



# the appriser

MAY/JUNE 2013 VOLUME XXXI, NUMBER 3

## 83<sup>rd</sup> Legislative Overview

### Regular Session Brings Significant Change to Property Tax Administration in Texas

Jim Robinson 2013 Legislative Committee Chair

The 83rd session of the Texas Legislature, which ended its 140 day run on May 27, saw enactment of a number of bills that, if signed into law by Governor Rick Perry, will bring significant change to several aspects of property tax administration.

Of greatest interest to chief appraisers, CAD directors and ARB members, is HB 585 by Representative Mike Villarreal of San Antonio. This bill, which had an open caption, picked up several major floor amendments and, in many respects, will have a greater impact on CAD operations than almost any legislative change since original enactment of the Property Tax Code in 1979.

#### Among the highlights of HB 585 are these:

- » Specifies continuing education requirements for a chief appraiser.
- » Prohibits an ARB member who hasn't taken state training from participating in hearings.
- » Requires the comptroller to adopt mandatory hearing procedures and requires that they be included in the local ARB procedures required by Sec. 41.66.
- » Allows the comptroller to provide advice to ARBs regarding technical questions on the duties and responsibilities of ARB members and property appraisal issues, hearing issues, or complaints filed under Sec. 6.052.
- » Requires comptroller prescribed satisfaction survey to be provided to each property owner at or before a protest hearing.
- » An individual is not eligible to serve on the board of directors if he/she has appraised property for compensation or represented property owners for compensation in Tax Code proceedings in the CAD in the five previous years.
- » Specifies that a person may not be appointed as chief appraiser unless the person holds an RPA, MAI, or an IAAO CAE, RES, or AAS designation. One who has one of the other designations but doesn't have an RPA at the time of appointment must obtain it within five years. The Chief appraiser must annually notify the comptroller of eligibility.
- » In a county with a population of 100,000 or less, a person currently serving as chief appraiser who doesn't possess the qualifications noted above may continue to serve until January 1, 2016, provided the person holds at least a TDLR Class III appraiser license.
- » If the CAD board of directors fails to timely appoint a qualified person to serve as chief appraiser or fails to

*continued on page 3*

## Do You Need Your Ethics CEs



If you need your two hours of ethics CEs for recertification with TDLR, TAAD will offer the opportunity on August 13. **Ethics for Tax Professionals 2013** will be offered immediately following the TAAD Legislative Update, held at the Dallas/Plano Marriott at Legacy Town Center. An individual does not need to be registered for the legislative update in order to attend the ethics session. Attendance is free for employees of TAAD member districts. *See registration form on page 5.*

## Features

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**210-448-2000**

## Regular Session Brings Significant Change *continued from page 1*

contract with another CAD, a taxing unit or appraisal company to administer the appraisal district, the comptroller must appoint a retired chief appraiser or other qualified person to serve as chief appraiser, and is empowered to set that person's compensation. The comptroller may also mandate the amount of the appraisal district's budget.

- » The Taxpayer Liaison Officer (TLO) is responsible for receiving and compiling a list of comments and suggestions concerning fairness and efficiency of the ARB, and must forward these to the comptroller in the form and manner specified by the comptroller.
- » The TLO must provide information about the process for filing comments and complaints about the ARB.
- » The TLO must report to the board of directors at each meeting about comments, suggestions, and complaints concerning the ARB.
- » A person who provides legal services to the CAD is not eligible to be TLO.
- » In counties with a population of 120,000 or more, the ARB is appointed by the local administrative district judge.
- » The TLO provides clerical assistance to the local administrative judge in the selection of ARB members:
  - Delivers applications
  - Performs other duties as requested by the judge
  - May not influence the process for selecting ARB members
  - CAD may provide the judge with information about whether an applicant owes delinquent taxes
- » The judge may remove an ARB member for clear and convincing evidence of repeated bias or misconduct.
- » It is an offense for the chief appraiser, CAD employee, ARB member, CAD director, consultant, or owner agent to communicate with the judge regarding the appointment of ARB members. This does not include communications by the TLO as long as the officer does not offer opinion or comment about members. Likewise, this does not apply to the CAD providing criminal history information or delinquent tax information about ARB members.
- » It is an offense for the chief appraiser or a CAD employee to communicate with the ARB, the board of directors, or an administrative district judge regarding the percentage by which the ARB reduces appraised value.
- » The CAD must prove property value in a protest by clear and convincing evidence if:
  - Property value was reduced through protest, arbitration, or litigation in prior year other than by agreement
  - The owner files with the chief appraiser and ARB evidence sufficient to establish market value or inequality of appraisal at least 14 days before the hearing
- » Protests must be randomly assigned to ARB panels, with exceptions to take into account property type or grounds of protest for panel expertise. Once assigned, a hearing cannot be reassigned except in certain limited circumstances.
- » The ARB must respond to requests for postponement within seven days.
- » \$250 expedited binding arbitrations are eliminated.
- » HB 585 allows inclusion of multiple similar properties, under the same ownership, in a single lawsuit.
- » Many ownership-related defenses to lawsuits previously available to the CAD are eliminated.
- » A property owner may receive attorney fees in appeals of certain exemption claims.
- » Disaster reappraisal is authorized in the event of any type disaster declared by the Governor, and new provisions apply to calculation of the homestead cap on certain residential property damaged in a disaster situation.
- » A person due a refund may file suit to compel payment, and may collect attorney fees.
- » Owners of property subject to allocation will be able to file late applications.

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### Other CAD-related bills of interest include these:

- » HB 242 requires that certain notices, including cancellation of open space valuation, be sent by certified mail.
- » HB 316 makes the SOAH pilot program permanent
- » HB 326 changes term limits for ARB members. A member who has served three terms is eligible for reappointment after sitting out a term, regardless of the county's population.
- » HB 1287 eliminates the requirement to provide vehicle registration along with an application for a homestead exemption, and liberalizes proof requirements for peace officers, judges, and active duty military personnel.
- » HB 2792 allows an ARB hearing to be closed on joint

*continued on page 4*





### Workshop Topics:

- USPAP
- Rates and levies
- Effective tax rates
- Economic principles
- Property definitions
- Ownerships and rights
- Three approaches to value
- Attributes in an effective tax system
- Role of the assessor
- Ratio studies
- Tax policy
- Reassessment Planning
- Assessment Administration

Included are multiple problems associated with the assessment and valuation processes, and the workshop concludes with a 4-hour case study exam followed by a review of the answers. *This is not an IAAO workshop but one developed by TEAM.*

## AAS Case Study Review Workshop

December 3–5, 2013 • Harris County Appraisal District  
13013 Northwest Freeway • Houston, Texas

TEAM Consulting LLC will present *AAS Case Study Review* December 3–5, 2013, at the Harris County Appraisal District in Houston, Texas. This 2½-day workshop provides a review of materials and an understanding of the composition of a case study to help prepare for the AAS Case Study Exam. The focus will be on the most prevalent items to study for but will not be all-inclusive of what may actually be on the exam.

Since May 2010, over 30 candidates have successfully used TEAM's AAS Case Study Review materials to obtain their AAS designations. If you are seeking your AAS, this may be your best opportunity participate in TEAM's live workshop to help you prep for the IAAO exam. Let us help you achieve your goal!

Cost for the workshop is only \$300, which includes course materials. More information, including a registration form, is available on the TEAM website at <http://www.teamconsulting.cc/aasreview.html>. For questions, contact Rick Stuart, CAE, [rstuart17@cox.net](mailto:rstuart17@cox.net) or 785.259.1379.

<http://www.teamconsulting.cc/aasreview/december2013workshop.html>

### Regular Session Brings Significant Change continued from page 3

motion by a property owner and the CAD. If closed, evidence presented is confidential.

- » HB 3438 allows a tax consultant to serve on the ARB if the consultant hasn't appeared before the review board in two years.
- » SB 539 makes junior colleges eligible to participate in the selection of appraisal district directors. CADs that change the method of selecting directors may provide by resolution that junior colleges are treated in the same manner as the school district that imposes the least amount of property tax in the CAD.
- » SB 464 requires the TDLR to dismiss complaints that relate only to matters that have remedies under the Tax Code.
- » SB 1224 allows a property owner to submit documents and applications to the CAD using a common carrier.
- » SB 1255 permits a property owner to appeal equity through binding arbitration, and imposes a training requirement for arbitrators.
- » SB 1256 provides that in a county with a population of

150,000 or more, residential property sales older than three years can't be considered a comparable sale.

In addition to these, a number of bills were enacted dealing with homestead exemptions. The legislature also passed a bill that severely limits state or local governments from posting signage that prohibits the holder of a concealed handgun permit from coming onto property owned or controlled by the entity.

Notably, not enacted were bills endorsed by TAAD that would provide clear rules and guidance on protest and litigation issues related to unequal appraisal. These were strongly opposed by tax consultants, attorneys representing taxpayers, and Realtors.

To help CAD officials better understand changes that will impact them, TAAD will conduct a post-session legislative seminar in Plano August 12–13. Information about that program appears elsewhere in this issue of *The Appriser*.

