

JOB GROWTH ¹	Area New Jobs	Mo of	6 Mo	12 Mo	
	Estimate	3/05	End 3/05	End 3/05	
	Dallas/Plano/Irving	8,200	4,600	33,300	
	Fort Worth/Arlington	3,900	700	11,700	
		12,100	5,300	45,000	
INTEREST RATES ²	Rates	5/31/2005	Yr. Ago		
	10 Year Treasury		4.07%	4.70%	
	11th District COFI		2.40%	1.80%	
	1 Mo. LIBOR		3.11%	1.13%	
	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 5/05	6 Mo End 5/05	12 Mo End 5/05	
	Dallas County				
	Added	4,025	4,667	8,504	
	Absorbed	4,966	4,604	7,350	
	Tarrant County				
	Added	1,008	1,861	3,907	
	Absorbed	1,346	1,445	2,025	
OCCUPANCY RATES ³	Dallas County	5/05	6 Mo Ago	1 Yr Ago	
	1990's or Newer	90%	90%	88%	
	1980's	89%	89%	89%	
	1970's or Older	85%	85%	86%	
	Tarrant County				
	1990's or Newer	87%	88%	87%	
	1980's	89%	89%	89%	
	1970's or Older	83%	84%	86%	
RENTAL RATES ³	Dallas County	5/05	6 Mo Ago	1 Yr Ago	
	1990's or Newer	\$1,023	\$1,017	\$1,020	
	1980's	\$621	\$629	\$633	
	1970's or Older	\$613	\$624	\$631	
	Tarrant County				
	1990's or Newer	\$860	\$876	\$887	
	1980's	\$586	\$593	\$601	
	1970's or Older	\$555	\$559	\$564	
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	'98 115,700; '99 95,300; '00 100,500; '01 8,200; '02 (69,100); '03 (37,100)		
	Fox & Jacobs \$110,024 3-2-2	\$893	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 5-29-05 DMN		

Information obtained from sources deemed reliable, but not guaranteed.

Legislatures Fail To Fix School Finance

Texas lawmakers ended their regular session and headed home, leaving their main priority - the funding of public schools unresolved. It was expected that this session would reform the method of taxation that funds public schools. The House and Senate had separate plans, but could not find a compromise. Both plans would have reduced property taxes, but would have increased taxes on businesses and consumers. Apartment owners' net taxes could either increase or decrease depending upon the application of the proposed taxes on each property owner's situation.

What's Next?

Since a state judge has ordered school funding (the current "Robin Hood") be fixed by October, 2005, here is what will/can happen:

- * On July 6, 2005, the Texas Supreme Court will hear arguments in a appeal of the school finance case. The court can uphold the state judge's ruling, modify it, overrule it, or give the legislature a new deadline.
- * Governor Rick Perry can call the lawmakers back to Austin for a thirty day special session to resolve the issue. However, without an agreement beforehand, it's unlikely. (Both the House and Senate leaders continue to negotiate.)

So, what began as an optimistic opportunity to reform school finance and give property owners some tax relief, eventually gave way to the harsh reality of trying to fix a complex funding system with the right mix of business and consumer taxes to pay for the property tax reductions.

The next several months will give the answer to how this issue will be resolved and what, if any, overall tax reduction will be given to apartment owners.

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