EQUITY AND THE APPRAISAL OF MULTIFAMILY PROPERTY



AGENDA

- Equal and Uniform
- Establishing Market Value
- Establishing Equity Value and Defending
- Litigation and Stats
- Resources



EQUAL AND UNIFORM.... WHAT DOES IT MEAN



TO THE APPRAISAL DISTRICT.....

A SAMPLE OF COMPARABLE PROPERTIES APPROPRIATELY ADJUSTED.





TO THE PROPERTY OWNER OR AGENT.....

- A multitude of properties
- No Adjustments
- Adjustments with no market support

ESTABLISHING MARKET VALUE

- INCOME APPROACH
- FEE MARKET APPRAISAL





ACTUAL & MARKET INCOME & EXPENSE DATA

- RENT
- VACANCY
- OTHER INCOME
- EXPENSE RATIOS
- RESERVES
- CAP RATE

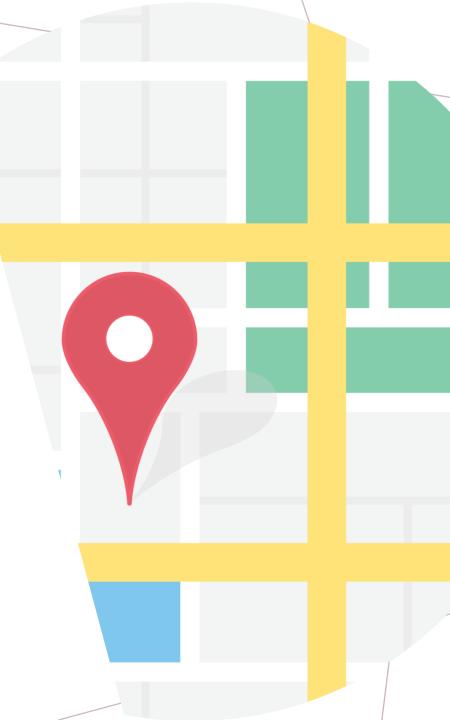
COMPARABLE GROUPS OR MODELS

- TYPE OF MULTI-FAMILY
- MARKET AREA
- CLASS

TYPES OF MULTI-FAMILY **LOW & MID-RISE APARTMENTS STUDENT HOUSING DUPLEX, TRI-PLEX AND FOUR-PLEX**

MARKET AREA

- LOCATION
- DISTANCE TO UNIVERSITY BASE (SH)

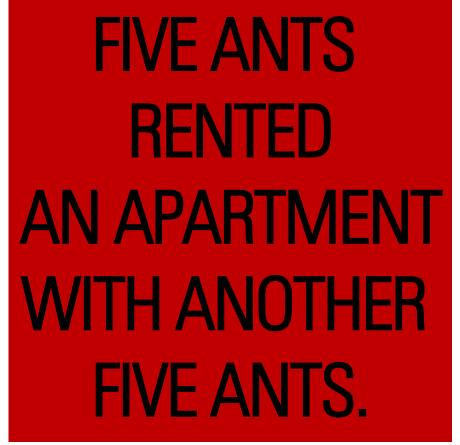




CLASS

A-Grouped when B-Competitive

C-





NOW THEY'RE TENANTS!

Hays Central		COMMERCIAL INCOME APPRAISAL CARD							
Appraisal District	PID	Tax Year	Card Printed	Last Inspected	Market Value				
www.hayscad.com/	R140150	2023	1/29/2025	2/17/2021	\$36,895,114				
Property Legal Description	0	wner Informatio	on	Property Si	itus Address				
PLUM CREEK PHASE I SEC 11J,	GREY FOREST DE	EVELOPMENT LL	С	4300 CROMWELL DR, KYI	LE, TX 78640				
BLOCK A, Lot 1, ACRES 17.762	6101 HOLIDAY H	ILL RD							
(AND BUSINESS PERSONAL	MIDLAND, TX 79	707-1631							
NBHD		ent DBA	Property Type	Class	YOC				
C-KYLE-MF	Green at Plui	m Creek, The	MAC	А	2015				
Direct Cap	italization			Income Assumptio	ons				
NRA/Units	206,241	246	Stabilized		Yes				
PGR PSF/MO	\$1.80	\$4,454,806	Calculation Basis		PSF				
Less Vacancy	5%	\$222,740	Other Income So	urces	NA				
Potential Gross Income	\$1.71	\$4,232,065		Lease Up/Lost NOI Assumptions					
Other Income	7.0%	\$296,245	Typical Lease Ter	rm	NA				
Effective Gross Income	\$1.83	\$4,528,310	Space to be Abso	rbed	NA				
Expenses	34.0%	\$1,539,625	Absorption Perio	od (Mos.)	NA				
Reserves	\$250	\$61,500	TI/Build Out Allo		\$0.00				
Net Income	\$1.18	\$2,927,185		Final Value Calcula	tion				
Cap Rate	5.50%	5.50%	Indicated Income	e Value	\$36,895,114				
Tax Rate	2.43%	2.43%	Business Persona	\$0					
Loaded Cap Rate	7.93%	7.93%	Lease Up Cost (-)		\$0				
Estimated Taxes	\$4.35		Excess Land/Imp	o. Value <mark>(</mark> +)	\$0				
Stabilized Income Value	\$178.89	\$36,895,114	Final Value=		\$36,895,114				
Notes:									

