

JOB GROWTH ¹	Area New Jobs Estimate		Mo of 6/03	6 Mo End 6/03	12 Mo End 6/03
		Dallas MSA		600	(12,400)
	FW/Arlington MSA		700	(3,100)	(4,500)
	Total		1,300	(15,500)	(24,600)
INTEREST RATES ²	Rates		8/4/2003	Yr. Ago	
		10 Year Treasury		4.40%	4.21%
		11th District COFI		2.11%	2.85%
		1 Mo. LIBOR		1.11%	1.79%
	FNMA, Freddie Mac & CMBS lenders' rates are fixed at approx 1.8-2.0% over the 10 year treasury. Other lenders' rates are adjustable at approx 3% over COFI or LIBOR.				
SUPPLY/ DEMAND ³	Units Added/ Absorbed		3 Mo End 8/03	6 Mo End 8/03	12 Mo End 8/03
	Dallas County				
		Added	1,432	3,201	5,715
		Absorbed	1,196	1,708	(546)
	Tarrant County				
		Added	886	2,214	4,006
		Absorbed	(789)	253	(1,038)
OCCUPANCY RATES ³	Dallas County		8/03	6 Mo Ago	1 Yr Ago
		1990's or Newer	89%	89%	89%
		1980's	90%	90%	92%
		1970's or Older	88%	89%	91%
	Tarrant County				
		1990's or Newer	85%	87%	89%
		1980's	90%	91%	92%
		1970's or Older	88%	89%	92%
RENTAL RATES ³	Dallas County		8/03	6 Mo Ago	1 Yr Ago
		1990's or Newer	\$1,045	\$1,068	\$1,070
		1980's	\$650	\$658	\$663
		1970's or Older	\$632	\$633	\$633
	Tarrant County				
		1990's or Newer	\$889	\$890	\$898
		1980's	\$607	\$612	\$612
		1970's or Older	\$562	\$564	\$560
HOME OWNERSHIP ⁴	Homebuilder Price/Size	Mo P/I Tax/Ins	1 Tx Workforce Commission - calendar year totals (combined MSA's):		
	Choice Homes \$79,950 2-2-1	\$612	'98 115,700; '99 95,300; '00 100,500; '01 8,300; '02 (62,800)		
			2 Banxquote.com		
			3 ALNsys.com - Rental rates are before any concessions. Approx. 25% of 70's or older are all bills paid.		
	Fox & Jacobs \$86,490 3-2-2	\$805	4 As advertised in 8-3-03 DMN		

Information obtained from sources deemed reliable, but not guaranteed.

Drying Out – Science and Courts Find Mold Not Guilty

By: Alex Hecht, National Multi Housing Council

When the issue of “toxic mold” started hitting the headlines in 1999, many observers immediately assumed mold was going to be the next asbestos. With each passing month, the mold hype grew more exaggerated. Trial lawyers looking for new business embraced mold, setting off a wave of litigation. Insurance firms, battered by sky-rocketing claims, responded by jacking up premiums and reduced – and in at least 35 states, eliminating – coverage. And though recent events suggest that mold isn’t going away any time soon, the end of the mold craze may be in sight.

The mold hysteria has quieted in recent months in part because several well-respected scientific groups have concluded that current research simply doesn’t substantiate the claim that mold exposure poses serious health risks. In September 2002, the Texas Medical Association’s Council on Scientific Affairs issued a report stating “public concerns for the adverse health effects from inhalation of *stachybotrys* spores in water-damaged buildings is generally not supported by published reports in the medical literature.” The American College of Occupational and Environmental Medicine (ACOEM) issued an evidence-based statement. It concludes that “current scientific evidence does not support the proposition that human health has been adversely affected by inhaled mycotoxins in the home, school, or office environment.” In the search to establish sound science surrounding mold exposure, the National Academy of Science’s Institute of Medicine (NAS-IOM) is expected to release its long-awaited analysis. Given the conclusions of the studies proceeding it, it too may help quell the mold hysteria.

The mold litigation bonanza also may be ending, signaled by an appeals court ruling that dramatically reduced the damages awarded in one of the nation’s highest profile mold cases. Even lawyers are beginning to change their minds about mold litigation. Defense attorneys also have suggested that there is a limited life cycle of four to seven years for mold lawsuits against apartment owners. T. Sky Woodward, an attorney who specializes in mold defense, explains, “Various factors will make mold suits against this industry less attractive in the coming years. Chief among them is the lack of available or affordable liability insurance coverage going forward. That will likely inhibit some plaintiffs’ attorneys from pursuing mold-related health claims against apartment owners and managers.”

The last mold-related frontier challenging apartment owners is insurance. The insurance industry used the rise in mold-related payouts to justify exorbitant premium increases over the past two years. And while these policies now cost more, they typically include numerous limitations and exclusions.

Taken together, these factors suggest that the mold phenomenon is past its peak. But, apartments owners should begin to prepare for whatever new issue attorneys drum up as the “next asbestos.”

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

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