

Summer's Here ... *But TAAD's Planning For* **Fall Education!**

TAAD is planning a variety of education offerings this fall. We'll be back at the North Austin/Round Rock Marriott ... we will be a comfortable distance apart, but we are still meeting!

State certification classes at being held at the Round Rock Marriott, same spacing will be observed.

We plan for RPA Reviews to be back for the fall, and those classes will be back in the TAAD office classroom. There will be fewer chairs, but we will do our best to serve all our members who need this class.

Plus, we are continuing our monthly one-hour CE seminars via Zoom to assist members who are short on their CE hours.

Registration forms for all seminars, RPA Reviews, state classes and online CE seminars are available on the TAAD website. Payment by credit card is offered, and we still happily accept good old American checks mailed in! Please let us know if you have questions, and we will do our best to help out.

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TAAD-IAAO Chapter Welcomes New Website

Take a look at taad-iaochapter.org the new website for the TAAD-IAAO Chapter!

While it's just getting off the ground, we hope to keep developing the website and to add more information including membership registration and education registration.



Features

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Seminars

(Unless otherwise noted, seminars will be conducted at the Round Rock Marriott.)

- » October 3 **Math Behind the PVS: An In-depth Review**
- » October 4-5 **Public Law for Texas CADs**
- » October 6 **Ag Use Valuation and Schedule Building**
- » October 7 **Wildlife Appraisal**
- » November 19-20 **Public Funds Investment Act Training** *(held via Zoom)*

RPA Reviews

(RPA Reviews are conducted in the TAAD headquarters classroom. We will continue to do so, and to observe class limitations as necessary.)

- » August 22-25 (Monday-Thursday)
- » November 28 - December 1 (Monday-Thursday)

TAAD Talks (Seminars online for TDLR CE's)

- » Offered via ZOOM online
- » 1-hour sessions, unless noted
- » \$30 per TAAD member, registration online (1-hour session); \$50 per non-member, registration online (1-hour session)
- » \$50 per TAAD member, registration online (2-hour session); \$100 per non-member, registration online (2-hour session)
- » No refunds

Monday, September 19, 1:30-3:30pm

Topic: *PVS Reporting and Local Value Review*

Speaker: *Lacy Harris*

Monday, October 17, 1:30-3:30pm

Topic: *Unequal Appraisal as Related to PVS (Sales Chasing)*

Speaker: *Casey Bean*

Wednesday, November 30, 1:30-2:30pm

Topic: *Setting Up a Litigation Team in Any Size CAD*

Speaker: *Adam Bogard*

Monday, December 12, 1:30-3:30pm

Topic: *Are You Honking in Encouragement? Customer Service Lessons from the Geese*

Speaker: *Tracey Foster*

Have You Completed Your Public Funds Investment Act Training For 2022



If you're a chief appraiser or an individual responsible for handling appraisal district funds, you are required by statute (Chapter 2256 of the Texas Government Code) to undergo a minimum of 10 hours of training every two years.

Where to find such training, you may wonder. Good news – TAAD will once again offer its PFIA training **October 19-20** on the ZOOM online app. Registration information is located in the "Education" section of the TAAD website (www.taad.org).



TAAD Presents a Seminar for Appraisers Via ZOOM
Public Fund Investment Training for Appraisal Districts



The purpose of this workshop is to provide training mandated by Texas Government Code, Chapter 2256.

This two-day seminar *meets the required 10 hours of PFIA training needed every two years by all individuals serving as financial officer, treasurer or investment officer of a local government, including an appraisal district.*

» Dates	October 19-20, 2022
» Registration Deadline	October 12, 2022
» Class Location	ZOOM online Log in info will be sent the week prior to class
» Primary Instructor	Patrick Shinkle , Center for Public Management, University of North Texas
» Class Hours	Day 1: Registration 8:00-8:30am; Class 8:30am-12:00pm, 1:30-5pm Day 2: Class 8:30-12:00pm
» CEs	11.25 hours

Topics discussed

- » Public Funds Investment Act Compliance
- » The Texas Public Funds Collateral Act
- » Developing a Certificate of Deposit Program
- » Investment Policies
- » Investment Basics
- » Factors that Affect Interest Rates
- » Using Excel for Investment Controls
- » Investment Pools
- » Internet Resources for Investment Decisions
- » Internal Controls
- » The Budgeting Process
- » Computer Security Awareness Controls
- » Business Impact Analysis

Name _____ TDLR number _____

Jurisdiction/Firm _____

Mailing Address _____

City _____ State _____ Zip _____

Telephone _____ E-mail Address _____

Registration Fees:

- TAAD member district \$200
- TAAD associate/affiliate member \$250
- Non-member \$300

Registration fees must reflect current membership status.

Requests for refunds must be in writing and submitted by November 1; a \$75 cancellation fee will be deducted. No refunds for cancellations after November 1.

