

Hidalgo County Strikes Back Against Record Property Values with Property Tax Appeals

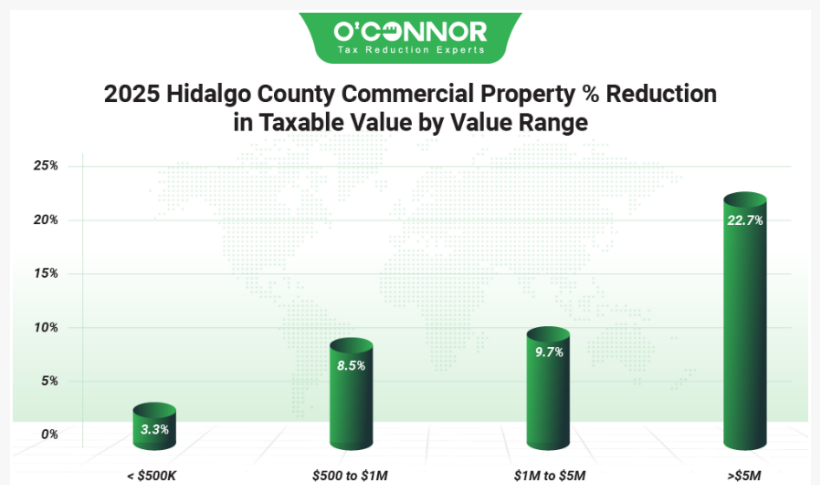
O'Connor discusses how Hidalgo County fought back against record property values with property tax appeals.

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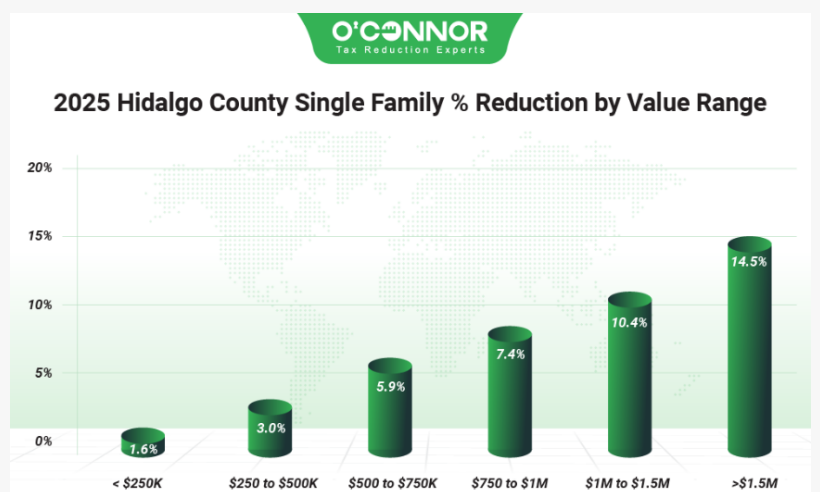
Hidalgo County shares many traits with El Paso County, as both are border areas made up of working families, the middle-class, and first-generation Americans. They are also the two main population hubs outside of the Texas Triangle, which is Houston, DFW, and Austin/San Antonio. Hidalgo County is one of the fastest growing in Texas and has a booming economy. With a rising population and a massive increase in commercial interests, the county has seen an outsized increase in property taxes as well.

While El Paso County has not used property tax appeals to their fullest, Hidalgo is a different story. Over 16% of all properties were protested in 2023, and this was just the cap on a growing trend. While this may be behind high-dollar counties like Denton, Travis, or Fort Bend, it is still impressive for a community with lesser economic means. The county saw

O'CONNOR Tax Reduction Experts



2025 Hidalgo County commercial property % reduction by O'Connor



2025 Hidalgo County single family % reduction by O'Connor

extensive hikes handed out by the Hidalgo County Appraisal District (HCAD) in 2025, which pushed appeals to even greater heights. In this article, we will discuss how protests were able to counter these spikes and how O'Connor was able to help our clients.

Combined Appeals Lower Home Values by 2.6%

The value hike in 2025 was truly mammoth and hit homeowners across the county hard. The overall value of residential properties skyrocketed by 17.9%, with it being estimated that 39% of all homes were overvalued. Informal and formal appeals have finally wrapped up, and they managed to reduce the total by 2.6%. The largest block of homes was those worth under \$250,000, which totaled \$23.95 billion after a reduction of 1.6%. Those worth between \$250,000 and \$500,000 were in second place with \$14.12, after a better cut of 3%. The reductions got larger as the worth of homes increased, reaching a decrease of 14.5% for homes assessed at over \$1.5 million. Clients that partnered with O'Connor saw much better results, with the overall value seeing a reduction of 7.6%.

It seems that those with the most to lose protested the least. After a reduction of only 1.7%, homes under 2,000 square feet topped the charts with a value of \$25.23 billion. These owners of these modest homes can ill-afford a jump in their taxes, making them just who should protest their taxes. Homes between 2,000 and 3,999 square feet were in the No. 2 slot with \$13.81 billion, which followed a reduction of 3.3%. Residential property between 4,000 and 5,999 square feet notched an impressive decrease of 5.9%, leaving the total at \$1.85 billion. When measured by worth, each step-up in size saw smaller totals and higher reductions, with those over 8,000 square feet experiencing a decrease of 13.3%, falling to \$310.98 million.