None

Direct Ca	Direct Capitalization									
NRA/Units	206,241	246								
PGR PSF/MO	\$1.80	\$4,454,806								
Less Vacancy	5%	\$222,740								
Potential Gross Income	\$1.71	\$4,232,065								
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Cap Rate	5.50%	5.50%								
Tax Rate	2.43%	2.43%								
Loaded Cap Rate	7.93%	7.93%								
Estimated Taxes	\$4.35	\$ 897,953								
Stabilized Income Value	\$178.89	\$36,895,114								
.										

ESTABLISHING MARKET VALUE

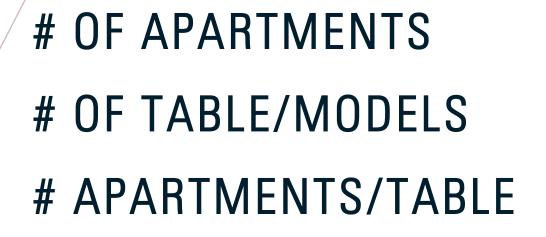
• FEE MARKET APPRAISAL



BENEFITS OF A FEE

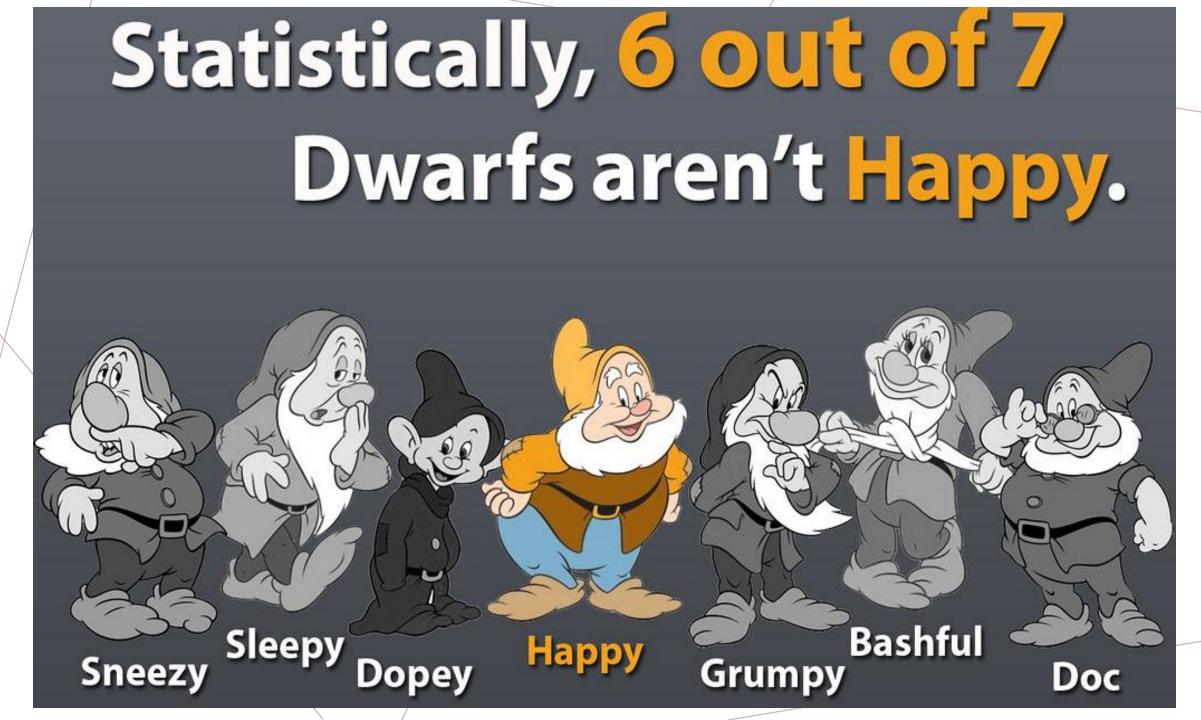
- ESTABLISH BENCHMARK
- EVIDENCE FOR MARKET APPEALS

