2016 Reassessment Report

Office of the Commissioner of Revenue

January 1, 2016

New Kent
COUNTY
VIRGINIA

Laura M Ecimovic
COMMISSIONER OF THE REVENUE
PO BOX 99
NEW KENT, VA 23124
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March 15, 2016

The Honorable Board of Supervisors
New Kent County
PO Box 150
New Kent, VA 23124

RE: January 1, 2016 Reassessment

Honorable members of the Board,

I am submitting for your review our second reassessment report, effective January 1, 2016. Its intent is to provide you with an executive summary of the real estate analysis process and our conclusions. Reassessment Notices were mailed January 20, 2016. We completed our appeal process on March 11, 2016. Final notices will be mailed March 21, 2016.

The 2016 reassessment total of $2,709,794,040 represents property values after appeals, factual error correction and the addition of all new parcels recorded before January 1, 2016.

Overall increase in value is reflective of the growth in New Kent County. Weldon Cooper population estimates indicate we are the 5th fastest growing community in the commwealth, only to be surpassed by jurisdications in the Northern Virginia Regions. The number of qualified sales increased 19.4% in the past year and an 78.7% since the last reassessment in 2014.(table on page 4 reflects this rebound from previous years). In 2015, new home sales increased surpassing 2008 levels. Median home prices continue to rise, with new homes outperforming existing homes sales on the market. A total of 1195 transfers of property occurred in 2015. Of those 451 were deemed qualified market sales, 131 were by will or probate, and 45 were foreclosure related. Forclosure related sales have stabilized at 9.98 % and multiple commercial projects have been completed or are anticipated in the near future.

Sincerely,

Laura M. Ecimovic
Commissioner of Revenue

We inspect and collect field data on all new construction, including additions or alterations where permits are obtained. We

have conducted the reassessment of all real property via a computer assisted mass appraisal system. The key components of which are; sales analysis, data management, valuation and administration. Utilizing current market data and trends, detailed statistical analysis is performed to measure accuracy, equality and equity. All statistical data and representations in this report are as of January 1, 2016.

Overview:

In 2015 the County of New Kent experienced an notable increase in new construction and sales in the real estate market. Both sales volume and home prices reflected an increase for 2015. During the past year, the region as a whole experienced a upward trend in prices paid for residential properties. Since the last reassessment, 199 new parcels in 2015 & 107 in 2014 have gone to record. There were a total of 422 new homes completed in 2014 and 2015. The total number of sales utilized for our 2016 analysis was 451.

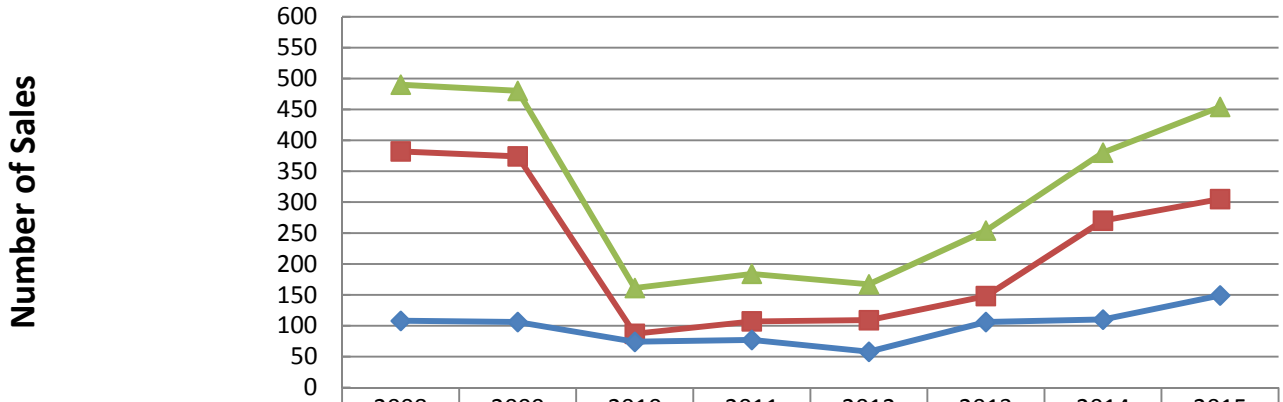
Land values impact the average sale price of a home in the county as there is a direct relationship between the land and improvement values. Evaluation of market sales in most neighborhoods reflects a direct influence on property size. Therefore, most properties in the 2016 reassessment have been assessed using acreage. The overall effect on land value is directly related to the size of the lot within its neighborhood. The current dynamics of the real estate market are reflected in the data presented. Residential single-family sales for 2015 are summarized and compared with 2008-2014; graphs on the following page.

