



2016 REAPPRAISAL ("Revaluation")

Durham County Tax
Administration

What is reappraisal?

- **Reappraisal** is a process in which all real property in the county is appraised at its **current market value** as of a particular date.
- Real property includes both land and the improvements on it, whether residential, commercial, agricultural or industrial in nature.



Why we reappraise property

- North Carolina General Statute 105-286 requires all counties to conduct a reappraisal at least once every eight years.
- Durham County's last reappraisal was in 2008.
- Reappraisal spreads the overall property tax burden across the county, based on **current market values**.



What is market value?

- North Carolina General Statute 105-283 defines **market value** as the estimated price at which a property would change hands between a willing buyer and a willing seller, who are both reasonably informed of the property's characteristics.
- Over time, most properties change in value, but often at different rates, depending on location.
- **The Office of Tax Administration does not create market value**, but it analyzes market sales to determine market patterns and trends in different locations.



Different areas, different changes

In broad terms, we have seen evidence that market values around the county have changed in different ways since 2008:

- Some areas of the county have seen an increase in typical market values
- Some areas have experienced a decrease in value
- Some areas have both increases and decreases
- Some areas are about the same

The following are individual examples of change. They do not necessarily reflect market changes for all properties in that area.



Example: South Durham

Typical neighborhoods in South Durham appear to have current market values that are within a few percent of their 2008 values—some a little higher, and some a little lower, but most are close either way.

This is not necessarily the case with every neighborhood or every individual property, but the following slides are typical of what we've seen.



Location: South
Durham
2008 Assessed
Value \$422,671
Sale Date:
4/23/15
Sale Price
\$400,000
Decrease of 6%



Location: South
Durham
2008 Assessed
Value \$166,905
Sale Date:
5/19/15
Sale Price
\$188,000
Increase of 12%



Location: South
Durham
2008 Assessed
Value \$443,599
Sale Date:
07/08/14
Sale Price
\$473,000
Increase of 6%



Location: South
Durham
2008 Assessed
Value \$399,926
Sale Date:
1/7/14
Sale Price
\$365,000
Decrease of 9%



Example: North Durham

Neighborhoods in North Durham have shown much wider variation in current market values, as compared to their 2008 values. Some are a little higher or a little lower, but others are considerably higher or lower than their 2008 values.

Again, the following slides are simply representative properties from the North Durham area.



Location: North
Durham

2008 Assessed
Value \$343,616

Sale Date:
4/23/15

Sale Price
\$266,500

Decrease of 22%



Location: North
Durham
2008 Assessed
Value \$103,929
Sale Date: 3/2/15
Sale Price
\$145,000
Increase of 39%



Location: North
Durham
2008 Assessed
Value \$144,494
Sale Date:
11/20/14
Sale Price
\$155,000
Increase of 7%



Location: North
Durham

2008 Assessed
Value \$122,243

Sale Date:
07/01/2014

Sale Price
\$110,000

Decrease of 10%



Example: Treyburn

For appraisal purposes, Treyburn is not really a single neighborhood; there are actually different market areas within the overall development. Nevertheless, the market information indicates a general dip in current market values for Treyburn, as compared to 2008 values.

The following slides are examples of recent sales within Treyburn.



Location:
Treyburn
2008 Assessed
Value \$445,529
Sale Date:
3/13/15
Sale Price
\$405,000
Decrease of 10%



Location:
Treyburn
2008 Assessed
Value \$835,386
Sale Date:
07/28/15
Sale Price
\$715,000
Decrease of 15%



Location:
Treyburn
2008 Assessed
Value \$422,973
Sale Date: 6/2/15
Sale Price
\$380,000
Decrease of 11%



Location:
Treyburn
2008 Assessed
Value \$995,351
Sale Date:
8/15/14
Sale Price
\$575,000
Decrease of 42%



Example: Downtown

Some areas of downtown have seen exceptional growth since 2008, as more residents are attracted to downtown's expanding music, food, and cultural offerings. Many older homes are being renovated and quickly sold to new occupants.

Not all areas or all properties have experienced the same sort of value changes, but the following are just a few of many examples of renovations and sales that are happening right now in the downtown area.



Location:
Downtown
2008 Assessed
Value \$130,745
Sale Date:
1/9/15
Sale Price
\$250,000
Increase of 91%



Location:
Downtown
2008 Assessed
Value \$117,360
Sale Date:
1/9/15
Sale Price
\$345,000
Increase of
294%



Location:
Downtown
2008 Assessed
Value \$66,252

Sale Date:
12/18/14

Sale Price
\$325,000

Increase of 490%

Note this property
sold unrenovated
on 6/7/13 for
\$110,000



Location:
Downtown
2008 Assessed
Value \$34,997
Sale Date:
12/18/14
Sale Price
\$46,000
Increase of 31%



Example: Condominiums

Some condos, like the one in the following example, have seen a dip in value. Not all condos will necessarily see this degree of value change.



