

Brothers go in search of fair appraisals



David Woo/Staff Photographer

Brothers Rick (left) and Jeff Kurz, principals of Kurz Group Inc., go to the mat for companies protesting property tax matters, including the building at 8333 Douglas Ave. Last year, they represented nearly 6,000 properties with \$8.2 billion in value on the tax rolls and saved their clients more than \$28 million in property taxes.



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Published 25 June 2011 04:24 PM

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Many businesses downshift into summer mode after [Memorial Day](#). But things are still in high gear at Kurz Group Inc. in Dallas.

The property tax consulting company goes to the mat for commercial, industrial, retail and corporate business owners on their tax appraisals, and final deadlines are looming.

The easy cases are finished. Now the 15-person firm, owned by brothers Rick Kurz, 53, and Jeff Kurz, 51, is appealing the unfavorable decisions, trying to reduce tax valuations on real estate and business property owned by some of its 6,000 active clients.

“This is a volatile real estate market,” Jeff says of the North Texas counties his firm practices in. “Our job is to look at the market and make sure our clients aren’t paying more than their fair share. We don’t go at it from an adversarial standpoint. The people we work with at the appraisal districts work just as hard as we do to get it right.”

Over the last three years, Kurz Group has shaved off \$95.3 million in property taxes for clients including Lincoln Property Co., Michaels Stores Inc., [Texas Instruments](#) Inc., Mitsubishi Motors of [North America](#) Inc. and Caruth Properties, Jeff says. That translated into more than \$5 million in annual revenue for the firm.

Fees are negotiated based on the value and number of properties involved, with the bulk of its clients paying Kurz Group about a third of their tax savings.

About 30 percent of Kurz Group’s business is for things like machinery, equipment, computers, furniture, fixtures and inventory. The firm doesn’t do residential real estate. “There’s no money in it. And no one’s ever happy,” Rick says.

‘Hometown guys’

In this age of ample information and online protests, why do property owners still hire outside consultants?

“I equate it to having a CPA,” Jeff says. “I could fill out my federal tax return if I wanted to. But inevitably my CPA not only saves me time, but he finds something.”

The Kurz Group isn’t the largest property tax consultancy in town, and it doesn’t market itself as the cheapest.

But clients say they stick with the brothers because of their hands-on care and knowledge of D-FW.

John Weber’s company was smaller 20 years ago when he hired Jeff as his tax champion. Weber and Co. builds shopping centers anchored by Target stores.

Over the years, he and the Kurzes have worked on 35 centers. “They’ve not only saved us a lot of money, but they’ve saved national retailers a lot of money,” Weber says.

The real estate portfolio of Neal Cukerbaum, principal of Sandler Southwest Corp., is smaller than Weber’s, but he says he gets the same service. “These are the hometown guys, and they’re good. When they make mistakes, they ’fess up and then they do better.”

Feast and famine

The Kurzes started out as real estate brokers in the early 1980s after graduating from [Southern Methodist University](#) two years apart.

For a couple of years, the 20-somethings made six figures.

“As brokers, it was all about eating what you kill,” Rick says. “Back then, there were tremendous opportunities for feasting.”

By late 1987, feasting turned into famine. Neither had made a commission in nearly a year. Jeff suggested that they go downtown to the Dallas Public Library and thumb through magazines to look for ideas. Inspiration came in a ridiculous form.

A full-page ad in *Entrepreneur* featured a woman in a mink coat, holding a toy poodle and standing in front of a Bentley. If you came to Joliet, Ill., and paid her \$10,000, she'd teach you the property tax consulting business in a week.

“We weren't about to go to Joliet, and we didn't have a clue about what property tax consultants did,” Jeff recalls. “But we knew enough about property taxes from being commercial brokers to think that we could be on to something.”

Rick had a year of savings to live on and wanted to go for it. Jeff was broke and didn't. So Jeff got a job as a leasing agent while Rick started out on his own.

“Before I made the jump,” Rick says, “I called everybody I knew who owned property — clients, friends, whoever — and said, ‘Hey, here's what I want to do. If I represent you before the appraisal district, and I can reduce your taxes, will you split the savings [in half]? — no downside to you.’”

In the first 90 days, he picked up 50 clients with 100 properties. But he almost went broke before he learned how to bill his clients.

After two tax seasons, Jeff came on board.

“We'd go down to the Dallas Central Appraisal District every morning at 7 or 7:30 when they opened up,” Rick says. “We'd sit in front of computers with those little green screens and go up and down the property listings.”

They'd jot down valuations that seemed too high and then do a drive-by for verification. “We'd come back to the office and smile and dial,” Rick says.

“Being brokers taught us how to cold call,” Jeff says. “I would say, ‘Please don't hang up on me. Just indulge me for two minutes.’ Most property owners own their property for a long time. So if they said no, I just called them back the next year. No is not never, it's just not now.”

'Very persuasive'

In 1991, Rick made a cold call to Janet Morehouse at Michaels' headquarters. He told her he could get an appeal and refunds on two [Irving](#) properties. And he did.

That began a 20-year business relationship.

Morehouse says Rick's finest hour came in 1997. Michaels had a distribution center in Haslet that straddled two jurisdictions. It was appraised by Denton County at \$18.5 million and by [Tarrant County](#) at \$24.8 million. Rick got both counties to revalue the center at \$12.9 million.

"Rick personally appeared before the appraisal review boards," recalls Morehouse, now senior director of real estate administration for Michaels. "He was very persuasive. He knew what information they were looking for."

The brothers say they expect the firm to continue to grow but don't plan on it doubling in size — too many headaches in that. Nor is selling it a current option — they enjoy what they do.

"Jeff and I are satisfied," says Rick, as his brother nods his head. "But we're anything but complacent."