



2025 Reappraisal Update

Tax
Administration



Discussion Topics

- **Reappraisal Process Overview**
- **Market Sales Trends**
- **Important Upcoming Dates**
- **Programs to Assist Tax Liability**
(State Exemptions, Low Income Relief Program)
- **Communication Strategies**
- **Discussion**



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**.
- Most recent reappraisals conducted in Durham County were 2019, 2016, and 2008.



Reappraisal Process Continued

- Reappraisal Process starts with the 1% Random Sample Review submitted to NCDOR.
- Industry-standard methods have been developed for mass appraisal to produce property values that are reasonable and reliable.
- Mass appraisal techniques include statistical tools used to help measure the accuracy of an appraisal.
- The **sales ratio** is the most common measure of how closely assessed values match up with current sale prices. This formula is represented as follows:

$$\text{Assessed Value} \div \text{Sale Price}$$

Example: Home **sells for \$100,000** & the **Tax Value is \$80,000**, the **sales ratio is .80 or 80%**.

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



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 October 2024, the Median Sale Price in Durham County is **\$419,500**

The Median Sale Price in the City of Durham is **\$415,375**



Location:
Tanners Mill

Sale Date:
12/12/2018

Sale Price
\$270,000

Sale Date:
2/23/2024

Sale Price
\$440,000

63% Increase



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Location: South
Durham

Sale Date:
12/28/2018

Sale Price
\$325,000

Sale Date:
2/28/2024

Sale Price
\$560,000

72% Increase



Durham County Government

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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:
12/05/2018

Sale Price
\$300,000

Sale Date:
5/6/2024

Sale Price
\$710,000

136% Increase



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Current Market Statistics Residential

Sales Ratio Provided To NCDOR

Assessed Value	Median Sales Ratio	Count	% of Sales
Below 100,000	0.23	335	12.40%
100,000 – 200,000	0.50	858	31.75%
200,000 – 300,000	0.59	862	31.90%
300,000 – 400,000	0.63	380	14.06%
400,000 – 500,000	0.63	133	4.92%
500,000 – 750,000	0.70	104	3.85%
750,000 – 1,000,000	0.66	19	.70%
Above 1,000,000	0.66	11	.41%
Summary	0.55	2702	100%

Random sample of sales of 2023; Initial sales representing the start of the review process.

**Median
Ratio**

54.99%

**NCDOR
Statistics**

2023



Current Market Statistics Commercial

Sales Ratio Provided To NCDOR

Assessed Value	Median Sales Ratio	Count	% of Sales
Below 250,000	0.41	47	54.65%
250,000 – 500,000	0.56	17	19.77%
500,000 – 750,000	0.57	3	3.49%
750,000 – 1,000,000	0.70	3	3.49%
Above 1,000,000	0.63	16	18.60%
Summary	0.53	86	100.00%

Random sample of sales of 2023; Initial sales representing the start of the review process.

Median Ratio	NCDOR Statistics
52.94%	2023



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 expected to impact appeals**)
- **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**



2025 REAPPRAISAL CALENDAR

Important Dates

<u>DATE</u>	<u>DESCRIPTION</u>
November 12	Adoption of the Schedule of Values
By March 1st	Mail 2025 Reappraisal Notices
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



Programs to Assist with Tax Liability

- **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

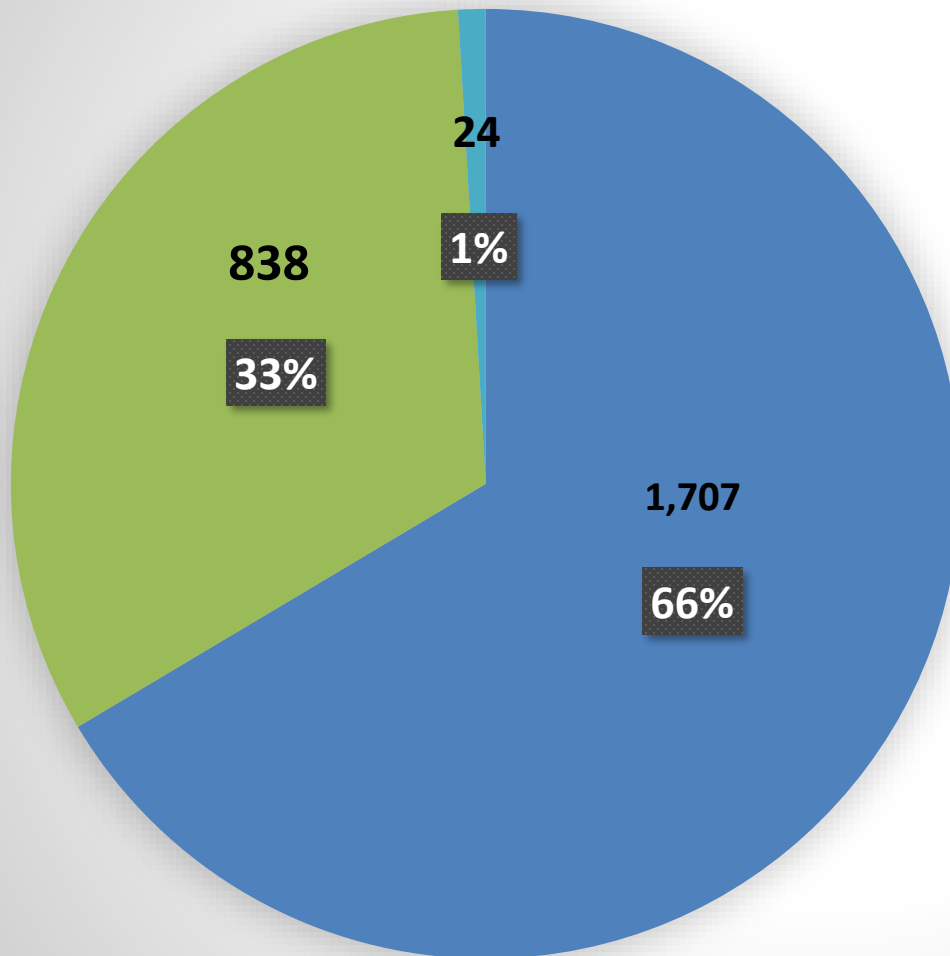
- Disable veteran; form completed by Department of Veterans Affairs
- Also available to a surviving spouse (that has not remarried)
- Excludes up to the first \$45,000 of the appraised value of the permanent residence