Location:
Condominium
2008 Assessed
Value \$93,547
Sale Date: 7/1/15
Sale Price
\$64,000
Decrease of 31%



When will Reappraisal occur?

- Reappraisal takes effect **Jan. 1, 2016.**
- New market values will be used to calculate tax bills from **Summer 2016** until the next reappraisal occurs.
- 2016 Reappraisal Notices will be mailed to all Durham County property owners on **Dec. 8, 2015.**



Who appraises your property?

- The Office of Tax Administration staff is seasoned and professional, with several decades of combined experience.
- All Durham County appraisers are certified by the North Carolina Department of Revenue to perform property tax appraisals.



3 steps to reappraisal

- 1. Sales Analysis:** Property sales are studied to determine market areas, trends, and patterns.
- 2. Physical Characteristics of properties,** including condition and exterior features, are collected for each property.
- 3. Value Schedules** are developed to help appraisers correlate physical characteristics with market values.



Where our values come from

- Properties and sales are analyzed to determine current property conditions, market areas, and typical sale prices for those areas.
- Some variations are impossible to determine from the property's exterior. For example:
 - Whether a bonus room or basement is finished or unfinished.
 - Cathedral ceilings or other floor plan variations affecting the size of a second floor.
 - An unusual floor plan or other interior feature that is not typical for the market
- The challenge, then, is to develop tables that correlate the physical property data we have on file with the sales data to help predict values for all properties, including those that did not sell.



Regular or extended garage?



1.5 story? More? Less?



Fireplace or no fireplace?



Why we do it this way

- We are responsible for appraising about 110,000 individual properties all at one time. This is referred to as **mass appraisal**.
- Most major taxing jurisdictions across the country have the same sort of challenge.
- There is no practical way to appraise a large number of properties using the identical methods used by single-property appraisers.
- Industry-standard methods have been developed for mass appraisal, just as they have been for single-property appraisals, to produce property values that are both reasonable and reliable.
- Unlike single-property appraisals, mass appraisal includes an appeals process to help address valuation issues that can result from limited information, inaccuracy, or even a difference of opinion.



How do we know it's right?

- Mass Appraisal techniques include statistical tools used to help measure the accuracy of an appraisal.
- We use a **sales ratio** as a common measure of how closely assessed values match up with current sale prices. The formula is simple: $\text{Assessed Value} \div \text{Sale Price}$
- A meaningful sales ratio requires considering multiple sales at typical market values. Sales of single properties or sales under non-typical conditions (foreclosures, auctions, short sales, etc.) often produce misleading results.



Appraised Value vs. Tax Rates

- **Appraised value** and **tax rates** are two separate concerns.
- County tax appraisers evaluate market activity to determine appraised value, or market value.
- The tax rate is determined by the Durham County taxing jurisdictions, based on their budget needs.
- The appraised value is established well before the tax rate is set, and is totally independent of the tax rate.
- The amount of the final tax bill cannot be determined until the tax rate is set.



Appeals

What if a property owner disagrees with the assessed value?

3 steps to the appeal process:

1. Verify and Compare.

- Review the information we have on file for your property, and report any outdated or incorrect information to us.
- Compare your property value with the sale prices of similar properties using our free online service.

2. File an appeal. If all information is up to date and you still disagree with the assessed value, you can file an appeal with the Board of Equalization and Review (BOER), and a hearing will be scheduled. After your appeal is heard by the BOER, you will receive written notification of your property value in the mail.

3. Appeal to the N.C. Property Tax Commission. If you do not agree with the decision by the BOER, you may appeal to the Property Tax Commission. Instructions will be provided on how to appeal to the PTC in the letter you receive from the Board of Equalization and Review.



Appeals

What if you're not sure what to do?

- From December 9 through January 8, you can schedule a face-to-face meeting with a staff member at one of several locations throughout the county.
- Meetings will be held during January and the first week of February.
- You will be able to discuss the appeal process with staff, and to deliver any paperwork about your property that you wish to be considered.



Appeals

Is the question really about value?

There are often issues other than tax value that concern property owners, such as:

- The amount of change from the last reappraisal
- Affordability of the expected taxes
- Level of services provided

While these are all understandable concerns, the only issue the tax office can address is the appraised value.