The current revaluation of all classes of taxable real estate totaling 19,521 properties resulted in a 2.07% revaluation increase in taxable properties. This countywide increase is a result of individual value changes ranging from double digit percentage increases, to some properties experiencing a decrease in value. The value changes this year are in keeping with current market trends. ..

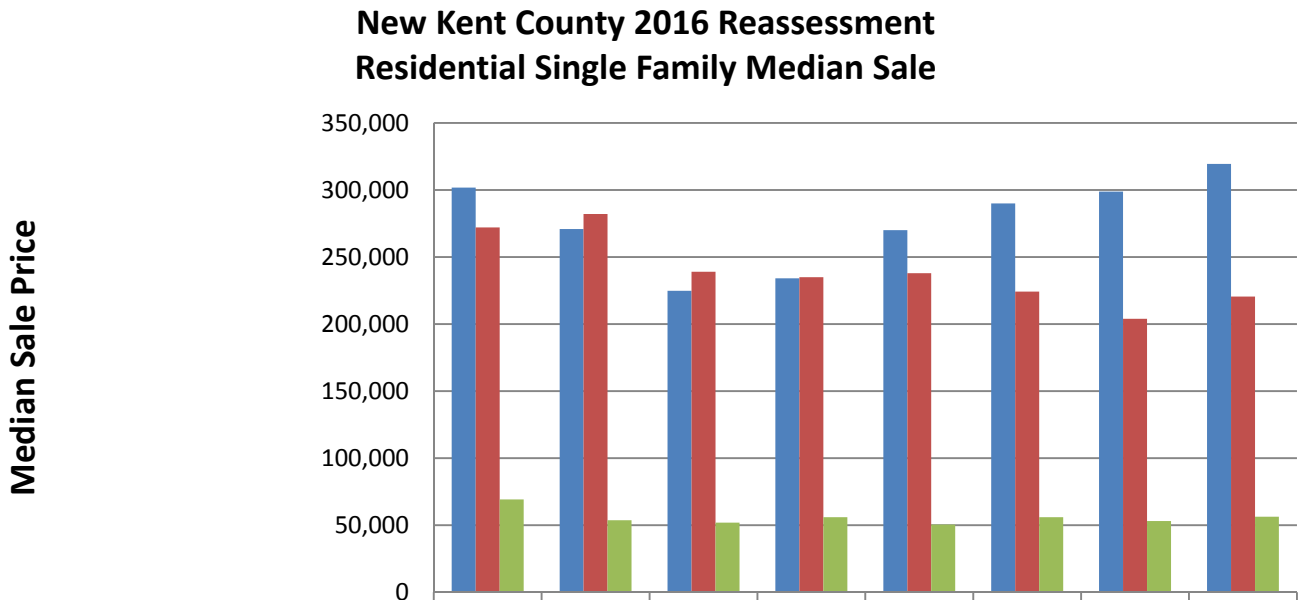
We have worked vigorously to correct individual records through meetings with individuals, Home Owner Associations, physical inspections of properties, reassessment public meetings as well as the inclusion of the property record card with the reassessment notice

