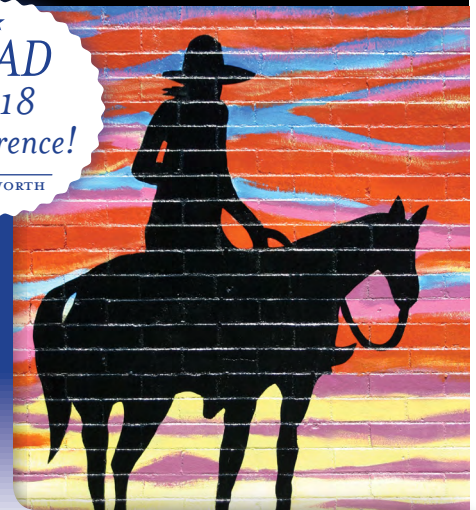


It's TAAD
Conference
Time in
Cowtown!

FORT WORTH

★
TAAD
2018
Conference!
FORT WORTH



Welcome to Fort Worth, Texas, and the 37th Annual Conference of the Texas Association of Appraisal Districts (TAAD). As our host city, Fort Worth offers a unique blend of being the "City of Cowboys and Culture." Did you know that Fort Worth is the 16th-largest city in the United States and the fifth-largest city in the state of Texas? The city was established in 1849 as an Army outpost on a bluff overlooking the Trinity River. Today, Fort Worth still embraces its Western heritage and traditional architecture and design. Also, the USS *Fort Worth* (LCS-3) is the first ship of the United States Navy named after the city.

It seems as if very little time has elapsed since the last TAAD Conference so let's "kick off" this 37th conference in style.

TAAD has worked hard to present an education conference each year to its members by providing information on topics that are not only important to all appraisal districts but that promote the most credit units to each participant. The conference also provides an avenue for networking with your fellow peers to gain knowledge and a "how to do it" approach to handling situations in your workplace.

The Conference Committee has sought to bring high profile speakers such as Peter Korpacz, Chad Hennings, and Bob Phillips, to name a few, to our conference membership for your education and enjoyment. This year will feature many interesting and timely topics for you to attend. The Committee this year has planned an exciting evening gala at the Fort Worth Worthington Renaissance Hotel with a special appearance by the "Four Day Weekend" improv group. There will also be a top-notch Trade Show with many new vendors and products.

Please join me in thanking those dedicated committee members who have served so diligently in putting this conference together this year. I think that you will enjoy this conference, the great city of Fort Worth and its beautiful Sundance Square area.

On behalf of TAAD President Gary Earnest, the TAAD Executive Board, and your TAAD Conference Committee, we welcome you to the TAAD 37th Annual Conference and the great City of Fort Worth. We hope your conference experience proves to be one in which you learn and enjoy!

Rick Kuehler, Conference Committee Chair

Features

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TAAD Classifieds

CHIEF APPRAISER

The **Bee County Appraisal District (BCAD)**, located in Beeville, Texas, is accepting applications for the position of **Chief Appraiser**. Preferred applicants should have a Registered Professional Appraiser (RPA) designation from the Texas Department of Licensing and Registration and experience in all phases of appraisal district operations. Other preferred qualifications would include prior experience as a chief appraiser in Texas, substantial familiarity with issues arising from the annual State property value study, graduation from an accredited four-year college or university, successful completion of the Chief Appraiser Institute, and a willingness to reside in Bee County while serving as Chief Appraiser. Salary range will be contingent upon qualifications and commensurate with experience. *Applicants are required to disclose salary expectations in the application.* In addition, candidates should disclose the earliest date they can begin employment with BCAD. Benefit package is provided with employment. Any questions should be referred to Consultant David Oehler at the email address stated below. Mr. Oehler is not seeking the permanent position.

Applications will be accepted until the position is filled, but the interview scheduling process may begin immediately. The board of directors reserves the right to accept applications until the position is filled.

Applications should be submitted to:
Bee CAD Chief Appraiser Application
Attn: David Oehler, Consultant
Email: David@oehlerappraisal.com
BCAD is an Equal Opportunity Employer

CHIEF APPRAISER

The **Garza Central Appraisal District** is accepting resumes for the position of **Chief Appraiser**. Applicants *must* have the following professional designation: Certified Registered Professional Appraiser (RPA) from the Texas Department of Licensing and Registration. It would be helpful as well to have the Registered Tax Assessor/Collector (RTA) Designation.

GCAD will continue to accept resumes until the position is filled. Resumes will be opened when they are received and distributed to the GCAD board of directors. A benefit package is provided with employment.

