

JOB GROWTH <sup>1</sup>	Area New Jobs Estimate		Mo of 10/05	6 Mo End 10/05	12 Mo End 10/05	
		Dallas/Plano/Irving	6,800	15,700	21,300	
	Fort Worth/Arlington	1,900	6,000	11,300		
		8,700	21,700	32,600		
INTEREST RATES <sup>2</sup>	Rates		12/13/05	Yr. Ago		
	10 Year Treasury		4.52%	4.12%		
	11th District COFI		3.07%	1.96%		
	1 Mo. LIBOR		4.37%	2.41%		
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 <sup>3</sup>	Units Added/ Absorbed		3 Mo End 12/05	6 Mo End 12/05	12 Mo End 12/05	
	<b>Dallas County</b>					
	Added		1,956	2,977	8,499	
	Absorbed		1,438	7,221	12,826	
	<b>Tarrant County</b>					
	Added		786	2,234	4,061	
Absorbed		1,192	5,594	8,338		
OCCUPANCY RATES <sup>3</sup>	<b>Dallas County</b>		<b>12/05</b>	<b>6 Mo Ago</b>	<b>1 Yr Ago</b>	
	1990's or Newer		92%	91%	91%	
	1980's		90%	89%	89%	
	1970's or Older		87%	85%	85%	
	<b>Tarrant County</b>					
	1990's or Newer		92%	88%	88%	
1980's		91%	90%	88%		
1970's or Older		87%	84%	84%		
RENTAL RATES <sup>3</sup>	<b>Dallas County</b>		<b>12/05</b>	<b>6 Mo Ago</b>	<b>1 Yr Ago</b>	
	1990's or Newer		\$1,047	\$1,034	\$1,026	
	1980's		\$619	\$618	\$623	
	1970's or Older		\$617	\$614	\$622	
	<b>Tarrant County</b>					
	1990's or Newer		\$867	\$862	\$871	
1980's		\$588	\$587	\$590		
1970's or Older		\$556	\$556	\$559		
HOME OWNERSHIP <sup>4</sup>	Homebuilder Price/Size	Mo P/I Tax/Ins	1 Tx Workforce Commission - average calendar yr. change (combined MSA's): '98 115,700; '99 95,300; '00 100,500; '01 8,200; '02 (69,100); '03 (37,100)			
	Choice Homes \$79,950 3-2-1	\$729	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 \$90,990 3-2-2	\$817	4 From corporate office of builder.			

Information obtained from sources deemed reliable, but not guaranteed.

## Update of Texas Property Tax Reform

The Texas Supreme Court recently ruled that the method of taxing property for schools is unconstitutional and set a June 1, 2006 deadline for the Texas Legislature to make changes. Governor Rick Perry has appointed the Texas Tax Reform Commission, chaired by former comptroller, John Sharp, to hold public hearings across Texas to reform the tax system to lower school taxes (maintenance and operations taxes) and replace them with a fair, stable tax system that better reflects the economy and that will help attract and retain businesses.

The Commission should issue a final report in March, 2006. If the Legislature does not have a bill passed and in effect by June 1, 2006, the state will stop funding the public schools and the schools will close until a constitutional system is enacted.

The Commission is charged with only reducing the property taxes and replacing it with some other means of revenue. The target property tax reduction is 50 cents per \$100 of valuation, which means raising \$5.5 billion with other taxes to replace that money. The Commission is not considering appraisal caps or increasing the homestead exemptions. It is also not considering a sales tax on services, but is looking at closing the loopholes in the franchise tax (which is estimated to raise \$1.3-\$1.5 billion).

One of the options under serious consideration would create different taxes for different business sectors. Instead of adopting a one-size-fits-all approach in either expanding the current franchise tax or creating an alternative minimum tax, as has been considered by the Legislature and rejected by large segments of business, there would be five different business categories that would have a business tax that works best for that sector. The goal is to reduce property taxes for the capital-intensive sectors that have paid more than their fair share and to broaden the base so all sectors are paying their fair share.

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.

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