## Ethics For Tax Professional 2013

**Tuesday, August 13, 2013**

**Dallas/Plano Marriott at Legacy Town Center, Plano, Texas**

TAAD presents a two-hour seminar that meets the Ethics continuing education (CE) requirement of TDLR for all certified professional appraisers, tax assessor-collectors and tax collectors.

The session will start after the TAAD legislative update adjourns at 11 am.

TAAD welcomes all attendees – you may attend the ethics session even if you aren't registered for the TAAD legislative update.

**Location:** Dallas/Plano Marriott at Legacy Town Center; 7121 Bishop Road; Plano, Texas

**Registration Deadline:** August 6

**Class Hours:** Registration 12:15-12:45pm, Class 12:45-3pm

**CEs:** 2.0 hours

**Preregistration is required!**

Name \_\_\_\_\_ TDLR# \_\_\_\_\_

Jurisdiction \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone number \_\_\_\_\_

E-mail address \_\_\_\_\_

**TOTAL AMOUNT ENCLOSED \$** \_\_\_\_\_

Registration fees must reflect current membership status.

### REGISTRATION ENCLOSED

FREE ..... TAAD Member Districts Employee

\$25 ..... Associate or Affiliate Member      x \_\_\_\_\_ = \_\_\_\_\_

\$50 ..... Non-member      x \_\_\_\_\_ = \_\_\_\_\_

**No refunds for cancellations.**

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:*

Date \_\_\_\_\_

Check# \_\_\_\_\_

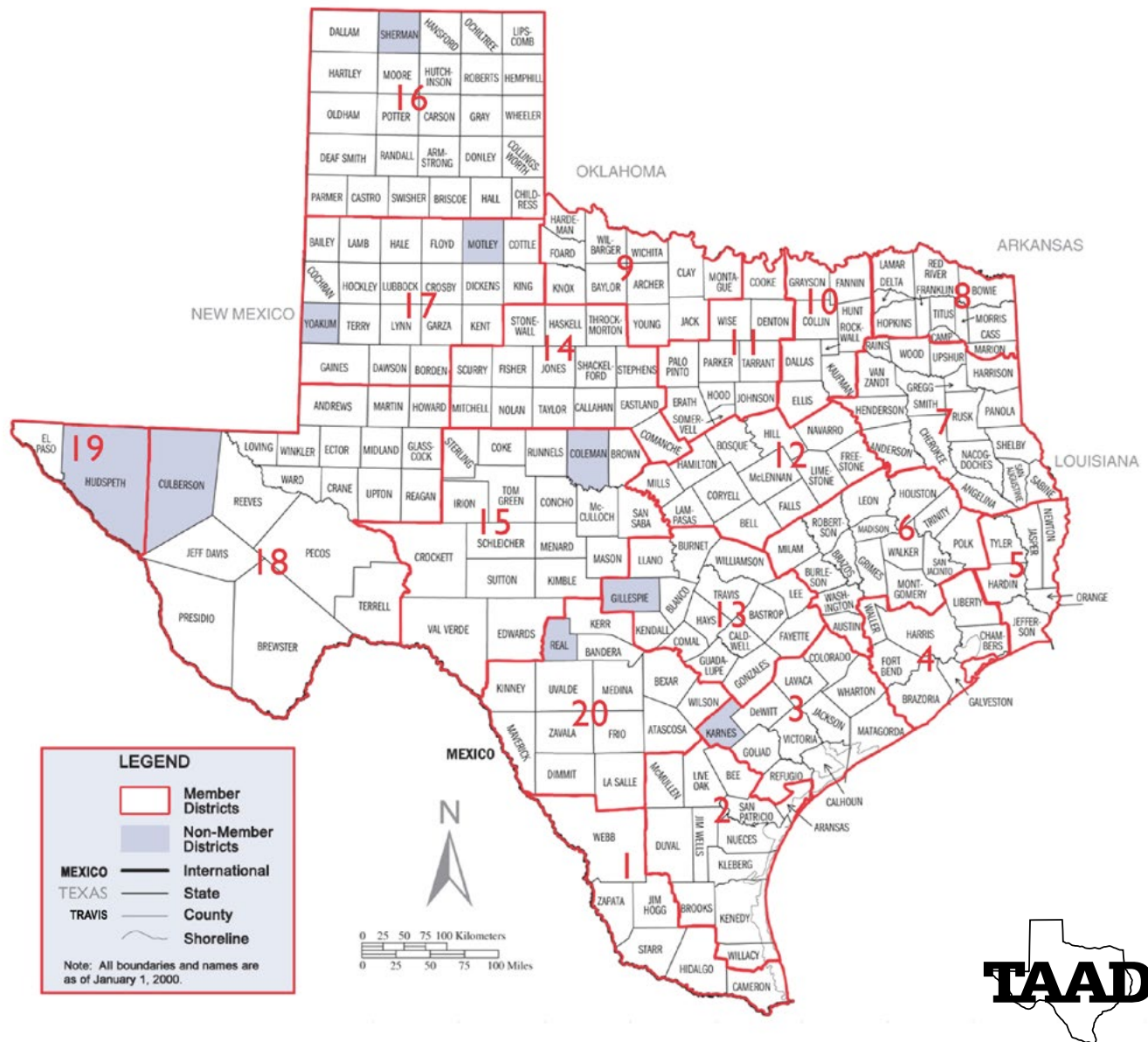
Paid \_\_\_\_\_

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# 2013

TEXAS ASSOCIATION OF APPRAISAL DISTRICTS, INCORPORATED

# Membership



# TAAD Member Districts by Region 245 member districts as of May 31, 2013

<b>Region 1</b>	Orange	Morris	Lampasas	Runnels	King
Cameron	Tyler	Red River	Limestone	San Saba	Lamb
Hidalgo	<b>Region 6</b>	Titus	McLennan	Schleicher	Lubbock
Jim Hogg	Austin	<b>Region 9</b>	Mills	Sterling	Lynn
Starr	Brazos	Archer	Navarro	Sutton	Terry
Webb	Burleson	Baylor	<b>Region 13</b>	Tom Green	<b>Region 18</b>
Willacy	Grimes	Clay	Bastrop	Val Verde	Andrews
Zapata	Houston	Foard	Blanco	<b>Region 16</b>	Brewster
<b>Region 2</b>	Leon	Hardeman	Burnet	Armstrong Briscoe	Crane
Aransas	Madison	Jack	Caldwell	Carson	Ector
Bee	Milam	Knox	Comal	Castro	Glasscock
Brooks	Montgomery	Montague	Fayette	Childress	Howard
Duval	Polk	Throckmorton	Gonzales	Collingsworth	Jeff Davis
Jim Wells	Robertson	Wichita	Guadalupe	Dallam	Loving
Kenedy	San Jacinto	Wilbarger	Hays	Deaf Smith	Martin
Kleberg	Trinity	Young	Kendall	Donley	Midland
Live Oak	Walker	<b>Region 10</b>	Lee	Gray	Pecos
McMullen	Washington	Collin	Llano	Hall	Presidio
Nueces	<b>Region 7</b>	Dallas	Travis	Hansford	Reagan
San Patricio	Anderson	Ellis	Williamson	Hartley	Reeves
<b>Region 3</b>	Angelina	Fannin	<b>Region 14</b>	Hemphill	Terrell
Calhoun	Cherokee	Grayson	Callahan	Hutchinson	Upton
Colorado	Gregg	Hunt	Comanche	Lipscomb	Ward
DeWitt	Harrison	Kaufman	Eastland	Moore	Winkler
Goliad	Henderson	Rockwall	Fisher	Ochiltree	<b>Region 19</b>
Jackson	Nacogdoches	<b>Region 11</b>	Haskell	Oldham	El Paso
Lavaca	Panola	Cooke	Jones	Parmer	<b>Region 20</b>
Matagorda	Rains	Denton	Mitchell	Potter-Randall	Atascosa
Refugio	Rusk	Erath	Nolan	Roberts	Bandera
Victoria	Sabine	Hood	Scurry	Swisher	Bexar
Wharton	San Augustine	Johnson	Shackelford	Wheeler	Dimmit
<b>Region 4</b>	Shelby	Palo Pinto	Stephens	<b>Region 17</b>	Frio
Brazoria	Smith	Parker	Stonewall	Bailey	Kerr
Chambers	Upshur	Somervell	Taylor	Borden	Kinney
Fort Bend	Van Zandt	Tarrant	<b>Region 15</b>	Cochran	LaSalle
Galveston	Wood	Wise	Brown	Cottle	Maverick
Harris	<b>Region 8</b>	<b>Region 12</b>	Coke	Crosby	Medina
Liberty	Bowie	Bell	Concho	Dawson	Uvalde
Waller	Camp	Bosque	Crockett	Dickens	Wilson
<b>Region 5</b>	Cass	Coryell	Edwards	Floyd	Zavala
Hardin	Delta	Falls	Irion	Gaines	
Jasper	Franklin	Freestone	Kimble	Garza	
Jefferson	Hopkins	Hamilton	Mason	Hale	
Newton	Lamar	Hill	McCulloch	Hockley	
	Marion		Menard	Kent	





