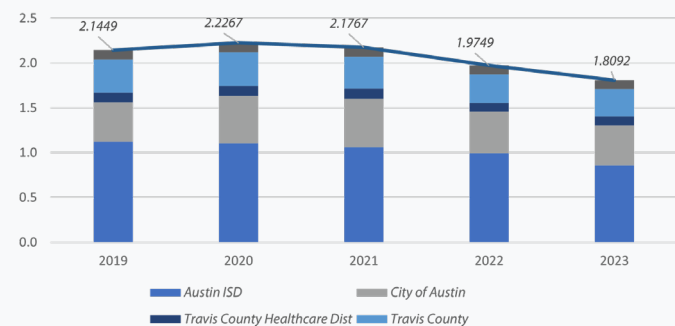
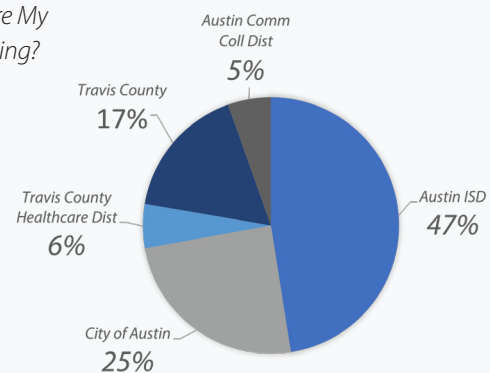


AUSTIN, TEXAS

2023 PROPERTY TAX
BENCHMARK REPORT*Property Tax Overview*

After more than a decade of increasing property valuations and recent economic uncertainty, affordability and the future state of the commercial real estate market were becoming a concern for property owners across the state of Texas. In response, Governor Greg Abbott listed property tax relief as a high priority in the 2023 legislative session. In the late summer of 2023, the 88th Texas Legislature passed the most significant property tax legislation since the Peveto Bill created appraisal districts and Texas's current property tax system in 1979. After multiple special sessions, lawmakers agreed on a property tax relief package that was sent to taxpayers for approval and ultimately voted into law at the November polls.

The Texas Legislatures earmarked \$18 billion of the \$32.7 billion budget surplus to buy down the school property tax rate, resulting in a \$0.107 reduction to the local school tax rate. Other notable changes include an increase to the homestead exemption from \$40,000 to \$100,000 and a 20% appraisal cap on all properties valued under \$5 million. The appraisal cap, called a "circuit breaker" by the legislature, is set to expire in three years unless lawmakers choose to extend the bill in a later session. The changes resulted in a 9.16% reduction to the overall effective tax rate in Austin.

Historical Tax Rates*Where Are My Taxes Going?*

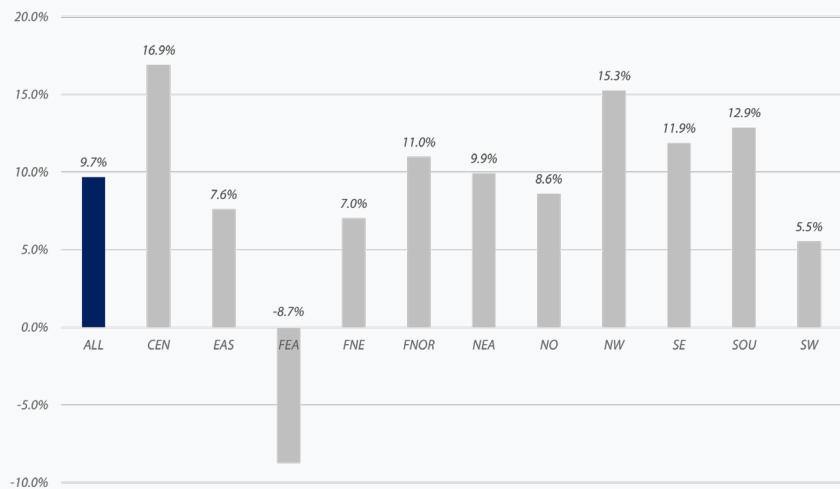
2023 Austin Industrial Assessment Trends

The industrial market continued to see strong demand as industry players raced to fill the needs of giants, such as Amazon, Samsung, and Tesla, who have entered the Central Texas market in recent years. This resulted in a 9.7% average increase to assessed values. Tax rate compression netted a slight property tax increase of 0.1%. This is much needed relief after an 18.8% increase to assessed values and a 9.4% property tax increase in 2022.

