

JOB GROWTH ¹	Area New Jobs		Mo of	6 Mo	12 Mo
	Estimate		7/04	End 4/04	End 4/04
	Dallas MSA		3,500	1,800	9,600
	FW/Arlington MSA		4,200	3,200	2,100
	Total		7,700	5,000	11,700
INTEREST RATES ²	Rates		7/29/2004	Yr. Ago	
	10 Year Treasury			4.57%	4.45%
	11th District COFI			1.71%	2.13%
	1 Mo. LIBOR			1.49%	1.10%
	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	6 Mo	12 Mo
			End 7/04	End 7/04	End 7/04
	Dallas County				
	Added		1,042	2,785	6,261
	Absorbed		1,054	4,347	2,736
	Tarrant County				
	Added		511	1,311	2,656
	Absorbed		221	1,405	1,970
OCCUPANCY RATES ³	Dallas County		7/04	6 Mo Ago	1 Yr Ago
	1990's or Newer		89%	88%	90%
	1980's		89%	89%	90%
	1970's or Older		86%	86%	88%
	Tarrant County				
	1990's or Newer		88%	87%	86%
	1980's		89%	89%	90%
	1970's or Older		86%	87%	88%
RENTAL RATES ³	Dallas County		7/04	6 Mo Ago	1 Yr Ago
	1990's or Newer		\$1,022	\$1,047	\$1,047
	1980's		\$631	\$639	\$650
	1970's or Older		\$629	\$632	\$634
	Tarrant County				
	1990's or Newer		\$883	\$885	\$889
	1980's		\$598	\$602	\$608
	1970's or Older		\$564	\$566	\$562
HOME OWNERSHIP ⁴	Homebuilder	Mo P/I	¹ Tx Workforce Commission - average calendar yr. change (combined MSA's): '98 115,700; '99 95,300; '00 100,500; '01 8,300; '02 (62,800) ² Banxquote.com ³ ALNsys.com - Rental rates are <u>before</u> any concessions. Approx. 25% of 70's or older are all bills paid. ⁴ As advertised in 7-25-04 DMN		
	Price/Size	Tax/Ins			
	Choice Homes				
	\$79,950 2-1-1	\$723			
	Fox & Jacobs				
	\$89,890 3-2-2	\$848			

Information obtained from sources deemed reliable, but not guaranteed.

It's Time to Renegotiate as Insurance Rates Drop

By: Ray A. Smith, *The Wall Street Journal*

It's insurance renewal time for many commercial property owners - and the news looks good: Property insurance rates have declined, while the rate of increases for liability coverage has slowed. Building owners renewing their property insurance policies for the year beginning July 1 should expect to see reductions of 15-20% on average compared with reductions of between 10-15% the year before, according to Eric T. Schake, a managing director with insurance broker Marsh, a unit of Marsh & McLennan Cos., New York. Liability insurance rates on average are expected to be flat to 10% higher, compared with increases of 10-15% a year ago. (The declines and slowdowns will be greater for landlords with larger portfolios than for those with smaller ones because the former can typically benefit from economies of scale.) Deductibles are remaining flat or decreasing, according to Marsh.

The declines and slowdowns indicate that insurance carriers feel confident enough in their profitability that they don't have to jack up rates the way they had in recent years. It also shows that insurers are trying to be more competitive - and one way to do that is on price. An influx of new or expanding Bermuda based and London based insurers is resulting in more choices for customers. So for building owners in the market for insurance - either to renew policies or switch carriers - now is a good time to negotiate harder. With so much coverage available and so many insurers offering it, owners have more options and negotiating power. What should owners do specifically? Among the things some insurance brokers recommend: present carriers with details of their loss control and risk management procedures in writing; and be forthcoming about any claims history, emphasizing what they've been doing differently to address or reduce such claims.

Kevin J. Madden, managing director of the national real estate practice at Chicago based insurance broker Aon Corp., says owners should present insurance carriers with natural catastrophe studies conducted by brokers. The studies arm owners with specific information on how much coverage they would actually need, rather than guessing how much coverage is needed and potentially paying more than is necessary for that coverage. The studies are done using computer technology that identifies, analyzes and quantifies natural hazard exposures. "The more you know about your account and the more you understand," he says, "the better you'll be able to negotiate your renewal." Brokers say it also helps to get quotes from competing carriers and ask current carries to match or beat those quotes.

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