TEXAS ASSOCIATION OF APPRAISAL DISTRICTS, INCORPORATED

# Local Chapters & Officers

## **BIG COUNTRY CHAPTER** *Region 14*

*President:* **Brenda Klepper**, Nolan CAD

*Vice President:* **Teresa Peacock**, Shackelford CAD

*Secretary:* **Larry Crooks**, Scurry CAD

*Treasurer:* **Richard Petree**, Taylor CAD

## **CENTRA-PLEX CHAPTER** *Region 12*

*President:* **Tammy Williams**, Bell CAD

*Vice President:* **Michael Hickerson**, Navarro CAD

*Secretary-Treasurer:* **Kevin White**, McLennan CAD

## **CONCHO VALLEY CHAPTER** *Region 15*

*President:* **Terry Cavaness**, Tom Green CAD

*Vice-President:* **Debra Escobedo**, Kimble CAD

*Secretary:* **Kandy Dick**, Kimble CAD

*Treasurer:* **Kayla Wagner**, Menard CAD

## **GREAT PLAINS CHAPTER** *Region 17*

*President:* **Kay Byrd**, Kent CAD

*Vice President:* **David Greener**, Cochran CAD

*Secretary-Treasurer:* **Patti Abbott**, Dickens CAD

## **NORTH EAST TEXAS CHAPTER** *Regions 7, 8, 10*

*President:* **Sherri McCall**, Rains CAD

*Secretary-Treasurer:* **Byron George**, Wood CAD

## **NORTH PLAINS CHAPTER** *Region 16*

*President:* **Pam Scates**, Lipscomb CAD

*Vice President:* **Tyson Paronto**, Gray CAD

*Secretary-Treasurer:* **vacant**

## **PERMIAN BASIN CHAPTER** *Region 18*

*President:* **Mark Flowers**, Linebarger Law Firm

*Secretary/President-elect:* **Sherlene Burrows**, Loving CAD

*Treasurer:* **Byron Bitner**, Reagan/Irion CAD

## **SOUTH TEXAS CHAPTER** *Regions 1, 2*

*President:* **Rolando Garza**, Hidalgo CAD

*Vice President:* **Frutoso Gomez**, Cameron CAD

*Secretary-Treasurer:* **Amada Gonzalez**, Zapata CAD

## **SOUTHWEST TEXAS CHAPTER** *Region 20*

*President:* **Cherry Sheedy**, Val Verde CAD

*Vice President:* **Wendy Grams**, Bandera CAD

*Secretary:* **Johnette Dixon**, Medina CAD

*Treasurer:* **Sharon Capeheart**, Kerr CAD

## **THREE RIVERS CHAPTER** *Region 5*

*President:* **Lana McCarty**, Liberty CAD

*Vice President:* **Jeff Lambert**, Liberty CAD

*Secretary-Treasurer:* **Kim Key**, Liberty CAD

## **TRI-REGION CHAPTER** *Regions 3, 6, 13*

*President:* **Bobby Boykin**, Washington CAD

*Vice President:* **Willie Dilworth**, Washington CAD

*Secretary-Treasurer:* **Bill Sullivan**, Grimes CAD







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## TAAD's 2013 State Certification Course Schedule

<i>Month</i>	<i>Course Number-Name</i>	
<b>AUGUST 2013</b>	<i>Week of 8/18</i>	
August 19-22	Course 7	Property Tax Law
August 19-22	Course 10	Demo Appraisal Concepts
August 19-23	Course 2	Appraisal of Real Property
<b>SEPTEMBER 2013</b>	<i>Week of 9/8</i>	
September 9-12	Course 3	Income Approach to Value
September 9-12	Course 4	Personal Property Appraisal
September 9-12	Course 5	Mass Appraisal
September 9-12	Course 9	Adv. Assessment and Collections
<b>OCTOBER 2013</b>	<i>Week of 10/13</i>	
October 14-15	Course 30	Ethics
October 14-16	Course 101	Intro to Texas Property Tax System
October 16-18	Course 102	Intro to Appraisal
<b>NOVEMBER 2013</b>	<i>Week of 11/3</i>	
November 4	Course 31	USPAP refresher
November 5-7	Course 32	USPAP
November 4-8	Seminars	
<b>DECEMBER 2013</b>	<i>Week of 12/1</i>	
December 2-5	Course 7	Texas Property Tax Law
December 2-5	Course 10	Demo Appraisal Concepts
December 2-5	Course 3	Income Approach to Value
December 2-5	Course 4	Personal Property Appraisal
December 2-5	Course 101	Intro to Texas Property Tax System (102 will follow, same room)
December 2-5	Course 102	Intro to Appraisal
December 2-5	Course 2	Appraisal of Real Property

*Course Registration on next page*

### Let's RODEO!

These are the Henderson County 4-H Clover Kids singing the National Anthem at the PRCA Rodeo in Athens recently. Their leader is Henderson CAD's very own **Christy Turner**. According to HCAD Chief Appraiser **Bill Jackson**, "As you can imagine they brought down the house Friday and Saturday nights!"



**TAAD**

# TAAD's 2013 State Certification Course Registration Form

- 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.
- Class Location/Hotel Accommodations:** Courses will be held at the **Marriott North**, 2600 La Frontera Blvd., Round Rock, TX 78681, 512.733.6767 or 800.865.0546. Lodging is \$115/single or double per night (free parking). Call at least **three** weeks in advance and ask for the TAAD block.
- CEs:** All of TAAD's state certification courses are approved by PTAD and TDLR for certification and for continuing education (CE) hours.
- Certificate:** All member districts will receive a certificate for \$50-off Member District Course Fee. Certificates are valid for one individual registration. To redeem, please enclose certificate with remaining registration fee.
- Class Materials:** Your class materials will be waiting for you at registration. If you want them sooner, enclose \$10 with your registration. TAAD must receive payment at least three weeks prior to class.
- 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:

### Course 2:

\$305 for TAAD Member Districts  
\$355 for TAAD Associate/Affiliate Members  
\$405 for Non-members

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

\$280 for TAAD Member Districts  
\$330 for TAAD Associate/Affiliate Members  
\$380 for Non-members

### Courses 28, 30 & 32:

\$230 for TAAD Member Districts  
\$280 for TAAD Associate/Affiliate Members  
\$330 for Non-members

### Courses 101 & 102:

\$180 for TAAD Member Districts  
\$230 for TAAD Associate/Affiliate Members  
\$280 for Non-members

### Course 31:

\$175 for TAAD Member Districts  
\$225 for TAAD Associate/Affiliate Members  
\$275 for Non-members

Course # \_\_\_\_\_ Course Date \_\_\_\_\_ TDLR# (if applicable) \_\_\_\_\_

Name \_\_\_\_\_ Nickname \_\_\_\_\_ Title \_\_\_\_\_

Jurisdiction/Firm \_\_\_\_\_

Mailing address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ E-mail address \_\_\_\_\_

*confirmations are sent by e-mail*

## 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 2, 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:

Certificate \_\_\_\_\_ Date \_\_\_\_\_ Check# \_\_\_\_\_ Paid \_\_\_\_\_ Gloss \_\_\_\_\_

DB \_\_\_\_\_ Materials mailed \_\_\_\_\_ Confirmation sent \_\_\_\_\_

## TAAD 2013 IAAO Course/Workshop Schedule

### Workshop 171: IAAO Standards of Professional Practice & Ethics

September 26, 2013

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Guy Griscom, CAE

Fees: TAAD member districts \$160, TAAD associate/affiliate members \$220, Nonmembers: \$290

TDLR credit: 7 hours

IAAO's "Code of Ethics, Canons and Standards of Professional Conduct." This workshop is designed to provide performance standards for real property, mass, business and personal property appraisal and consulting. Case studies and exercises illustrate the material. This workshop includes an exam.

IAAO recertification credit: 7 hours-1 day

### Course 101: Fundamentals of Real Property Appraisal

October 7-11, 2013

Site: Travis CAD, 8314 Cross Park Drive, Austin

Instructor: Rick Stuart, CAE

Fees: TAAD member districts \$385, TAAD associate/affiliate members \$425, Nonmembers: \$490

TDLR credit: 30 hours

Course 101 is designed to provide the students with an understanding and working knowledge of the procedures and techniques required to estimate the market value of vacant and improved properties. This course concentrates on the skills necessary for estimating the market value of properties using two approaches to value: the cost approach and the sales comparison approach. The Fundamentals of Real Property Appraisal utilizes lectures, classroom discussion, and homework problems to emphasize the main concepts and procedures taught in the course.

*Recommended text: Property Assessment Valuation, 2nd edition (obtain from IAAO)*

### Course 201: Appraisal of Land

October 14-18 2013

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Marion Johnson, CAE

Fees: TAAD member districts \$385, TAAD associate/affiliate members \$425, Nonmembers: \$490

TDLR credit: 30 hours

Appraisal of Land is designed to provide the students with an understanding and working knowledge of the procedures and techniques required to estimate the market value of land. This course concentrates on the skills necessary for estimating land value primarily using the sales comparison approach.