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

FY 2023-24 State Relief Programs

2569 Total Participants FY 2023-24



■ Elderly Disabled Homestead Exemption = 1707

■ Disabled Veteran Exclusion = 838

■ Circuit Breaker Deferment = 24



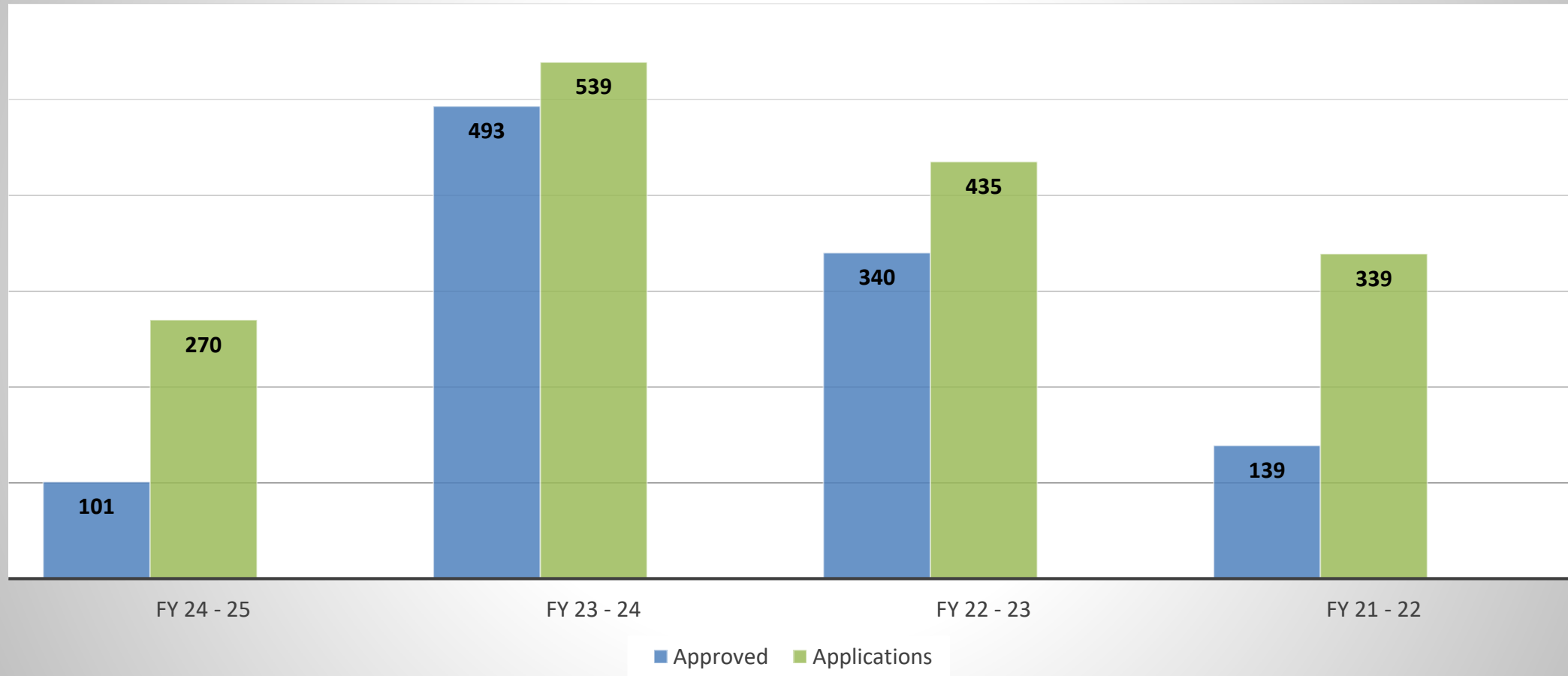


DSS Low-Income Homeowner Relief Program

- **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**
- Typically, applications are reviewed from August to June of the following year
- To complete the application process, applicants need to submit proof of **INCOME**, form of **ID**, and **TAX BILL**.

DSS Low-Income Homeowner Relief Program

LIHR Program Participants





Spending

- FY 2021-22
139 Recipients - **\$146,702.65** Total Disbursed
- FY 2022-23
340 Recipients – **\$360,483.72** Total Disbursed
- FY 2023-24
493 Recipients - **\$690,741.08** Total Disbursed
- FY 2024-25
Over \$500,000 to date; expected end date 5/2025



Communication Strategy

- **Reappraisal & Tax Relief** handouts, flyers, videos, and brochures have been made available for taxpayers that visit the Tax Administration to conduct business and/or our website.
- Tax information (**Reappraisal & Tax Relief**) inserts will be added to **mailings of Change of Value Notices and Tax Bills**.
- The Department of Tax Administration has incorporated **tax relief programs & the DSS program** in all Community Outreach sessions/presentations.



Discussion