Resumes should be submitted to:
Garza Central Appraisal District
Chief Appraiser Application
P.O. Drawer F
Post, Texas 79356

CHIEF APPRAISER

The **Llano Central Appraisal District (LCAD)**, located in Llano, Texas, is currently accepting applications for the position of **Chief Appraiser**. Preferred applicants should have a Registered Professional Appraiser (RPA) designation from the Texas Department of Licensing and Registration and experience in all phases of appraisal district operations. Other preferred qualifications would include prior experience as a chief appraiser in Texas, substantial familiarity with issues arising from the annual State property value study, graduation from an accredited four-year college or university, and successful completion of the Chief Appraiser Institute. Salary range will be contingent upon qualifications and commensurate with experience. *Applicants are required to disclose salary expectations in the application materials forwarded to the appraisal district.* In addition, candidates should disclose the earliest date they can begin employment with LCAD. Benefit package is provided with employment. Any questions should be referred to Johnny Sawyer at the address stated below.

The LCAD board of directors is prepared to interview candidates and to appoint a chief appraiser as soon as practicable; thus, interested persons are advised to submit their applications at their earliest convenience. Special called meetings of the LCAD board of directors may be scheduled to review applications and select candidates to be interviewed at irregular intervals, depending on the timing and quantity of applications received. The board of directors reserves the right to accept applications until the position is filled.

Applications should be submitted to:
Llano CAD Chief Appraiser Application
ATTN: Johnny Sawyer, Presiding Officer
Llano Central Appraisal District
103 E. Sandstone St.
Llano, TX 78643-2039
LCAD is an Equal Opportunity Employer





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Proposed Agenda for Business Meeting and Delegate Meeting
Tuesday, February 27, 2018; 9:30 - 10:15 a.m.
Fort Worth Renaissance Worthington Hotel



1. Call to order — Gary Earnest, President
 - a. Certification of active membership present — Kathy Rodrigue, Membership Committee Chair
2. Executive Director's Report — Doris Koch
 - a. Recognition of outgoing regional trustees
3. Treasurer's Report — Jeff Craig
4. Bylaws Committee Report — Tim Radloff
5. Conference Committee Report — Rick Kuehler
 - a. Announce 2019 Delegate Assembly meeting date, location: February 26, 2019; Renaissance Austin Hotel
6. Nominations Committee Report — Michael Amezcuita
7. Election of 2018 Officers
8. Oath of Office for 2018 officers and trustees
9. Remarks from new TAAD president — Rudy Durham
10. Other business

Texas Association of Appraisal Districts Chapter
of the **International Association of Assessing Officers**
NOTICE OF ANNUAL MEETING
TAAD-IAAO CHAPTER
February 27, 2018, 3:00 PM
Fort Worth Renaissance Worthington Hotel



1. Call to Order
2. Approve Minutes: February 21, 2017
3. Consider President's Report
4. Consider Financial Report
5. Consider Initiatives to TAAD/IAAO Chapter Membership
 - a. Scholarships — IAAO Courses
 - b. IAAO Certificate of Excellence in Assessment Administration
 - c. One-Day Seminar(s)
6. Consider Election of Officers
 - a. Report from Nominations Committee on 2018-2019 Proposed Slate of Officers
 - b. Call for Election of Proposed Officers:
 - President
 - President-Elect
 - Secretary-Treasurer
 - Member at Large #1
 - Member at Large #2
7. Swear In New Officers
8. Remarks from New President
9. Adjourn



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TAAD's 2018 State Certification Course Schedule

NOTE: Schedule is tentative – length of classes may change!

<i>Month</i>	<i>Course Number</i>	<i>Name</i>
MARCH 2018		
March 19-22	Course 4	Personal Property Appraisal
March 19-22	Course 10	Analyzing a Real Property Appraisal
March 19-23	Course 203	Sales Comparison/Cost Approach to Value
MAY 2018		
May 21-23	Course 8	Assessment and Collections (TAAD Office)
May 24-25	Course 28	Truth in Taxation (TAAD Office)
AUGUST 2018		
August 13-15	Course 7	Property Tax Law
August 13-16	Course 10	Analyzing a Real Property Appraisal
SEPTEMBER 2018		
September 10-13	Course 3	Income Approach to Value
September 10-13	Course 4	Personal Property Appraisal
September 10-13	Course 5	Mass Appraisal
September 10-14	Course 203	Sales Comparison/Cost Approach to Value
OCTOBER 2018		
October 8-9	Course 30	Ethics
October 8-10	Course 101	Intro to Texas Property Tax System
October 10-12	Course 102	Intro to Appraisal
NOVEMBER 2018		
November 5-7	Course 32	USPAP
November 7	Course 31	USPAP Refresher
DECEMBER 2018		
December 3-5	Course 7	Texas Property Tax Law
December 3-5	Course 101	Intro to Texas Property Tax System
December 3-6	Course 10	Analyzing a Real Property Appraisal
December 3-6	Course 3	Income Approach to Value
December 3-6	Course 4	Personal Property Appraisal
December 3-7	Course 203	Sales Comparison/Cost Approach to Value
December 5-7	Course 102	Intro to Appraisal

course registration on next page

TAAD's 2018 State Certification Course Registration Form

1. **Class Hours:** Unless otherwise specified, course hours are from 8:30 am-5 pm. Registration on day one of class is 8-8:30 am. See TAAD website for course lengths.