*Recommended: Course 101, Course 102*

*AQB Approved: 33.50 CE with exam / 30 CE*

*Recommended text: Property Assessment Valuation, 2nd edition (obtain from IAAO)*

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

October 28, 2013

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Antonia G. Viens, MAI, SRA

Fees: TAAD member districts \$145, TAAD associate/affiliate members \$195, Nonmembers: \$270

TDLR credit: 7 hours

This workshop is the National 7-hour USPAP Update offered for continuing education for licensure and certification through The Appraisal Foundation. The workshop provides a general overview of USPAP guidelines, advisory opinions, statements, and other appraisal practices. The course is updated yearly to address changes to USPAP and common misunderstandings.

IAAO recertification credit: 7 hours-1 day

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

November 6-7, 2013

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Antonia G. Viens, MAI, SRA

Fees: TAAD member districts \$195, TAAD associate/affiliate members \$245, Nonmembers: \$295

TDLR credit: 15 hours

This workshop covers materials from The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice which includes: Definitions, Preamble, Ethics Rule, Competency Rule, Departure Rule, Jurisdictional Exception Rule, Supplemental Standards Rule, and Standards 1 through 10. Supplementary materials include The Appraisal Foundation Uniform Standards of Professional Appraisal Practice (USPAP). This workshop includes an exam.

IAAO recertification credit: 15 hours-2 days

### Course 402: Property Tax Policy

November 11-15, 2013

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Rick Stuart, CAE

Fees: TAAD member districts \$385, TAAD associate/affiliate members \$425, Nonmembers: \$490

TDLR credit: 30 hours

Course 402 offers students strategies for assisting in the effective formulation and implementation of tax policies and presents background enabling students to understand the context under which property tax policy is established. Students will be given analytical tools with which they can explain the effects of proposed property tax changes. They will be provided with a sound theoretical basis to guide decision-making and to assist in creating workable solutions for their jurisdictions. The course is designed for assessment administrators and students of taxation, as well as professional policy advisors who guide and make decisions in the area of tax policy on a regular basis.

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

*continued on following page*



# ★ WESTERN ★

## VALUATION AND CONSULTING

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Abilene, TX 79602

Phone: 325-437-7600  
Cell: 325-829-0614  
westernvc.com

bill.beam@westernvc.com  
rpetree@westernvc.com

### IAAO Schedule *continued*

#### Course 102: Income Approach to Valuation

November 18-22, 2013

Site: Travis CAD, 8314 Cross Park Drive, Austin

Instructor: Rick Stuart, CAE

Fees: TAAD member districts \$385, TAAD associate/affiliate members \$425, Nonmembers: \$490

**TDLR credit: 30 hours**

Covers the theory and techniques of estimating value by the income, or capitalized earnings, approach. The material includes selection of capitalization rates, analysis of income and expenses to estimate operating income, and capitalization methods and techniques. This course also covers rental units of comparison, as well as real estate finance and investment.

*Recommended: Course 101*

*Required text: Property Assessment Valuation, 2nd edition (obtain from IAAO)*

**Check back ...**

more courses and  
workshops to be added



#### Course 112: Income Approach to Valuation II

December 16-20, 2013

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Guy Griscom, CAE

Fees: TAAD member districts \$385, TAAD associate/affiliate members \$425, Nonmembers: \$490

**TDLR credit: 30 hours**

IAAO Course 112 is a comprehensive, interactive program intended for mid-level, commercial-industrial appraisers. The material will cover the income approach to value in depth, and reflect contemporary appraisal theory. The course will be broad based, while covering many topics that will focus on a case study problem that utilizes methodology learned in the course and will allow the audience to work through the case study to its conclusion. Depending on the size of the class, students will be grouped, based on the instructor's summation of the student's class participation. The groups will generally consist of 2-4 students. Each group will be expected to present their results to the remainder of the class. The instructor will be available to assist each group.

*Recommended: Course 101, Course 102*

*AQB Approved: 33.50 QE, 33.50 CE with exam/30 CE no exam*

*Required text: Property Assessment Valuation, 2nd edition (obtain from IAAO)*

*IAAO Registration Form on following page*

## TAAD 2013 IAAO Course Registration Form

- Class Hours:** Unless otherwise specified, course hours are from 8:30 am - 5 pm. Registration on class day 1 is 8-8:30 am.
- Location/Hotel Accommodations:** Check registration materials for announced location:
  - Harris County Appraisal District**  
13013 Northwest Freeway, Houston
  - North Austin/Round Rock Marriott Hotel**  
2600 LaFrontera Blvd., Round Rock
  - Travis Central Appraisal District**  
8314 Cross Park Drive, Austin
  - Dallas Central Appraisal District**  
2949 North Stemmons Freeway, Dallas

For lodging information, please contact TAAD or refer to TAAD's website for suggestions.
- Registration Requirement:** Payment must be received by TAAD for an individual to be officially registered. *There is no on-site registration.*
- Cancellations:** For all course cancellations there will be a \$100 administrative charge deducted. This includes faxed registrations. *Refund requests must be received by TAAD in writing no later than one week prior to the first day of the course.* There are no refunds for cancellations received by TAAD less than one week prior to first day of class.
- Cost for Courses:** Please refer to the registration materials for cost of registration for TAAD members and non-members. Cost of registration is based on *TAAD membership*, not IAAO membership.
- Additional Texts:** Please refer to the registration materials for possible additional IAAO texts needed for the class. *Each student is responsible for ordering and obtaining them from IAAO. No texts will be available at the class.*
- Registration Deadline:** IAAO requires that registrations be processed *at least three weeks prior to the course* in order to allow sufficient time for mailing materials.
- Course Materials:** Students will pick up course materials at registration on the first day of class.

IAAO Course/Workshop # \_\_\_\_\_ Course Date \_\_\_\_\_ TDLR # (if applicable) \_\_\_\_\_

Name \_\_\_\_\_ Nickname \_\_\_\_\_ Title \_\_\_\_\_

Jurisdiction/Firm \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ E-mail Address \_\_\_\_\_

Course Registration Fee .....\$ \_\_\_\_\_

*(Fee is based on TAAD membership, not on IAAO membership)*

☐ Please submit this course for Continuing Education credit with TDLR

**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:**

Date \_\_\_\_\_ Check# \_\_\_\_\_ Paid \_\_\_\_\_ PC \_\_\_\_\_

DB \_\_\_\_\_ ADV \_\_\_\_\_ Materials Date \_\_\_\_\_



## TAAD Classifieds

**Williamson Central Appraisal District is accepting applications for:**

**GIS/Analysis Appraiser:** Full time GIS/Analysis Appraiser position. Responsibilities will include the use of Esri's ArcGIS software for GIS project and analysis, provide support services for appraisal staff in the form of GIS and special project requests, engage in implementation/proposal of mass appraisal techniques, and provide supportive reconciliatory and data analysis to appraisal support. Must have a working knowledge of Esri's ArcGIS, advanced knowledge of Microsoft Excel, Access and statistical software, ability to implement independent study on appraisal datasets, and ability to read legal descriptions, deeds, subdivision plats, maps and software procedure manual or help files. Good communication skills. Education requirements: B.S. degree in GIS, Real Estate or related field (degree may be substituted with 4 years relevant GIS and/or appraisal analyst experience).

Preferred experience: mass appraisal and/or experience in analytic software and map editing in an ArcGIS environment.

For more information, please visit [www.wcad.org/employment](http://www.wcad.org/employment)

Qualified applicants should submit cover letter, application and resume to:

**Williamson Central Appraisal District; Attention: Human Resources; 625 F.M. 1460; Georgetown, TX 78626** or submit digitally at [www.wcad.org/employment](http://www.wcad.org/employment)

**Harrison Central Appraisal District** is currently accepting resumes for the position of **Chief Appraiser**. HCAD serves 22 taxing entities and collects for 10 taxing entities. Applicants should possess the following qualifications: Bachelor's degree or an equivalent combination of education, training and experience, three of which must be in supervisory positions; RPA and RTA designation from the Texas Department of Licensing and Regulation; possess a CCA or receive designation within 1 year of employment; knowledge of Texas Property Tax Laws; district budgeting/finance and personnel management; experience in property value appeals process; ability to communicate with the public and taxing entities and have excellent leadership skills; financial administration skills and be able to communicate effectively both orally and in writing. The Chief Appraiser must establish residency within the appraisal district. Salary expectation required. HCAD offers a competitive benefits package. Salary is commensurate with experience and qualifications.

Please submit resume with salary expectations to:

**Robert Duvall, Chairman-Board of Directors; Harrison Central Appraisal District; PO Box 1315; Marshall, TX 75671-1315** no later than September 1, 2013.



## Texas Political Subdivisions

You owe it to your District to get another insurance quote...  
What's the worst that could happen?

You find out you're getting a good price.  
Or you find out you really can get a better price and better service!