Residential:

During the revaluation process, the goal is to have all properties at an equitable assessment level while reflecting market value. The objective is to comply with state code and eliminate any one part of the county or one class of property from being under or over assessed, thus equalizing the tax among the taxpayers. In continuing our goal of improving the uniformity of residential assessments, all areas of the county were addressed. Neighborhoods with noted inequities were reviewed to bring the assessments in balance with the area. Physical inspections were completed and corrections were made due to improvements, age/condition adjustments, physical properties and market desirability. It is not unusual to see large increases as well as decreases in assessments in these areas. While it would be desirable to inspect every parcel in the county every reassessment, it is cost prohibitive. Approximately 40% of improved properties have been physically inspected in this reassessment. Neighborhoods selected for review are based on statistical data. Several areas required additional work due to market influences, waterfront location and change in zoning or improper land use for zoning. All areas were reviewed and assessed. It is the goal of this office to maintain costs associated with a general reassessment by physically inspecting 1/3 to 1/2 of all properties each reassessment cycle, rotating cycles so that every property is physically inspected at least once every six years as recommended by IAAO standards. The following graphs/charts depict single family sales and assessed values as of January 01, 2016.

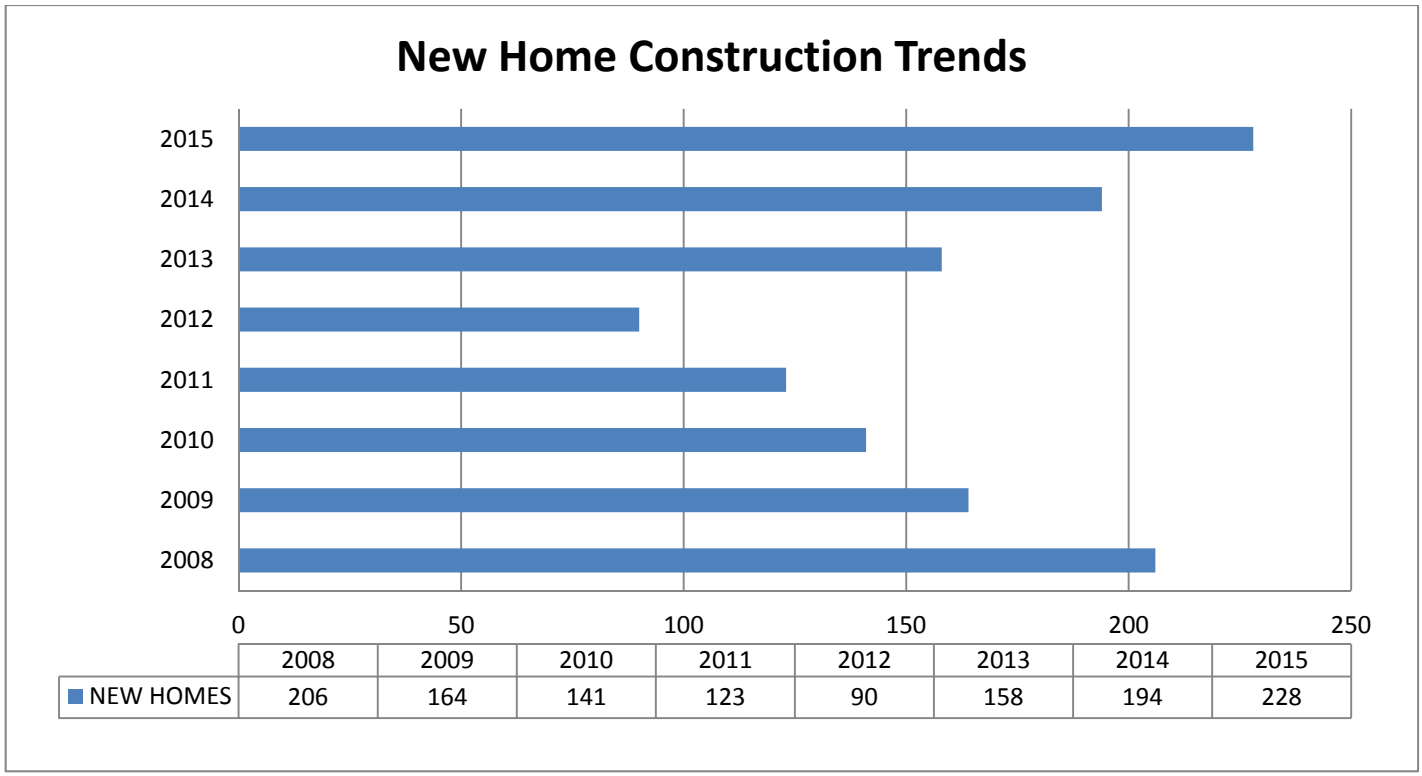


	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL #HOME SALES	490	480	161	184	167	254	380	454
#EXISTING HOME SALES	382	374	87	107	109	148	270	305
#NEW HOME SALES	108	106	74	77	58	106	110	149

