

JOB GROWTH <sup>1</sup>	Area New Jobs	1 Mo	6 Mo	12 Mo
	Estimate	End 4/30	End 4/30	End 4/30
	Dallas/Plano/Irving	(239,400)	(240,700)	(179,300)
	Fort Worth/Arlington	(115,100)	(122,200)	(103,700)
		(354,500)	(362,900)	(283,000)
INTEREST RATES <sup>2</sup>	Rates	END 5/31		Yr. Ago
	10 Year Treasury		0.65%	2.14%
	11th District COFI		0.88%	0.96%
	1 Mo. LIBOR		0.17%	2.43%
SUPPLY/ DEMAND <sup>3</sup>	Units Added/ Absorbed	6 Mo End 5/31	12 Mo End 5/31	24 Mo End 5/31
	<b>Dallas County</b>			
	Added	3,999	10,301	22,095
	Absorbed	3,261	6,231	17,594
	<b>Tarrant County</b>			
	Added	2,916	5,631	13,213
	Absorbed	1,965	3,814	9,774
OCCUPANCY RATES <sup>3</sup>	Dallas County	5/31/2020	6 Mo Ago	12 Mo Ago
	2010's	81.1%	80.8%	80.4%
	2000's	93.2%	93.5%	94.1%
	1990's	94.2%	94.6%	95.0%
	1980's	93.3%	92.9%	94.2%
	1970's or Older	92.6%	92.9%	93.4%
	<b>Tarrant County</b>			
	2010's	79.6%	81.0%	76.9%
	2000's	93.6%	93.5%	94.1%
	1990's	93.3%	94.0%	95.0%
	1980's	93.4%	93.3%	94.3%
	1970's or Older	90.8%	90.8%	91.8%
RENTAL RATES <sup>3</sup>	Dallas County	5/31/2020	6 Mo Ago	12 Mo Ago
	2010's	\$1,602	\$1,592	\$1,603
	2000's	\$1,439	\$1,425	\$1,440
	1990's	\$1,343	\$1,353	\$1,344
	1980's	\$1,006	\$993	\$988
	1970's or Older	\$966	\$957	\$942
	<b>Tarrant County</b>			
	2010's	\$1,381	\$1,384	\$1,419
	2000's	\$1,256	\$1,245	\$1,270
	1990's	\$1,227	\$1,226	\$1,231
	1980's	\$984	\$974	\$969
	1970's or Older	\$926	\$910	\$904
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's			
	2019	127,600	1 Texas Workforce Commission	
	2018	102,200	2 Banxquote.com	
	2017	91,700	3 ALNsys.com - Rental rates are after concessions.	
	2016	120,500	Approximately 25% of 70's or older are all bills paid	
	2015	98,700		
	2014	132,000		
	2013	95,600		

## TEXAS PROPERTY TAX UPDATE

All Texas values are now out with many tax protest deadlines already passed. Dallas County on June 15 is one of the later deadline dates. COVID-19 has definitely caused a lot of confusion not only with delayed and staggered deadlines but when assessment values should be applicable and should a discount be available. One thought, although typically the deadlines are hard and fast, is this year a "good cause" protest past the deadline should receive serious consideration due to the many different deadlines.

All the major counties along with most other counties increased assessments this year. Appraisal districts are required to assess values as of January 1 and this was well before COVID-19. Although some have requested appraisal districts roll values back to 2019 levels or reassess values post COVID-19, the appraisal districts have no mandate or legal ability to do so. The Governor and several key political figures have publicly stated taxing entities should reduce the tax rates this year to allow some relief. Tax rates are finalized in August/September in budget sessions and will be determined by October 1 so tax bills can be sent out in October. Reduced tax rates would be great for owners but doubtful this will happen since most entities will be stressed with budget shortfalls and likely reduction in rates is more like wishful thinking.

So where does this leave owners who are suddenly having difficulty with some residents delaying rent payments? This year more than ever owners should seek professional help or be ready to offer various methods of reduction scenarios when meeting, albeit online or by phone this year, with the appraisal districts (no face to face meetings or attendance at ARB hearings this year.) With the aggressive multifamily value increases this year in the larger counties of Dallas, Tarrant, Denton and Harris, it will be interesting to see what final values will be and will lawsuits and arbitration be prevalent more so than past years. We expect that will likely be the case and especially in Dallas where increases are the highest ever seen.

Some good news is tax rates have been on the slight decline over the past 2-4 years with last year's Texas legislature passing two significant tax bills that will impact taxes for the better for the foreseeable future. The following link explains the tax relief that both bills should provide <https://www.dallasnews.com/news/texas-legislature/2019/05/23/texas-house-senate-strike-deal-bill-fund-schools-teacher-pay-raises-tax-relief>. These two bills are meant strictly for tax rate relief. The other factor, assessment values, are expected to continue increasing, although now COVID-19 has impacted both sales volume and likely NOI growth for the foreseeable future.

Although our tax system can be considered confusing and cumbersome, it is the best system our legislators have been able to provide. With no state income tax, which all Texans are proud to proclaim, entities must lean on property taxes, especially our schools to achieve necessary funding. Ways to ensure the best possible result in minimizing tax bills: a good consultant and now two new tax bills addressing revenue growth that could flatten taxes some going forward. Just hoping that COVID-19 doesn't play too much havoc with our solid market fundamentals seen across the entire state which both have been the cause for such increases over the past years.

Mark Cantrell, founder and President of Cantrell McCulloch Inc. (CMI) can be reached at [mcantrell@cmi-tax.com](mailto:mcantrell@cmi-tax.com) 214-368-1295 direct or [www.cmi-tax.com](http://www.cmi-tax.com)  
CMI currently represents approx. \$35 billion in value spread over 300,000 +/- units of multifamily property across Texas and many Sunbelt states plus all other commercial property types.

**Mark Cantrell**  
214-368-1295

[mcantrell@cantrellcompany.com](mailto:mcantrell@cantrellcompany.com)

**Sam Pettigrew**  
972-630-6691

[sp@cantrellcompany.com](mailto:sp@cantrellcompany.com)

**Thomas Hooke**  
972-630-6696

[thooke@cantrellcompany.com](mailto:thooke@cantrellcompany.com)