publish detailed estimates in the years between census counts, the estimates of population by precinct are based on historical trends, HCAD data, and voter registration information. The estimates as of the end of 2016 by precinct are presented below. The actual census counts are now six years old, so the next census count in 2020 may vary slightly with the estimates by precinct.

Precinct	Estimated as of December 31, 2016		
	Total Population	Within City Limits	Unincorporated Area
Precinct 1	1,120,000	834,000	286,000
Precinct 2	1,120,000	834,000	286,000
Precinct 3	1,220,000	662,000	558,000
Precinct 4	1,240,000	340,000	900,000
	4,700,000	2,670,000	2,030,000

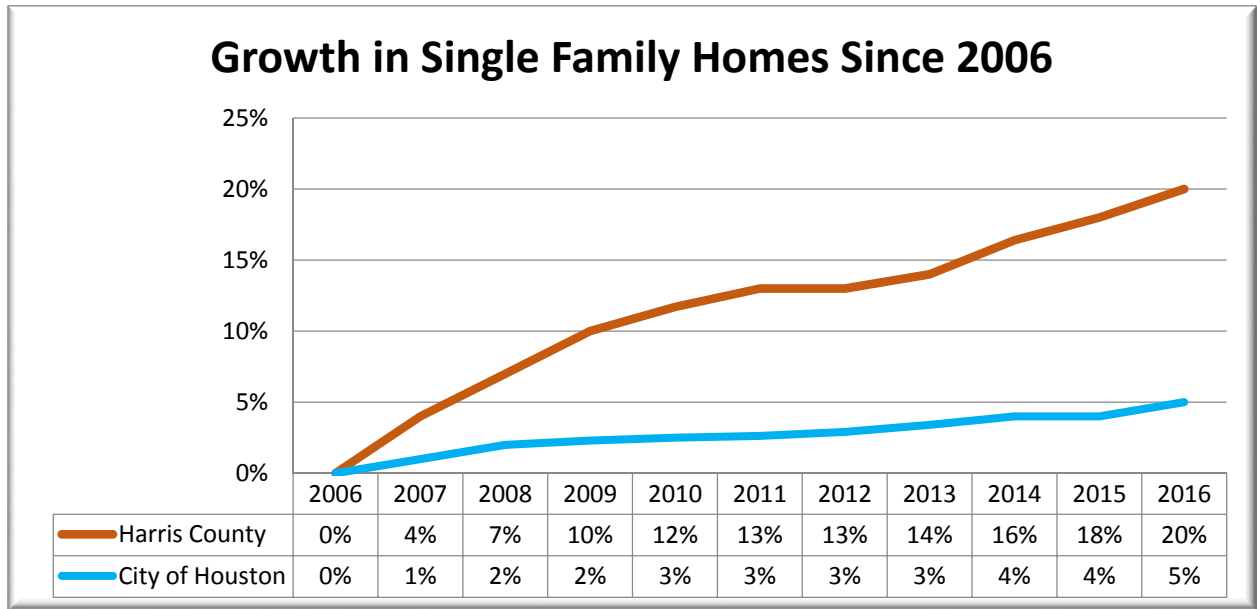
Population by Location	
Within City Limits	Unincorporated Area
74.5%	25.5%
74.5%	25.5%
54.3%	45.7%
27.4%	72.6%

Share of Unincorporated Population
14.1%
14.1%
27.5%
44.3%
100.0%

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## Residential Property Growth

The number of single family homes in Harris County has grown by 20% since 2006. This growth has significantly impacted both the total taxable value of residential property but also the demand for county services with nearly one million additional residents living in the county since 2006.

