

LITIGATION OF 2012 COMMERCIAL PROPERTIES

Apartments, Office Buildings, Retail Buildings & Warehouses in Harris County

LITIGATION AT HCAD

Every year the Harris County Appraisal District (HCAD) is involved in litigating a large number of lawsuits. Part of the reason for the large number is the sheer size of Harris County, Texas, which, in terms of number of parcels of property, is the second largest county in the United States. The appraisal district of Harris County values over 1.7 million parcels annually, and many of these valuations are protested. If property owners disagree with HCAD's determined appraised value, they can schedule an informal meeting with an appraiser. If there is no agreement at this level, the next step is a formal hearing with the Harris County Appraisal Review Board (ARB).

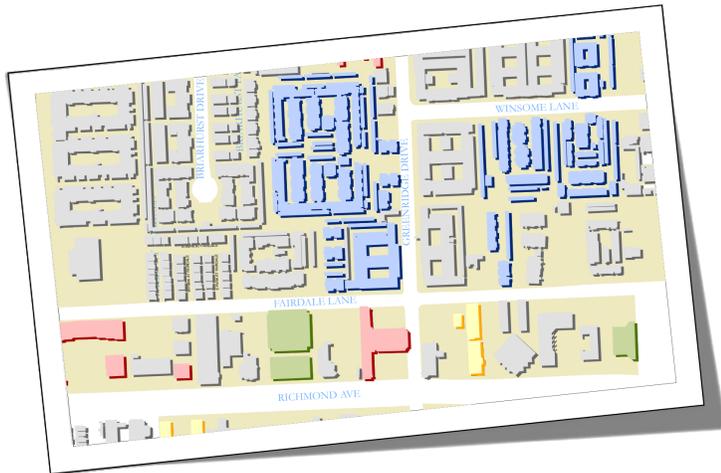
If a property owner still disagrees with the ARB's decision, it is his or her right under the Texas Property Tax Code to appeal the decision to the state district court in Harris County. If the district court agrees to hear the case, the decision is litigated between the appraisal district and the property owner.

HCAD's Litigation Department asked the GIS team at the district to provide analytical maps in an effort to prepare for upcoming cases. The GIS group was asked to study four specific types of commercial property: apartment complexes, office buildings, retail buildings, and warehouses for the tax year 2012.

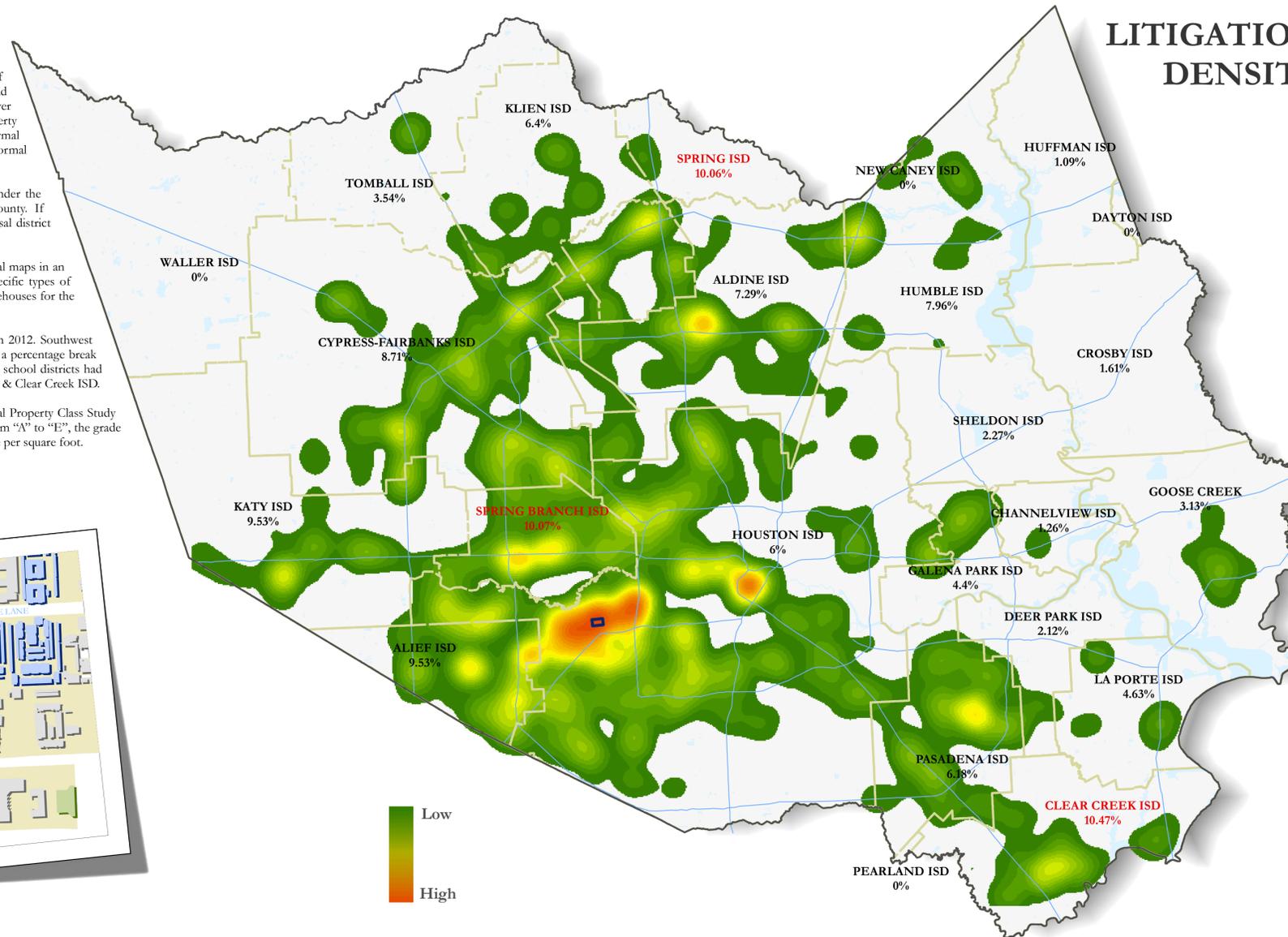
The main map shows the density of commercial properties that went to litigation in 2012. Southwest Harris County had the densest region for commercial litigation. This map also shows a percentage breakdown of commercial properties that went to litigation by school district. Only three school districts had over 10% of commercial properties going to litigation; Spring ISD, Spring Branch ISD & Clear Creek ISD.

