

Low Income Housing Capitalization Rate

The Texas Property Tax Code (Sec. 11.1825 (r)) requires the appraisal district to give notice of the capitalization rate to be used in that year to appraise property receiving an exemption under this section. The Property Tax Code also requires property to be appraised at 100% market value. In keeping with that requirement, the capitalization rate that will be used to derive an estimate of market value for exempt low and moderate-income housing will be between 8% and 12%, based upon individual property characteristics.