Office Use Only:

Date _____
 Check# _____
 Paid _____
 DB _____

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

TAAD Classifieds

MIDLAND CENTRAL APPRAISAL DISTRICT

Position: Commercial Property Appraiser

Primary Function: To appraise improved and vacant commercial real property

Duties:

- » Perform commercial property appraisals using Texas guidelines for mass appraising
- » Collect and analyze commercial data derived from market place
- » Gather data and update appraisal records within the CAMA system
- » Review appraisal records for accuracy and completeness
- » Keep current with laws and procedures that affect commercial real property
- » Explain the appraisal process and value conclusions to owners and tax agents
- » Present and defend property values before the Appraisal Review Board
- » Assist other appraisers and staff members as required
- » Other duties as assigned by his/her supervisor or the chief appraiser
- » Registration and annual renewal with Texas Department of Licensing and Regulation (TDLR)

Minimum Qualifications:

- » High School certificate with appraisal, real estate or commercial experience
- » RPA level III or IV certification with TDLR preferred.
- » Ability to use complex math calculations
- » Ability to work effectively both independently and with others
- » Ability to organize and plan work effectively
- » Experienced with Microsoft Word and Excel software
- » Must possess the ability to communicate clearly and concisely, both in verbal and written form.

Other Qualifications:

- » Possess or can obtain a valid Texas driver license
- » Current vehicle insurance meeting or exceeding the minimum requirements
- » This position requires, sitting, standing, walking, climbing, driving, prolonged use of a computer, repetitive hand motion, lifting and carrying up to 50 pounds.

Other Information:

- » This position reports to the Assistant Chief Appraiser as immediate supervisor
- » Benefits include: health, dental and vision insurance, retirement, holiday pay plus more
- » Salary is dependent on experience

Contact Information:

Please send your resume to the Midland Central Appraisal District
P.O. Box 908002, Midland, TX 79708-0002 or email: jwhitworth@midcad.org

Attorney General Opinions / Request For Opinions

RQ-0461-KP RE: Whether a county attorney may also serve as legal counsel to the appraisal district and the appraisal review board in the same county.

Opinion requested by Honorable Rene P. Montalvo; Starr County Attorney

TAAD's 2022 State Certification Course Schedule

<i>Month</i>	<i>Course Number</i>	<i>Name</i>
AUGUST 2022		
August 15-17	Course 7	Texas Property Tax Law
August 15-17	Course 10	Analyzing a Real Property Appraisal
August 15-19	Course 203	Appraisal of Real Property
SEPTEMBER 2022		
September 12-15	Course 3	Income Approach to Value
September 12-15	Course 4	Personal Property Appraisal
September 12-15	Course 5	Mass Appraisal
OCTOBER 2022		
October 3-4	Course 30	Ethics
October 3-5	Course 101	Intro to Texas Property Tax System
October 5-7	Course 102	Intro to Appraisal
October 3-7		Seminars
NOVEMBER 2022		
November 14-16	Course 32	USPAP
November 16	Course 31	USPAP Refresher (virtual offering)
November 14-18	Course 203	Appraisal of Real Property
DECEMBER 2022		
December 5-7	Course 7	Texas Property Tax Law
December 5-7	Course 10	Analyzing a Real Property Appraisal
December 5-8	Course 3	Income Approach to Value
December 5-8	Course 4	Personal Property Appraisal
December 5-7	Course 101	Intro to Texas Property Tax System
December 7-9	Course 102	Intro to Appraisal

course registration on next page

TAAD's 2022 State Certification Course Registration Form

- Class Hours:** Unless otherwise specified, course hours are from 8:30am-5 pm. Breakfast is daily 7:30-8:30am. Registration on day one of class is 8-8:30 am. See TAAD website for course lengths.
- Class Locations/Hotel Lodging:**
 - » **Austin Marriott North/Round Rock** (*unless otherwise specified*)
2600 La Frontera Blvd., Round Rock, TX 78681
Lodging: 800.865.0546; \$125/night; call **at least three weeks** in advance for the TAAD rate.
 - » **TAAD Office:** 7700 Chevy Chase Dr., Bldg. 1, Ste. 425, Austin, TX 78752
See TAAD website for lodging suggestions.
- Coupon:** To redeem, please enclose original coupon with remaining fee.
- Class Materials:** Effective 1-1-22, you are responsible for printing your class materials. For \$15 TAAD will print and bring your copy to class; notice to TAAD required at least 7 days prior to class. Forget your materials? There's a \$50 nonrefundable fee for a duplicate copy.
- Cancellation Policy:** TAAD requires written notice of cancellations **prior to class**. Please see below.
 - » **Cancel 7 days or more before class:** \$75 penalty
 - » **Cancel less than 7 days before class/up to Day 1 of class:** \$150 penalty

Cost for Courses:

Please submit **separate forms and fees** for each course.

