

# POPP | HUTCHESON<sup>PLLC</sup>

*The Property Tax Firm*

# CRE Quarterly

A Quarterly Newsletter

Issue No 2 - Summer 2013

## Letter from the Editor

Greetings Readers,

Welcome to the second edition of Popp Hutcheson's – Commercial Real Estate Quarterly. For those readers who may not know about Popp Hutcheson, we would like to provide a little background about us. Popp Hutcheson (PH) opened its doors 30 years ago as a property tax litigation firm. Since then PH has grown into one of the largest full service property tax law firms in the country. Our approach to representation is unique in the industry. PH handles property tax appeals from the administrative level through litigation, truly a start to finish representation. Few firms in the nation offer this comprehensive service, which provides our clients consistent, efficient and effective representation through all levels of their appeal. Popp Hutcheson's staff of attorneys, appraisers, MBA's, engineers and consultants dedicate 100 percent of their time to property tax matters in Texas and nationwide.

PH prides itself on its high level of client service, client connections and keeping our clients abreast of new developments

in property taxation. In an effort to expand our informational resources to our clients, we created CRE Quarterly. Our current issue focuses on a recap of the 2013 appeal season in Texas. As the 2013 Appraisal Review Board hearings winding down, we thought now would be an excellent time for a brief discussion on what has been an unusual year. We specifically address "The Big 6" jurisdictions in Texas and provide a summary of value increases by property type in these areas.

In addition to our *Big 6* article you will find a link to our *83rd Texas Legislative Session Wrap-up*. The *Legislative Wrap-up* covers the highlights of the session specifically relating to property tax issues and recent changes in legislation passed by our founding partner, Jim Popp. We also announce newcomers to Popp Hutcheson and upcoming conference speakers and seminars in our PH Events and Announcements section.

Thank you for taking the time to read our CRE Quarterly. We hope you find it informative, and please feel free to provide any feedback or suggestions regarding upcoming issues/articles you would like to see in the future.

- PH Editor

## The Big 6

### EXPERT OPINION

by John Murphy, CMI

It has been an especially interesting property tax year in Texas, particularly in The Big 6 counties of Bexar (San Antonio), Collin (north of Dallas), Dallas (Dallas), Harris (Houston), Tarrant (Fort Worth) and Travis (Austin).

A number of jurisdictions informed us at the beginning of the year that this would be a "catch up" year, as they were giving assessed value breaks during the limited Texas economic recession. However, "catch up" was never truly defined, and we (along with most clients) were shocked at the assessed value increases in 2013. What is interesting is that not all jurisdictions

hit every property type with excessive increases. They varied considerably, and the chart below shows how the Big 6 increased values based on a sampling of the properties we represent. Please note, the chart is representative of the 2013 initial assessed values and does not represent subsequent decreases as a result of appeals at the ARB level. Based on our analysis, the level of increases for 2013 should have been significantly less than what the chart indicates.

As you will note from the below, many taxpayers are looking at significant increases in tax liability for little to no reason. Capitalization rates across the board for these property types have compressed generally 25-100 basis points. Much of that, however, can be attributed to triple net leased fee sales, which should not be included in an analysis when arriving at value for assessment purposes.

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## 2012 vs. 2013 Changes in Appraised Value\*

County	Property Type	Percentage Change
Bexar	Hotel	11.67%
	Industrial	1.48%
	Mall & Shopping Center	8.48%
	Restaurant	11.26%
	Retail	11.19%
	Senior Living	51.93%
Collin	Hotel	17.38%
	Industrial	9.75%
	Mall & Shopping Center	9.42%
	Restaurant	10.35%
Dallas	Hotel	18.00%
	Industrial	1.61%
	Mall & Shopping Center	5.66%
	Restaurant	12.08%
	Retail	17.48%
	Senior Living	0.29%
Harris	Hotel	40.04%
	Industrial	38.59%
	Mall & Shopping Center	29.01%
	Restaurant	28.31%
	Retail	24.06%
	Senior Living	26.33%
Tarrant	Hotel	14.49%
	Industrial	0.00%
	Mall & Shopping Center	30.89%
	Restaurant	1.26%
	Retail	3.09%
Travis	Hotel	9.40%
	Mall & Shopping Center	28.96%
	Restaurant	16.57%
	Retail	4.52%
	Senior Living	0.00%

\*Please note: The data in this chart is from a representative sample of each property type within the respected appraisal district, it does not include all taxable properties within each appraisal district.