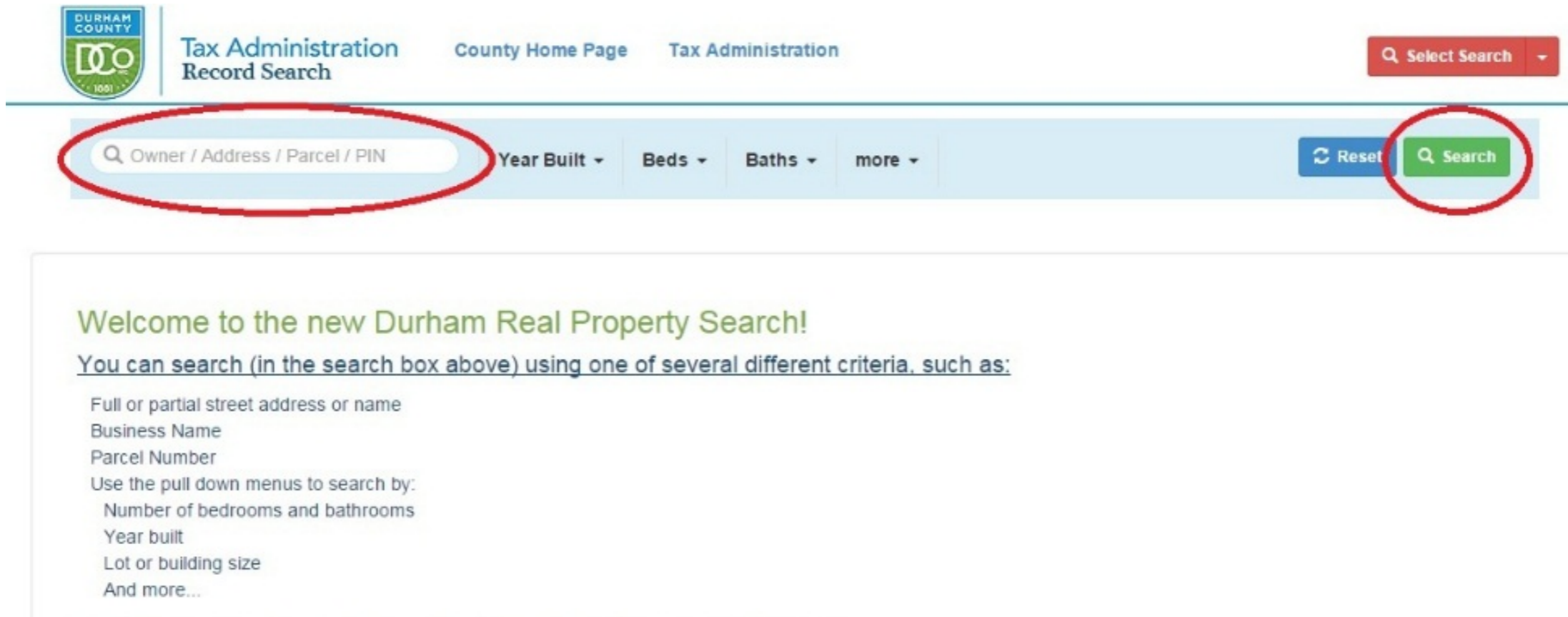
Appeal Step 1: Review & Compare

- Visit www.dconc.gov
- Select the “Services” tab, then “Real Property Search”

The screenshot shows the Durham County NC website interface. At the top, there is a navigation bar with links for Departments, Calendar, News, FAQ, and Contact Us. The date and weather are displayed as Thu, Sep 03 and Fair 88°. A search bar is located in the top right corner. The main navigation menu includes I Want To..., Government, Services (circled in red), Business, Residents, Visitors, Environment, and About DCO. A dropdown menu is open under Services, listing various services: Register of Deeds, Employment, Public Health, Tax Administration, Sheriff, and County Social Media. The 'Real Property Search' link is circled in red and highlighted with a tooltip. Below the navigation menu, there are news items and a 'More News' link. A large banner for 'GOVERNMENT' is visible at the bottom of the page.



Review & Compare: Find your property



DURHAM COUNTY
Tax Administration
Record Search

County Home Page Tax Administration

Select Search

Owner / Address / Parcel / PIN Year Built Beds Baths more

Reset Search

Welcome to the new Durham Real Property Search!

You can search (in the search box above) using one of several different criteria, such as:

- Full or partial street address or name
- Business Name
- Parcel Number

Use the pull down menus to search by:

- Number of bedrooms and bathrooms
- Year built
- Lot or building size
- And more...