9.7%
YOY ASSESSMENT
CHANGE

0.1%
YOY PROPERTY
TAX CHANGE

Assessment
Change by
Submarket
YOY Percent
Change (TY
2022-2023)



2023 Industrial Property Tax Benchmark Submarket

Submarket	Property Count	Total NRA	Total Value	Average Property Value	Average Value \$/SF	Total Taxes	Average Property Tax	Tax \$/SF	YOY % Diff (Value)	YOY % Diff (Property Tax)
CEN	10	609,914	\$154,447,722	\$15,444,772	\$253.23	\$2,794,341	\$279,434	\$4.58	16.9%	7.1%
EAS	41	1,948,371	\$329,302,741	\$8,031,774	\$169.01	\$5,957,900	\$145,315	\$3.06	7.6%	-1.4%
FEA	22	1,633,239	\$167,329,821	\$7,605,901	\$102.45	\$2,887,667	\$131,258	\$1.77	-8.7%	-19.6%
FNE	12	1,155,063	\$185,744,272	\$15,478,689	\$160.81	\$3,946,041	\$328,837	\$3.42	7.0%	1.0%
FNOR	110	9,899,496	\$1,606,400,877	\$14,603,644	\$162.27	\$29,475,555	\$267,960	\$2.98	11.0%	2.2%
NEA	132	13,798,734	\$1,942,897,532	\$14,718,921	\$140.80	\$39,054,721	\$295,869	\$2.83	9.9%	-0.5%
NO	178	10,833,678	\$1,989,083,645	\$11,174,627	\$183.60	\$36,469,650	\$204,886	\$3.37	8.6%	-0.6%
NW	18	695,450	\$130,122,071	\$7,229,004	\$187.10	\$2,385,699	\$132,539	\$3.43	15.3%	5.1%
SE	168	14,063,769	\$2,569,789,245	\$15,296,365	\$182.72	\$48,945,567	\$291,343	\$3.48	11.9%	1.6%
SOU	52	2,308,947	\$402,037,884	\$7,731,498	\$174.12	\$7,161,460	\$137,720	\$3.10	12.9%	3.5%
SW	30	959,027	\$190,990,844	\$6,366,361	\$199.15	\$3,090,897	\$103,030	\$3.22	5.5%	-2.1%
ALL	773	57,905,688	\$9,668,146,654	\$12,507,305	\$166.96	\$182,169,499	\$235,666	\$3.15	9.7%	0.1%

Classification

Space Type	Property Count	Total NRA	Total Value	Average Property Value	Average Value \$/SF	Total Taxes	Average Property Tax	Tax \$/SF	YOY % Diff (Value)	YOY % Diff (Property Tax)
Bulk	391	30,425,175	\$3,994,345,220	\$10,215,717	\$131.28	\$74,865,947	\$191,473	\$2.46	7.1%	-2.1%
Office	166	13,139,966	\$2,244,715,316	\$13,522,381	\$170.83	\$42,362,636	\$255,197	\$3.22	10.2%	0.7%
Flex	216	14,340,547	\$3,429,086,118	\$15,875,399	\$239.12	\$64,940,916	\$300,652	\$4.53	13.2%	3.0%
ALL	773	57,905,688	\$9,668,146,654	\$12,507,305	\$166.96	\$182,169,499	\$235,666	\$3.15	9.7%	0.1%

2023 Austin Office Assessment Trends

Significant headwinds continued to drive office values down through the second half of 2022 and into 2023. Six million square feet of new product came online in the past year at a time as the industry still struggles with tenants reassessing their office space needs and work-from-home policies. Travis County office assessments saw a 15.6% decrease in value, year-over-year, and a 17.6% reduction in property taxes on average.

