



2025 Reappraisal Update February 10, 2025

Tax Administration



Discussion Topics

- **What is a reappraisal?**
- **Market Sales Trends & Durham County's RE Market**
- **Reappraisals & Property Taxes**
- **Tax Relief & Assistance**
- **The Appeals Process**

North Carolina General Statute
105-286 requires that all
counties conduct a reappraisal at
least once every eight years.

Most recent reappraisals....

2008

2016

2019



The Reappraisal Process

- A reappraisal is the process of appraising thousands of properties as of a single date, in a way that is fair and equitable to all property owners.
 - **North Carolina General Statute 105-286** requires that all counties conduct a reappraisal at least once every eight years.
 - The more time between reappraisals, the more opportunity for activity to take place in the market (positive or negative).
 - NCGS 105-287 prohibits the changing of tax values in a non-revaluation year.
 - Goal of the process is to bring all property values to **100% of market value**.
 - The process equalizes the tax base, but it is **not considered or intended to be a revenue generator**.
 - Durham County is focused on moving to a 4-year reappraisal cycle.
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Benefits of a 4-Year Cycle

- **Directly benefits horizontal & vertical equity (measured with PRD, COD & COV).**
- **More frequent, timely representation of the local RE market (residential & commercial benefit).**
- **Property owners become more familiar with the process through more frequent experiences and repetition.**
- **Public Utility adjustment due to the sales ratio.**

2024 Sales Assessment Ratios

Ten Largest Counties				
County	Final Ratio	COD	#Sales	Appraisal Yr
BUNCOMBE	66.31	16.74	415	2021
CABARRUS	98.42	3.77	379	2024
CUMBERLAND	58.18	17.53	323	2017
DURHAM COUNTY	61.05	22.06	336	2019
FORSYTH	64.55	26.13	402	2021
GUILFORD	74.08	15.37	415	2022
JOHNSTON	64.63	12.52	365	2019
MECKLENBURG	92.69	10.65	674	2023
UNION	66.97	16.89	367	2021
WAKE	98.63	5.47	818	2024

Border Counties*				
County	Final Ratio	COD	#Sales	Appraisal Yr
CHATHAM	65.64	37.87	219	2021
GRANVILLE	96.76	17.97	209	2024
ORANGE	64.45	20.33	310	2021
PERSON	75.33	30.52	265	2021

** Not Captured in Top Ten Counties Table*

The greater time between reappraisals
directly impacts sales ratios.

Source: NC Department of Revenue, July 16, 2024



2025 Reappraisal Calendar

Important Dates

November 12th

Adoption of the Schedule of Values

By March 1st

Mail 2025 Reappraisal Notes

March 3rd

Appeal Module Open for 2025 Appeals

March 11th – March 25th

Host Reappraisal – Informational Meetings

May 5th

Board of Equalization and Review Convene

June 16th

Board of Equalization and Review Adjourn



Local Real Estate Market

- **Home Sale Prices** have increased drastically since 2019.
- **January 2019** Median Sale Price in Durham County was **\$239,500**
- As of **December 2024**, the **Median Sale Price in Durham County** is **\$416,000**
- The **Median Sale Price** in the City of Durham is **\$415,000**