- Enter your parcel number, which is printed on the notice you received.
- Click on the “Search” button
- Select your property when it appears



Select “Review and Compare”

The main page for your property will let you:

- Review your property data and let us know if something’s not right
- Compare the value of your property with actual sale prices of similar properties

The screenshot displays the Durham County Tax Administration Record Search interface. At the top, there is a navigation bar with the Durham County logo, the text "Tax Administration Record Search", and links for "County Home Page" and "Tax Administration". A search bar is located in the top right corner.

The main content area is divided into several sections:

- Account Information:** Parcel Ref No., PIN, and Account No.
- Current Owner(s):** January 1 Owner(s), Mailing Address, and Location Address.
- Property Details:** A small photo of the property, Tax District: CNTY-DRHM/CITY-DRHM, Land Use Code: 111, Land Use Desc: RES/ 1-FAMILY, Subdiv Code: 1207, Subdiv Desc: FRSTWD 03, and Neighborhood: 314RH.
- Legal Description:** Deed Book & Page, Plat Book & Page, Last Sale Date: Dec-27-2006, Last Sale Price: \$115,000, and Property Tax Appraisal: \$109,296.
- Map:** A Google Maps view showing the property location on a street grid, with a red pin and a house icon. The map includes controls for zooming and switching between map and satellite views.

Below the main content area, there is a navigation menu with buttons for Overview, Building Details, Land Details, Deeds, Sales, Permits, Tax Bill, Map, and Print Record Card. The "Building Details" button is highlighted.


The "Building Details" section includes a larger photo of the property, a list of specifications (Year Built: 1996, Built Use / Style: RANCH, Current Use: RESIDENTIAL, etc.), and a red box containing the appraised value: "\$87,774 * Appraised Value as of January 1, 2016". A note at the bottom states: "** Note - Bathroom(s), Bedroom(s), shown for description only".

A green circle highlights a set of four red buttons on the right side of the page: "Request Change of Building Details", "Formal On-line Appeal (Jan 1st?)", "Request Meeting - Modria Scheduler", and "Paper 2016 Appeal Form".



Review: Check and report

The data review page will allow you to review the data we have on file for your property, and to report issues such as square footage, bedroom or bathroom count, address changes, or other items that need to be reviewed or updated.

 Tax Administration Record Search [County Home Page](#) [Tax Administration](#) [Return to Property Record Card](#)

Account Parcel Ref No:
PIN:
Account No:

Current Owner(s) January 1 Owner(s) Mailing Address Location Address

Card 1 of 1












Name Address

First Last Suf Street Number Dir Street Name Type Zip

Email:

Comments

Basic instructions will be placed here

Click  Year Built: 1996
Pencil to  Built Use / Style: RANCH
Change  Current Use: RESIDENTIAL
 Percent Complete: 100%
 Heated Area (S/F): 1,260
 Bathrooms:
Full Bath 2
Half Bath(s) 0
 Bedroom(s): 3
 Fireplace (Y/N): N
 Basement (Y/N): N
 Attached Garage N
 Other N

[Back](#)



Compare: Look for comparable sales

The screenshot shows the Durham County Tax Administration Record Search interface. At the top, there is a search bar with a 'Select Search' button. Below the search bar, there are navigation links for 'County Home Page' and 'Tax Administration'. The main content area is divided into several sections:

- Account:** Parcel Ref No, PIN, Account No.
- Current Owner(s):** Card 1 of 1
- January 1 Owner(s):**
- Mailing Address:**
- Location Address:**

Property details include:

- Tax District:** CNTY-DRHM/CITY-DRHM
- Land Use Code:** 111
- Land Use Desc:** RES/ 1-FAMILY
- Subdiv Code:** 0760
- Subdiv Desc:**
- Neighborhood:** 080RD

Legal Description, Deed Book & Page, Plat Book & Page, Last Sale Date, Last Sale Price, and Property Tax Appraisal are also listed.

A map of the property is shown, with a red house icon indicating the location. The map interface includes a 'Map' button, a 'Satellite' button, and a 'Comper' button (highlighted with a green circle). Other buttons include 'Pictometry' and 'Analytics'.

At the bottom, there is a navigation bar with buttons for 'Overview', 'Building Details', 'Land Details', 'Deeds', 'Sales', 'Permits', 'Tax Bill', 'Map', and 'Print Record Card'.

- If the details look right, scroll back up and select the red box labeled “Comper.”



Compare: Review Comper results

- Comper displays sales of nearby properties.
- Properties that are most similar to yours will generally provide a better indication of your value range.
- You can select and save a list of comparables.