**Serving Texas Appraisal Districts Since 1983**

### Coverages:

*Auto Physical, Auto Liability, Crime, General Liability, Law Enforcement, Property, Public Officials, School Board Legal Liability & Workers' Compensation*

**Compare your current insurance coverage and pricing with us Today. Contact us by phone at 972-361-6303 or email [keith.alberts@tspool.org](mailto:keith.alberts@tspool.org)**

Visit our website for additional information [www.tspool.org](http://www.tspool.org)

## The Case Of Missing Texas Counties

**At least 14 counties established by the Texas Legislature no longer exist. Where, you might ask?**

The Republic of Texas claimed the western territory that followed the Rio Grande through New Mexico into present-day Colorado. In 1850, when Texas ceded the area to the United States for \$10 million, what might have been **Worth** and **Santa Fe** counties disappeared, and El Paso and Presidio counties were reduced in size. **Foley** and **Buchel** counties disappeared in 1889 when they were attached to Brewster County, making it the largest county in Texas. Webb County includes the area once proposed to be **Encinal County**. Texas lost **Wegefath** and **Greer** counties to Oklahoma when the U.S. Supreme Court set the state boundary at the true 100th meridian and the South Fork of the Red River in 1906.

The Constitutional Convention of 1868–69, by declaration, attempted to organize Delta, **Richland**, **Webster**, and **Latimer** counties. The legislature never

organized or legalized the counties, and three of them were never more than names. (Delta County was reestablished by legislative act in 1870.)

Counties that were established under one name or functioned for a time under one name but have a different name at present include: **Harrisburg** County (changed to Harris County in 1839); **Navasoto** County (changed to Brazos County in 1842); **Davis** County (changed from Cass County in 1861 and back to Cass County in 1871); **Buchanan** County (changed to Stephens County in 1861); and **Cibolo** County (changed from Wilson to Cibolo and then back to Wilson County).

These are a few of the stories behind counties that could have been. For more information, go to Texas Handbook Online and type "Defunct Counties" in the search box.

[www.tshaonline.org/handbook/online/articles/hzd01](http://www.tshaonline.org/handbook/online/articles/hzd01)

*Provided courtesy of TCDRS, Texas State Historical Assn.*

## TAAD Welcomes New Member Districts!

### RAINS CAD

Chief Appraiser **Carrol Houllis**  
Board Chairman **Paul Foley**  
Board Member **Ivan Alexander**  
Board Member **Joyce Durrett**  
Board Member **Richard Hill**  
Board Member **Bob Russell**

### McMULLEN CAD

Chief Appraiser **Bessie Guerrero**  
Board Chair **Karen Wheeler**  
Board Member **Walt Franklin**  
Board Member **Max Quintanilla Jr.**  
Board Member **Warren Wheeler**

### WARD CAD

Chief Appraiser **Arlice Wittie**  
Board Member **Phillip Derrick**  
Board Member **Donna Garcia**  
Board Member **Morse Haynes**  
Board Member **Vicki Heflin**  
Board Member **Raymond Reyes**

## A TAAD of Info...

- » We mourn the passing of **Diane Brawner**, formerly with **Medina CAD**
- » We mourn the passing of **J. David Pennington**, of **Thos. Y. Pickett & Company, Inc.**
- » **Karen Jeans** has retired as chief appraiser for the **Harrison CAD**; she left May 24 after 37 years in the tax business

## ...and Arrivals

- » **Sands Stiefer** has been named interim chief appraiser for the **Harris CAD** as of June 1
- » **Guy Griscom** of **Harris CAD** was reappointed to the Appraisal Practices Board of The Appraisal Foundation

## Departures...

- » **Jim Robinson** has retired as chief appraiser at **Harris CAD** on May 31; he's leaving after nearly three decades with **HCAD**
- » **Pat Brennan** departs the chief appraiser spot at **Goliad CAD**; meanwhile **E. J. Bammert** will serve as the interim chief appraiser
- » **Ron Huckabay** is stepping down as **Andrews CAD** chief appraiser

for a three-year term beginning July 1, 2013

- » **Jackie Martin** left **Fisher CAD** and is taking over as chief appraiser at **Andrews CAD**, effective August 1, 2013



## TAAD Legislative Update For TDLR CEs

**Monday-Tuesday, August 12-13, 2013**

**Dallas/Plano Marriott at Legacy Town Center, Plano, Texas**

### REGISTRATION FEES

**Deadline: August 2**

\$200 ..... TAAD Member Districts      x \_\_\_\_\_ = \_\_\_\_\_

\$250 ..... Associate or Affiliate Member      x \_\_\_\_\_ = \_\_\_\_\_

\$325 ..... Non-member      x \_\_\_\_\_ = \_\_\_\_\_

### GUEST REGISTRATION FEES

**Deadline: August 2**

*(no CEs; intended for spouse/companion of attendee, meals and breaks only):*

\$100 ..... Guest      x \_\_\_\_\_ = \_\_\_\_\_

### SLEEPING ROOMS

**\$169/single or \$179/double**

Call 800.228.9290 or 512.473.6444 by July 29, 2013 for TAAD block rates.

*(NOTE: An agenda and list of legislation to be covered at the seminar will not be available until mid-July, following the governor's statutory legislative review/bill signing period.)*

### TENTATIVE SCHEDULE

#### Monday

8:30-9am ..... Registration

9-11:45am ..... Information Sessions

12-1pm ..... Lunch

1:15-4:30pm ..... Information Sessions

#### Tuesday

7:30-8:30am ..... Continental Breakfast

8:30-12noon ..... Information Sessions

12noon ..... Adjourn

1-3pm ..... (Optional) TDLR Ethics Session, Approved for CEs *(Please notify TAAD if you are interested in attending!)*

**CEs will be granted for attendance; final agenda will meet TDLR requirements for "law/rules update" needed by RPAs, RTAs, and RTCs.**

Name \_\_\_\_\_ TDLR# \_\_\_\_\_

Entity/Business \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

E-mail address \_\_\_\_\_

**TOTAL AMOUNT ENCLOSED \$ \_\_\_\_\_**

**Registration fees must reflect current membership status.**

*Requests for refunds must be in writing and submitted by August 4.*

*A \$75 cancellation fee will be deducted. No refunds for cancellations after August 4.*

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:**

Date \_\_\_\_\_

Check# \_\_\_\_\_

Paid \_\_\_\_\_

PC \_\_\_\_\_ DB \_\_\_\_\_

## Real Estate Notes of Interest

*Rick Stuart, CAE*

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

**Blaine Brownell, [www.builderonline.com](http://www.builderonline.com), March 7, 2013**

Way cool! "Charged with sunlight by day, pavers with embedded lights deliver safe pathway illumination at night without added electricity. German-based manufacturer Kann has developed luminous concrete pavers called NightTec Leuchtsteine. Phosphorescent crystals embedded in the concrete surface capture diurnal energy and emit light every evening for about ten hours. Although the pavers appear white in sunlight, their nocturnal glow is either green or blue—depending on the selected coating." [www.builderonline.com/articles/products/german-company-makes-glow-in-the-dark-concrete.aspx?utm\\_source=newsletter&utm\\_content=jump&utm\\_medium=email&utm\\_campaign=BU\\_031513&day=2013-03-15](http://www.builderonline.com/articles/products/german-company-makes-glow-in-the-dark-concrete.aspx?utm_source=newsletter&utm_content=jump&utm_medium=email&utm_campaign=BU_031513&day=2013-03-15)

**Elaine Yelzer Simon, [www.hotelmanagement.net](http://www.hotelmanagement.net), March 14, 2013**

"The U.S. hotel development pipeline continues to collect projects, according to the February 2013 STR Pipeline Report. The pipeline comprises 2,728 projects totaling 320,397 guestrooms, which is a 10.1 percent increase in the number of rooms compared with February 2012. It's also a 39.7 percent increase in the number of guestrooms under construction." [www.hotelmanagement.net/industry-fundamentals/construction-pipelines-show-continued-gains-19710?utm\\_source=&utm\\_medium=newsletter&utm\\_campaign=\\_12311969&utm\\_content=19710](http://www.hotelmanagement.net/industry-fundamentals/construction-pipelines-show-continued-gains-19710?utm_source=&utm_medium=newsletter&utm_campaign=_12311969&utm_content=19710)

**U.S. pipeline by Chain Scale Segment** (number of rooms and percent change February 2013 versus February 2012)

Chain Scale	Preliminary Existing Supply (as of 1/28/13)	% Change	In Construction	% Change	Total Active Pipeline	% Change
Luxury	106,740	-0.06%	4,731	+477.7%	7,665	+66.8%
Upper Upscale	551,255	-0.1%	6,757	-15.1%	17,841	-10.6%
Upscale	589,255	+2.6%	26,392	+66.9%	89,198	+23.8%
Upper Midscale	868,318	+1.0%	20,699	+24.3%	5,89	+9.5%
Midscale	478,812	+1.7%	3,296	+2.9%	5,98	-18.6%
Economy	769,245	-1.2%	1,044	+9.1%	6.03	-13.8%
Unaffiliated	1,538,048	+1.0%	11,133	+46.4%	6.13	+10.3%
<b>Total</b>	<b>4,902,217</b>	<b>+0.7%</b>	<b>74,052</b>	<b>+39.7%</b>	<b>320,397</b>	<b>+10.1%</b>

Source: STR

**Conor Dougherty, [The Wall Street Journal](http://The Wall Street Journal), March 19, 2013**

Here is another good piece of news related to the rising home prices. "The number of underwater homeowners in the fourth quarter of 2012 has declined by 1.7 million from a year earlier, meaning 1.7 million U.S. households have regained home equity, according to CoreLogic, a research company." "Underwater" is defined as the owner owing more on the property than the current market value.