	\$210 for TAAD Member Districts
Course 30	\$235 for TAAD Associate/Affiliate Members \$325 for Nonmembers
Course 31	\$100 for TAAD Member Districts \$160 for TAAD Associate/Affiliate Members \$225 for Nonmembers
Courses 101, 102, 9, 28 or 32	\$275 for TAAD Member Districts \$300 for TAAD Associate/Affiliate Members \$400 for Nonmembers
Courses 3, 4, 5, 7, 8 or 10	\$350 for TAAD Member Districts \$375 for TAAD Associate/Affiliate Members \$475 for Nonmembers
Course 203 <i>(previously 201 and 202)</i>	\$450 for TAAD Member Districts \$475 for TAAD Associate/Affiliate Members \$575 for Nonmembers

Course # _____ Course Date _____ Course Location _____

Name _____ Nickname _____ TDLR # (if applicable) _____

Jurisdiction/Firm _____ Title _____

Mailing Address _____

City _____ State _____ Zip _____

Telephone _____ Email address _____

Class Materials are automatically emailed by PDF. You are responsible for printing/ bringing to class. If you would like TAAD to print/bring the materials to class, please note there is an additional \$15 fee.

Class Materials *(please mark one)*

- Please **print** my class materials. I have enclosed the \$15 printing fee. **Notice required at least 7 days prior to class.**
- Please **email** my class materials. **Student is responsible for printing/bringing materials to class.**
I understand there is a \$50 nonrefundable fee for a duplicate copy if I forget to bring them to class.

Note: Property Assessment Valuation book (used in Courses 203, 3, 4 and 5) should be ordered directly from IAAO (iaao.org).

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

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

Mail Course Materials - optional (\$15) Enclosed..... \$ _____

Member District Coupon (*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:

Date _____ Check # _____ Paid _____

Coupon _____ Print _____ Glossary _____ DB _____

Texas Association of Appraisal Districts 2022 IAAO Course/Workshop Schedule



Course 300: Fundamentals of Mass Appraisal

This course provides an introduction to mass appraisal and is a prerequisite for the IAAO 300-level course series. Topics covered include single-property appraisal versus mass appraisal, components of a mass appraisal system, data requirements and analysis, introduction to statistics, use of assessment ratio studies in mass appraisal, modeling of the three approaches to value, and selection of a mass appraisal system.

September 12-16, 2022

Site: ZOOM

Instructor: Barry Couch, CAE

**Fees: TAAD member \$700
Non-TAAD member \$800**

TDLR credit: 30 hours

Recommended prerequisites: Course 101, 102

AQB Approved: 33.50 CE with exam / 30 CE

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

Workshop 162: Marshall & Swift Cost Approach (residential)

This two-day workshop provides an understanding of how to utilize Marshall & Swift Residential Cost Manuals. Several case studies are used to enhance the ability to apply this information.

September 26-27, 2022

Site: ZOOM

Instructor: Barry Couch, CAE

**Fees: TAAD member \$480
Non-TAAD member \$625**

TDLR credit: 15 hours

Workshop duration: 2 days

Exam included: Yes

IAAO recertification credit: 15 hours

Course 101: Fundamentals of Real Property Appraisal

This course is designed to provide 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 you need to estimate the market value of properties using two approaches to value: the cost approach and the sales comparison approach.

September 26-30, 2022

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

Instructor: Roland Altinger, CAE

**Fees: TAAD member \$700
Non-TAAD member \$800**

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 311: Real Property Modeling Concepts

The Real Property Modeling Concepts course presents a detailed study of the mass appraisal process as applied to residential and income-producing properties. Topics covered include a comparison of single-property appraisal and mass appraisal, the major steps in the mass appraisal process, data requirements, market analysis, use of sales ratio studies, cost approach, sales comparison approach, gross and net income analysis, capitalization rate development, model specification and calibration, valuation review techniques and maintenance.

October 10-14, 2022

Site: ZOOM

Instructor: Barry Couch, CAE

**Fees: TAAD member \$700
Non-TAAD member \$800**

TDLR credit: 30 hours

Recommended prerequisite: Course 300

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2022 IAAO Course/Workshop Schedule *continued*

Course 400: Assessment Administration

This course provides an overview of fundamental management concepts for management and supervisory personnel in an assessor's office and focuses on the need for management, and the responsibilities placed on the assessor and all supervisory personnel. The course introduces the four major management functions: planning, organizing, directing, and controlling with a separate chapter devoted to each function for more in-depth learning and discussion.

