

JOB GROWTH <sup>1</sup>	Area New Jobs Estimate		Mo of 3/03	6 Mo End 3/03	12 Mo End 3/03	
		Dallas MSA		7,900	(20,600)	(21,800)
	FW/Arlington MSA		4,900	(600)	2,000	
	Total		12,800	(21,200)	(19,800)	
INTEREST RATES <sup>2</sup>	Rates		5/14/2003	Yr. Ago		
		10 Year Treasury		3.57%	5.23%	
		11th District COFI		2.21%	2.65%	
		1 Mo. LIBOR		1.31%	1.84%	
	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 5/03	6 Mo End 5/03	12 Mo End 5/03	
	<b>Dallas County</b>					
		Added	1,125	3,364	5,370	
		Absorbed	812	(143)	(2,268)	
	<b>Tarrant County</b>					
		Added	784	1,436	3,661	
		Absorbed	1,261	(429)	(96)	
OCCUPANCY RATES <sup>3</sup>	Dallas County		5/03	6 Mo Ago	1 Yr Ago	
		1990's or Newer	88%	89%	89%	
		1980's	90%	91%	92%	
		1970's or Older	88%	90%	91%	
	<b>Tarrant County</b>					
		1990's or Newer	87%	88%	87%	
		1980's	91%	92%	93%	
		1970's or Older	89%	90%	92%	
RENTAL RATES <sup>3</sup>	Dallas County		5/03	6 Mo Ago	1 Yr Ago	
		1990's or Newer	\$1,057	\$1,073	\$1,068	
		1980's	\$653	\$658	\$665	
		1970's or Older	\$633	\$633	\$633	
	<b>Tarrant County</b>					
		1990's or Newer	\$881	\$891	\$894	
		1980's	\$609	\$612	\$614	
		1970's or Older	\$561	\$562	\$558	
HOME OWNERSHIP <sup>4</sup>	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	\$637	'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 \$82,990 3-2-2	\$767	4 As advertised in 5-4-03 DMN			

Information obtained from sources deemed reliable, but not guaranteed.

**PROPERTY TAX**

*By: Vince Jouret, Director of Business Development  
CMI, Property Tax Consultants*

Property taxes are one of the largest line item expenses incurred by apartment owners. It is estimated that property taxes comprise up to 30% of the operating expenses for apartment projects. With appraisal districts pushing values and rates approaching 3% of valuation, increases in property taxes are outpacing most owner's ability to recoup this cost by charging higher rents.

An owner should not avoid an appeal simply because the recent purchase price is above the taxable value. There are many factors that may make the use of a sales price for property tax purposes inappropriate. These important considerations include a purchase price based on actual cash flow rather than market value, deals involving special financing considerations, or purchases made based on a 1031 Exchange. Additionally, the tax code, as amended by the enactment of Senate Bill 841, features a number of changes in appraisal district policies and procedures. Probably the most significant change to the law is that taxpayers may now contend inequality of appraisal under Section 42.26(d), which allows for value corrections to be made "if the appraisal value of the property exceeds the median appraised value of a reasonable number of comparable properties appropriately adjusted." Often the last line of defense in the appeal process, the uniform and equal protest puts taxpayers on equal footing regardless of market value.

The decision to appeal should not be based solely on the prior year's operating statement. Tax authorities often use the past year's operating statement and capitalize the net operating income to arrive at a value. In a declining market, this will rarely reflect market conditions as of the valuation date. An owner should base his market valuation determination on the market rent and occupancy conditions as of the valuation date.

The notice of appraised values are currently being mailed by county appraisal districts, and owners have 30 days thereafter to file a protest. CMI Property Tax Consultants, specializes in representing apartment owners to identify tax reduction opportunities and implement proactive tax strategies. We have negotiated value reductions in excess of \$1.5 billion for all types and classes of apartment properties.

Contact Vince Jouret at (214) 368-5566 ext. 24, or email [vjouret@cmi-tax.com](mailto:vjouret@cmi-tax.com), for further information on how you may reduce your tax liability.

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

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