The screenshot displays the COMPER interface. At the top, there are filter options: "Filter By: Distance 2 miles", "My Property Type", "Heated Sq Ft", "Year Built", and "Sale Date". Below the filters, the "Subject Property" is listed with a market value of \$297,609 and comparables set to "Empty". The main area is divided into two parts: a map on the right showing numerous yellow property markers and a list of "Top 100 Nearby Sales (Comps)" on the left. Each comparable listing includes a small image, distance, sale date, heated square feet, number of bathrooms and bedrooms, and a price tag with an "Add Comp" button.

Distance	Sale Date	Heated Sq Ft	Bathrooms	Bedrooms	\$ per Sq Ft	Price
202 ft	2005-02-17	1,398	2	3	\$107	\$150,000
344 ft	2007-06-21	1,607	2	5	\$121	\$195,000
488 ft	2007-08-29	1,436	2	3	\$97	\$140,000
563 ft	2007-04-04	3,120	3	3	\$80	\$250,000
612 ft	2006-06-30	1,928	2	3	\$110	\$212,500
615 ft	2005-09-12	1,926	2	3	\$96	\$185,000
650 ft	2006-06-16	1,840	2	3	\$95	\$175,000



Appeal Step 2: File an appeal

- If you still disagree with your value after the Review and Compare step, you are encouraged to submit an appeal.
- The main page for your property will provide easy methods for appealing.

The screenshot displays the Durham County Tax Administration Record Search interface. At the top, there is a navigation bar with the Durham County logo, 'Tax Administration Record Search', and links for 'County Home Page' and 'Tax Administration'. A search bar is located in the top right corner.

The main content area is divided into several sections:

- Account Information:** Parcel Ref No., PIN, and Account No.
- Current Owner(s):** Tax District: CNTY-DRHM/CITY-DRHM, Land Use Code: 111, Land Use Desc: RES/ 1-FAMILY, Subdiv Code: 1207, Subdiv Desc: FRSTWD 03, Neighborhood: 314RH.
- January 1 Owner(s):** (Empty field)
- Mailing Address:** (Empty field)
- Location Address:** (Empty field)

A map of the property is shown on the right, with a red house icon indicating the location. Below the map are buttons for 'Comper', 'Pictometry', and 'Analytics'.

Below the map is a navigation bar with buttons for 'Overview', 'Building Details', 'Land Details', 'Deeds', 'Sales', 'Permits', 'Tax Bill', 'Map', and 'Print Record Card'.

The 'Building Details' section is highlighted with a green circle and contains the following information:

- Year Built:** 1996
- Built Use / Style:** RANCH
- Current Use:** RESIDENTIAL
- *Percent Complete:** 100%
- Heated Area (S/F):** 1,260
- ** Bathroom(s):** 2 Full Bath(s) 0 Half Bath(s)
- ** Bedroom(s):** 3
- Fireplace (Y/N):** N
- Basement (Y/N):** N
- Attached Garage (Y/N):** N
- Multiple Improvements:** 1

Below the building details is a box containing the appraised value: **\$87,774 * Appraised Value as of January 1, 2016**. A note below this box states: **** Note - Bathroom(s), Bedroom(s), shown for description only**.

On the right side of the 'Building Details' section, there is a vertical list of four red buttons, each with a white arrow pointing to the left:

- Request Change of Building Details
- Formal On-line Appeal (Jan 1st?)
- Request Meeting - Modria Scheduler
- Paper 2016 Appeal Form



The simplest way to file

- Our award-winning appeals management system provides a simple and secure method for filing your appeal, submitting documentation, and communicating with appraisal staff.

The screenshot shows the Durham County Resolution Center website. At the top left is the Durham County logo (DCCO NC 1881). To its right is the text 'Tax Administration' and 'RESOLUTION CENTER'. Further right is 'Powered by MODRIA'. In the top right corner are 'Login' and 'Help' buttons. The main heading is 'Welcome' with the sub-heading 'Easily file and manage your Appeal.' Below this are two buttons: 'FILE AN APPEAL' and 'ALREADY FILED'. A process flow diagram consists of three circular icons connected by arrows: a document with an arrow, a person with a speech bubble, and a document with a checkmark. Below each icon is a list of steps:

- Step 1:** Provide basic information. Upload relevant documents.
- Step 2:** Check the status of your appeal. Communicate with the appraiser staff. Provide additional information and attachments.
- Step 3:** Receive decision information.



How to support your appeal

You will need to provide information to support your appeal.