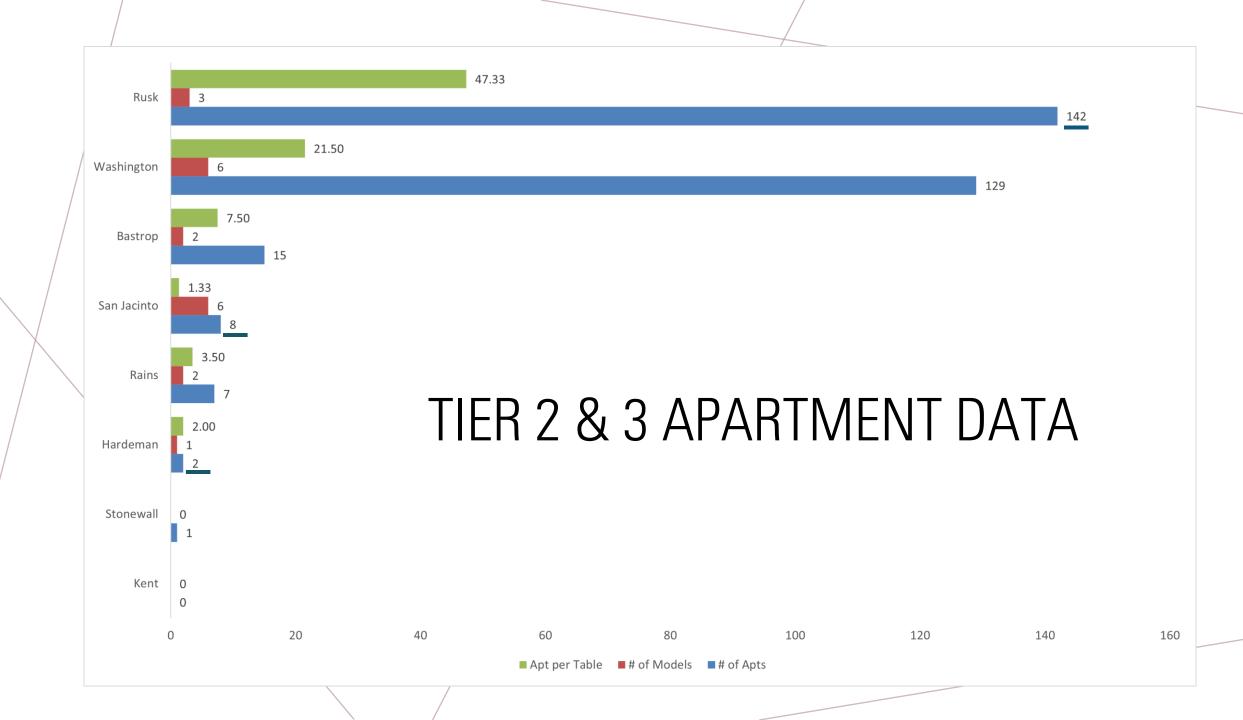


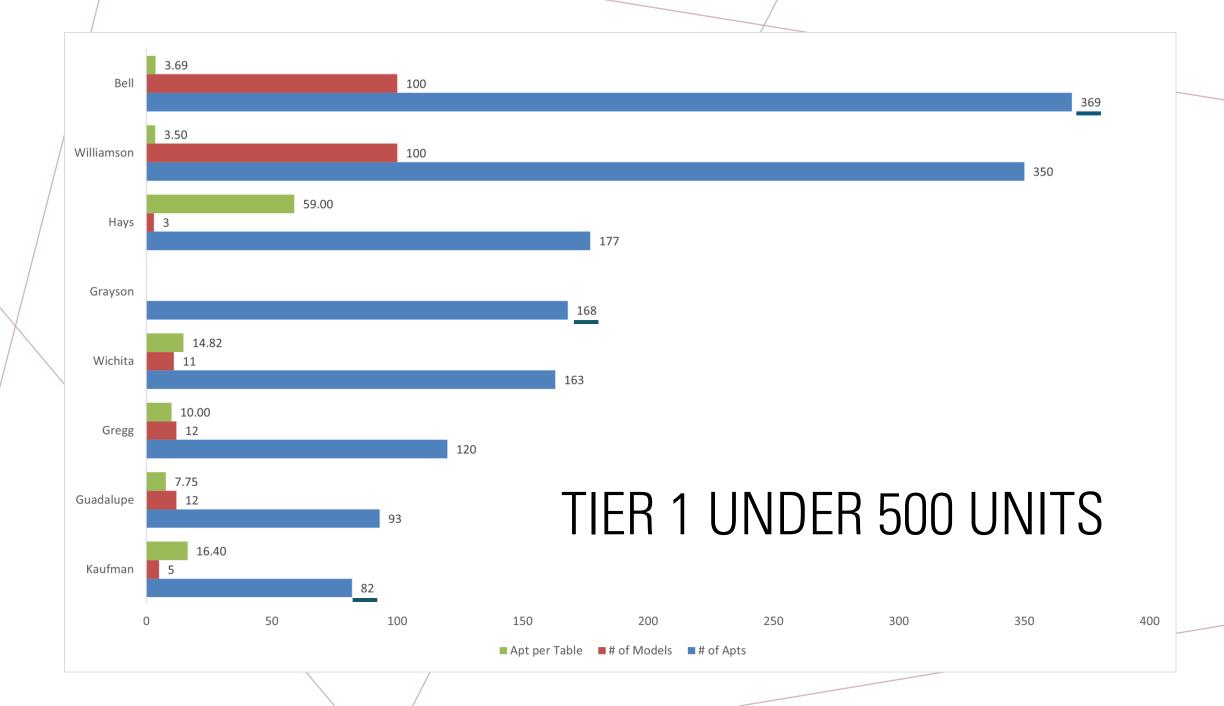


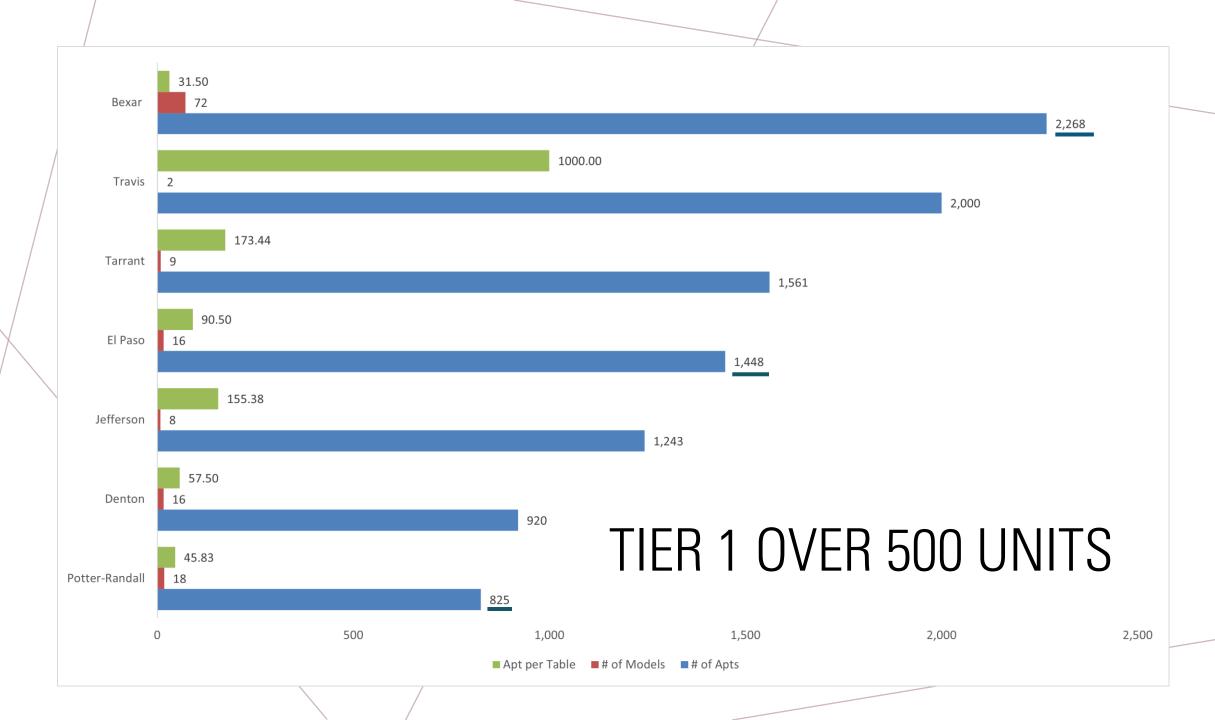
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ESTABLISHING AND DEFENDING AN EQUITY REPORT