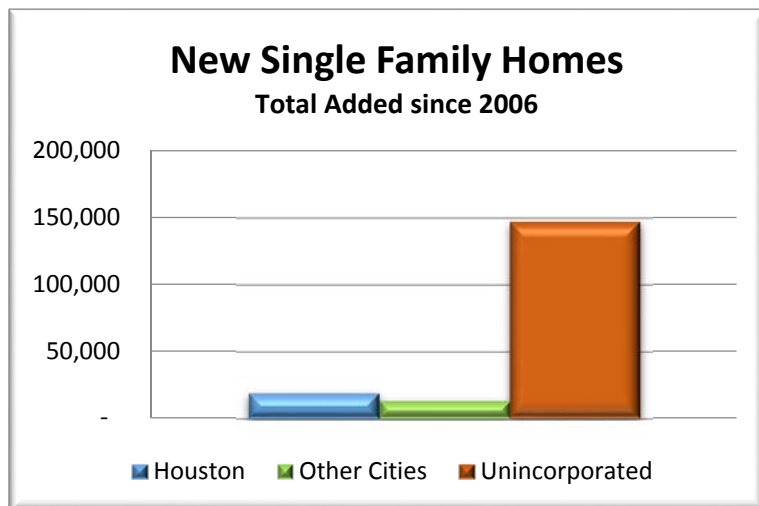


## Growth in Number of Single Family Homes

The number of single family homes in Harris County has increased by over 179,000 from 2006 to 2016. Over 82% (147,000 homes) of the new homes are located in the unincorporated areas.

The City of Houston has added a net of 19,000 new single family homes since 2006. Other cities in the county have grown by 13,000 new homes over the same period.

The explosive growth means an accompanying demand for more roads and infrastructure, law enforcement and other government services now commonplace in heavily populated suburban areas. The new homes have also been a significant component of the growth of the tax levy for Harris County and the trend is showing no signs of slowing down.



# Population Report – January 2017

## Impact of Growth on Property Tax Base

The property tax levy for Harris County has grown from \$225.1 billion in 2006 to \$387.7 billion in 2015, which is an average growth rate of 6.2% per year. Residential property has grown by 5.5% annually, while commercial and industrial property values have increased by 7.0% annually. Residential property was 52% of the tax levy in 2006 dropping to 49% in 2015.

Population in the unincorporated area has averaged 4% per year since 2006, while inflation has averaged 1.8% per year during the same period. The taxable value of residential property has

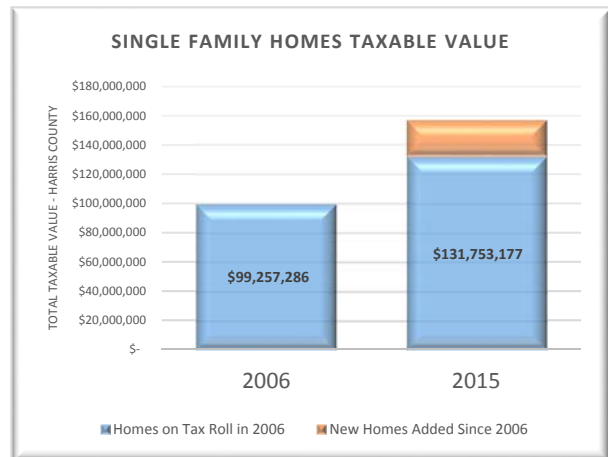
only grown by 5.5% per year, which is lower than the rate of population growth plus inflation (5.8%).

In Billions	2006	2015	Total % Increase	Average Annual Increase
<b>Residential Property</b>				
Single Family	\$ 99,257	\$ 156,214	57.4%	5.1%
Multi Family & Other	18,181	34,132	87.7%	7.2%
<b>Total Residential</b>	<b>117,438</b>	<b>190,346</b>	<b>62.1%</b>	<b>5.5%</b>
<b>Business Property</b>				
Commercial Buildings	67,857	122,257	80.2%	6.8%
Industrial	32,755	59,934	83.0%	6.9%
Utilities & Other	7,060	15,171	114.9%	8.9%
<b>Total Business Property</b>	<b>107,672</b>	<b>197,362</b>	<b>83.3%</b>	<b>7.0%</b>
<b>Total Taxable Value</b>	<b>\$ 225,110</b>	<b>\$ 387,708</b>	<b>72.2%</b>	<b>6.2%</b>

### Single Family Homes

A significant factor in the 5.5% annual growth of residential property is the expansion of the single family home market. Since 2006, nearly 129,000 new single family homes have been added to the tax roll, which account for \$35 billion of the appraised value and 15% of the total number and value of all single family homes.

Homes that were on the tax roll in 2006 have seen average increases in value of 3.0% per year through 2015, while the new homes make up the other 2.5% of the 5.5% average annual growth in value. The chart shows this impact on the total taxable value of all single family homes in Harris County comparing the 2006 to the 2015 values.



The average single family homeowner in 2006 paid \$678 in property taxes to Harris County. The taxes paid to Harris County on those same 936,316 single family homes is \$886, which is an average annual increase of \$23 per year for the nine year period.

