

REAL ESTATE ASSESSMENTS - FREQUENTLY ASKED QUESTIONS

OVERVIEW OF COUNTY PROCESS

How often do you reassess my property?

All properties in Albemarle County are reassessed each year, which is required by County Code.

What information is used to determine the assessment of a property?

Specific information about each parcel and any improvements is gathered through site visits, GIS maps, building permits, surveys completed by the buyer or seller, and even sources on the internet such as property listings. Sales information comes from the recorded deeds which are typically confirmed by parties involved in the sale including the buyer or seller or their agents.

How are property values determined?

Residential properties are typically valued by the sales comparison approach. In this approach, sales of residential properties in Albemarle County are used to create a model that accounts for differences in quality, finish, amenities, size and style of improvements as well as site influences such as view, topography and location. The model will determine the assessed value of all of the properties. This is referred to as Mass Appraisal and is the standard method for assessing properties throughout the Commonwealth.

Why does Albemarle County Assess at Market Value?

Assessments are required by the Code of Virginia to be at 100% of fair Market Value. Other states may assess at different percentages of Market Value, but generally real property taxation generates the largest local revenue source in many states, thus if Fair Market Value isn't the basis for mass appraisals, localities in those states may compensate with higher tax rates.

What is Market Value?

Market Value is defined as the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all of the uses for which the property can be adapted and for which it is capable of being used.

What is an arms-length transaction?

The term arms-length is used to refer to transactions for which the buyer and seller have no connection. Examples of transactions that are not arms-length are foreclosures and sales between family members. This term is also generally used in transactions where the buyer and/or seller is not typically motivated such as an auction, a sale due to divorce or a sale out of foreclosure. Sales that are not arms-length are not relied upon to determine Market Value.

What is the difference between Mass Appraisal and the appraisal I would get when I buy a house or refinance?

The appraisal you would get to refinance your home is called a fee appraisal. These appraisals are completed one at a time and

compare one home to three or more comparable sales. The fee appraiser is also typically able to inspect every detail of a home both inside and out. This method is not feasible for a reassessment and would be excessively costly to the County, which is why mass appraisals are performed. However, both forms of valuation are based on the same appraisal standards and underlying methods.

What if there are no sales available in my neighborhood?

There are many subdivisions in Albemarle County and these are often referred to as neighborhoods. Many of these consist of very few parcels (less than 10). For example, some large subdivisions such as Forest Lakes and Glenmore consist of enough parcels to generate adequate sales each year to determine values, but many subdivisions do not. In mass appraisal, the term neighborhood actually refers to market areas, which are groups of similar properties that might include many small subdivisions. Therefore, for mass appraisal purposes, neighborhoods are not necessarily contiguous properties. While there might be small adjustments for differences between parts of a market area, all of the properties will have enough similarity to support the overall valuation. This is how the valuation of small subdivisions is supported.

Why are some properties assessed higher or lower than what they sell for?

While individual sales prices (even on identical homes) can vary, sometimes greatly, due to subjective decisions made in the buying process by either the buyer or seller, large amounts of sales allow us to account for that subjectivity and determine what typically motivated buyers and sellers would do. Even a fee appraisal cannot be based on one sale, but require at least three and these typically do not indicate the same value – the fee appraiser must determine what is appropriate from the range created.

What are the qualifications of the appraisers in the Assessor's Office?

County appraisers, including the County Assessor, have over 150 combined years of experience in valuing a wide variety of properties for assessments. The appraisal staff attend annual training sessions offered by the Virginia Department of Taxation, as well as receiving professional training through the International Association of Assessing Officers (IAAO); several Albemarle appraisers have obtained or are working towards earning IAAO certification and designation. The IAAO is an organization of assessment professionals that provides guidance, certification, and structured training for assessment personnel. Over the past two years the Assessor's Office has contracted with the IAAO to review, update, and document office practices, to assist in analyzing the market data from our county, and to validate that the County is utilizing the best mass appraisal practices, ensuring fair and equitable property assessments. The ultimate goal is to receive the IAAO's Certificate of Excellence in Assessment Administration within the next few years.