**Jed Kolko, [trends.truliablog.com](http://trends.truliablog.com), March 13, 2013**

"Even though asking home prices rose 7.0 percent in the last year, outpacing rent increases of 3.2 percent, the gap between buying and renting has narrowed only slightly. One year ago, buying was 46 percent cheaper than renting. Today, it's 44 percent cheaper to buy versus rent. In fact, homeownership is cheaper than renting in all of America's 100 largest metros. That's because falling mortgage rates have kept buying almost as affordable, relative to renting, as it was last year. According to Freddie Mac, between February 2012 and February 2013 the 30-year fixed rate dropped from 3.9 percent to 3.5 percent, though rates have been rising in March." Interesting read at [www.trends.truliablog.com/2013/03/rent-vs-buy-winter-2013/](http://www.trends.truliablog.com/2013/03/rent-vs-buy-winter-2013/).

**[www.pantagraph.com](http://www.pantagraph.com), March 20, 2013**

Construction of new homes started in February, throughout the U.S., was at the highest level in the last four and one-half years.

*Continued on following page*

**Real Estate Notes** *continued***Peter Loftus, *The Wall Street Journal*, March 20, 2013**

Philadelphia has completed their first reappraisal in a very long time. Some properties, but not all, were reappraised in 2004. "Pennsylvania is among a handful of states that don't require local governments to conduct thorough property revaluations at fixed intervals, meaning some buildings go decades without meaningful updates." Preferential treatment was previously provided for residential properties but, "the state constitution has been interpreted by courts to require all property be taxed at the same rate — residential and nonresidential." It is easy to see that the commercial sector will be happy. Some interesting numbers from the article are shown below.

- |                                   |                              |
|-----------------------------------|------------------------------|
| » 2013 Taxable Value \$94 billion | » 2014 Taxable Value \$98    |
| » 2013 Tax Rate 9.77 percent      | » 2014 Tax Rate 1.32 percent |

**Beth Braverman and Amanda Gengler, *Money Magazine*, April 2013**

Each spring Money devotes an issue to real estate. This year's issue is titled, "Housing is back." "During the past year, home prices increased in 92 of the country's 100 largest metropolitan areas, according to data provider Corelogic." Some interesting recaps for residential properties are shown below.

- How will your home's value change this year? 25 percent say it will increase more than five percent, 22 percent say it will stay the same, six percent believe it will decline and 47 percent believe it will increase between one percent and five percent.
- 6.3 percent value rise in 2012 and expected to be 5.6 percent in 2013
- 18 consecutive months that year-over-year home sales have increased
- \$180,000 median home price in December 2012, vs. \$221,000 in 2006
- \$87,000 average equity per homeowner in 2011, vs. \$170,000 in 2006
- 31 percent of renters expect to buy within the next two years, up from 22 percent in January 2011
- 75 percent of sellers think their home is worth more than their agent's recommended listing price

**Brian Duggan, *USA Today*, March 21, 2013**

The U.S. Postal Service for the last two years has been selling off some post offices that are no longer in use or are going to be closed. Asking prices range from \$55,000 to \$8.3 million. They should not expect this to be easy. Some of the facilities are old, with functional problems, and a large number are on the National Register of Historic Places. The National Trust for Historic Preservation named the post office as one of the United States' most endangered historic places.

**Cameron McWhirter, *The Wall Street Journal*, March 22, 2013**

"Growing demand and tight supplies have pushed up plywood prices by 45 percent in the past year. Georgia-Pacific, the largest U.S. producer of plywood, is expected to announce plans to invest about \$400 million over the next three years to boost softwood plywood and lumber capacity by 20 percent."

**Kris Hudson, *The Wall Street Journal*, March 27, 2013**

A large number of mall properties were hurt when Sears closed some stores, and now there is some concern that J.C. Penney will also close stores. Penney's had an almost \$1 billion net loss with a 25 percent decline in sales. The company owns 429 stores with another 675 leased in malls. The better malls are not concerned, but the malls that are average or sub-par may have more vacant space that will be difficult to lease.

**Nick Timiraos, *The Wall Street Journal*, March 27, 2013**

"Prices rose by 8.1 percent in January from a year earlier, the largest such gain in 6½ years, according to figures from the S&P/Case-Shiller index of home prices in 20 major metropolitan cities released Tuesday. All 20 cities posted annual increases."

***www.realtor.org*, April 2, 2013**

NAR's 2013 Investment and Vacation Home Buyers Survey,\* covering existing-and new-home transactions in 2012, shows vacation-home sales rose 10.1 percent to 553,000 from 502,000 in 2011. Vacation-home sales accounted for 11 percent of all transactions last year, unchanged from 2011, while the portion of investment sales was 24 percent in 2012, down from 27 percent in 2011, marking the second highest share since 2005.

*Continued on following page*

**Eliot Brown, The Wall Street Journal, April 2, 2013**

The leasing of office space remains sluggish as potential renters are showing caution. The national office vacancy is at 17 percent as compared to 12.5 percent at the peak of the market.

**[www.hotelassetgroup.com](http://www.hotelassetgroup.com), February 10, 2013**

"There are several large portfolios that make up a percentage of the product under contract but there are also many one off transactions we are handling for lenders, CMBS servicers, banks and financial institutions. We are in the strongest investment window I have seen in my career," commented H. Keith Thompson, principal of Hotel AG. "I was speaking at a hotel conference two weeks ago and watched a presentation on the state of the hotel real estate market and there was not one single piece of bad news or bad forecast. During my career, I have never seen a more positive outlook and forecast for the lodging industry."

**[www.htrends.com/research/article70429.html](http://www.htrends.com/research/article70429.html)****Top 10 of Worldwide hotel groups as of January 2013**

Rank		Groups		Hotels		Rooms		Growth	% Growth
2013	2012			2013	2012	2013	2012		
1	1	IHG	GB	4,602	4,480	695,982	658,348	17,634	2.7%
2	2	Hilton Hotels	USA	3,992	3,861	652,378	631,131	21,247	3.4%
3	3	Marriott International	USA	3,672	3,595	638,793	622,279	16,514	2.7%
4	4	Wyndham Hotel Group	USA	7,342	7,205	627,437	613,126	14,311	2.3%
5	5	Choice	USA	6,198	6,203	497,023	502,460	-5,437	-1.1%
6	6	Accor	FRA	3,515	4,426	450,199	531,714	-81,515	-15.3%
7	7	Starwood Hotels and Resorts	USA	1,121	1,076	328,055	315,346	12,709	4.0%
8	8	Best Western	USA	4,024	4,018	311,611	295,254	16,357	5.5%
9	9	Home Inns	CHI	1,772	1,426	214,070	176,562	37,508	21.2%
10	10	Carlson Rezidor Hotel Group	USA	1,077	1,077	166,245	162,802	443	0.3%

Source: MKG Hospitality database - March 2013

**Maura Webber Sadovi, The Wall Street Journal, April 10, 2013**

For sale: a hole in the ground. But this is not just any hole. This hole is 76 feet deep and was the start for a 150 story luxury residential tower near Lake Michigan in Chicago. The property was repossessed and the lender hopes to receive \$93 million at auction.

**Peter Grant, The Wall Street Journal, April 10, 2013**

CompStak, Inc. is a new company designed to sell real estate data to companies. Data consists of sales information, leases, escalation clauses, landlord concessions and other lease provisions. The fee is currently more than \$20,000 annually.

**Julie Schmit, USA Today, April 22, 2013**

More homes are now available for sale. Perhaps the escalating prices in some areas have more people willing to list their home. "Nationally, the supply of homes for sale stood at 4.7 months in February, meaning they'd all sell in that time frame if no new supplies were added, the National Association of Realtors says. That's up from 4.3 months the previous month. Generally, Realtors consider a six-month to seven-month supply to be a balanced market between buyers and sellers."

**Julie Schmit, USA Today, April 25, 2013**

Zillow reported that the first-quarter home value index was up 0.5 percent as compared to a 2.1 percent increase in the fourth quarter of 2012.

*Continued on following page*



**Real Estate Notes** *continued***Randy Drummer, *www.costar.com*, April 24, 2013**

"Key players in retail real estate weighed in as the U.S. Senate seemed poised this week to advance the Marketplace Fairness Act of 2013, deeming the measure critical to equalizing the battle for shopping dollars between bricks-and-mortar stores and their large Internet commerce rivals. Why should online retailers be able to take advantage of a tax-free situation? We've always felt that online and bricks and mortar should be treated equally," Jones Lang LaSalle Retail President and CEO Greg Maloney tells CoStar. "It's something that has been misaligned from the beginning."