-15.6%
YOY ASSESSMENT
CHANGE

-17.6%
YOY PROPERTY
TAX CHANGE

2023 Office Property Tax Benchmark

Submarket

Submarket	Property Count	Total NRA	Total Value	Average Property Value	Average Value \$/SF	Total Taxes	Average Property Tax	Tax \$/SF	YOY % Diff
CBD	68	13,854,903	\$7,349,531,269	\$108,081,342	\$530.46	\$139,318,404	\$2,048,800	\$10.06	-15.5%
EAS	19	2,525,317	\$1,105,070,783	\$58,161,620	\$437.60	\$19,993,460	\$1,052,287	\$7.92	-23.1%
DOM	21	6,114,404	\$2,354,578,154	\$112,122,769	\$385.09	\$42,600,135	\$2,028,578	\$6.97	-24.4%
CEN	5	662,273	\$256,715,236	\$51,343,047	\$387.63	\$4,644,613	\$928,923	\$7.01	-19.6%
SCN	21	2,015,463	\$773,020,023	\$36,810,477	\$383.54	\$14,165,798	\$674,562	\$7.03	-11.4%
FNW	36	6,191,527	\$1,735,906,254	\$48,219,618	\$280.37	\$32,666,766	\$907,410	\$5.28	-20.2%
SWE	83	10,801,946	\$3,254,662,338	\$39,212,799	\$301.30	\$56,756,241	\$683,810	\$5.25	-21.9%
NWE	77	8,669,853	\$2,162,572,740	\$28,085,360	\$249.44	\$39,126,282	\$508,134	\$4.51	-20.2%
SEA	15	2,822,627	\$773,658,212	\$51,577,214	\$274.09	\$14,411,150	\$960,743	\$5.11	-10.9%
NEA	26	3,897,043	\$732,574,400	\$28,175,938	\$187.98	\$14,689,140	\$564,967	\$3.77	-18.0%
NOR	19	1,733,986	\$277,275,592	\$14,593,452	\$159.91	\$4,927,037	\$259,318	\$2.84	-10.5%
ALL	390	59,289,342	\$20,775,565,001	\$53,270,679	\$350.41	\$383,299,025	\$982,818	\$6.46	-17.6%

Vintage

CBD	Property Count	Total NRA	Total Value	Average Property Value	Average Value \$/SF	Total Taxes	Average Property Tax	Tax \$/SF	YOY % Diff
>2009	22	5,038,594	\$3,049,010,764	\$138,591,398	\$605.13	\$57,670,522	\$2,621,387	\$11.45	-16.6%
2000-2009	10	2,114,317	\$1,158,938,792	\$115,893,879	\$548.14	\$21,817,483	\$2,181,748	\$10.32	-17.7%
1990-1999	4	432,167	\$200,487,375	\$50,121,844	\$463.91	\$3,798,824	\$949,706	\$8.79	-21.5%
1980-1989	16	4,305,066	\$2,083,306,711	\$130,206,669	\$483.92	\$39,512,543	\$2,469,534	\$9.18	-17.4%
1970-1979	9	1,494,033	\$700,948,945	\$77,883,216	\$469.17	\$13,519,041	\$1,502,116	\$9.05	-9.3%
<1970	7	470,726	\$156,838,682	\$22,405,526	\$333.18	\$2,999,992	\$428,570	\$6.37	-12.0%
ALL	68	13,854,903	\$7,349,531,269	\$108,081,342	\$530.46	\$139,318,404	\$2,048,800	\$10.06	-15.5%

Suburban	Property Count	Total NRA	Total Value	Average Property Value	Average Value \$/SF	Total Taxes	Average Property Tax	Tax \$/SF	YOY % Diff
>2009	79	14,846,203	\$5,878,751,616	\$74,414,577	\$395.98	\$106,641,883	\$1,349,897	\$7.18	-21.1%
2000-2009	69	11,686,858	\$3,237,489,908	\$46,920,144	\$277.02	\$59,086,776	\$856,330	\$5.06	-22.8%
1990-1999	43	7,161,829	\$1,934,753,980	\$44,994,279	\$270.15	\$35,220,066	\$819,071	\$4.92	-18.6%
1980-1989	104	9,733,140	\$2,060,812,513	\$19,815,505	\$211.73	\$37,346,777	\$359,104	\$3.84	-17.4%
1970-1979	23	1,719,721	\$256,756,589	\$11,163,330	\$149.30	\$4,645,361	\$201,972	\$2.70	-15.1%
<1970	4	286,688	\$57,469,126	\$14,367,282	\$200.46	\$1,039,758	\$259,940	\$3.63	-9.4%
ALL	322	45,434,439	\$13,426,033,732	\$41,695,757	\$295.50	\$243,980,621	\$757,704	\$5.37	-19.5%

2023 Austin Multifamily Assessment Trends

The multifamily market saw another significant increase in assessed values in 2023. The average unit value was \$231,331, up 9.7% over the 2022 year valuations, which were a staggering 23.5% increase in value. This increase in valuations was somewhat surprising considering rising vacancy rates, a result of thousands of new units coming online in addition to an economic slowdown and rising cap rates and interest rates. Despite the increase in assessed value, property taxes remained relatively flat year-over-year at just a 0.4% increase, on average, thanks in large part to tax rate compression.