APPRAISAL DISTRICT

Apartment Equal and Uniform Analysis												
									Total Value Plus			
Comp No.	PID	Property	Address	City	Year Built	Class	NLA	Rent PSF	LU Ccost	Value PSF	Adjustments	Adj. Value PSF
1	R152394	Ariza Plum Creek	4700 Cromwell Drive	Kyle	2018	Α	292,738	\$1.74	\$52,000,000	\$177.63	\$6.13	\$183.76
2	R164724/R169008	Cromwell at Plum Creek	1051 Wittenburg	Kyle	2020	Α	222,773	\$1.87	\$45,545,551	\$204.45	-\$7.65	\$196.80
3	R169219	Estates on Plum Creek	151 Rikardson	Kyle	2021	Α	124,128	\$1.75	\$23,500,000	\$189.32	\$5.41	\$194.73
4	R152412	Ventana Plum Creek	4624 Cromwell Drive	Kyle	2018	Α	164,316	\$1.67	\$29,103,441	\$177.12	\$13.79	\$190.91
5	R143792	Provenza at Plum Creek	5020 Cromwell Drive	Kyle	2016	Α	151,144	\$1.67	\$26,590,602	\$175.93	\$13.70	\$189.62
Median							164,316	\$1.74		\$177.63		\$190.91
Subj.	R140150	Green at Plum Creek, The	4300 Cromwell Drive	Kyle	2015	Α	206,241	\$1.80	\$36,895,114	\$178.89	NA	NA
Indicated V	alue at Median level of Ap	praisal:							\$39,372,729			

Apartment Equal and Uniform Apalysis

NBHD	Apartment DBA	Property Type	Class	
C-KYLE-MF	Green at Plum Creek, The	MAC	А	
Direc	Capitalization		Income As	sumptio

Apartment Equal and Uniform Analysis

City	Year Built	Class	NLA	Rent PSF
Kyle	2018	Α	292,738	\$1.74
Kyle	2020	Α	222,773	\$1.87
Kyle	2021	Α	124,128	\$1.75
Kyle	2018	Α	164,316	\$1.67
Kyle	2016	Α	151,144	\$1.67
			164,316	\$1.74
Kyle	2015	Α	206,241	\$1.80

				Total Value Plus			
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		164,316	\$1.74		\$177.63		\$190.91

2015	Α	206,241	\$1.80	\$36,895,114	\$178.89	NA	NA
				\$39,372,729			

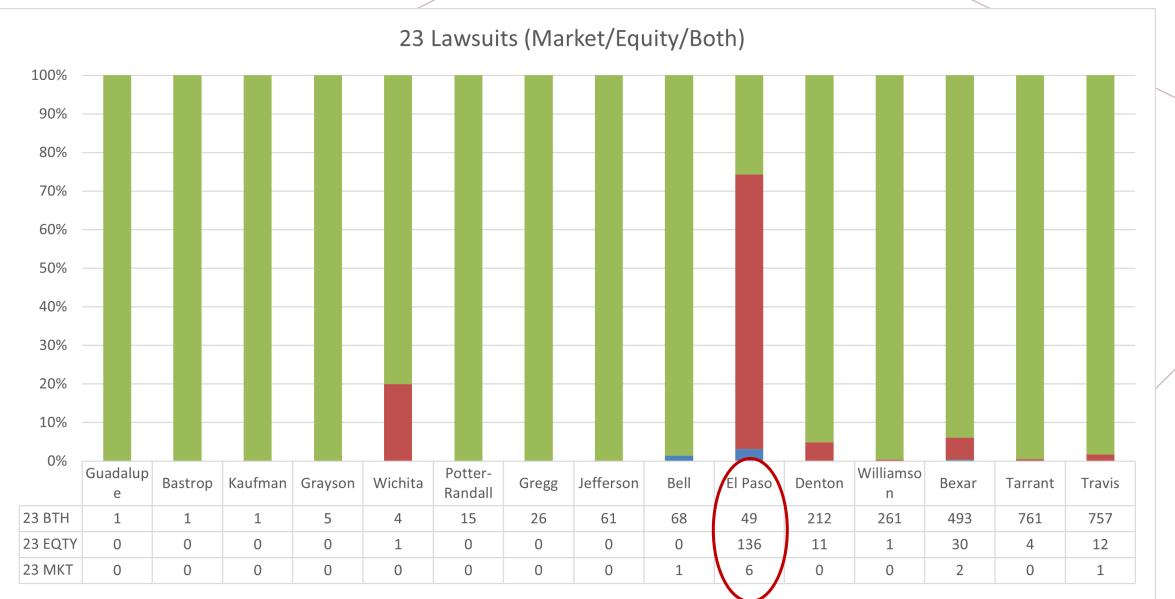
ESTABLISHING AND DEFENDING AN EQUITY REPORT