[www.costar.com/News/Article/Retail-Real-Estate-Cheers-Momentum-for-Online-Sales-Tax-On-Capitol-Hill/147970?ref=100&iid=333&cid=7918A3A58F4CCADAD83D2484AB7C5D22](http://www.costar.com/News/Article/Retail-Real-Estate-Cheers-Momentum-for-Online-Sales-Tax-On-Capitol-Hill/147970?ref=100&iid=333&cid=7918A3A58F4CCADAD83D2484AB7C5D22)

***www.bloomberg.com*, April 24, 2013**

This article talks about the faster growing metropolitan areas in the United States. Probably not a surprise to anyone that the following Texas cities are on the list: Austin-Round Rock, San Antonio, Houston-Sugar Land-Baytown, Dallas-Fort Worth-Arlington. [www.bloomberg.com/money-gallery/2013-04-24/the-top-12-american-boomtowns.html#slide1](http://www.bloomberg.com/money-gallery/2013-04-24/the-top-12-american-boomtowns.html#slide1)

**Emily Malthy, *The Wall Street Journal*, April 29, 2013**

If you work with commercial property, this is a must read. The title is: Warning: Property Foreclosures Ahead — small companies face balloon payments on their mortgages — and no way to raise the money.

[www.online.wsj.com/article/SB10001424127887323550604578412840972991934.html?mod=googlenews\\_wsj](http://www.online.wsj.com/article/SB10001424127887323550604578412840972991934.html?mod=googlenews_wsj)

**A.D. Pruitt, *The Wall Street Journal*, May 1, 2013**

Apparently some health-care owners are pulling back from additional purchases and leases on concerns they will be less profitable in an era of steep Medicare and Medicaid cuts.

**Nick Timiraos, *The Wall Street Journal*, May 1, 2013**

The home price increase of 9.3 percent in February as compared to the previous year, is the fastest rate of increase in seven years.

**Tim Mullaney, *The Wall Street Journal*, May 3, 2013**

The interest rates, after rising slightly in the last few months, have now sunk to historically low rates. According to Freddie Mac, a 30-year fixed rate loan is now at 3.35 percent, and a 15-year fixed is at 2.56 percent.

**Julie Schmit, *USA Today*, May 6, 2013**

Lender Processing Services is reporting "home prices in 10 percent of the nation's top 200 housing markets have recently hit new peaks or are only a hair away." Also, 24 are within five percent of record peak prices. Texas cities mentioned in relationship to their peak prices were: Dallas at 0.5 percent, Houston at 1.8 percent, San Antonio at 2.1 percent and Austin within five percent.

***www.appraisalinstitute.org*, May 1, 2013**

"Appraisers mostly are upbeat about home price increases and generally are becoming more confident about the state of the U.S. housing market, according to survey results released April 24 by Leawood, Kan.-based appraisal management company United States Appraisals.

The survey of 600 appraisers revealed that 55 percent indicated a mildly or moderately strong level of confidence in the housing market, while 25 percent said they were neutral.

"Appraisers tend to be realistic, focused on their local markets and unmoved by news stories and national numbers," Aaron Fowler, president of United States Appraisals, said in a news release. "We believe they provide a good gauge of the status of the housing market. After the last few years, a mildly strong level of confidence shows some definite improvement in appraiser attitudes."

Around 46 percent of respondents reported seeing a small increase in home values, while 16 percent said values have gone up moderately."

**Elliott Mest, May 2, 2013**

"Shares of Hyatt Hotels Corp. fell after the Chicago hotel company's revenue for its first-quarter fell short of Wall Street's expectations during a slowdown in tour group traffic. According to the Chicago Tribune, the brand's strong standing with business travelers is being offset by smaller showings from tour groups."

[www.hotelmanagement.net/investment/hyatts-profits-fall-20-percent-amid-lower-group-bookings-20351](http://www.hotelmanagement.net/investment/hyatts-profits-fall-20-percent-amid-lower-group-bookings-20351)

*Continued on following page*

**[www.hotelnewsnow.com](http://www.hotelnewsnow.com), May 7, 2013**

Guests are paying more for hotel rooms today, but after they've checked in managers are struggling to get them to spend more on additional services and amenities, according to PKF Hospitality Research's Trends in the Hotel Industry report.

Based on a sample of operating statements collected from approximately 6,500 hotels during the trends survey, rooms revenue increased by 6.3 percent from 2011 to 2012; however, total hotel revenue grew by just five percent.

"To keep control of their meeting and travel budgets, limitations have been placed on the amount conventioners and business people can spend on ancillary services and amenities," said Mark Woodworth, president of PKF-HR. "We already have seen hotel owners and operators react to this trend by reducing the levels of food and beverage service at their properties, along with an enhanced focus on building select-service hotels."

**[www.zillowblog.com](http://www.zillowblog.com), May 8, 2013**

"Our most recent Zillow Home Price Expectation Survey (ZHPES) results were released this morning and the survey asks professional forecasters to provide predictions for housing market growth in the near term. The average prediction for appreciation in 2013 is 5.4 percent, with the lowest projection at three percent depreciation and the highest at 10.1 percent appreciation. This edition of the survey was compiled from 105 responses, including the projections of economists, market and investment researchers and real estate experts." [www.zillowblog.com/research/2013/05/07/economists-home-value-appreciation-to-exceed-5-percent-through-2013/](http://www.zillowblog.com/research/2013/05/07/economists-home-value-appreciation-to-exceed-5-percent-through-2013/)

**[www.fanniemae.com](http://www.fanniemae.com), May 8, 2013**

"Illustrating a growing optimism toward the health of the housing industry, more than half of Americans now expect the country's home prices to climb within the next year. According to Fannie Mae's April 2013 National Housing Survey results, the share of consumers who expect home prices to go up rose another three percentage points in April to 51 percent. By comparison, at the same time last year only 32 percent expected an increase in home prices."

[www.fanniemae.com/portal/research-and-analysis/housing-monthly.html?](http://www.fanniemae.com/portal/research-and-analysis/housing-monthly.html?)

**Kenneth Harvey, [www.inman.com](http://www.inman.com), May 7, 2013**

"Is Congress finally moving toward fundamental tax code reform — a streamlining that lowers maximum individual rate brackets, cuts taxes for corporations, but also might take whacks at the mortgage interest deduction, second homes and second mortgages, among a myriad of other special interest write-offs? Incredibly enough, it looks like it just might." [www.inman.com/2013/05/07/tax-reform-could-include-revamp-of-mortgage-interest-deduction/](http://www.inman.com/2013/05/07/tax-reform-could-include-revamp-of-mortgage-interest-deduction/)

**Randy Drummer, [www.costar.com](http://www.costar.com), May 8, 2012**

"With demand expected to outpace supply through 2014 and rents finally beginning to rise again, commercial real estate investors are increasingly interested in placing capital in the U.S warehouse sector.

"If you look at which sector will be the next for capital to flow, industrial is a very good bet," said Rene Circ, director of industrial research for CoStar's Property and Portfolio Research (PPR) who with Senior Economist Shaw Lupton presented the First-Quarter 2013 Industrial Review and Outlook. "Multifamily is a bit too pricy, and the office recovery may be too early in the cycle, while office cap rates are below warehouse cap rates." [www.costar.com/News/Article/Industrial-Real-Estate-Investors-Lining-Up-to-Tap-Improving-Warehouse-Market/148316?ref=100&iid=335&cid=7918A3A58F4CCADAD83D2484AB7C5D22](http://www.costar.com/News/Article/Industrial-Real-Estate-Investors-Lining-Up-to-Tap-Improving-Warehouse-Market/148316?ref=100&iid=335&cid=7918A3A58F4CCADAD83D2484AB7C5D22)

**A new listing for a self-storage unit for sale in Fort Worth** can be found at [www.argus-selfstorage.com/property\\_pdfs/1518682370.pdf?utm\\_source=New+Listings+5-13&utm\\_campaign=new+listings+5-13&utm\\_medium=email](http://www.argus-selfstorage.com/property_pdfs/1518682370.pdf?utm_source=New+Listings+5-13&utm_campaign=new+listings+5-13&utm_medium=email)

**Charles Wardell, [www.builderonline.com](http://www.builderonline.com), May 9, 2013**

"Predictions of continuing shortages in dimensional lumber are being borne out in the marketplace, and industry observers say dealers should keep enough lumber on hand for jobs sold for delivery over the next quarter, if possible, and work hard to cultivate good relationships with lenders, since credit remains tight, and lumber prices high.

The gap between lumber supply and demand has fueled an ongoing price escalation, with the Random Length Lumber Price Index increasing by more than 60 percent from late 2011 to March 2013. At the producer level, prices for Douglas fir sawlogs reached a five-year high in late 2012, according to Craig Rawlings of Forest Business Network in Missoula, Mont., and have continued upward during the first quarter of this year."