November 7-11, 2022

Site: ZOOM

Instructor: Brad Eldridge, CAE, MAI

Fees: TAAD member \$700

Non-TAAD member \$800

TDLR credit: 30 hours

Recommended prerequisite: Course 101

» **Recommended texts:** *The Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (USPAP) and Assessment Administration* (obtain from IAAO)

Course 331: Mass Appraisal Practices/Procedures

This course is designed to build on the subject matter covered in Course 300 – Fundamentals of Mass Appraisal and prepares students to take advanced mass appraisal courses. In this course, students will learn how to use Excel and SPSS to analyze and apply data. Much of the emphasis in this course is on data accumulation and analysis using the cost approach. Along the way, students will learn how to use Excel graphing and analysis tools for ratio studies and cost schedules.

November 14-18, 2022

Site: ZOOM

Instructor: Barry Couch, CAE

Fees: TAAD member \$700

Non-TAAD member \$800

TDLR credit: 30 hours

Recommended prerequisite: Course 300

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

**AQB approved: 33.50 hours CE with exam
30 hours CE**

Course 201: Appraisal of Land

This course is designed to provide 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.

December 12-16, 2022

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Marion Johnson, CAE

Fees: TAAD member \$700

Non-TAAD member \$800

TDLR credit: 30 hours

**Recommended prerequisites: Course 101,
Course 102**

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

» **Recommended text:** *Property Assessment Valuation, 3rd edition, ©2010* (obtain from IAAO)

course registration on next page

TAAD 2022 IAAO Course/Workshop Registration Form

1. **Class Hours:** Unless otherwise specified, classes are via ZOOM and course hours are 8:30am-5pm. Registration on class day 1 is 8-8:30 am for in-person classes. ZOOM log-in information will be sent in the week prior to class starting.

2. **Location/Hotel Accommodations for in-person classes:** check TAAD's IAAO schedule for announced location.
 - » **Harris County Appraisal District**
13013 Northwest Freeway, Houston 77040
 - » **TAAD Headquarters**
7700 Chevy Chase Drive, Bldg. One, Suite 425, Austin 78752
 For lodging suggestions, please refer to TAAD's website.

3. **Registration Deadline:** TAAD must receive your registration at least *four weeks* prior to the course beginning *for an in-person class*. TAAD must receive your registration at least *one week* prior to the beginning *for an online class*.
If you wish to register after this deadline, contact TAAD first to confirm availability.

4. **Cancellations:** A \$100 administrative charge is deducted for cancellations. This includes faxed registrations. Requests for partial refunds 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.

5. **Cost for Courses:** Please refer to TAAD's website for IAAO Schedule and registration cost.

6. **Course Materials:** (for in-person classes) Pick up course materials at registration on the first day of class. (for online classes) IAAO will email materials about one week before class.

7. **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.

8. **TDLR Credit:** With the student's permission, TAAD reports CE credit for IAAO students who provide a TDLR number on this form. Some IAAO courses may count for TDLR Core Credit for RPA certification. **As of 2022, IAAO will no longer release grades to TAAD without a waiver from the student allowing it.**
To request Core Credit, *please contact TAAD directly prior to the class and submit the IAAO waiver (below) for release of grades.*

9. **Waiver for IAAO to release grade** (see above)
 "I give IAAO permission to release my grade/results to TAAD for state licensing purposes."

IAAO Course/Workshop # _____ Course Dates _____ Course Location _____

Name _____ IAAO# _____ TDLR # _____

Jurisdiction/Firm _____ Title _____

Mailing Address _____

City _____ State _____ Zip _____

Telephone _____ Email Address _____

Course Registration Fee\$ _____
(Fee is based on TAAD membership)

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 _____ DB _____

Real Estate Notes of Interest

Brad Eldridge, MAI, CAE

Brad is a Senior Consultant with TEAM Consulting, LLC and lives in Lawrence, Kansas.

Median home sales price in Texas rises 18.6 percent in the first quarter of 2022, April 20, 2022, *Texas Realtors*

"The median sales price of Texas homes topped \$325,000 during the first quarter of 2022, an increase of 18.6 percent compared to the same period last year, according to the 2022-Q1 *Texas Quarterly Housing Report* released today by Texas REALTORS®."

<https://bit.ly/3NFOzKA>

Outlook for the Texas Economy, by Luis Torres, Wesley Miller, Weiling Yan, and John Shaunfield, June 7, 2022, *Texas A&M University, Texas Real Estate Research Center*

"The Texas economy performed well despite the rising threat of inflation. February job numbers were good, leading to a fall in unemployment. Additionally, they demonstrated the robust status of the employment sector following the Omicron COVID surge. Oil prices continued their climb, but oil production flattened out compared with the previous month. Employment has exceeded pre-pandemic levels and is now expanding, having finally made up the ground lost during the pandemic and lockdowns. Economic indexes show growth across the board, and further growth is expected."

<https://bit.ly/3ws8XZT>

Houston's hot housing market may finally be cooling, June 9, 2022, *The Real Deal*

"Last month, the Houston Association of Realtors reported that the city's average home price hit \$440,670 — a 14.3 percent rise from last year. At the same time, the median price jumped 16 percent to \$351,000. Both are records, according to the Houston Chronicle, and now home sales are slipping."