FEE EQUITY APPRAISAL

LITIGATION

- 2023 Lawsuits
- 2024 Lawsuits
- Fee reports
- Costs of a Fee





■ 23 MKT ■ 23 EQTY ■ 23 BTH

24 Lawsuits (Market/Equity/Both)



■ 24 MKT ■ 24 EQTY ■ 24 BTH

LITIGATION

Case Law on Market Value in an Equity Only Lawsuit



CASE LAW

Tex. Disposal Sys. Landfill, Inc. v. Travis Cent. Appraisal Dist. by & through Crigler, 694 S.W.3d 752, 762 (Tex. 2024)



A FEW CHOICE QUOTES:

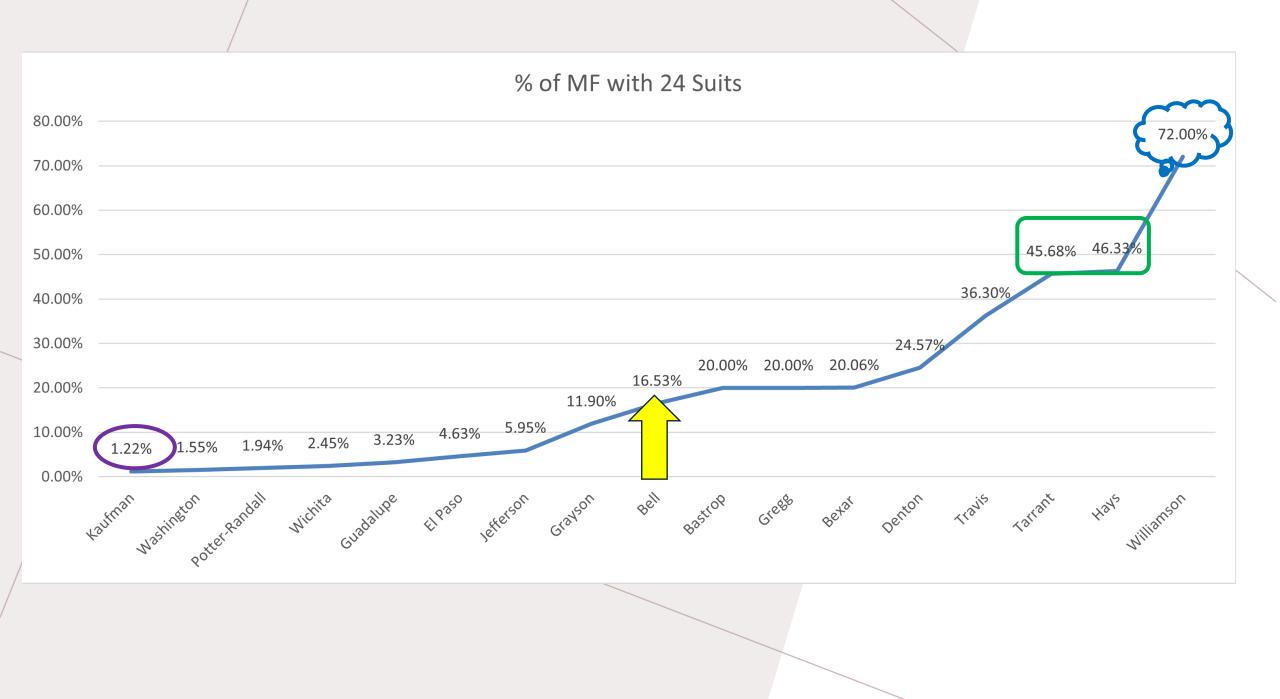
"[E]ven though the Tax Code limits the trial court's determination in this case to an appraisal amount that is equal and uniform, evidence of a subject property's fair market value is relevant to both the taxpayer's challenge and the trial court's duty to set the subject property's appraised value at an equal and uniform amount, which as we have said, should approach the property's market value." Tex. Disposal Sys. Landfill, Inc. v. Travis Cent. Appraisal Dist. by & through Crigler, 694 S.W.3d 752, 762 (Tex. 2024).