Useful documentation includes:

- A sales report for similar properties from our online Comper service
- Other comparable sales reports from the property owner or a real estate professional
- A copy of a recent fee appraisal for the property, such as one done in connection with the purchase or refinance of the property
- Pictures showing the property's inner and outer features and condition, including any upgrades



Other filing methods

Paper form

- A paper appeal form can be submitted along with supporting information
- Forms are available online, in the tax office, and can be mailed on request
- Paper forms may be submitted by mail, fax, email attachment, or in person

Face-to-face meeting

- Those unsure about their appeal can schedule a meeting with staff
- Scheduling will be handled online by either the property owner or office staff
- **Appointments will be accepted through Jan. 8**
- Meetings will be held starting Jan. 4 at various public libraries and at the Human Services building



Appeals: Key takeaways

- Data errors and out-of-date information about your property can be managed quickly. Our staff members are here to help if you need to correct, update, or verify your property information.
- Qualifying property owners may benefit from one of the available property tax relief programs
- Appeals must be based on value, not on the change in value or what the expected tax increase might be.
- If you know you're going to appeal your property value assessment, it is best to appeal **as early as possible and before the May 2, 2016 deadline** to ensure you can arrange and prepare for a hearing.
- **You must appeal by 5:00 pm on May 2, 2016 to be considered.**



Key Reappraisal dates

Reappraisal Notices mailed	Dec. 8, 2015
Effective date of Reappraisal	Jan. 1, 2016
Deadline to request face-to-face meeting	Jan. 8, 2016
Board of Equalization and Review hearings	Hearings begin after initial meeting on April 4, 2016
Deadline for 2016 real property appeals	5:00 p.m. on May 2, 2016
First tax bills impacted by Reappraisal	Summer 2016

For information regarding exemptions, please visit:

<http://dconc.gov/government/departments-f-z/tax-administration/property-tax-relief-programs>



Key dates

All appeals must be submitted online or in writing by 5:00 p.m. on May 2, 2016.

For information regarding exemptions, please visit:

<http://dconc.gov/government/departments-f-z/tax-administration/property-tax-relief-programs>