2. **Class Location/Hotel Accommodations:**

» **Austin Marriott North** - 2600 La Frontera Blvd., Round Rock, TX 78681

Lodging: 800.865.0546; \$121/night; call **at least three weeks** in advance for the TAAD block.

» **TAAD Office** - 7700 Chevy Chase Dr., Bldg. 1, Ste. 425, Austin, TX 78752

See TAAD website for lodging suggestions.

3. **Coupon:** All member districts will receive a coupon for \$50-off one Member District Course Fee each year. To redeem, please enclose original coupon with remaining fee.

5. **Class Materials:** Your class materials will be waiting for you at registration. If you want them sooner, select the appropriate check box below.

6. **Cancellations:** There will be a **\$75 fee** charged for cancellations. Written request for a refund must be received at TAAD at least seven days **before** class begins or entire registration is forfeited.

Cost for Courses:

Submit separate forms and fees for each course.

Courses 101, 102

\$200 for TAAD Member Districts

\$250 for TAAD Associate/Affiliate Members

\$300 for Nonmembers

Course 203 (as 5-day offering)

\$350 for TAAD Member Districts

\$375 for TAAD Associate/Affiliate Members

\$425 for Nonmembers

Courses 3, 4, 5, 7, 8, 9, 10:

\$280 for TAAD Member Districts

\$330 for TAAD Associate/Affiliate Members

\$380 for Nonmembers

Courses 28, 30 & 32

\$250 for TAAD Member Districts

\$300 for TAAD Associate/Affiliate Members

\$350 for Nonmembers

Course 31

\$75 for TAAD Member Districts

\$125 for TAAD Associate/Affiliate Members

\$150 for Nonmembers

Course # _____ Course Date _____ Course Location _____

Name _____ Nickname _____ TDLR # (if applicable) _____

Jurisdiction/Firm _____ Title _____

Mailing address _____

City _____ State _____ Zip _____

Telephone _____ Email address _____

confirmations are sent by email

Course Materials (please mark one)

☐ Please **email** my class materials (student responsible for printing and bringing materials to class)

☐ I will **pick up** my class materials at registration

☐ Please **mail** my class materials. I have enclosed the \$10 shipping and handling fee.*

Materials mailed only if registration and payment are received **three weeks prior to class.*

Note: Property Assessment Valuation book is ordered directly from IAAO (iaao.org). (Required for Courses 201, 202, 3, 4 and 5.)

Course Registration Fee..... Registration Fee\$ _____

PTEC Glossary - optional (\$20) Enclosed\$ _____

Mail Course Materials - optional (\$10) Enclosed\$ _____

Member District Certificate (must enclose with payment) minus\$ _____



TOTAL AMOUNT ENCLOSED \$ _____

Please complete the registration form and return it along with payment to:

TAAD | 7700 Chevy Chase Drive; Building One, Suite 425 | Austin, Texas 78752-1558

Office Use Only:

Coupon _____ Date _____ Check# _____ Paid _____

Glossary _____ Materials mailed _____ DB _____

Texas Association of Appraisal Districts

2018 IAAO Course/Workshop Schedule



Course 311: Residential Modeling Concepts

March 12-16, 2018

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Marion Johnson, CAE

TDLR credit: 30 hours

Recommended prerequisite: Course 300

Course 102: Income Approach to Valuation

April 2-6, 2018

Site: Hidalgo CAD, 4405 S. Professional Drive; Edinburg

Instructor: Rick Stuart, CAE

TDLR credit: 30 hours

Recommended prerequisite: Course 101

AQB Approved: 33.50 CE with exam / 30 CE no exam

» *Recommended text: Property Assessment Valuation, 3rd edition* (obtain from IAAO)

Course 311: Residential Modeling Concepts

September 10-14, 2018

Site: Denton CAD, 3911 Morse St., Denton

Instructor: Marion Johnson, CAE

TDLR credit: 30 hours

Recommended prerequisite: Course 300

Workshop 851: RES Case Study Review

September 18-20, 2018

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Rick Stuart, CAE

TDLR credit: 18.5 hours

IAAO recertification credit: 18.5 hours-2½ days

Recommended prerequisites: Courses 101, 102, 400, 402

Workshop 151: Uniform Standards of Professional Appraisal Practice (National)

October 1-2, 2018

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Lath Harris, CAE

TDLR credit: 15 hours

IAAO recertification credit: 15 hours-2 days

Workshop 191: Uniform Standards of Professional Appraisal Practice Update (National)

October 3, 2018

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Lath Harris, CAE

TDLR credit: 7 hours

IAAO recertification credit: 7 hours-1 day

Workshop 158:

Highest and Best Use

October 8-9, 2018

Site: TAAO Office, 7700 Chevy Chase Drive, Bldg One, Suite 425, Austin

Instructor: Rick Stuart, CAE

TDLR credit: 15 hours

IAAO recertification credit: 15 hours-2 days

AQB Approved: 15 CE

Workshop 850: CAE Case Study Review

October 10-12, 2018

Site: TAAO Office, 7700 Chevy Chase Drive, Bldg One, Suite 425, Austin

Instructor: Rick Stuart, CAE

TDLR credit: 18.5 hours

IAAO recertification credit: 18.5 hours-2½ days

Recommended prerequisites: Courses 101, 102, 112, 311 or 312, 400

Course 333: Residential Modeling Applications

October 8-12, 2018

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Barry Couch, CAE

TDLR credit: 30 hours

Recommended prerequisite: Course 300, a solid working knowledge of SPSS

» *Recommended text: Fundamentals of Mass Appraisal textbook (FMA)* (obtain from IAAO)

Course 300: Fundamentals of Mass Appraisal

October 15-19, 2018

Site: TAAO Office, 7700 Chevy Chase Drive, Bldg One, Suite 425, Austin

Instructor: Rick Stuart, CAE

Recommended prerequisites: Course 101, 102

AQB Approved: 33.50 CE with exam / 30 CE

» *Recommended text: Mass Appraisal of Real Property textbook (MARP)* (obtain from IAAO)

Course 402: Property Tax Policy

Date: October 22-26, 2018

Site: TAAO Office, 7700 Chevy Chase Drive, Bldg One, Suite 425, Austin

Instructor: Paul Welcome, CAE

TDLR credit: 30 hours

» *Recommended text: Fundamentals of Tax Policy textbook* (obtain from IAAO)

continued on next page

2017 IAAO Course/Workshop *continued*

Course 400: Assessment Administration

October 29–November 2, 2018

Site: TAAO Office, 7700 Chevy Chase Drive, Bldg One,
Suite 425, Austin

Instructor: Rick Stuart, CAE

TDLR credit: 30 hours

Recommended prerequisite: Course 101 and The Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (USPAP)

» Recommended text: *Assessment Administration* (obtain from IAAO)

Workshop 171: Standards of Professional Practice & Ethics

November 5, 2018

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Guy Griscom, CAE

TDLR credit: 7 hours

IAAO recertification credit: 7 hours–1 day

Course 101: Fundamentals of Real Property Appraisal

November 12–16, 2018

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Marion Johnson, CAE

TDLR credit: 30 hours

AQB Approved: 33.50 CE with exam / 30 CE no exam

» Recommended text: *Property Assessment Valuation, 3rd edition* (obtain from IAAO)

Course 102: Income Approach to Valuation

December 3–7, 2018

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Brad Eldridge, MAI

TDLR credit: 30 hours

Recommended prerequisite: Course 101

AQB Approved: 33.50 CE with exam / 30 CE no exam

» Recommended text: *Property Assessment Valuation, 3rd edition* (obtain from IAAO)

ASB Issues Discussion of Potential Areas of Change to the 2020-21 USPAP

The Appraisal Standards Board has issued a Discussion Draft of Potential Areas of Change for the 2020-21 edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

To download the draft, click <https://appraisalfoundation.sharefile.com/share/view/s02632429I6d424b8>

The Discussion Draft explores the following:

- Reporting Options (Restricted Appraisal Report and Appraisal Report)
- SCOPE OF WORK RULE
- Comments in Standards Rules
- DEFINITIONS
- Review of Advisory Opinions
- Other edits to improve clarity and enforceability of USPAP

The written comment deadline is Friday, April 6, 2018. To submit comments on the proposals, please email ASBcomments@appraisalfoundation.org.

Researchers: 6.6 Percent More Home Sales In 2018, Builders Wrestle With Affordability Restraints

By David Jones, Senior Editor, Real Estate Center at Texas A&M University

COLLEGE STATION, Tex. (Real Estate Center) — Texas single-family home sales should increase 6.6 percent in 2018, say researchers for the Real Estate Center at Texas A&M University. The experts' overall 2017 housing recap, however, shows an industry struggling to meet the need for affordable housing.

While demand for Texas housing, particularly existing homes, continued strong in 2017, researchers say pronounced shortages likely will continue unless builders find ways to build homes priced less than \$300,000.

"That's a difficult task," said Research Economist Dr. Luis Torres, "considering rising land cost and skilled-labor shortages."

"The state's economic acceleration and employment growth bode well for housing demand. Prices should ease slightly as homebuilders stretch to build more entry-level and first move-up homes, generally priced from \$150,000 to \$250,000."

Houston Leads Nation In Permits

Texas single-family housing building permits increased 8.2 percent in 2017, but that was well below its 2006 peak. Permits in Dallas and Fort Worth increased 12.1 and 26.3 percent, respectively. Austin recorded similar permit growth at 12 percent. San Antonio permits slid in the fourth quarter but maintained a 16.3 percent annual growth.

Houston remained the national leader in single-family permits issued, despite posting more moderate growth at 3.4 percent.

Housing Starts Up Slightly

Texas housing starts finished the year up 3 percent—slightly more than the 2.4 percent national rate.