A FEW CHOICE QUOTES:

"[E]vidence of the subject property's fair market value is admissible in either kind of taxpayer protest to support or challenge the appropriateness of comparable properties and the adjustments made in determining whether the appraised value is equal and uniform. Using evidence of appropriately adjusted fair market values, the District is free to counter the taxpayer's suggested equal and uniform value of comparable properties with the caveat that, under the statute, the Landfill gets the benefit of the calculation that results in the lowest appraisal value." Tex. Disposal Sys. Landfill, Inc. v. Travis Cent. Appraisal Dist. by & through Crigler, 694 S.W.3d 752, 762 (Tex. 2024)

A FEW CHOICE QUOTES:

"We disapprove of courts of appeals cases to the extent they suggest that market value of the subject property is per se irrelevant in unequal-appraisal litigation. See In re Catherine *Tower*, 553 S.W.3d 679, 685–87 (Tex. App.—Austin 2018, orig. proceeding [mand. denied]); In re APTWT, LLC, 612 S.W.3d 85, 90–93 (Tex. App.—Houston [14th Dist.] 2020, orig. Proceeding)... Evidence of fair market value is admissible in determining both kinds of taxpayer protests." Tex. Disposal Sys. Landfill, Inc. v. Travis Cent. Appraisal Dist. by & through Crigler, 694 S.W.3d 752, 762 fn. 58 (Tex. 2024).