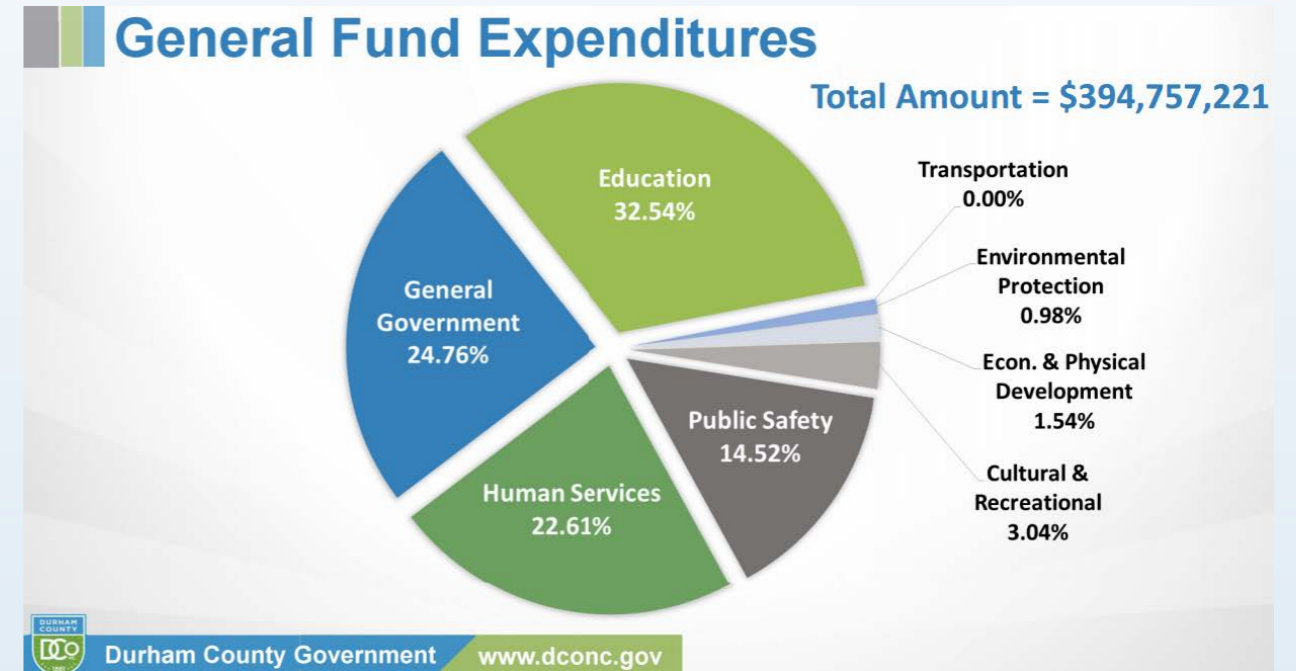
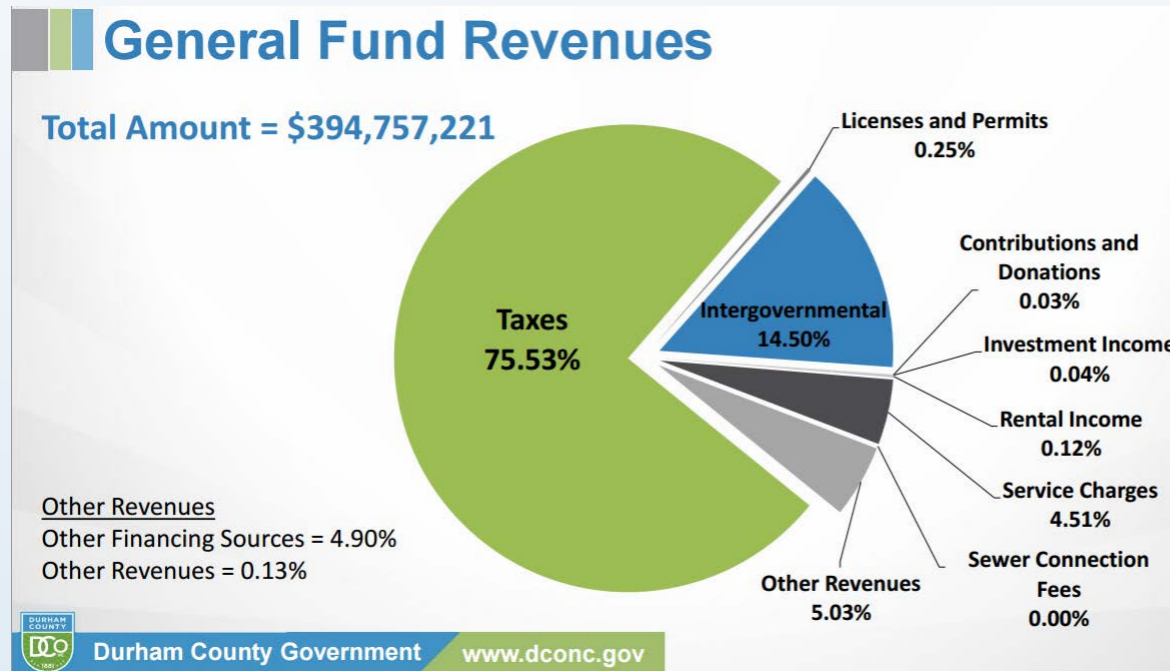
New in 2016

The Office of Tax Administration's digital capabilities and communication channels have progressed with the times to ensure the reappraisal process is as efficient and transparent as possible:

- We have doubled our phone line capacity since 2008 to ensure a smooth experience for all residents.
- Our call center will be available by phone **Monday-Friday 8:30 a.m. – 7 p.m.** from December 9 through January 8.
- Homeowners can now verify and edit their property information and submit appeals online.
- We regularly monitor social media to answer any questions and provide resources for homeowners.