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I heard the Assessor's Office has a new computer system. Did the use of this new system cause my value to change?

We do have a much-needed new computer system, since the old system was no longer maintained by the vendor and, therefore, it

had to be replaced. This system change, however, would have no appreciable effect on your valuation. We look at new market information each year and that is what causes the valuation model to change and indicates higher or lower values on properties.

INDIVIDUAL ASSESSMENTS

No improvements have been made to my property, so why has the improvement value changed?

The notice of change of assessment reports a value for land, a value for improvements (FAIR MARKET IMP.) and the total value for each parcel. The word "improvement" in this sense refers to any building, outbuilding, or other structure on your property. This value can change with the real estate market. A change in improvement value does not necessarily mean that anything has physically changed on your property.

Why was my value change different from the reported average change?

Albemarle County consists of diverse properties and locations ranging from pastoral farm settings to close set urban subdivisions. Even within the same type of property, different areas can be more sought after in the real estate market than other areas. The old adage of "location, location, location" is relevant in the

reassessment process. That is, assessed values are derived from a number of factors, including market factors that are indicated by recent property sales and those sales may show values going up or down in different areas at differing rates. The average is a simple calculation of the overall change for the entire County and should not be counted on as a guide for the change in Market Value of any individual property or neighborhood.

How can my property's value change so much in one year? Isn't there a limit?

There is no statutory limit to the amount a property's value can change. There are times when the market changes quickly and significantly. However, there are also circumstances where little or no sales can be found to support a change in value over a period of several years and when sales start to take place the indicated change can be large. Since the County is required to assess properties at 100% of fair Market Value, we must report the value indicated by the market.

APPEALS

What do I do if I have any questions regarding my assessment?

We would be glad to confirm the description of your property with you since this is the basis of the valuation. Please call the Assessor's Office at 434-296-5856 if you would like to speak to an appraiser. The appraiser will confirm your property information and explain the valuation process. There may be a large volume of calls to our office, especially at the beginning and the end of February, so if you have any trouble getting through to us, please leave a voice mail message with your name, telephone number, and parcel identification and we will get back to you within three business days. Our goal is to return all calls within 48 hours.

What is the appeals process?

If after speaking to an appraiser you still want to request an official review of your assessment, you can fill out a review request form which will be available on our website at www.albemarle.org. County Code requires that your appeal be received by our office by close of business (5:00 p.m.) on February 28, 2017. We will consider any information you provide with your request, visit your property if necessary and respond to you in writing as soon as possible after making a decision regarding your appeal. Whether or not we make a change to your valuation, if you desire, you can file an application to the Board of Equalization (BOE) no later than 30 days after the date of our response to your appeal.

What is the Board of Equalization?

The Board of Equalization (BOE) consists of six members, each appointed by one of the elected members of the Board of Supervisors and representing each of the six magisterial districts. The BOE holds hearings in which the property owner or their representative can present information to show that the current year assessment is not correct. The County Assessor also explains to the BOE how the assessment was determined. The members of the BOE then decide to either affirm the assessment, or to change it. The initial deadline to file with the BOE is March 15, 2017, however, if a written application for review is received by the Assessor's Office by February 28, 2017, then an application for appeal to the BOE can be made within 30 days of the date of the response to the assessor's review.

Who determines if the Assessor's Office is doing a good job?

Each year localities submit a list of all of the arms-length transactions that took place in their jurisdiction to the Virginia Department of Taxation (TAX) and a ratio is calculated that shows how closely a composite of the sales is to 100% valuation. The most recent report released by the TAX (as of April 2016) was for the 2014 assessment year and indicated a median ratio of 94.3% in Albemarle. The study used in the Assessor's Office for the 2017 reassessment included over 1,900 sales with a median ratio of 99% based on our own calculations, but not yet validated by TAX.