



THE CANTRELL REPORT TM

Pertinent Information for Apartment Owners
November 2010

JOB GROWTH ¹	Area New Jobs			
		1 Mo	6 Mo	12 Mo
	Estimate	End 10/10	End 10/10	End 10/10
	Dallas/Plano/Irving	10,100	(400)	16,600
Fort Worth/Arlington	3,600	(1,000)	8,200	
	13,700	(1,400)	24,800	
INTEREST RATES ²	Rates			Yr. Ago
	10 Year Treasury		2.90%	3.36%
	11th District COFI		1.66%	1.27%
	1 Mo. LIBOR		0.25%	0.24%
	Spreads over the above indexes have been increasing as rates have decreased. Best all in rates for the best properties are around 5.00%.			
SUPPLY/ DEMAND ³	Units Added/ Absorbed			
		6 Mo	12 Mo	24 Mo
		End 11/10	End 11/10	End 11/10
	<u>Dallas County</u>			
	Added	1,996	4,920	11,780
	Absorbed	5,162	11,736	10,545
<u>Tarrant County</u>				
Added	568	847	5,905	
Absorbed	1,437	5,963	6,814	
OCCUPANCY RATES ³	<u>Dallas County</u>			
		11/10	6 Mo Ago	12 Mo Ago
	2000's	91%	87%	82%
	1990's	94%	94%	92%
	1980's	89%	89%	87%
	1970's or Older	87%	87%	87%
	<u>Tarrant County</u>			
	2000's	93%	90%	85%
	1990's	94%	94%	92%
	1980's	90%	91%	88%
1970's or Older	84%	83%	82%	
RENTAL RATES ³	<u>Dallas County</u>			
		11/10	6 Mo Ago	12 Mo Ago
	2000's	\$1,175	\$1,181	\$1,194
	1990's	\$1,013	\$1,004	\$1,019
	1980's	\$651	\$657	\$660
	1970's or Older	\$657	\$657	\$665
	<u>Tarrant County</u>			
	2000's	\$956	\$950	\$945
	1990's	\$880	\$882	\$864
	1980's	\$619	\$622	\$630
1970's or Older	\$593	\$591	\$599	
HISTORICAL JOB GROWTH	Average year change of the combined DFW MSA's		1 Texas Workforce Commission	
	2005	68,300	2 Banxquote.com	
	2006	91,600	3 ALNsys.com - Rental rates are before any concessions.	
	2007	82,200	Approx. 25% of 70's or older are all bills paid.	
	2008	2,500		
	2009	(94,900)		

Information obtained from sources deemed reliable, but not guaranteed.

Electric Companies are changing December 1, Nodal vs Zonal

By: Mike Burkett, President, Joule Energy, LLC

The Electric Reliability Council of Texas (ERCOT) manages the electricity grid in Texas and is scheduled to launch its nodal pricing system on December 1, 2010. The nodal system replaces the current zonal pricing system. The new system has been in planning and design for more than seven years at a cost of over \$500,000,000.

The current zonal system prices electricity at five different "zones" around the state. The new zonal system will replace those zones with 500 resource "nodes", 13 zones, and four hubs. The new system completely changes the way the 130 Retail Electric Providers (REPs) in the state of Texas do business. Many of them may not be prepared.

Slightly more than half of the REPs have attended one or more of ERCOT's nodal market training courses. ERCOT has provided training since 2006. It's hard to tell how prepared most REPs will be once nodal goes live.

There is a real risk that some of the REPs will not accurately hedge for the pricing volatility and will either pass these costs through to the consumer or sustain crippling capital calls resulting in bankruptcy for some of the REPs.

Customers with less than 50 KW of demand should not have these costs passed thru. For customers with greater than 50 KW of demand, now is the time to renegotiate your electric contract to insure you don't get stung.

Joule Energy, LLC is an electricity advisor and broker to business and property owners in Texas. Mike.Burkett@JouleEnergyLLC.com

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
214-368-1295

Todd Franks
972-630-6692

Sam Pettigrew
972-630-6691

Thomas Hooke
972-630-6696

mcantrell@cantrellcompany.com

tfranks@cantrellcompany.com

spettigrew@cantrellcompany.com

thooke@cantrellcompany.com

12750 Merit Drive, Suite 400 * Dallas, Texas 75251 * (214) 368-4567 * (214) 368-2120 (fax) * www.cantrellcompany.com