Location: South Durham

Sale Date: 12/28/2018

Sale Price
\$325,000

Sale Date: 2/28/2024

Sale Price
\$560,000

72% Increase



Location: Forest Hills

Sale Date: 10/31/2018

Sale Price
\$210,000

Sale Date: 2/1/2024

Sale Price
\$441,500

110% Increase



Location: Watts-Hillandale

Sale Date: 12/5/2018

Sale Price
\$300,000

Sale Date: 5/6/2024

Sale Price
\$710,000

136% Increase



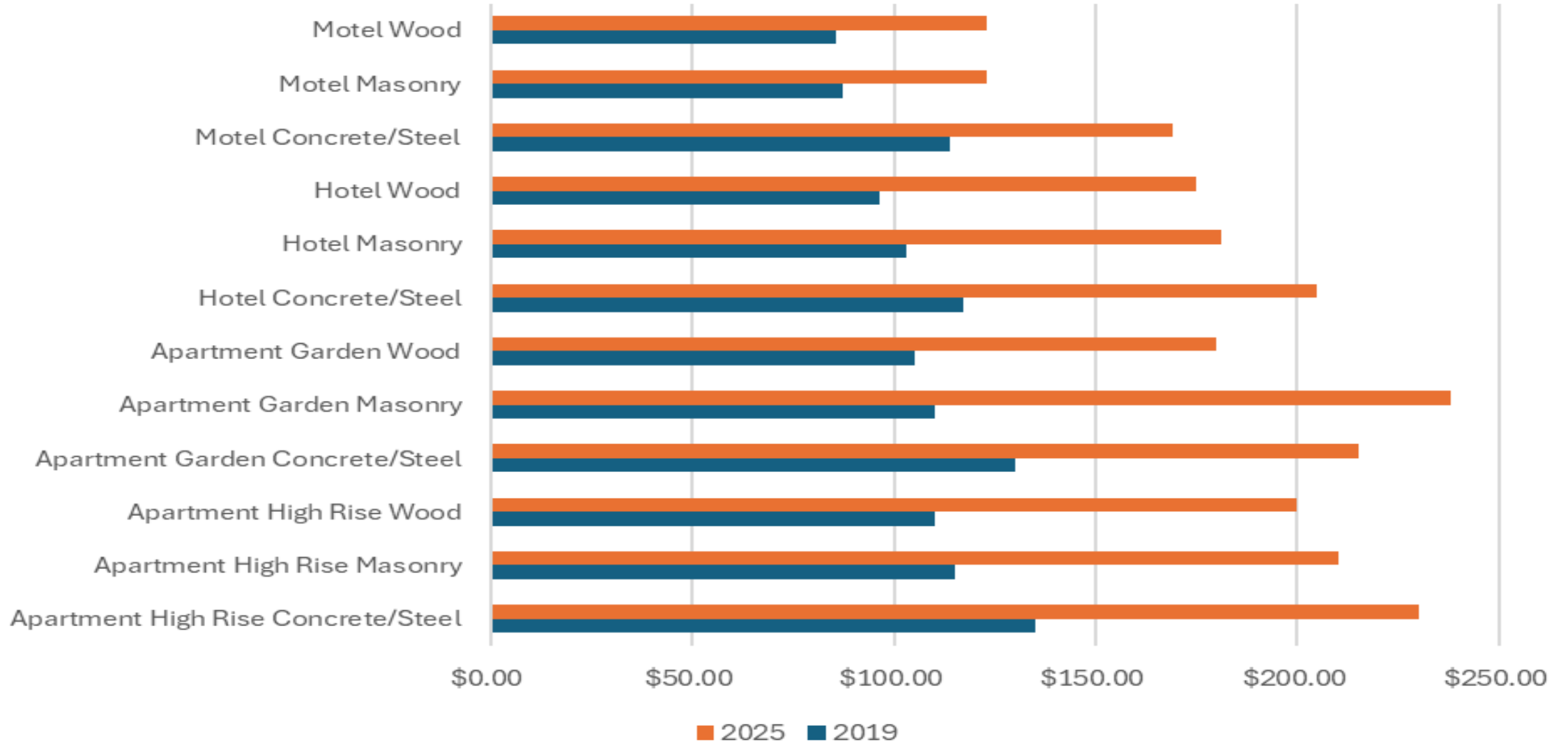
TMLS

www.dconc.gov

Commercial Trends

- **Office** - **Vacancy rates are high**, values have declined since **2021**, average sales price/square foot roughly \$15 higher than 2019 (**high vacancy rates impact the income approach**)
- **Retail** – average sales price/square foot roughly **\$50 higher than 2019**
- **Multi-Family** - **vacancy rates are at record high**, rental rates are declining, average sales price per unit **up roughly \$40,000**
- **Industrial** – average sale price/square foot is **\$50 higher than 2019**
- **Hospitality** – the Triangle market has been the best in the state, average sales price/room is **up roughly \$7,000 since 2019**

