

**To the Mayor and Members of the City Council****June 4, 2024**

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SUBJECT: COMMERCIAL OWNERSHIP OF SINGLE-FAMILY RESIDENTIAL PROPERTIES

The purpose of this informal report is to provide an estimate of the degree to which single-family residential properties are held by commercial interests in the City of Fort Worth. The data below is based on the April estimated property rolls received from Tarrant Appraisal District (TAD).

Data Provided in TAD Rolls

TAD property rolls include data fields such as property address, owner name, owner address, and the exemptions applied to individual properties. While the owner of each property is specified, there is no clear data field indicating whether the property owner of a single-family residential property is owner occupied as opposed to an individual or legal entity operating in a commercial capacity. The nature of home rentals is not indicated in appraisal district records, and we have no means of determining a property's use for rental purposes. This analysis is solely focused on determining the nature of single family home ownership between owner occupiers and commercial interests.

In general, properties with an individual listed as the owner are owner occupied. However, there are cases in which multiple properties are used as income-generating investments by individual owners and other cases in which owner occupiers attribute property ownership to their businesses. The FWLab has taken all data provided into account and drawn conclusions about the nature of ownership for each of 247,485 single-family residential properties on TAD's April estimated rolls.

Owner occupied properties are generally defined as:

- Any property with a Homestead Exemption applied
- Those for which the property address matches the owner's address and the owner name does not indicate commercial ownership (see below)

Commercial properties are generally defined as:

- Properties with owner names indicating commercial ownership, including acronyms and phrases such as 'LLC,' 'LTD,' 'INC,' 'Trust,' etc.
- Properties without a Homestead Exemption for which the property address does not match the owner address, especially for cases in which the property owner holds several properties

Estimated Percentage of Single-Family Residential Ownership by Group

Of the 247,485 single-family residential properties on TAD's April property roll, FWLab has identified 183,113 as resident-owned and 64,372 as commercial properties. Of the former group, 154,138 have a Homestead Exemption applied. The remainder have a match between property address and owner address, an individual's name listed as the owner, and an owner which owns only one property.

In total, this amounts to 74% (or roughly $\frac{3}{4}$) owner occupancy of single-family properties, with the remaining 26% held by commercial interests. Some property owners have properties in both categories:

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they have a property with a homestead exemption as well as one or more properties that are assumed to be held for commercial interests.

Residential Inventory

Excluded from the analysis above are all properties designated as residential inventory. These are, to a substantial degree, in the possession of owners with names indicating commercial ownership. Of 5,937 properties reported by TAD as residential inventory, four (4) have an owner address matching the property address, and none of the 5,937 have a Homestead Exemption applied.

If you have questions concerning this information, please contact Christianne Simmons, Chief Transformation Officer of the FWLab, at 817-392-6222.

David Cooke
City Manager