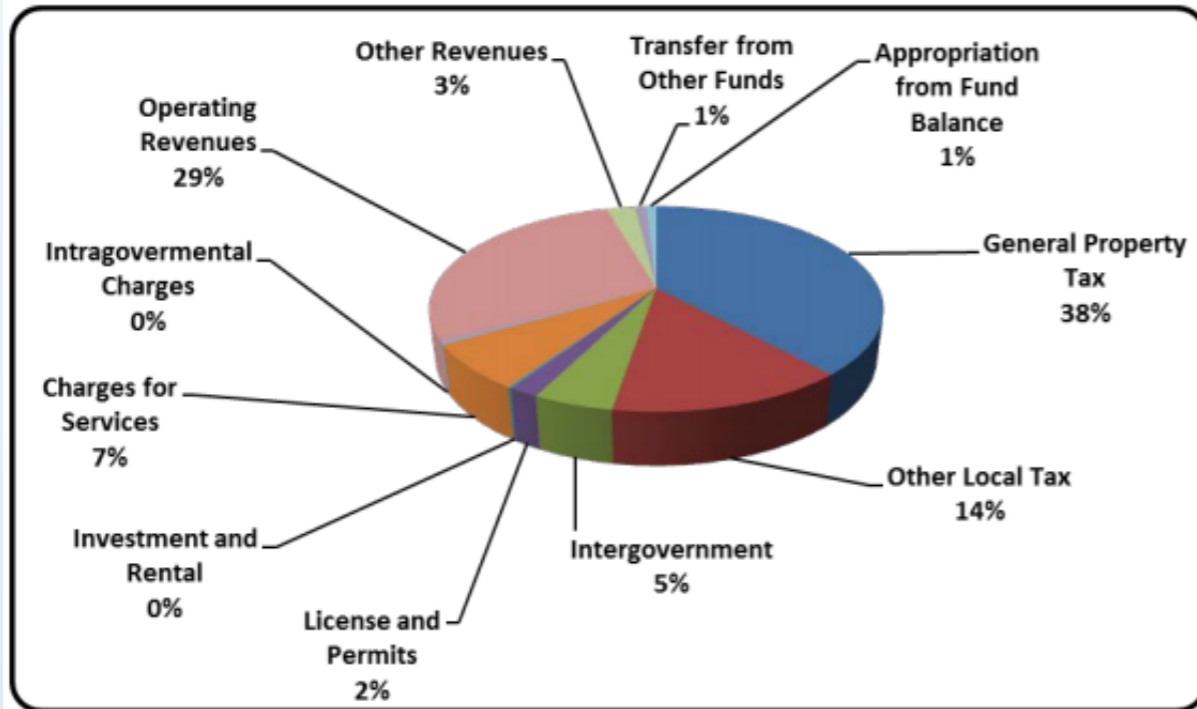


County charts

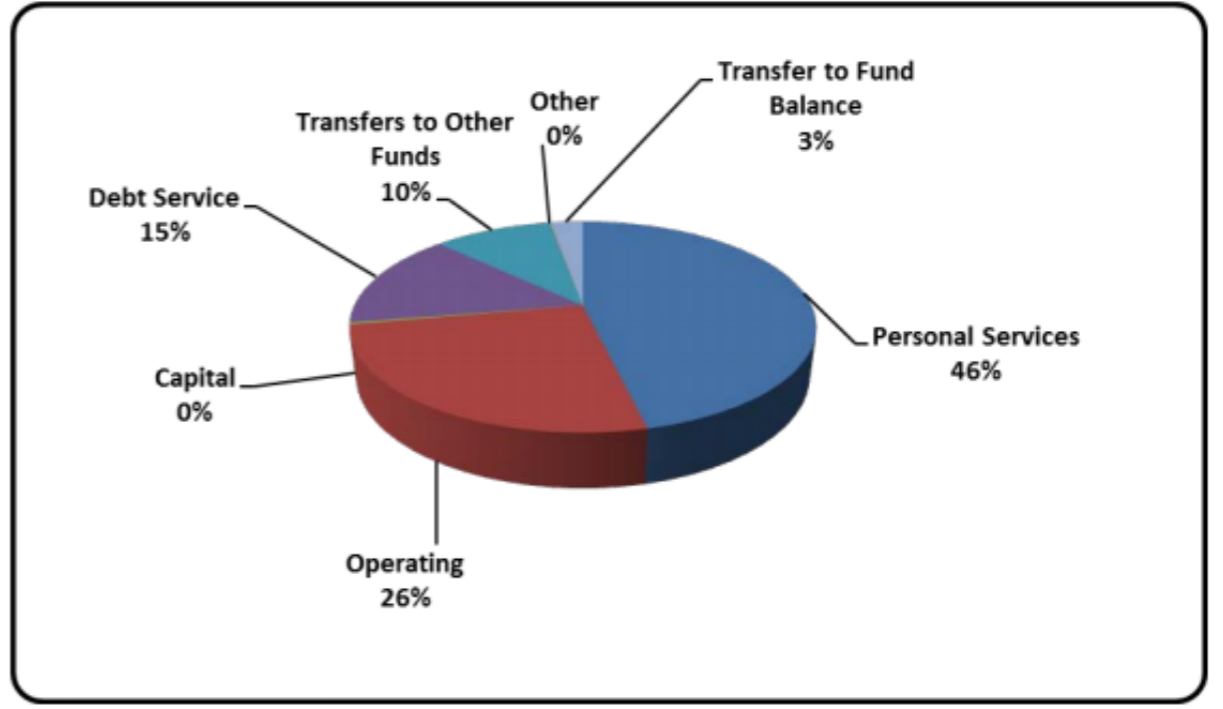


City charts

FY 2015-2016 REVENUES



FY 2015-2016 APPROPRIATIONS



Contact information

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