Apartment & Hotel Base Rates



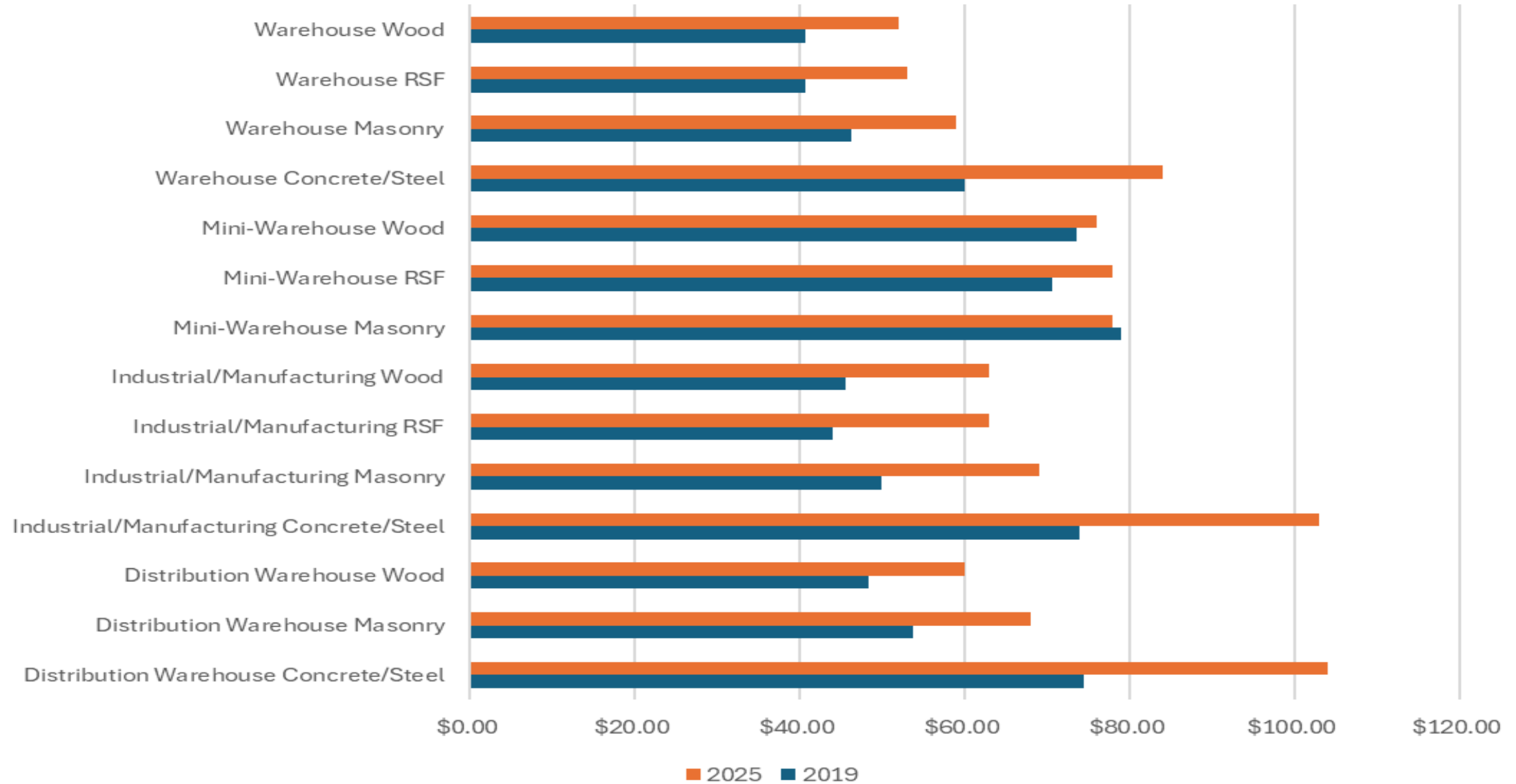
Office, Lab and R & D Base Rates



Retail Base Rates



Industrial & Storage Base Rates



Previous Reappraisal IMPACT

Reappraisal Years	Population (Estimated)	RE Market SP (Median)	Tax Rate (county + city)	Tax Bill (Based on Median SP)
2008	259,000	\$185,000	$.70 + .54 = 1.24$	\$2,294
2016	308,000	\$205,000	$.74 + .56 = 1.30$	\$2,665
2019	323,000	\$240,000	$.71 + .53 = 1.24$	\$2,976
2025	*350,000	*\$415,000	?	?



Tax Relief Programs & Assistance

- **NCGS Programs (State Programs)**
 - **Exemptions**
 - **Exclusions**
 - **Deferments** (Expected to be paid back upon disqualifying event)
- **Low Income Homeowner Relief program** offered by Social Services
 - **BOCC created this assistance in 2019**

Tax Relief Programs

Elderly/Disable Homestead

Exemption

- **65 years of age or older**
- **Total owner(s) income must not exceed \$36,700 (same income requirements for Circuit Breaker)**
- **Excludes \$25,000 or 50% of the assessed value of permanent residence**

Disabled Veteran

Exclusion

- **Disable veteran; form completed by Department of Veterans Affairs**
- **Also available to a surviving spouse (that has not remarried)**
- **Excludes up to the first \$45,000 of the appraised value of the permanent residence**

Circuit Breaker – Elderly/Disabled Deferment Program

- **65 years of age or older**
- **Requires new application every year**
- **Limits the amount of annual property taxes on permanent residence**
- **Tax bill is limited to a fixed percentage of income and taxes owed above that limit are deferred**
- **Income limit up to 150% of the elderly/disabled income limit**

DSS Low-Income Homeowner Relief Program

- **Tax assistance** based upon a 3-tier income model centered on AMI (80% < 60% < 30%).
- Focused on households with income less than or equal to 80% of HUD Area Median Income; current tax bill only
- Homeowners who have owned & used the property as a primary residence for at least the preceding previous 5 years.
- To complete the application process, applicants need to submit proof of **INCOME**, form of **ID**, and **TAX BILL**.

Appeals

What if a property owner disagrees with the assessed value?

Three Steps to the Appeal Process

1. Review

- Review the information on file for your property and report any outdated/incorrect information to the tax office.

2. Compare

- Compare your property value with the sale prices of similar properties using our **free online service (COMPER)**, or other real estate websites available to you.

3. 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 schedule a hearing. After the BOER hears your appeal, you will receive written notification of your property value in the mail.

Appeals

- There are often issues that concern property owners, such as:
 - **The amount of change in value since the last reappraisal**
 - **Affordability of the expected taxes (tax bill)**
 - **Level of services provided**
- While these are all understandable concerns, **the only issue the tax office can address during an appeal is the appraised value.**
- Reappraisal values are based on the current real estate market and are independent of a previous reappraisal cycle.

Next Steps and Reminders

February 21	Budget Retreat: FY 2025-26 Projected Values
By March 1	Mail 2025 Reappraisal Notes
March 3	Appeal Module Open for 2025 Appeals
March 11 – March 25	Host Reappraisal – Informational Meetings
May 5	Board of Equalization and Review Convene
June 16	Board of Equalization and Review Adjourn

Discussion