<https://bit.ly/3tt4VxU>

New HUD Program Takes Aim at Housing Supply Crisis, June 6, 2022, *National Association of Realtors*

"NAR commissioned a report last year that found the U.S. faces a housing shortfall of 5.5 million housing units. The gap is so large, NAR says, that eliminating it will likely take more than a decade. The combination of record-high home prices and record-low housing inventories is making homeownership increasingly difficult to achieve, particularly for Americans of color and first-generation home buyers, NAR says in its recent "Double Trouble" report."

<https://bit.ly/3Haerf6>

Study: 15 Housing Markets Overvalued by More Than 50 percent, by Paul Owers, May 31, 2022, *Florida Atlantic University*

"The high cost of housing across the country is playing out in once-remote markets and major metropolitan areas, making homeownership unattainable for many Americans and a risky bet for others. No. 2 Austin, Texas is quickly gaining ground, with buyers paying 67.70 percent more than they should. Buyers in Ogden, Utah (64.73 percent) and Las Vegas (61.48 percent) also are paying significant premiums to live there."

<https://bit.ly/3zBKUsO>

Mortgage Applications Decrease in Latest MBA Weekly Survey, by Adam DeSanctis, June 8, 2022, *Mortgage Bankers Association*

"Weakness in both purchase and refinance applications pushed the market index down to its lowest level in 22 years. The 30-year fixed rate increased to 5.4 percent after three consecutive declines. While rates were still lower than they were four weeks ago, they remain high enough to still suppress refinance activity. Only government refinances saw a slight increase last week."

<https://bit.ly/3H7PEs2>

Redfin Reports Austin, Raleigh and Other Popular Sun Belt Metros Lead the Nation in Homebuilding, May 27, 2022, *Redfin*

"Austin, TX had 31.1 single-family building permits per 10,000 people in the first quarter, the most per capita of any major U.S. metro. It's followed by Raleigh, NC (30.7), Jacksonville, FL (29.2), Nashville, TN (26.6) and Charlotte, NC (22.9)."

<https://bit.ly/3mvWgXQ>

Mortgage Rates Inch Up, by Mitch Strohm, June 9, 2022, *Forbes Advisor*

"The average rate on a 30-year fixed mortgage is 5.57 percent with an APR of 5.58 percent, according to Bankrate.com. The 15-year fixed mortgage has an average rate of 4.79 percent with an APR of 4.81 percent. On a 30-year jumbo mortgage, the average rate is 5.53 percent with an APR of 5.54 percent. The average rate on a 5/1 ARM is 3.91 percent with an APR of 5.02 percent."

<https://bit.ly/3mxJeZF>

Home Purchases Continue to Slide, But Prices Keep Rising, May 27, 2022, *Marcus & Millichap*

"Home buying has cooled off significantly, with the overall sales volume shrinking by 15 percent between January and April 2022, directly correlated to the recent mortgage rate surge. Higher borrowing costs are weighing on buying activity, supporting an increase in available inventory. The inventory is still low by historical measures, requiring the addition of 650,000 more homes to match the availability level of 2019. The historically small for-sale pipeline is sustaining the swift price growth trajectory, even as buying activity wanes. <https://bit.ly/3999iEW>

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Real Estate Notes *continued*

Breaking Down the First Quarter Commercial Real Estate Investment Numbers, May 25, 2022, *WealthManagement.com*

After a record breaking fourth quarter in 2021, the momentum continued into the first quarter of 2022 with a 45 percent year-over-year increase in U.S. commercial real estate investment volume.” <https://bit.ly/3NDbtSI>

Positive Outlook for Commercial Real Estate Hits Seven-Year High, May 8, 2022, *WealthManagement.com*

“Exclusive investor sentiment research shows industry participants are bullish on rising valuations, despite concerns related to inflation and higher interest rates.” <https://bit.ly/3NDKBCI>

Where to U.S. Property Values Go From Here?, by David Bitner, Kevin Thorpe, and Rebecca Rockey, May 31, 2022, *Cushman & Wakefield*

“As strong headwinds continue to collide with strong tailwinds, the macroeconomic environment is becoming increasingly complex for real estate investors to navigate. In this first part, we review the historical relationship between the economy, inflation, interest rates and commercial real estate price movements.” <https://cushwk.co/3mXOTPP>

Rents Rise Relentlessly but Slowly for Class-C Apartments, by Bendix Anderson, June 1, 2022, *WealthManagement.com*

“Apartment rents are rising explosively across the U.S. But at older, less-expensive properties, lower-income and moderate-income renters may strain to pay the rising cost. That may be why the rents for Class-C apartments are rising steadily—but not as quickly as the rents at professionally-managed apartment properties, and not even as quickly as price inflation throughout the U.S. economy.” <https://bit.ly/399YoBn>

