

The Cantrell Report

Pertinent Information for Apartment Owners
June 1, 2015

JOB GROWTH ¹	Area New Jobs	1 Mo	6 Mo	12 Mo
	Estimate	4/30	End 4/30	End 4/30
	Dallas/Plano/Irving	18,800	20,000	93,600
	Fort Worth/Arlington	11,400	8,600	32,200
		30,200	28,600	125,800
INTEREST RATES ²	Rates	END 5/31	Yr. Ago	
	10 Year Treasury	2.19%	2.54%	
	11th District COFI	0.69%	0.70%	
	1 Mo. LIBOR	0.19%	0.15%	
Spreads over the above indexes have been increasing as rates have decreased. Best all in rates for the best properties are around 3.50%.				
SUPPLY/ DEMAND ³	Units Added/ Absorbed	6 Mo End 5/31	12 Mo End 5/31	24 Mo End 5/31
	Dallas County			
	Added	5,588	10,503	18,492
	Absorbed	6,466	10,578	17,910
	Tarrant County			
	Added	1,684	3,599	6,058
	Absorbed	2,210	4,163	6,898
OCCUPANCY RATES ³	Dallas County	5/31/2015	6 Mo Ago	12 Mo Ago
	2000's	85.1%	85.6%	86.6%
	1990's	95.7%	95.1%	95.0%
	1980's	95.4%	94.0%	94.1%
	1970's or Older	92.9%	92.4%	91.8%
	Tarrant County			
	2000's	90.6%	91.6%	91.7%
	1990's	95.6%	95.0%	94.9%
	1980's	95.1%	94.1%	93.9%
	1970's or Older	92.7%	91.7%	91.6%
RENTAL RATES ³	Dallas County	5/31/2015	6 Mo Ago	12 Mo Ago
	2000's	\$1,337	\$1,308	\$1,287
	1990's	\$1,190	\$1,167	\$1,155
	1980's	\$795	\$764	\$737
	1970's or Older	\$752	\$731	\$711
	Tarrant County			
	2000's	\$1,134	\$1,096	\$1,072
	1990's	\$1,066	\$1,037	\$1,009
	1980's	\$758	\$728	\$705
	1970's or Older	\$700	\$675	\$649
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's	¹ Texas Workforce Commission ² Banxquote.com ³ ALNsys.com - Rental rates are after concessions. Approx. 25% of 70's or older are all bills paid.		
	2007	82,200		
	2008	2,500		
	2009	(94,900)		
	2010	50,800		
	2011	51,200		
	2012	79,200		
	2013	95,000		
	2014	141,300		

How often should I bid my insurance?

Many times in a year, we will be asked this question. While we live in a free market economy that allows a person to seek the best option to purchase various products from their vendors; the concept of a putting a product out to bid creates some interesting thoughts. First, private companies do not technically have to bid their insurance like certain public and municipal organizations so a private company may never want to bid their insurance. But what is a good option to get the best insurance program?

Several years ago, One of our insurance carriers suggested using the phrase, "Consult your insurance agent as you would a doctor or a lawyer". We are not assuming that insurance agents have the same lengthy training that a lawyer or a doctor has; but most people do not realize that their insurance agent has probably taken many insurance educational classes and is provided expert information by their insurance companies that allows the agent to provide the best options for your insurance. Also it probably does not make sense to put your legal representation or their medical care out to bid either.

Although a technical bid process may not be the best way to handle your insurance; depending on the size, complexity and overall changes that can happen to your business or personal account, it does probably make sense to at least review your insurance program at least every three years, although an annual review could be needed as well. If you have an independent agent; the agent will be able to consult with several carriers to review both rates and coverages. A single carrier agent should also be able to review any changes to your insurance program as well.

Probably the easiest option is to have your current agent arrange the review verses taking many bids. We have seen many agents and insurance companies actually back away from providing "bids" for insurance. The concept of a bid leaves the idea that the decision is based entirely on price. While price of insurance is very important, it is only part of the whole insurance issue. This may not allow for a professional agent to present the different coverages issues and service issues that each agent can provide. Things that agents and carriers will want to know is what chance they have of being able to be considered for all of their merits beyond price. To develop a bid does take time and effort on the client's part as well as the insurance agent and carrier. Time is money, so all parties want to make sure they have a good chance of being rewarded the business.

If you would like more information on this topic or other real estate insurance issues, contact Jeff King at 800-453-9691 or e-mail jeffking@rameyking.com. Ramey King is a full service insurance agency with a specialization in insurance for real estate. Located in Denton, TX, they do business nationwide.

Sam Pettigrew, Partner
972-630-6691

spettigrew@cantrellcompany.com

Thomas Hooke, Associate
972-630-6696

thooke@cantrellcompany.com

Jessica Erdmier
972-630-6697

jerdmier@cantrellcompany.com