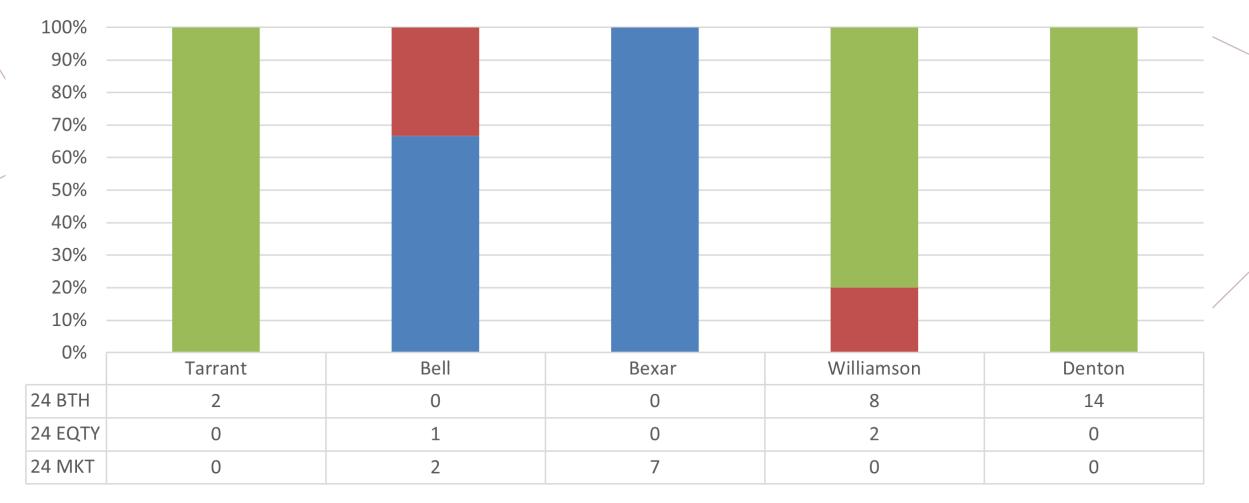


23 Reports (MKT/EQTY/BTH)

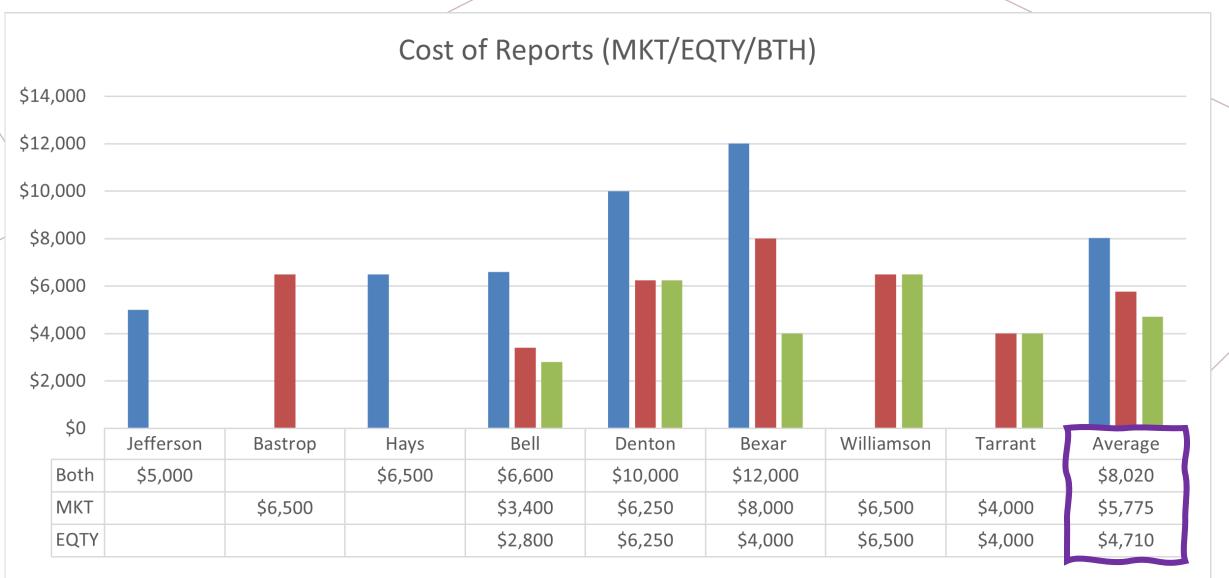


■ 23 MKT ■ 23 EQTY ■ 23 BTH

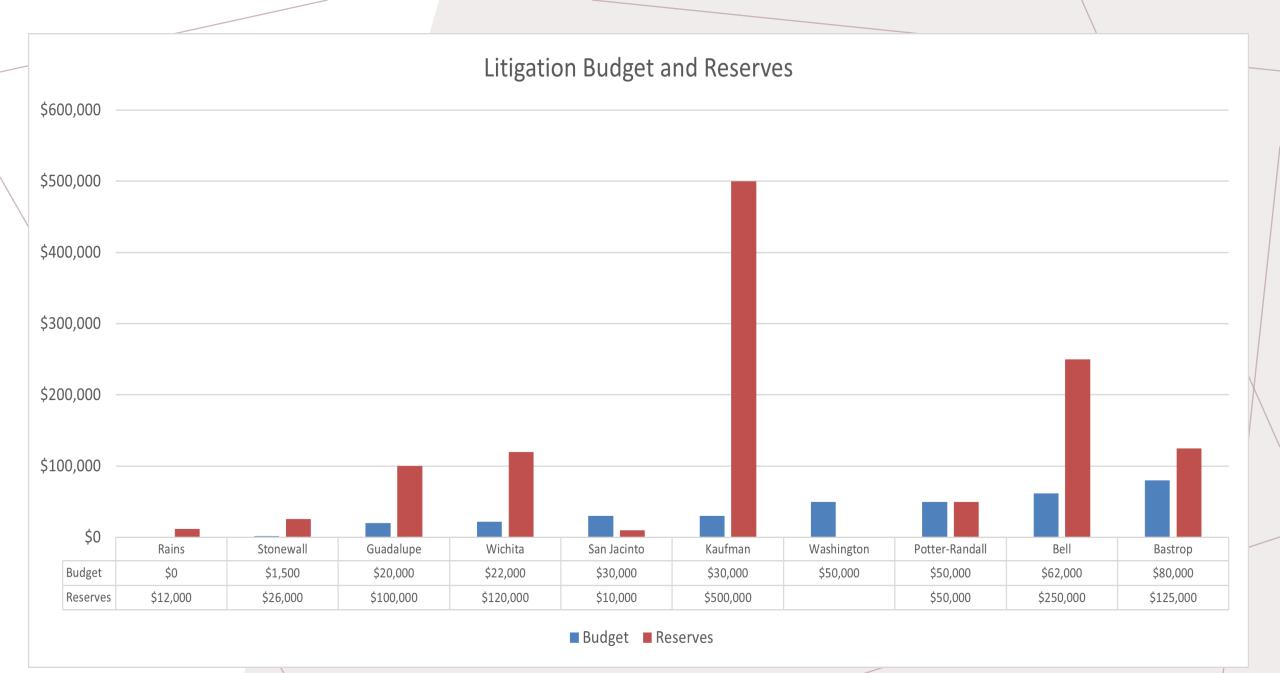
24 Reports (MKT/EQTY/BTH)



■ 24 MKT ■ 24 EQTY ■ 24 BTH



Both MKT EQTY



Litigation Budget and Reserves

\$4,000,000										
\$3,500,000										
\$3,000,000										
\$2,500,000										_
\$2,000,000										
\$1,500,000									_	
\$1,000,000										
\$500,000										
\$0										
	Gregg	Grayson	Hays	Williamson	El Paso	Denton	Jefferson	Bexar	Tarrant	Travis
Budget	\$180,000	\$200,000	\$206,250	\$350,000	\$636,200	\$650,000	\$1,000,000	\$1,250,000	\$1,715,000	\$3,495,000
Reserves	\$85,000	\$200,000	\$20,000	\$290,000	\$914,228	\$700,000	\$300,000	\$850,000	\$300,000	\$2,000,000

■ Budget ■ Reserves

LITIGATION

• FEE APPRAISAL



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