Assessment Comparison by Submarket

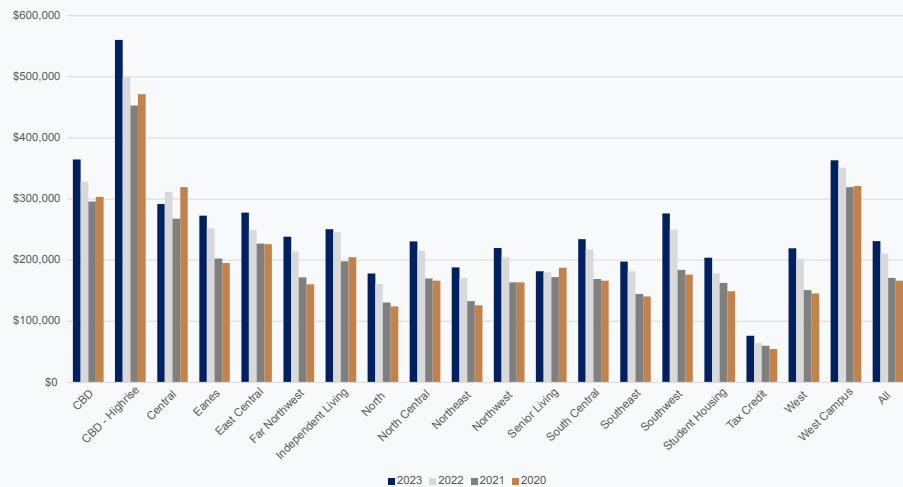
\$/Unit

9.7%

YOY ASSESSMENT
CHANGE

0.4%

YOY PROPERTY
TAX CHANGE



2023 Multifamily Property Tax Benchmark

Submarket	Property Count	Total NRA	Total Units	Average Unit Size	Average Year Built	Average Property Tax	Tax \$/SF	Tax \$/Unit	YOY % Change
CBD - Highrise	17	4,919,126	4,780	1,029	2015	\$2,939,868	\$10.16	\$10,456	3.3%
CBD	15	2,442,347	2,775	880	2001	\$1,241,070	\$7.62	\$6,708	2.0%
West Campus	71	9,823,645	10,147	968	2004	\$940,662	\$6.80	\$6,582	-5.1%
Central	7	877,046	1,040	843	1990	\$785,026	\$6.27	\$5,284	-14.2%
East Central	39	7,416,052	9,103	815	2004	\$1,177,726	\$6.19	\$5,046	1.6%
Eanes	9	1,912,118	2,238	854	1989	\$1,251,579	\$5.89	\$5,033	0.4%
Independent Living	5	802,927	891	901	2018	\$812,380	\$5.06	\$4,559	-6.7%
Southwest	47	14,781,988	15,587	948	2008	\$1,627,614	\$5.18	\$4,908	1.1%
West	16	6,355,673	6,163	1,031	2005	\$1,684,026	\$4.24	\$4,372	-1.0%
North Central	45	7,270,243	9,219	789	1996	\$854,442	\$5.29	\$4,171	-1.9%
Far Northwest	64	18,733,081	21,782	860	1999	\$1,483,078	\$5.07	\$4,358	1.8%
South Central	104	19,272,659	23,103	834	1996	\$934,055	\$5.04	\$4,205	-1.4%
Northwest	23	4,882,643	5,437	898	1986	\$941,653	\$4.44	\$3,983	-1.4%
Student Housing	8	2,347,680	2,233	1,051	2001	\$1,110,793	\$3.79	\$3,980	3.0%
Southeast	79	16,492,706	20,377	809	1997	\$969,629	\$4.64	\$3,759	-1.0%
Northeast	88	20,246,175	23,985	844	2001	\$1,042,081	\$4.53	\$3,823	0.8%
Senior Living	3	422,975	518	817	2001	\$565,155	\$4.01	\$3,273	-7.7%
North	80	16,865,539	21,092	800	1991	\$864,261	\$4.10	\$3,278	1.0%
Tax Credit	65	9,773,247	11,226	871	2004	\$242,292	\$1.61	\$1,403	7.8%
All	785	165,637,870	191,696	864	1999	\$1,046,520	\$4.96	\$4,286	0.4%

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Our expert property tax services include:

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- Appeal Determinations
- Appeal Services
- Statewide Commercial Real Estate Parcel Access
- Pre-Acquisition Reports
- Tax Bill Administration
- Tenant Protection Plan Compliance

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Contact one of Ryan's property tax experts for a complimentary discussion of your property tax issues.



Award-Winning Tax Services

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