Texas has been going through a housing boom in the last few decades as it has become a magnet for businesses and people. Thanks to this, most property value was built between 2001 and 2020. 45.9%, or \$19.15 billion was constructed in this period, and that is after a reduction of 2.8%. The period from 1981 to 2000 resulted in 31.5% of all value, totaling \$13.12 billion after a cut of 2.5%. New construction added 35.2% to its value in 2025, reaching \$4.28 billion. This was later reduced 2.1% to \$4.18 billion after two rounds of appeals.

2025 Commercial Property Spike of 23.8% Blunted by 11.9% Decrease

Business real estate in Hidalgo County has some rare characteristics compared to other counties. First, there is no outsized dominance of a category due to property size. Second, those worth over \$5 million are usually the largest by a considerable margin, sometimes 50% of the total value. That is not the case in Hidalgo County, where these mammoth businesses are actually in second place, netting a total of \$5.18 billion after a giant slice of 22.7%. This huge reduction dropped these businesses to second place, with the top spot being taken by businesses worth less than \$500,000. These small businesses totaled \$5.42 billion after a reduction of 3.3%. Overall, Hidalgo commercial property saw an increase of 23.8% in 2025, but this was reduced 11.9% thanks to appeals, reaching a total of \$18.85 billion. We at O'Connor

managed to beat this impressive reduction with a cut of 18.2% for our clients.

Hidalgo is one of the largest counties in Texas and this was reflected in commercial value, where raw, undeveloped land was the largest category by value at \$6.74 billion. Apartments came in at the No. 2 spot, with a total of \$5.11 billion, following a sizeable reduction of 18.8%. Warehouses were third with \$2.95 billion, while retail was fourth with \$2.70 billion. These saw solid cuts of 12.7% and 14.1% respectively. Offices managed a reduction of 13.6%, while hotels, the fastest grower, were appealed down by 27.7%.

The pattern for age of construction and value set by homes was largely the same for commercial real estate. The boom time between 2001 and 2020 was responsible for \$6.48 billion, or 34.4% of all value. 1981 to 2000 provided \$3.71 billion, or 19.7%. Each of these saw an appellant reduction of 17.7% and 12.6% respectively. New construction landed a reduction of 13.1% but still managed to come in at \$1.74 billion thanks to a previous value spike of \$57.6%. The “other” category was for undeveloped land and was accountable for 29.7% of all value.

Excellent Office Appeals Held Counter Huge Hike of 39.4%

Since the pandemic, offices have seen massive spikes in value, as this real estate is once again in demand. This may have been too much of a good thing, as office owners saw an eye-watering increase of 39.4% in taxable value in 2025, bringing the total to \$1.04 billion. This was eventually reduced 13.6% by appeals, translating to a final sum of \$899.17 million. Offices obeyed the trend set forth by other properties when it came to value and age, with those offices constructed from 2001 to 2020 being responsible for 53.3% of the value. These saw a large reduction of 16.6%, bringing their final value to \$479.49 million. The years from 1981 to 2000 was accountable for \$317.78 million after a cut of 11.9%. New construction had increased a staggering 67.5%, but this was trimmed 1% to \$65.21 million. When owners turned to O'Connor to save on their offices, they were rewarded with an overall reduction of 13.8%.

For the purposes of statistics, HCAD divided offices into three categories. Medical offices were in the No. 1 spot with \$726.07 million, following a great reduction of 11.6%. Low-rise buildings were reduced by 21.1%, reaching a total of \$172.90 million. High-rise buildings did not receive any reductions, but they were rare in the county and only accounted for a total of \$195,632.

Protests Drop the Taxable Value of Retail Spaces 14.1%

Like most commercial properties, retail stores felt a gigantic increase of 27.9% in 2025. This resulted in a new overall total of \$3.14 billion, which was appealed down by 14.1% to \$2.70 billion. Like most other property types, retail stores saw most of their value constructed between 2001 and 2020, which resulted in a total of \$1.50 billion after a reduction of 14.3%. With a cut of 16.6%, stores built from 1981 to 2001 were responsible for \$764.31 million, while those from 1961 to 1980 added up to \$259.48 million after a decrease of 16.6%. Naturally, the largest spike was seen in new construction, though this 52.7% increase resulted in a small sum of \$165.49

million. This was reduced by 10.8%. O'Connor managed to help our clients see an overall reduction of 15.3%, including a giant cut of 28.8% for new construction.

HCAD separated all retail properties into four categories. The largest was neighborhood shopping centers, which tipped the scales at \$1.25 billion after a decrease of 11.3%. Single-occupancy stores nabbed a solid reduction of 12.8%, for a new final value of \$727.68 million. Strip centers only saved 7%, coming in at \$390.11 million. The biggest saver by percentage was malls, which saw a cut of 31%, dropping to \$338.46 million.

About O'Connor:

O'Connor is one of the largest property tax consulting firms, representing 185,000 clients in 49 states and Canada, handling about 295,000 protests in 2024, with residential property tax reduction services in Texas, Illinois, Georgia, and New York. O'Connor's possesses the resources and market expertise in the areas of property tax, cost segregation, commercial and residential real estate appraisals. The firm was founded in 1974 and employs a team of 1,000 worldwide. O'Connor's core focus is enriching the lives of property owners through cost effective tax reduction.

Property owners interested in assistance appealing their assessment can enroll in O'Connor's Property Tax Protection Program™. There is no upfront fee, or any fee unless we reduce your property taxes, and easy online enrollment only takes 2 to 3 minutes.

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