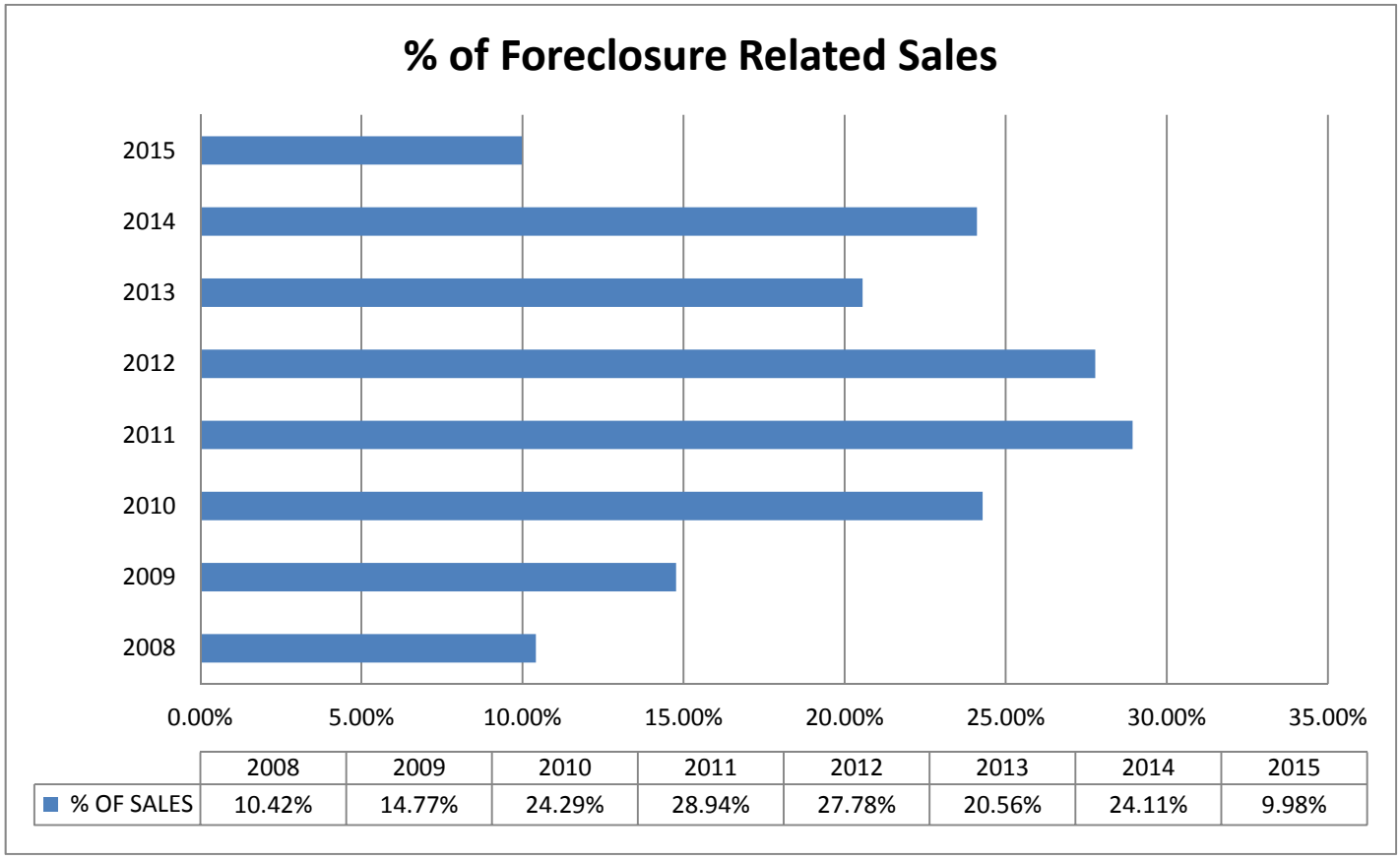


	2008	2009	2010	2011	2012	2013	2014	2015
MEDIAN PRICE NEW HOMES	301,765	270,965	224,828	234,155	270,060	289,995	298,844	319,500
MEDIAN PRICE EXISTING HOMES	272,125	282,100	239,000	235,000	238,000	224,300	203,950	220,500