In DFW, the building boom continued as single-family starts rose 10.8 percent, the sixth straight year of double-digit growth. San Antonio and Houston posted the strongest gains in single-family starts since 2014 at 10 and 8.2 percent, respectively.

"After spiking 29.5 percent last year, Austin maintained elevated single-family start levels, leading the state in per capita terms. Despite these supply-side shifts, builders struggled to meet single-family demand," said Torres.

Housing tightest in North Texas

Researchers note that market imbalances were especially evident in the months of inventory. A 9 percent drop in inventory in the second half of 2017 left only 3.7 months inventory available at year's end. Center researchers consider about six months a balanced market.

Single-Family Forecast (Percent)	2017	2018	1991–2017
Texas			
Housing Permits	10.4	9.0	5.2
Sales	4.0	6.6	4.7
Price per square foot	5.9	4.1	4.8
Austin			
Housing Permits	13.2	12.8	11.3
Sales	2.5	11.0	6.3
Price per square foot	5.5	5.4	6.4
Dallas-Fort Worth			
Housing Permits	15.3	3.4	4.3
Sales	3.3	6.7	5.3
Price per square foot	9.1	6.0	4.6
Houston			
Housing Permits	9.0	14.1	5.8
Sales	3.3	5.2	3.9
Price per square foot	4.0	3.8	5.4
San Antonio			
Housing Permits	16.8	10.0	7.7
Sales	3.6	5.9	7.0
Price per square foot	5.7	4.8	4.5

Note: Estimated with November/December 2017 data.
Source: Real Estate Center at Texas A&M University

continued on next page

Researchers: Home Sales *continued*

Homes priced less than \$300,000 were particularly in short supply, with an inventory hitting three months.

The overall Texas monthly inventory of existing homes ticked up to 3.4 months, its first annual increase since the Center's data series began in 2011. The new home inventory held steady around its three-year trend of five months.

North Texas has the tightest housing supply. Fort Worth maintained the lowest inventories at 1.9 and four months for existing and new homes, respectively. Dallas followed at 2.1 and 4.4 months. Austin inventories showed signs of improving, surpassing 8 percent growth for both resale (2.1 months) and new home monthly inventories (4.7 months), respectively.

In contrast, inventory levels continued to decline in San Antonio to 3.1 and 4.5 months in the existing and new home markets, respectively. The supply of resale homes was similarly constrained in Houston at 3.4 months; the new home inventory remained more balanced at more than five months.

Despite Hurricane, Houston Sales Match 2016

Total Texas housing sales managed 4 percent annual growth, outpacing the national rate for the second straight year. Sales increased uniformly statewide, rising between 3 and 4 percent in all the major metros except Houston. Sales in Houston fell during the summer months and after the hurricane but recovered enough to match 2016's growth rate of 2.6 percent

"In the new home market, disappointing fourth quarter sales volume drove Houston's annual growth rate below zero for the third straight year," said Torres. "On the other hand, positive year-end performance in DFW and San Antonio pushed their annual new home sales up 12.7 and 6.1 percent, respectively. In Austin, new home sales activity decelerated but maintained 6.1 percent annual growth."

Rapid price increase and supply constraints shifted the sales distribution away from homes priced less than \$200,000. Homes in that price range accounted for 41 percent of homes sold through Multiple Listing Services. Every other price range posted double-digit annual growth, led by homes priced between \$300,000 and \$400,000 at 16.3 percent.

Existing Home Demand Hits All-Time High

Texas housing demand remained robust. For the third straight year, the typical Texas home sold after 58 days on the market. Homes priced between \$200,000 and \$300,000 sold the fastest, averaging 52 days. Homes less than \$200,000 averaged just over 60 days. Demand was softer in the top price range (homes priced more than \$500,000), selling on average after 88 days, down from 118 days in 2011.

Demand for existing Texas homes reached an all-time high in 2017. Existing home days on the market remained historically low at 52 days. In Dallas and Fort Worth, the resale days on market was even lower at 32 and 34 days, respectively.

San Antonio's average existing home sold after 50 days, nearly half the average time in 2011. In contrast, the resale markets in Austin and Houston expanded for the second straight year to 43 and 48 days, respectively.

"New homes averaged 90 days on the market. The lack of new home inventory and rising prices challenged the Austin market, holding the new homes at 99 days. Despite higher inventory levels in Houston, new home demand was also soft at 95 days. New home demand eased in San Antonio, particularly late in the year, pushing them to 86 days. New homes sold fastest in Dallas and Fort Worth, averaging 82 and 76 days on the market, respectively," said Torres.

continued on next page

Researchers: Home Sales *continued*

Austin's \$266,775 Resale Median Price Tops In Texas

The health of the Texas economy combined with housing supply constraints to elevate home prices to record levels.

The median sale price increased by more than \$13,000 to an annual average of \$222,106, with home values appreciating across the state. Most of the price pressure occurred in the resale market, where the statewide median jumped 6.8 percent to \$211,844.

