

# The Cantrell Report

Pertinent Information for Apartment Owners  
May 2017

## 2017 TEXAS PROPERTY TAX ASSESSMENTS

By: *Mark Cantrell*

JOB GROWTH 1	Area New Jobs				
	Estimate	1 Mo End 3/31	6 Mo End 3/31	12 Mo End 3/31	
	Dallas/Plano/Irving	6,800	41,500	100,300	
	Fort Worth/Arlington	5,700	13,000	29,400	
		12,500	54,500	129,700	
INTEREST RATES 2	Rates		END 4/25	Yr. Ago	
	10 Year Treasury		2.35%	1.91%	
	11th District COFI		0.59%	0.67%	
	1 Mo. LIBOR		0.99%	0.44%	
SUPPLY/ DEMAND 3	Units Added/ Absorbed		6 Mo End 4/25	12 Mo End 4/25	24 Mo End 4/25
	<u>Dallas County</u>				
	Added		4,416	8,591	19,855
	Absorbed		3,756	7,920	18,585
	<u>Tarrant County</u>				
	Added		2,277	4,656	10,051
Absorbed		1,675	3,909	9,998	
OCCUPANCY RATES 3	<u>Dallas County</u>		4/25/2017	6 Mo Ago	12 Mo Ago
	2010's		78.3%	78.3%	72.5%
	2000's		94.4%	95.0%	94.7%
	1990's		94.5%	94.7%	95.6%
	1980's		95.3%	94.8%	95.7%
	1970's or Older		94.3%	93.9%	94.4%
	<u>Tarrant County</u>				
	2010's		79.3%	83.7%	80.0%
	2000's		95.5%	95.6%	95.8%
	1990's		95.0%	95.0%	95.1%
	1980's		95.4%	95.2%	95.3%
	1970's or Older		93.3%	92.6%	92.8%
RENTAL RATES 3	<u>Dallas County</u>		4/25/2017	6 Mo Ago	12 Mo Ago
	2010's		\$1,497	\$1,492	\$1,507
	2000's		\$1,352	\$1,351	\$1,330
	1990's		\$1,277	\$1,277	\$1,229
	1980's		\$911	\$888	\$853
	1970's or Older		\$858	\$839	\$811
	<u>Tarrant County</u>				
	2010's		\$1,388	\$1,415	\$1,340
	2000's		\$1,181	\$1,167	\$1,126
	1990's		\$1,184	\$1,171	\$1,121
	1980's		\$892	\$861	\$827
	1970's or Older		\$817	\$791	\$763
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's				
	2012	74,400	1 Texas Workforce Commission		
	2013	95,600	2 Banxquote.com		
	2014	132,000	3 ALNsys.com - Rental rates are after concessions.		
	2015	98,700	Approximately 25% of 70's or older are all bills paid		
	2016	120,500			

The majority of Texas appraisal districts have just recently mailed their preliminary value notices and all districts' values should be sent out by the first week of May.

In reviewing early releases of values in Harris (Houston), Travis (Austin), and Dallas counties, multifamily increases are across the board, and significant. Both strong property economics as well as appraisal districts continuing to use historically low CAP rates are to blame.

**How can you attempt to minimize potential increases that go directly to your bottom line?** In addition to the profit & loss statements and rent rolls, make sure you provide your tax consultant every possible negative piece of information that can be used when in front of the appraisal district (i.e. photos/bids of deferred maintenance, foundation and roof issues, crime, city citations/violations, down units, etc.). **And it is critical that you engage a seasoned professional with a thorough understanding of the entire appeals process and the various valuation methodologies and techniques to mitigate such increases, mainly Unequal Equity protests.**

Unlike the appraisal district's mass appraisal methodology used for determining the notice value and then reliance on an owner's actual operating statement to fine tune a final value, CMI refuses to allow the appraisal district to ignore other value remedies such as Section 42.26(d). In short, the plain language of the statute allows a protest based solely on comparable values and the subject's equitable value. **And if a conflict exists between taxation at market value and equal and uniform taxation, equal and uniform taxation prevails.**

Remember the deadline to file your proetest is May 31 (or the 30th day after the date the notice of appraised value is delivered, whichever is later).

*If you would like further information on this topic or other property tax related issues, contact Mark J. Cantrell at (214) 368-1295 or email [mcantrell@cmi-tax.com](mailto:mcantrell@cmi-tax.com). Cantrell McCulloch, Inc. (CMI) currently represents multifamily properties consisting of 220,000 +/- units valued in excess of \$12 billion across Texas and 20 total states. Our multifamily background, along with our experienced consultants and focused attention to every detail allows us to negotiate the best possible values.*

*Mark Cantrell*  
214-368-1295  
[mcantrell@cmi-tax.com](mailto:mcantrell@cmi-tax.com)

*Thomas Hooke*  
972-630-6696  
[thooke@cantrellcompany.com](mailto:thooke@cantrellcompany.com)