MEDIAN LOT PRICE-1 ACRE OR LESS	69,205	53,710	51,875	56,000	50,500	56,000	53,050	56,300

- **Median lot price is not reflective of per acre price**
- **2016 Median Residential Assessed Home Value $223,600**



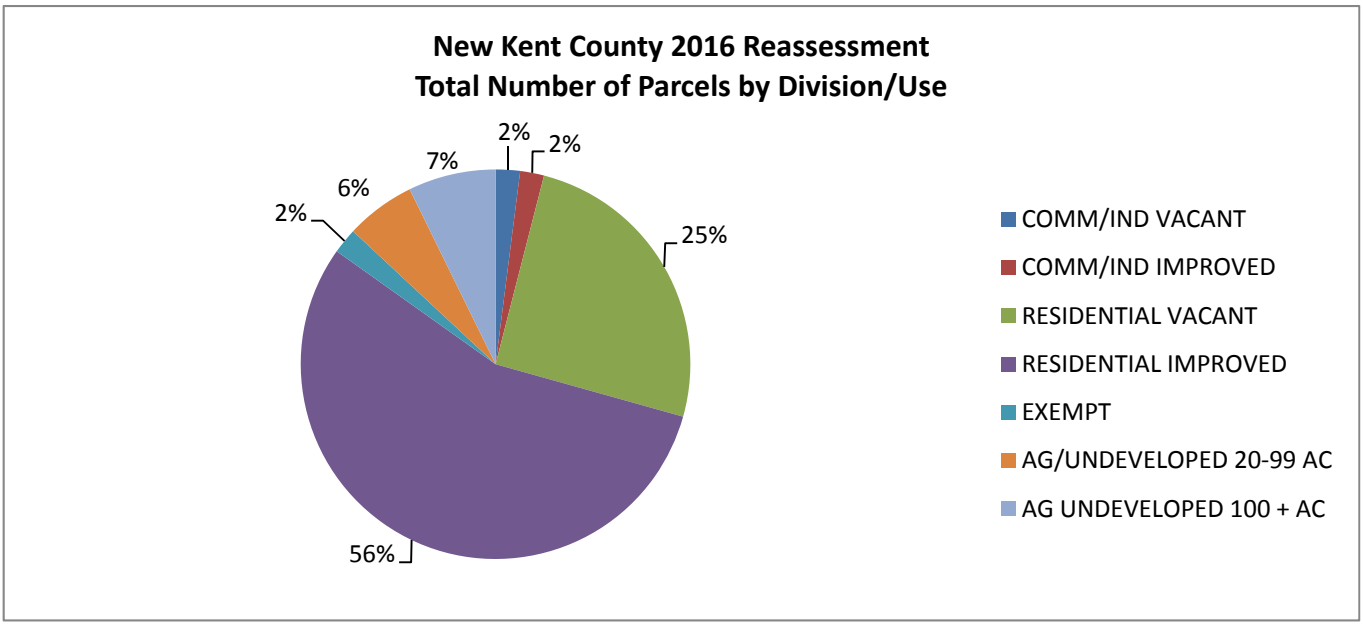
	2008	2009	2010	2011	2012	2013	2014	2015
NEW HOMES	206	164	141	123	90	158	194	228