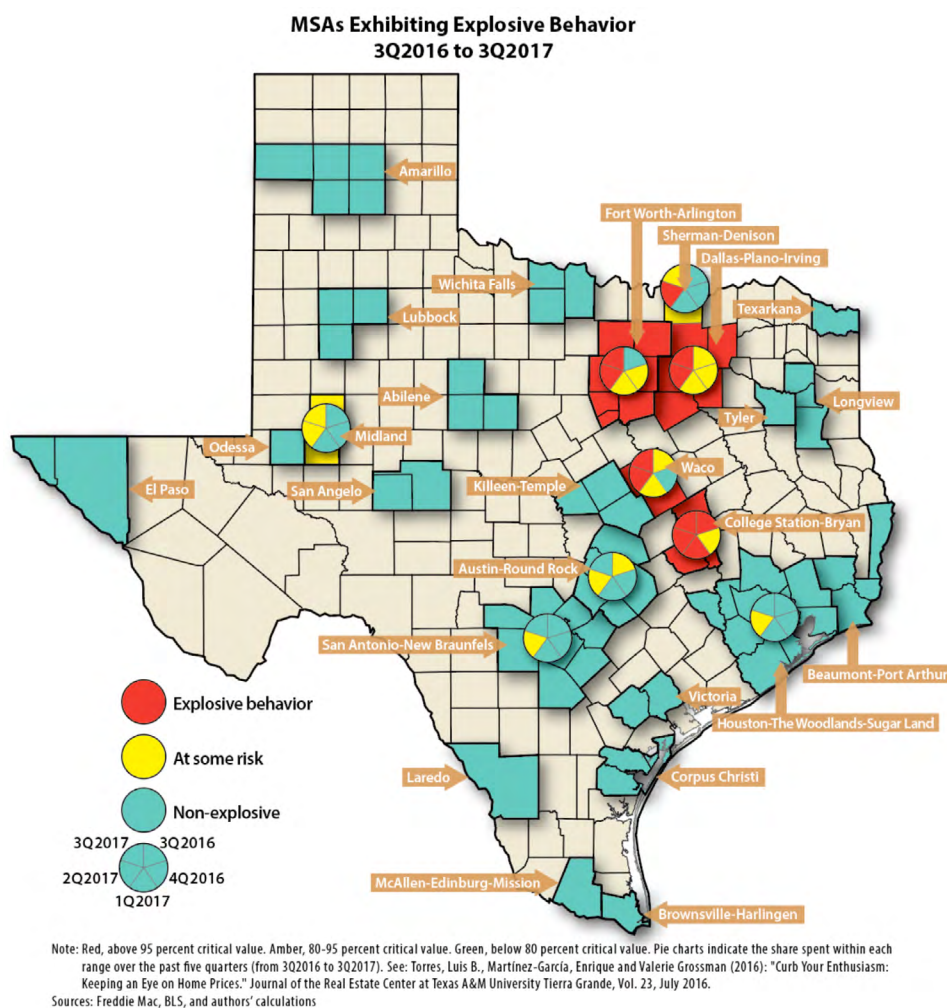
The resale median price was highest in Austin at \$291,904, but North Texas posted the largest percentage growth. In Dallas (\$266,775) and Fort Worth (\$210,100), the median resale price rose 9.3 and 11.9 percent, respectively, as single-family demand boomed.

The price increase was more modest in Houston and San Antonio, but they also recorded annual records with a median resale price of \$216,467 and \$199,583, respectively.

Read the Real Estate Center's 2017 housing recap and 2018 projections in the latest edition of *Texas Housing Insight*.

The Explosive Behavior Map shows a misalignment in North Texas home prices relative to their fundamental-based normative values. This behavior stretches south into Waco and College Station-Bryan. Recent price movements in the remaining major metros, as well as in Midland, also warrant careful attention.

Funded primarily by Texas real estate licensee fees, the Real Estate Center was created by the state legislature to meet the needs of many audiences, including the real estate industry, instructors, researchers and the general public. The Center is part of Mays Business School at Texas A&M University.



Real Estate Notes of Interest

Rick Stuart, CAE, CDEI.

Rick is a Senior Consultant with TEAM Consulting, LLC and lives in Topeka, Kansas.

www.builderonline.com, December 14, 2017

The number of Texas homes sold for \$1 million or higher jumped 19.1 percent and topped \$7.5 billion in total sales dollar volume in 2017, according to the 2017 Texas Luxury Home Sales Report released today by the Texas Association of Realtors. <http://bit.ly/2obGupR>

www.builderonline.com, December 20, 2017

"Existing-home sales surged for the third straight month in November and reached their strongest pace in almost 11 years, the National Association of Realtors reported Wednesday." <http://bit.ly/2p3Ro2R>

Stephanie Riegel, www.businessreport.com, December 20, 2017

"The federal historic building tax credit program, which has facilitated the redevelopment of aging downtowns across America by enabling developers to recoup some of the cost of their projects, has survived in the final version of the federal tax reform bill that passed today in Congress." <http://bit.ly/2kA5pyQ>