HCAD appraisers value each property according to its assigned class. The Commercial Property Class Study chart reflects the percentage of property in litigation by class category. Categorized from "A" to "E", the grade "A" is the most expensive in terms of price per square foot and "E" is the least in price per square foot.

DETAIL MAP



LITIGATION DENSITY



2012 Commercial Properties in Litigation



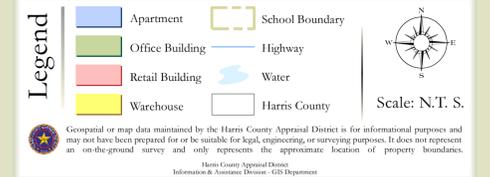
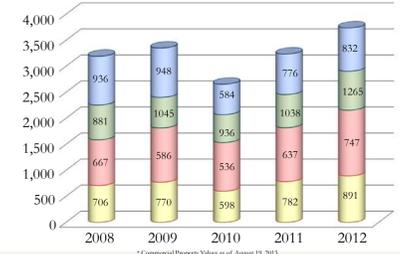
Commercial Properties Class Study

Class	Percentage	Class	Percentage
A	20.27%	A	14.88%
B	37.24%	B	33.52%
C	37.09%	C	12.62%
D	3.45%	D	0.19%
E	1.95%	E	38.79%
TOTAL	100.00%	TOTAL	100.00%

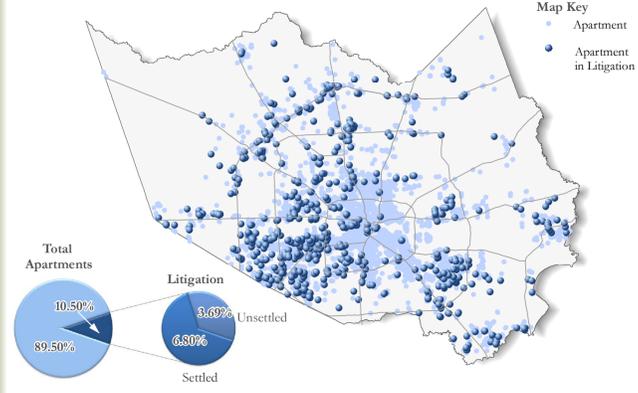
Apartments		Offices	
Class	Percentage	Class	Percentage
A	26.12%	A	17.81%
B	17.05%	B	13.88%
C	10.45%	C	5.75%
D	2.02%	D	7.29%
E	44.36%	E	55.26%
TOTAL	100.00%	TOTAL	100.00%

Retail Stores		Warehouses	
Class	Percentage	Class	Percentage
A	26.12%	A	17.81%
B	17.05%	B	13.88%
C	10.45%	C	5.75%
D	2.02%	D	7.29%
E	44.36%	E	55.26%
TOTAL	100.00%	TOTAL	100.00%

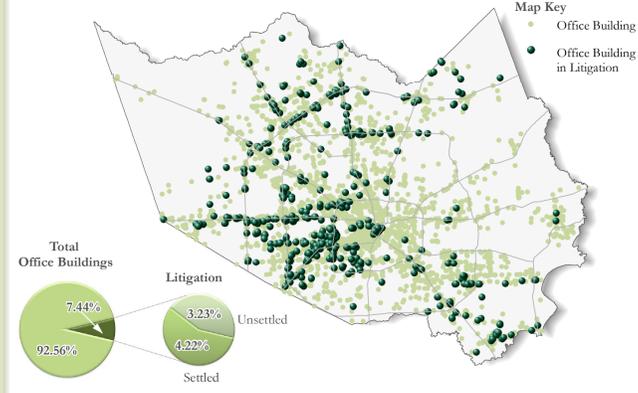
Commercial Properties in Litigation Tax Years 2008 - 2012



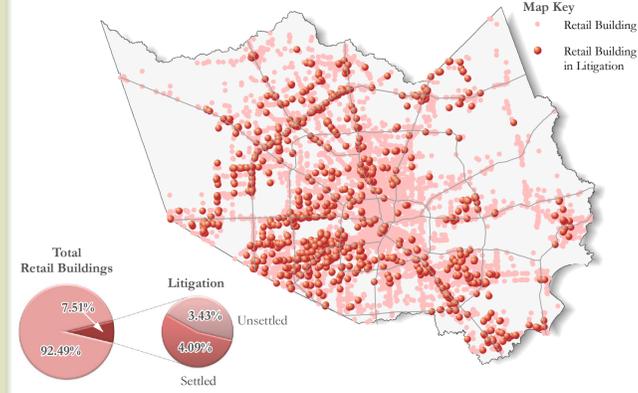
APARTMENTS



OFFICE BUILDINGS



RETAIL BUILDINGS



WAREHOUSES