The Net Lease Market Report, Q1 2022, April 2022, *The Boulder Group*

“Cap rates in the single tenant net lease sector reached historic lows for all three asset classes in the first quarter of 2022. Cap rate compression continues to be derived from the significant demand for net lease properties across all investor classes. Following record transaction volume in 2021, net lease sales velocity continued in the first quarter of 2022. Transaction volume in the first quarter of 2022 exceeded the first quarter of 2021 by more than 10 percent for the net lease sector.” <https://bit.ly/39iA54l>

RCA CPPI Commercial Property Price Indexes, April 2022, *Real Capital Analytics*

“The RCA CPPI National All-Property Index climbed 17.9 percent in April from a year ago, marking the third consecutive month of decelerating annual growth rates. The index rose 0.5 percent in April from March, suggesting only a 6.3 percent annualized pace of growth. The industrial and apartment sectors led annual price gains in April. Industrial prices rose 26.0 percent from a year ago and apartment prices increased 23.0 percent. Both industrial and apartment rose 1.3 percent from March and this month-over-month change suggests around a 17 percent annualized rate of growth, slower than the posted pace of yearly growth for these indexes.” <https://bit.ly/3NDDgCI>

Self-Storage Performance Quarterly Review, Q1 2022, May 2022, *Cushman & Wakefield*

“Rental income increased Nationwide due to the increases in asking rental rates even though the physical occupancy decreased slightly (by 1 percent). <https://bit.ly/3mC1L7a>

Lifestyle Changes Bolster Storage Use; Fed Policy and Inflation Influence Outlook, June 7, 2022, *Marcus & Millichap*

“An abrupt switch by most traditionally office-using employers to remote schedules in 2020 translated to a sharp increase in demand for self-storage space as workers created their home offices. Although consumer activity is still upward trending, inflation has generated some concern in the near-term economic outlook.” <https://bit.ly/3xmFlqg>

The Medical Office Sector Continues to Hold Steady, by Buck Wargo, June 6, 2022, *WealthManagement.com*

“The medical office sector couldn’t be in better shape despite fears of the impact from telemedicine and given the demand for health care, the industry should be robust over the next 12 months, according to analysts.” <https://bit.ly/3trmChg>

Top 50 U.S. Office Markets, April 5, 2022, *Colliers International*

“The U.S. office market is at a critical juncture. Following close to two years of pandemic-driven correction, signs of stabilization are emerging. In this report, we examine the national context and outlook before assessing current economic and real estate trends in 50 leading U.S. office markets along with their outlook for 2022.” <https://bit.ly/3xeKwxM>

U.S. & Canada Office Fit Out Guide, June 1, 2022, *JLL*

“The cost benchmarks are built on data from thousands of real-world projects, supported by detailed cost estimating models, and confirmed by local experts working across the country. The guide offers high-level information on what offices that are suited for the post-pandemic world might entail and cost.” <https://bit.ly/3NFzYih>

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TEAM Consulting LLC



Professional Services

Are you having difficulty keeping up with all your assessment functions? **TEAM Consulting, LLC** can help. We offer expertise in valuation services and assessment administration to support government agencies and local jurisdictions. Our professionals can assist your office with a wide variety of assessment office needs:

- Development of mass appraisal valuation models and analysis
- Appeals and litigation support
- Benchmark and Capitalization Rate studies
- Staff training, office procedures, and work flow

Let **TEAM Consulting** assist you with your assessment duties on your next valuation cycle.

Contact Brad Eldridge, MAI, CAE at eldridge.brad@gmail.com or 785-550-0945

www.teamconsulting.cc

Real Estate Notes *continued*

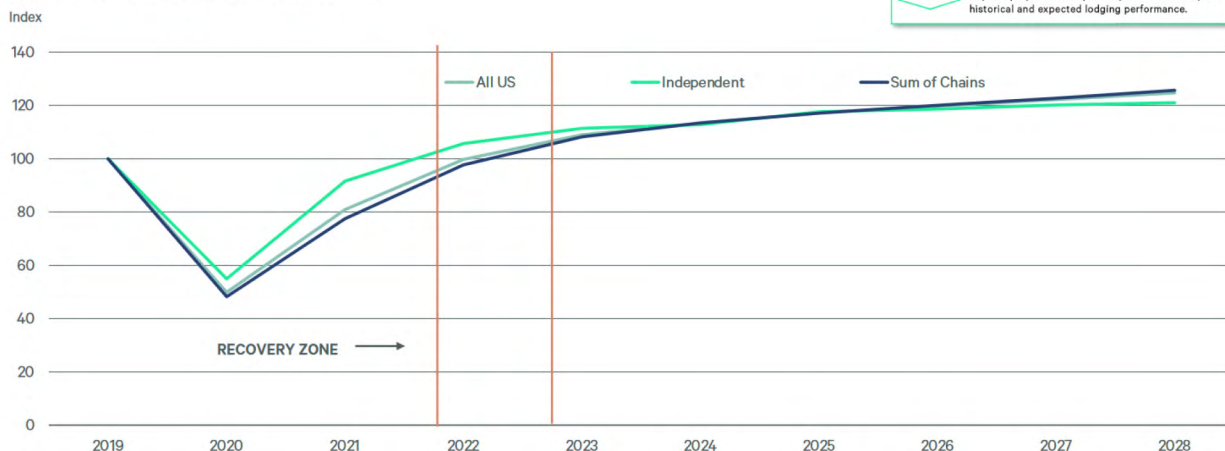
U.S. Hotels State of the Union, May 31, 2022, CBRE

