

The Quorum Report

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URBAN COMMERCIAL REAL ESTATE DEVELOPERS CREATE NEW ASSOCIATION FOR UPCOMING SESSION

Offering a united front in a tough market

In what could also serve as a reminder that Texas lawmakers convene next year for the first time since the bottom fell out of the national housing and credit markets, the state's commercial real estate development sector announced today that they are presenting a united front in the upcoming legislative session.

Real estate councils representing Austin, Dallas, Fort Worth, Houston and San Antonio (as well as *Houstonians for Responsible Growth*) plan to band together to form a new statewide coalition – the *Real Estate Councils of Texas*. The chairwoman of the new statewide group, **Macey Davis**, notes that commercial real estate developers have never coordinated efforts to this degree before.

One of the group's big goals early on will be to communicate the importance of the commercial real estate sector. The argument arrives as lawmakers take another run at reforms of the property tax appraisal system. Some of the proposed reforms would affect either directly or indirectly the commercial real estate sector.

Other issues sure to be of importance to the group are transportation, adjustments to the margin tax and county land use regulations, among others.

Texas has not felt the full brunt of the economic bad times that other states are experiencing; the *Real Estate Councils of Texas*, though, said that they “must be protected from regulatory measures that could restrain the industry from rebounding or the Texas economy from rebuilding,” according to the press release announcing the Councils' creation.

The Councils also cite an analysis prepared by the consulting firm *TXP Inc.* designed to gauge the economic impact of the real estate development industry. The study concluded that the real estate development sector was responsible for \$270.6 billion in economic activity as well as \$3.8 billion in state tax revenue. In addition, the industry is responsible for more than 750,000 jobs, which the study said is twice the number of high tech jobs in Texas.

“We need to retain a healthy and educated workforce and support sound public policy that will allow our industry to continue to grow the economy. While we don't know the full impact of the national economic downturn on the Texas economy, we are beginning to see the negative effects in our communities,” said Davis. “We look forward to working together with lawmakers in the 81st legislative session to keep Texas moving forward.”

The new organization will include lobbyists already working for the existing cities' real estate councils. In addition, the leadership of *RECT* will rotate among the cities. Dallas has the chairman's position on the first rotation.