

Low Income Housing Cap Rate Information

When property qualifies for an exemption under Section 11.1825 of the Texas Property Tax Code, the chief appraiser must appraise the property using the income method. Specifically, the appraiser must consider the restrictions on who may rent the property and amount of rent to be charged. The same capitalization rate as for other rent-restricted properties must be used. By January 31 of each year, appraisal districts must give public notice of the capitalization rate to be used for these properties. The 2013 capitalization rate for the Ellis Central Appraisal District is 8.5%-10.0%.