*Continued on following page*

**Real Estate Notes** *continued***A.D. Pruitt, *The Wall Street Journal*, May 8, 2013**

Real estate investment trusts (REITs) were great investments for the first quarter of the year. The strongest ones: high-end shopping malls and self-storage facilities.

**Nick Timiraos, *The Wall Street Journal*, May 9, 2013**

"Freddie Mac reported a \$4.6 billion first-quarter profit, second-largest in the company's history."

***Blogs.wsj.com*, May 15, 2013 »**

"The number of homes offered for sale rose by four percent in April from March, but was still down by 13.5 percent from last year's level, according to data compiled by Realtor.com. Inventories typically rise in the spring as the home-sales season gets into high gear. Asking prices rose by 2.6 percent in April and were 3.1 percent above last year's levels." [www.blogs.wsj.com/developments/2013/05/14/housing-inventories-rose-in-april/](http://www.blogs.wsj.com/developments/2013/05/14/housing-inventories-rose-in-april/)

***Blog.redfin.com*, May 16, 2013**

"As the housing market and the economy both continue to recover, the luxury housing market is making big gains as well, with sales of homes \$1 million and up gaining 34 percent between the first quarter of 2012 and the first quarter of 2013, compared to an increase of just five percent for the market as a whole over the same period." [www.blog.redfin.com/blog/2013/05/luxury-home-sales-hit-6-year-high.html](http://www.blog.redfin.com/blog/2013/05/luxury-home-sales-hit-6-year-high.html)

**Randy Drummer, *www.costar.com*, May 16, 2013**

"Following a recent string of relentlessly unexciting market trends in retail real estate over the past several quarters comes this distinctly positive news for retail property owners — quoted asking rents have finally turned upward across all retail property types in the U.S. for the first time since 2008." [www.costar.com/News/Article/Retail-Rent-Growth-Finally-Takes-Root-Across-US-Metros/148558?ref=100&iid=336&cid=7918A3A58F4CCADAD83D2484AB7C5D22](http://www.costar.com/News/Article/Retail-Rent-Growth-Finally-Takes-Root-Across-US-Metros/148558?ref=100&iid=336&cid=7918A3A58F4CCADAD83D2484AB7C5D22)

**Ilyce Clink, *www.cbsnews.com*, May 16, 2013**

This is an interesting article titled, "The five biggest threats to the housing recovery."

1. Interest rates will rise
2. Employment is not growing fast enough
3. The government's role in the mortgage market will change
4. Another bubble bursts
5. Student debt is weighing down young buyers

[www.cbsnews.com/8301-505145\\_162-57584624/the-5-biggest-threats-to-the-housing-recovery/](http://www.cbsnews.com/8301-505145_162-57584624/the-5-biggest-threats-to-the-housing-recovery/)

***www.htrends.com*, May 14, 2013**

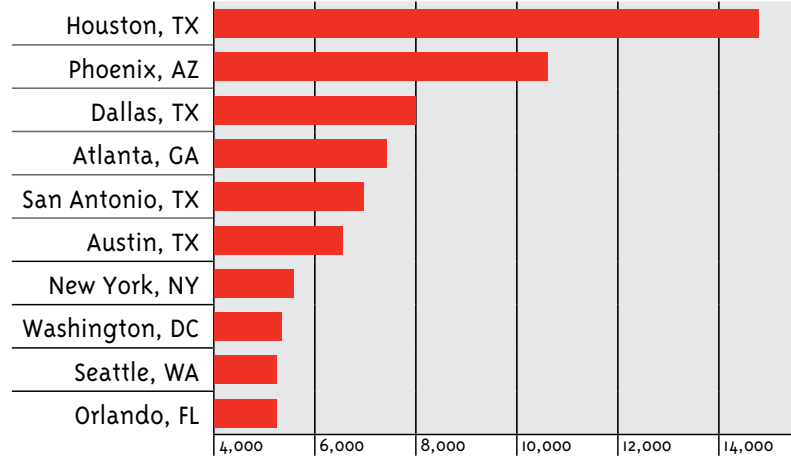
"The total active U.S. hotel development pipeline comprises 2,700 projects totaling 319,482 rooms, according to the April 2013 STR Pipeline Report. This represents a 9.2 percent increase in the number of rooms in the total active pipeline compared with April 2012, and an 18.5 percent increase in rooms under construction. The total active pipeline data includes projects in the In Construction, Final Planning and Planning stages but does not include projects in the Pre-Planning stage." [www.htrends.com/researcharticle71396.html](http://www.htrends.com/researcharticle71396.html)

**Robbie Whelan, *The Wall Street Journal*, May 24, 2013**

"The Commerce Department reported that the median price of a new home hit \$271,600 in April, while the average new-home price reached \$330,800, both record highs." *Editor's Note: Perfect example of how some extremes can make an average so much different than the mid-point of the data.*

**Texas dominates new home sales**

New home sales over the past 12 months



New home sales over 12 months through March

Source: Corelogic

## Oil Industry Notes of Interest

*Rick Stuart, CAE*

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

**Chip Brown, *www.nytimes.com*, January 31, 2013**

This article is several pages but I found it fascinating.  
[www.nytimes.com/2013/02/03/magazine/north-dakota-went-boom.html?pagewanted=1&r=2&ref=magazine](http://www.nytimes.com/2013/02/03/magazine/north-dakota-went-boom.html?pagewanted=1&r=2&ref=magazine)

**Jack Nicas, *The Wall Street Journal*, March 1, 2013**

Oil boom equals oil divisions. Some of the Native American tribes in North Dakota are now being sued by their members, and some tribal members being investigated by the IRS. One tribe leased 85,800 acres in 2007 and 2008 for \$949 million, and some members are claiming it was too low by \$100 million. To go from almost no money to these amounts — how much is enough?

**Russell Gold, *The Wall Street Journal*, March 13, 2013**

Three of the largest oilfield service companies have increased their research and development budgets by 24 percent from 2010 through 2012. "Much of the oil-field companies' research is focused on understanding shale rocks better and developing improved tools to get more oil and gas from these formations."

**USA Today, March 27, 2013**

Okay, now this will start more discussions. "In the journal *Geology*, a team lead by geophysicist Katie Keranen of the University of Oklahoma suggests sensor readings point to the November 6, 2011, earthquake's tremors as originating in the same shallow rock layers that are also home to nearby abandoned oil wells, ones used to dump waste fluids. A response released by the Oklahoma Geological Survey, a state agency, concludes the quake was not due to wastewater injection in the oil wells disrupting a fault, but the result of natural causes."

**Alyssa Arkowitz, *The Wall Street Journal*, April 26, 2013**

The Texas oil executives are back! Oil executives are purchasing high-end homes looking for location and ample outdoor entertainment space. One real-estate agent in Houston stated, "We can list a house and in two hours have an offer." Some homes have sold for as much as 10 percent above asking price. Houston, San Antonio and Dallas are all reporting this same type of activity.

- **Houston:** Median sale price \$172,000; homes of \$1 million or more, prices up 24 percent as compared to 2011.

- **San Antonio:** Median sale price \$156,900; homes of

\$500,000 or more, prices up 12 percent from 2011.

- **Dallas:** Homes in the \$1 million and above range, up 10 percent from last year.

**Kris Maher, *The Wall Street Journal*, April 29, 2013**

Pennsylvania implemented an impact fee on all natural-gas drilling, and in 2011 received \$204 million, and has distributed much of that to counties based on their population and their number of wells drilled that year. One county received \$3.1 million.

**Katy Stech, *The Wall Street Journal*, May 1, 2013**

One of the 211 nationwide ethanol plants will soon be torn down. Even though the price of corn has come down and thus making gas production costs less, the profit margins remain low. The New Energy Corp. was sold after bankruptcy and was purchased to be dismantled for scrap value. The plant, located in South Bend, IN, was opened in 1984 and was the nation's first major ethanol plant.

**USA Today, May 3, 2013**

Bismarck, North Dakota: "The Senate has approved a bill that provides more than \$1.1 billion to help oil patch communities and surrounding areas deal with rapid development. The bill provides state funding for such things as road repair, law enforcement, schools and hospitals."

**Steve Hargreaves, *www.money.cnn.com*, May 8, 2013**

Very interesting headline: *Oil companies target America for investment*. This article talks about the large oil companies selling a large share of their overseas operations to invest in the North Dakota and Texas operations. It is a very interesting and enlightening article. [www.money.cnn.com/2013/05/08/news/economy/oil-companies-america/index.html?iid=Lead](http://www.money.cnn.com/2013/05/08/news/economy/oil-companies-america/index.html?iid=Lead)

**The Associated Press, *Odessa American*, May 28, 2013**

"One of America's corporate giants is investing billions of dollars in the new boom of oil and gas drilling, or fracking. General Electric Co. is opening a new laboratory in Oklahoma, buying up related companies, and placing a big bet that cutting-edge science will improve profits for clients and reduce the environmental and health effects of the boom." GE has invested more than \$15 billion in the past few years.





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