Matt Hudson, www.citizenstribune.com, December 22, 2017

"State-run property assessment offices will close in about half of Montana counties due to budget cuts, reducing the presence of local personnel for some of the most rural communities. The Montana Department of Revenue has already closed Property Assessment Division offices in six counties. The state will close offices for 22 more counties in the next 18 months." <http://bit.ly/2DslzSJ>

Laura Kusisto and Eric Morath, www.wsj.com, December 22, 2017

"Purchases of newly built single-family homes rose in November to the highest level in more than a decade as the housing market appears poised to end 2017 on a high note. Sales increased 17.5 percent in November from the previous month to a seasonally adjusted annual rate of 733,000, the Commerce Department said Friday. It was the strongest pace since July 2007." <http://on.wsj.com/2l7Z39C>

Paul Bunby, www.globest.com, December 27, 2017

"Existing-home sales and price growth in the single-family sector, including for-sale apartments, are expected to slow in the coming year, the National Association of Realtors said Wednesday. The forecast of a slowdown is due mainly to homeowners' diminished ability to claim deductions under the tax reform bill signed into law last week by President Trump." <http://bit.ly/2pLdrdj>

Jennifer Goodman, www.builderonline.com, November 16, 2017

"Seventy percent of new or prospective home buyers report having outdated design features in their current homes. The six most common culprits for remodel-worthy features are linoleum floors (40 percent), popcorn ceilings (29 percent), wood paneling (28 percent), ceramic tile countertops (28 percent), shag carpeting (19 percent) and even avocado green appliances (eight percent) — according to a consumer survey conducted by Wakefield Research on behalf of Taylor Morrison." <http://bit.ly/2zQllSt>

CoreLogic, www.builderonline.com, January 2, 2018

"Loans originated in the third quarter of 2017 exhibit higher credit risk than those originated in the third quarter of 2016, according to the CoreLogic Housing Credit Index (HCI). However, the index remained within the "benchmark" range from the early 2000s." <http://bit.ly/2CEXE2l>

Curbed, www.builderonline.com, January 2, 2018

"CURBED's Jeff Andrews shares the results of a Moody's Analytics report that predicts home prices will be down nationally by 4 percent by summer 2019—compared to where they would be if the tax bill had failed to pass. The drops are projected to hit hardest in markets where home prices are already high, such as East Coast cities like New York, Philadelphia, and Washington D.C. West Coast cities, including San Francisco and Los Angeles, will also dip. South Florida and a few cities in the Midwest also stand to see substantial drops." <http://bit.ly/2qcN2pb>

continued on next page

Real Estate Notes *continued*

Editor's Note: *This is an article you really should read. It very well will take you in a direction different than what the title indicates.*

Chris Reed, www.sandiegouniontribune.com, January 2, 2018

"The cost of housing is so outrageous in California that stories that might once have seemed preposterous now seem completely unsurprising. Case in point: In a scene straight out of a dystopian movie about a ravaged future Earth, homeless people set up an encampment at a toxic Superfund industrial site in Oxnard, saying they had nowhere else to go."

"They're going to decide to live in their cars, trucks, vans, campers and recreational vehicles — and once this demand is clear, automakers will start building more vehicles designed to be lived in, entrepreneurs will sell kits to convert existing vehicles into more comfortable homes and businesses will emerge that cater to vehicle dwellers' needs."

<http://bit.ly/2CgRjJH>

www.builderonline.com, January 5, 2018

"The pace of sales for U.S. luxury homes weakened slightly in 2017, with the overall housing market outperforming the still-strong upper tier — according to new data from realtor.com®. Despite these signs of a national slowdown, the luxury market remained red-hot in states like Hawaii, Colorado and California, which saw double-digit price gains in several local markets. The entry-level luxury price — defined as the top five percent of transactions based on sales price — rose by 5.1 percent in 2017, compared to a 6.9 percent overall housing market price gain. Luxury properties also took 5.4 percent longer to sell in 2017 than they did in 2016, spending 116 days on market on average."

<http://bit.ly/2EfSfIE>

Christopher Vondrcek, www.courthousenews.com, January 5, 2018

"The South Dakota Supreme Court weighed in on a neighbor dispute in a historic, elm-lined district of Sioux Falls on Thursday morning, unanimously upholding an injunction against a bulky, canary-yellow home that broke code, made a neighbor's fireplace useless, and has become known in the local press as the "monster house."