"Despite downward pressure on economic growth, the hotel recovery continues. We expect a full demand recovery in 2023. We continue to see record levels of ADR and occupancy is improving. TSA throughput continues to hold steady at over 90 percent of 2019 levels." <https://bit.ly/3xdjbf>

CBRE

All chain scales will recover by 2024 independents are leading the recovery

RevPAR Indexed to 2019 Levels by Chain Scale

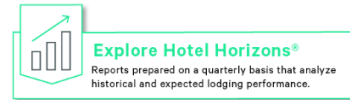


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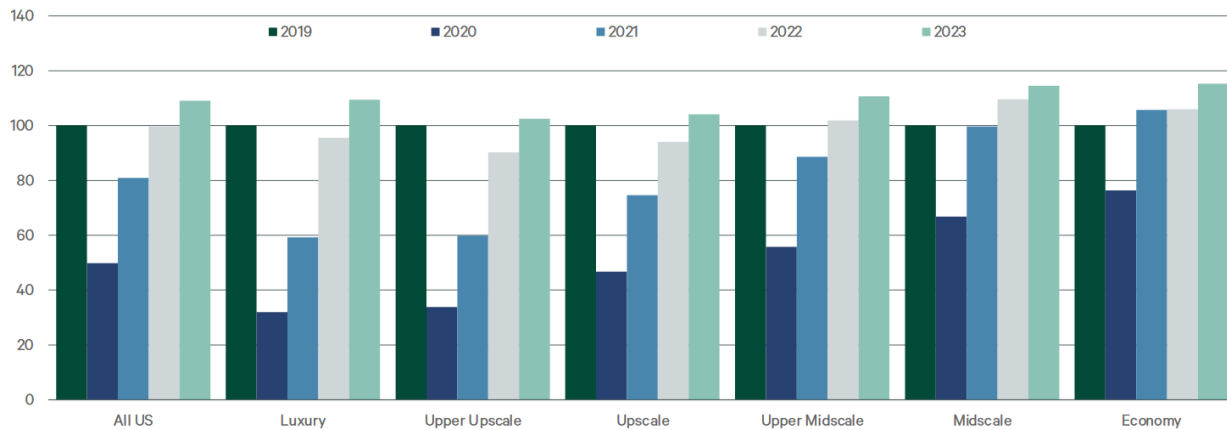
CBRE Hotels Research, CBRE EA, Kalibri Labs

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Lower-priced hotels are recovering quicker

CBRE

RevPAR Recover by Chain Scale

Index 2019 = 100



CBRE Hotels Research, CBRE EA, Kalibri Labs

Kohl's \$8 Billion Takeover Leaves Little Room for Drama, by Andrea Felsted, June 8, 2022, Bloomberg

"The majority of the funding would be debt backed by Kohl's real estate, possibly through a deal to sell its property and lease it back. The department store had property and equipment on its balance sheet of \$7.8 billion at April 30." <https://bit.ly/3MDRIJm>

The Net Lease Casual Dining Market Report, Q1 2022, June 2022, The Boulder Group

"Cap rates in the net lease casual dining sector decreased to 6.03 percent in the first quarter of 2022. Cap rate compression in the casual dining space was primarily attributed to better overall market conditions for the restaurant sector post-pandemic. Investor interest and transaction velocity increased due to recovery for casual dining restaurants following the pandemic."

<https://bit.ly/3QbPPGU>

U.S. Single-Tenant Net-Leased Retail National Report, Q2 2022, May 23, 2022, Marcus & Millichap

"A shift in consumers' shopping habits is ongoing, one with an emphasis on in-store purchases. This swing is supporting spending gains across physical retail segments and encouraging vendors to resume expansion plans. Additional positive sales momentum is expected in the near term; however, inflation and high gas prices have the potential to impact consumers' decisions and spending power." <https://bit.ly/3O4RXYd>

Institutional and Private Investors Go After Net Lease Car Washes, Jenn Elliot, June 2, 2022, WealthManagement.com

