

THE CANTRELL REPORT™

Pertinent Information for Apartment Owners

April 2007

JOB GROWTH ¹	Area New Jobs		Mo of	6 Mo	12 Mo
	Estimate		2/07	End 2/07	End 2/07
	Dallas/Plano/Irving		14,200	22,900	79,400
	Fort Worth/Arlington		5,000	900	14,600
			19,200	23,800	94,000
INTEREST RATES ²	Rates		4/18/2007	Yr. Ago	
	10 Year Treasury			4.68%	5.02%
	11th District COFI			4.38%	3.60%
	1 Mo. LIBOR			5.32%	4.93%
	FNMA, Freddie Mac & CMBS lenders' rates are fixed at approx 1.0-1.5% over the 10 year treasury. Other lenders' rates are adjustable at approx 3% over COFI or LIBOR.				
SUPPLY/ DEMAND ³	Units Added/ Absorbed		6 Mo	12 Mo	24 Mo
			End 4/07	End 4/07	End 4/07
	Dallas County				
	Added		2,992	6,504	12,833
	Absorbed		2,470	4,859	16,430
	Tarrant County				
	Added		1,334	3,873	7,659
	Absorbed		850	2,171	8,422
OCCUPANCY RATES ³	Dallas County		4/07	6 Mo Ago	12 Mo Ago
	1990's or Newer		90%	90%	91%
	1980's		90%	90%	91%
	1970's or Older		89%	89%	89%
	Tarrant County				
	1990's or Newer		90%	90%	90%
	1980's		90%	90%	91%
	1970's or Older		86%	86%	87%
RENTAL RATES ³	Dallas County		4/07	6 Mo Ago	12 Mo Ago
	1990's or Newer		\$1,080	\$1,061	\$1,033
	1980's		\$648	\$627	\$623
	1970's or Older		\$645	\$634	\$626
	Tarrant County				
	1990's or Newer		\$904	\$890	\$869
	1980's		\$611	\$602	\$597
	1970's or Older		\$582	\$570	\$563
HOME OWNERSHIP ⁴	Homebuilder Price/Size	Mo P/I Tax/Ins	1 Tx Workforce Commission - average calendar yr. change (combined MSA's):		
	Choice Homes	\$79,950 3-2-1 \$729	'99 95,300; '00 100,500; '01 11,800		
			'02 (70,000); '03 (39,400); '04 32,600		
			2 Banxquote.com '05 68,300; '06 94,300		
			3 ALNsys.com - Rental rates are before any concessions. Approx. 25% of 70's or older are all bills paid.		
			4 From corporate office of builder.		
	Fox & Jacobs	\$90,990 3-2-2 \$817			

Information obtained from sources deemed reliable, but not guaranteed.

Equal and Uniform vs. "Sales Chasing"

By: Robert McCulloch, Cantrell McCulloch, Inc.

Although Texas remains a non-disclosure state, appraisal districts have become more adept at discovering the details of commercial property transactions. **In a practice known as "sales chasing", appraisal districts often increase the appraised values of properties that have recently sold to their sales price, while leaving comparable properties unadjusted.** This greatly undermines the overriding concern of equity by creating a dual standard of valuation: one for properties that have recently sold, and one for those that have not. **Fortunately, the Texas Property Tax Code, as amended by the enactment of Senate Bill 841, features a remedy for the practice of sales chasing.**

Also known as the Taxpayer's Bill of Rights, Senate Bill 841 was intended to facilitate tax remedies for property owners. Probably the most significant change to the law is that **taxpayers may now contend inequality of appraisal** per code Section 42.26(d), whereby "The district court shall grant relief on the grounds that a property is appraised unequally if the appraised value of the property exceeds the median appraised value of a reasonable number of comparable properties appropriately adjusted."

CMI, currently representing over 400 multi-family properties, has been a market leader in negotiating values below the purchase price. Our ability to argue values using our Equal and Uniform Analysis has proven to be very persuasive (see below for 2006 examples of our success). **Our 2006 average reduction was 22% below the purchase price.** We can be contacted at (214) 368-5566 x 25 - Linda Mayberry, or email lmayberry@cmi-tax.com. Please visit our website - www.cmi-tax.com.

Property	Purchase Price	Negotiated 2006 Value	\$ Reduction Below Price	% Reduction Below Price
200 U/Mesquite	\$11,700,000	\$10,530,000	\$1,170,000	10.0%
93 U/Dallas	\$2,500,000	\$1,860,000	\$640,000	25.6%
82 U/Dallas	\$1,850,000	\$1,355,000	\$495,000	26.8%
104 U/Carrollton	\$4,875,000	\$3,000,000	\$1,875,000	38.5%
103 U/Arlington	\$3,080,000	\$2,500,000	\$580,000	18.8%

Special Note on 2007 Tax Rates - Per the School Reform Bill passed last year by the Texas Legislature, the school property tax rates will decrease another \$.29-\$.33 per \$100. This will result in an overall tax rate reduction of 10-12% from 2006 rates. Alert - 2007 Notice Values to be mailed within the next 10 days. Protest deadline May 31.

The Cantrell Company specializes in the brokerage of multi-family properties. Please contact the apartment specialists below for exclusive representation for the sale of your apartment property or for your next purchase.

Mark Cantrell
214-368-4567 (ext. 12)
mcantrell@cantrellcompany.com

Todd Franks
214-368-4567 (ext. 17)
tfranks@cantrellcompany.com

Sam Pettigrew
214-368-4567 (ext. 16)
spettigrew@cantrellcompany.com

Elliott Carpenter
214-368-4567 (ext. 34)
ecarpenter@cantrellcompany.com