<http://bit.ly/2CfOJ2u>

www.aia.org, January 7, 2018

"Though billings at US architecture firms have seen healthy gains throughout 2017, AIA's Architecture Billings Index (ABI) for November indicated that the pace of growth accelerated. The score jumped to 55.0 for the month, its strongest reading for the year. New project inquiries, as well as new design contracts coming into architecture firms, also signified healthy growth. As such, indicators broadly point to very solid business conditions at architecture firms as 2017 winds down. AIA's monthly Architecture Billings Index (ABI) is a leading economic indicator for nonresidential construction activity, with a lead time of approximately 9–12 months." <http://bit.ly/2CPcaHy>

Dallas News, www.builderonline.com, January 10, 2018

"The North Texas housing market stayed hot in 2017, as a record number of homes changed hands, Dallas News editor Steve Brown reports. In 2017, more than 106,000 preowned single-family homes were sold in the area by real estate agents — a five percent jump from the previous all-time high set in 2016. Since 2010, North Texas home sales have risen more than 60 percent." <http://bit.ly/2moJA6g>

Eye on Housing, www.builderonline.com, January 11, 2018


NAHB analysis of Census Bureau data shows that property owners paid \$556 billion in taxes over the four quarters ending in Q3 2017, continuing a five-and-a-half-year trend, or 22 quarters, of property tax revenue increases.

<http://bit.ly/2FrXjBt>

www.htrends.com, January 12, 2018

"According to pipeline data from STR, the number of hotel rooms under construction in the U.S. has declined or remained flat year over year for three consecutive months. Overall, there were 179,979 rooms in construction across 1,400 hotels for the month of December." <http://bit.ly/2raY6DL>

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Real Estate Notes *continued***Karen Roach, CNBC, January 16, 2018**

"Homeowners are experiencing record amounts of home equity, and are using that money to renovate their homes. According to a survey released by TD Bank in December, 80 percent of borrowers taking out home equity lines of credit say they would consider using that money to renovate." <http://bit.ly/2DihLXQ>

***www.hotelbusiness.com*, January 18, 2018**

"Wyndham Worldwide Corporation and La Quinta Holdings Inc. have entered into a definitive agreement under which Wyndham Worldwide will acquire La Quinta's hotel franchise and hotel management businesses for \$1.95 billion in cash. The acquisition is expected to close in the second quarter of 2018." <http://bit.ly/2m1uF6m>

Scott Culvert and Jon Kamp, *The Wall Street Journal*, January 20, 2018

"The new U.S. tax law has eroded the value of an incentive that developers have long used to help finance renovations of historic buildings around the country, raising worries about the prospects for future projects. The law, signed by President Donald Trump last month, changed the federal historic tax credit, which provides reimbursement for 20 percent of certain costs on such rehabilitations. That payback is now spread over five years instead of one, which developers, preservationists and banks say reduces its value."

Ryan Dezember and Peter Rudegeair, *The Wall Street Journal*, January 22, 2018

"When Blackstone Group LP wanted to borrow hundreds of millions of dollars to buy foreclosed homes after the housing crash, it needed a quick, inexpensive way to value thousands of homes the investment firm already owned and was offering as collateral. Blackstone and its lender, Deutsche Bank AG, settled on a sort of drive-by valuation done by real-estate agents that are more cursory and cost far less than traditional appraisals. Congress outlawed the use of such assessments, called broker price opinions to value properties for traditional mortgages. But that did not apply to investors buying tens of thousands of properties. Fannie Mae guaranteed about \$1 billion last year of this practice. Their proliferation has drawn the attention of the Securities Exchange Commission."

***www.bloomberg.com*, January 22, 2018**

Is the housing market getting frothy? Is this a 2005 redux? This portfolio manager thinks it could be. Bloomberg reports: When real estate investors get this confident, money manager James Stack gets nervous. U.S. home prices are surging to new records. Homebuilder stocks last year outperformed all other groups. And bears? They're now an endangered species. Stack, 66, who manages \$1.3 billion for people with a high net worth, predicted the housing crash in 2005, just before prices reached their peak. Now, from his perch in Whitefish, Montana, he says his "Housing Bubble Bellwether Barometer" of homebuilder and mortgage company stocks, which jumped 80 percent in the past year, once again is flashing red. "It is 2005 all over again in terms of the valuation extreme, the psychological excess and the denial," said Stack, whose fireproof files of newspaper articles on bear markets date back to 1929. "People don't believe housing is in a bubble and don't want to hear talk about prices being a little bit bubblish." <http://bit.ly/2ru7zGp>

David Erickson, *www.missoulian.com*, January 22, 2018

"The tariffs on Canadian lumber coupled with old fashioned supply and demand have boosted the fortunes of Montana lumber mills but are giving home builders a good dose of neuralgia. "Pricing fluctuates, but essentially the prices for materials are 25 percent more than a year ago," said Wade Hoyt of Hoyt Homes in Missoula. "Materials are one item in a list of 60 we price in to the list price of a house. But due to price increases the cost of a home right now is 17-18 percent higher than it was a year ago." <http://bit.ly/2F99uSx>

Commercial Real Estate Direct Staff Report, *www.crenews.com*, January 24, 2018

"The volume of commercial properties that changed hands last year declined by seven percent to \$463.9 billion, according to Real Capital Analytics. That marks the second year in a row in which sales volumes have declined. In 2016, they were down 11 percent from the previous year." <http://bit.ly/2FeWLxz>

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