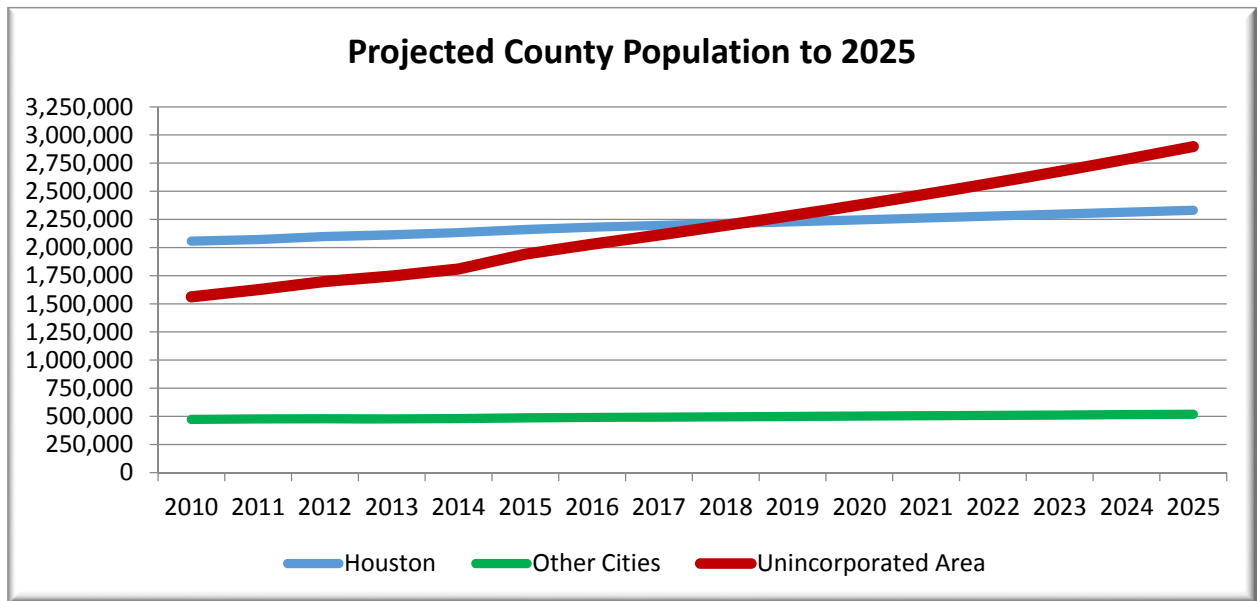
The concept that individual homeowners are being taxed out of their homes isn't supported by the data in Harris County. The fact that homesteads are generally limited to 10% increases per year and the generous Over-65 exemptions and the flat tax rate all are factors in keeping tax growth under control.

# **Population Report – January 2017**

## **Leading up to the 2020 Census**

Harris County’s unincorporated population now exceeds two million residents and has grown by an annual average of 4.1% since the 2000 Census, which is over five times as fast as the cities within the county which have averaged 0.7% annual growth per year. The overall county growth rate has averaged 2% annually over the 16 year period.

The following graph shows the projected population growth based on these percentages through 2025. Based on these trends, Harris County’s population will pass the five million mark during 2020 and reach 5.6 million by 2025. The unincorporated population would also pass the City of Houston’s population that is within Harris County during 2020 and grow to nearly 2.8 million by 2025.



This projection assumes no annexation or new incorporation of any populated areas within the unincorporated area of the county.

## **Impact on County Government**

Harris County government provides services to all of the residents of the county. Most of the higher cost county functions including the courts system, Hospital District, county jail and most of the county administrative functions are located within the City of Houston. County government is the primary provider of roads, parks, facilities and law enforcement for the unincorporated areas.

Harris County funds the county-wide and unincorporated area services primarily with property tax revenue. Despite the significant size and population of the unincorporated area, the county does not receive sales tax revenue to help fund services. The unique, ongoing challenge for Harris County government is to meet the needs of this rapidly growing unincorporated area without the funding sources provided to large cities in Texas. Most of the growth in expenditures in the County General Fund during this period has been for county-wide functions including the administration of justice, managing the jails and the growing cost of indigent healthcare. As the population continues to grow, the demand for services, new roads and expanded facilities in the unincorporated areas of the county will increase.