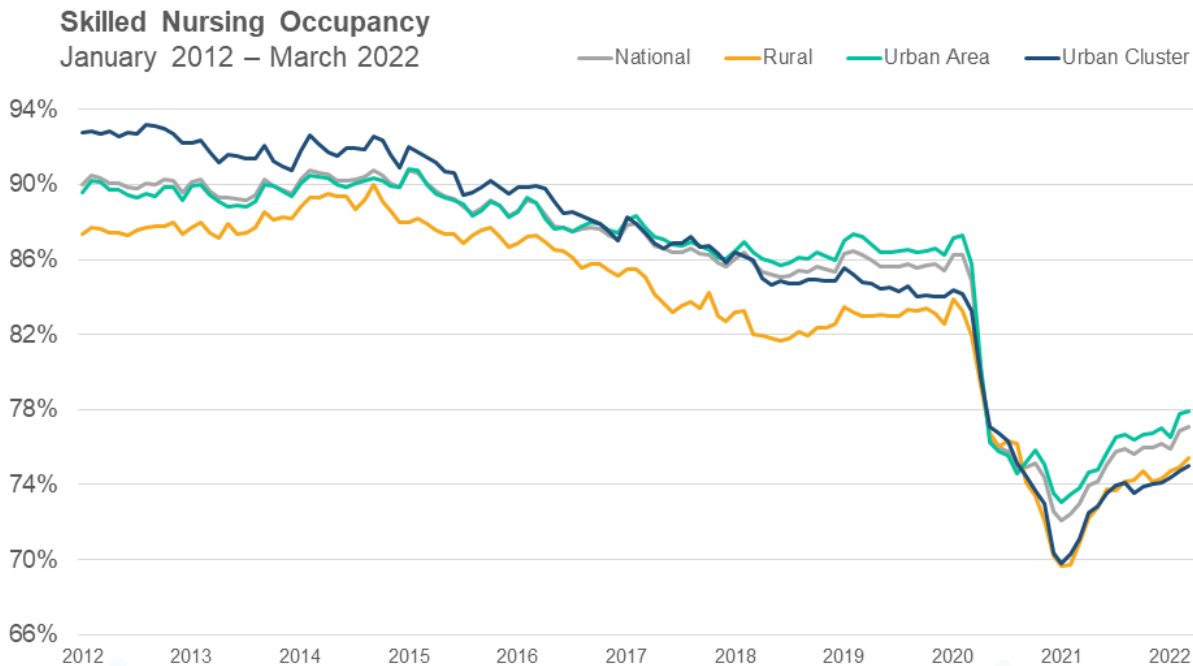
"The express car wash market is valued at roughly \$11 billion and is expected to expand at a compound annual growth rate of 4.0 percent to 4.8 percent through 2028, according to Grand View Research Inc. Conveyor car washes are consistently the most profitable in the car wash sector in the U.S., where more than 72 percent of drivers use professional car wash services an average of 13 times per year." <https://bit.ly/3tsD6FX>

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Real Estate Notes *continued*

Skilled Nursing Occupancy Continues Slow Increase, by Bill Kauffman, June 2, 2022, *NIC MAP Vision*

“Demand for skilled nursing seemingly is rising as occupancy has now increased steadily since January and COVID-19 cases declined from January to March.” <https://bit.ly/3NGoxGS>



Private Investors Fuel “Perpetual Capital” Real Estate Vehicles, by Beth Mattson-Teig, June 6, 2022, *WealthManagement.com*

“Closed-end fund “dry powder”—capital that has been committed but not yet called—is at an all-time high of approximately \$200 billion, according to Green Street. Although closed-end funds still account for a majority of net inflows into real estate, there also is a clear trend of accelerating growth in “perpetual capital” vehicles, namely non-traded REITs and open-ended core-plus funds.” <https://bit.ly/3H7UNAm>

Suburban Office Markets Recovering Faster than Downtowns, June 2022, *CBRE*

“U.S. suburban office markets are recovering at a faster pace than downtown markets with stronger rent growth and vacancy reduction. In most markets, downtown office buildings remain impacted by the slow return of residents and office workers who fled during the height of the pandemic.” <https://bit.ly/3QctCIG>

See Taco Bell’s new floating restaurant that delivers tacos from the sky, by Jordan Valinsky, June 8, 2022, *CNN*

“The first-of-its-kind concept, called “Taco Bell Defy,” opened Tuesday in a Minneapolis suburb and is aimed at “redefining drive-thrus as consumers know it,” the chain said. Customers will notice that the kitchen is on top of the two-story building and orders are delivered via a “vertical lift” to their cars.” <https://cnn.it/3aUDHtN>

Hybrid Work Was Supposed to Create the Best of Two Worlds. It’s Turning Out to be a Challenge for Office Tenants, by Buck Wargo, May 25, 2022, *WealthManagement.com*

“The need to retain talent has prompted many companies across the U.S. to implement a hybrid work model as they bring employees back to the office. But those executives are now facing a new set of challenges.” <https://bit.ly/39o8ApX>

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