Occupancy rates have improved across the board, but our data suggests that the overall improvement is roughly 5% better than 2012. Rental rates, for the most part, have remained relatively flat or decreased slightly, which effectively offsets the improvement in occupancy. We are left with a suggested low percentage increase as a result of the improving capitalization rate, yet substantial increases were realized among most property types.

For those taxpayers that were not "hit" with these value increases in 2013, we advise paying special attention to the Notice Values in 2014, which will likely be released in late April or early May.

### 2013 LITIGATION

A taxpayer has the right to appeal an Appraisal Review Board Order to the District Court within 60 days after the party receives written notice that final decision of value has been entered. Most taxpayers would have received their Appraisal Review Board Orders in July, so the time to file litigation is quickly approaching. If your results at the ARB level were not satisfactory, we would be glad to discuss your options for further appeals.

For more information on this article please contact John Murphy at [john.murphy@property-tax.com](mailto:john.murphy@property-tax.com).

# Popp Hutcheson Events and Announcements



## New Hire, Greg Hart

Popp Hutcheson PLLC is pleased to introduce our newest attorney, Greg Hart, to our Commercial Real Estate Team. Greg represents a broad range of properties including real and personal property. Greg has spent his entire career litigating the value of real estate in Texas. He has represented his clients in administrative hearings, in District Court, at the State Office of Administrative Hearings (SOAH), and at the Court of Appeals. He has spoken at seminars and is a Certified Property Tax Law Instructor for the Texas Comptroller.

Greg received his bachelor's degree from Saint Edward's University in 1999 and received his juris doctorate from Saint Mary's University School of Law in 2002. While at Saint Mary's Greg participated in the External Advocacy Program competing against law schools throughout the country in mock trial, winning a state invitational championship in 2001. Greg was a member of the Saint Mary's Board of Advocates and was selected to the national honors organization, The Order of Barristers. He was also a two-time Dean's Leadership Award recipient, a member of Phi Delta Phi and was a student teacher for Legal Research & Writing. Upon graduation, Greg was hired as an Honors Attorney by then Texas Attorney General John Cornyn. After over seven years as an Assistant Attorney General in the Transportation Division, Greg spent the next several years as in-house counsel for the Travis Central Appraisal District before joining the firm.



## New Hire, Wyndel Harvey

Popp Hutcheson PLLC has recently hired Wyndel Harvey as their new Director of National Operations. Wyndel has achieved 23 years of experience in managing property tax compliance and consulting operations for

national portfolios. Prior to joining Popp Hutcheson, Wyndel was the Co-Owner of Sentinel Property Tax Advisors providing property tax services in the areas of personal property compliance, audit defense and financial planning. Wyndel also spent 7 years with Burr Wolff LP serving as Director of National Compliance and Director of Major Engagements. Over the last 12 years Wyndel's primary career focus has been on the operational aspects of property tax with emphasis on process accuracy, efficiency and accountability. Wyndel has added his experience to the Popp Hutcheson team to assist in the development and implementation of processes designed specifically to provide superior client service and satisfaction.

## IPT's 2013 Annual Symposium

Popp Hutcheson's John Murphy will speak on a panel at the upcoming IPT Property Tax Symposium in November. John's panel will cover the all important topic of the future of property tax professionals. IPT's Property Tax Symposium will be held November 3 - 6, 2013 at the Renaissance Esmeralda Resort and Spa in Indian Wells, California.

## Popp Hutcheson's Client Seminar

Planning sessions are under way for PH's Annual Client Seminar in 2014. Invitations and details will be out in the fall. For more information on the seminar or to be added to the invitation list please contact Andrea Douglas at [andrea.douglas@property-tax.com](mailto:andrea.douglas@property-tax.com).

## Legislative Wrap-up

We are pleased to report a very successful legislative session for Texas property taxpayers. Property owners in the state should expect to see many improvements in the efficiency and fairness of the property tax system. Please click [here](#) to view the new property tax bills that were passed during the 83rd Texas Legislature.