

2019 Texas Tax Rates & Property Bills Are Now Out

- 2019 tax assessment values continued to escalate 10-15% on average with some increases as much as 20-25%.
- Further aggressive value increases anticipated to continue for those counties still chasing values but moderate some in certain counties.
- Assessment values post sale continue to be a key determinant when evaluating prospective properties. Value ranges between 50-90% are typical first year after sale and median value of the comparable properties adjusted for rents is the methodology used for successful Equal and Uniform protests. Wide range assessment post sale depends on 1) median value of current comparable assessments, 2) class of property, and 3) which county property is located.
- After taxing entities continued to resist pressure to lower tax rates even with tax bases experiencing exploding growth, the Texas legislature stepped in and passed two significant bills: Senate Bill 2 places a 3.5% cap on overall revenue growth for both city and county tax rates and a 2.5% cap for school rates starting in 2020, while Senate Bill 3 gave immediate tax rate compression to 2019 school rates with some additional reduction in the 2020 school rate as well. The two bills combined will make future taxes owed both more predictable and should moderate growth.

Comparison of Major Texas Cities Overall Tax Rate

	2017 Rate	2018 Rate	2019 Rate
Austin	2.213985	2.196521	2.144866
Dallas	2.719223	2.845235	2.733585
Fort Worth	2.784889	2.750899	2.646799
Houston	2.526348	2.530443	2.421583
San Antonio	2.837642	2.865932	2.834282

Ways to Assist Your Tax Consultant to Achieve Best Possible Results

- Provide requested data as soon as possible once year end P 7 L's are completed. Don't wait until preliminary notice values are released in late April to contact your tax consultant.
- Communicate issues that may not be apparent simply by reviewing your financials.
- Take photos and provide bids and reports whenever deferred maintenance items are needed. Remember, the appraised value is effective as of January 1st.
- **Make sure your consultant always checks comparable property values and reviews your property based on Fair and equal, not just how the property is performing.**

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. In 2019 Cantrell McCulloch, Inc. (CMI) represented multifamily properties consisting of 230,000 units valued at \$20 billion across Texas and 22 other states, saving multifamily clients roughly \$50 million in actual tax savings.

Visit us at www.cmi-tax.com

JOB GROWTH ¹	Area New Jobs				
		1 Mo	6 Mo	12 Mo	
ESTIMATE		End 9/30	End 9/30	End 9/30	
	Dallas/Plano/Irving	10,300	67,200	100,900	
	Fort Worth/Arlington	(3,600)	17,000	15,200	
		6,700	84,200	116,100	
INTEREST RATES ²	Rates		END 9/30	Yr. Ago	
	10 Year Treasury		1.69%	3.15%	
	11th District COFI		1.16%	1.02%	
	1 Mo. LIBOR		1.79%	2.30%	
SUPPLY/ DEMAND ³	Units Added/ Absorbed		6 Mo	12 Mo	24 Mo
			End 10/31	End 10/31	End 10/31
	Dallas County				
	Added		4,693	12,210	22,900
	Absorbed		4,396	10,130	20,943
	Tarrant County				
Added		2,404	5,384	13,727	
Absorbed		1,814	5,197	11,500	
OCCUPANCY RATES ³	Dallas County		10/31/2019	6 Mo Ago	12 Mo Ago
	2010's		81.7%	79.5%	81.6%
	2000's		93.2%	93.7%	93.4%
	1990's		94.8%	94.7%	94.4%
	1980's		92.9%	93.9%	93.2%
	1970's or Older		93.0%	93.2%	93.0%
	Tarrant County				
	2010's		79.0%	75.4%	73.5%
	2000's		93.8%	94.3%	94.6%
	1990's		94.1%	95.0%	95.3%
1980's		90.8%	91.8%	91.4%	
1970's or Older		93.5%	94.5%	93.9%	
RENTAL RATES ³	Dallas County		10/31/2019	6 Mo Ago	12 Mo Ago
	2010's		\$1,616	\$1,594	\$1,575
	2000's		\$1,436	\$1,425	\$1,409
	1990's		\$1,342	\$1,347	\$1,306
	1980's		\$997	\$981	\$956
	1970's or Older		\$956	\$936	\$919
	Tarrant County				
	2010's		\$1,402	\$1,402	\$1,404
	2000's		\$1,250	\$1,264	\$1,237
	1990's		\$1,240	\$1,243	\$1,226
1980's		\$905	\$900	\$882	
1970's or Older		\$973	\$963	\$941	
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's				
	2018	102,200	1 Texas Workforce Commission		
	2017	91,700	2 Banxquote.com		
	2016	120,500	3 ALNsys.com - Rental rates are after concessions.		
	2015	98,700	Approximately 25% of 70's or older are all bills paid		
	2014	132,000			
	2013	95,600			
2012	79,200				

Mark Cantrell
214-368-1295

mcantrell@cantrellcompany.com

Sam Pettigrew
972-630-6691

sp@cantrellcompany.com

Thomas Hooke
972-630-6696

thooke@cantrellcompany.com