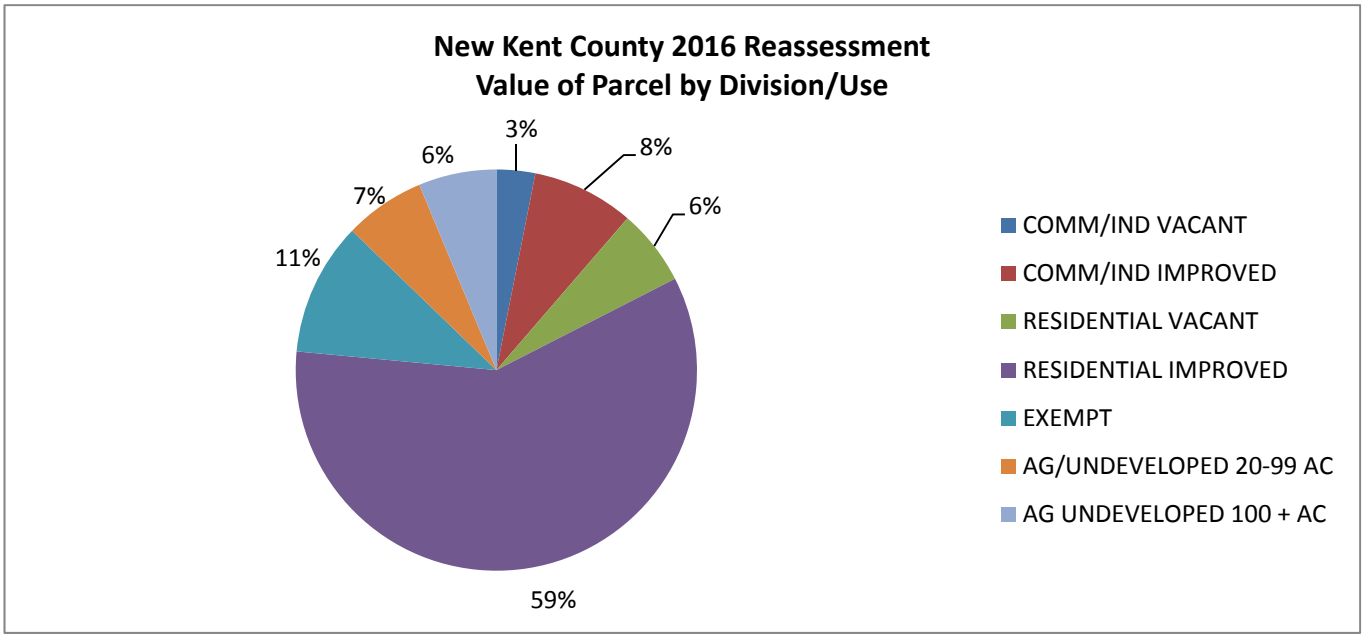


	2008	2009	2010	2011	2012	2013	2014	2015
% OF SALES	10.42%	14.77%	24.29%	28.94%	27.78%	20.56%	24.11%	9.98%

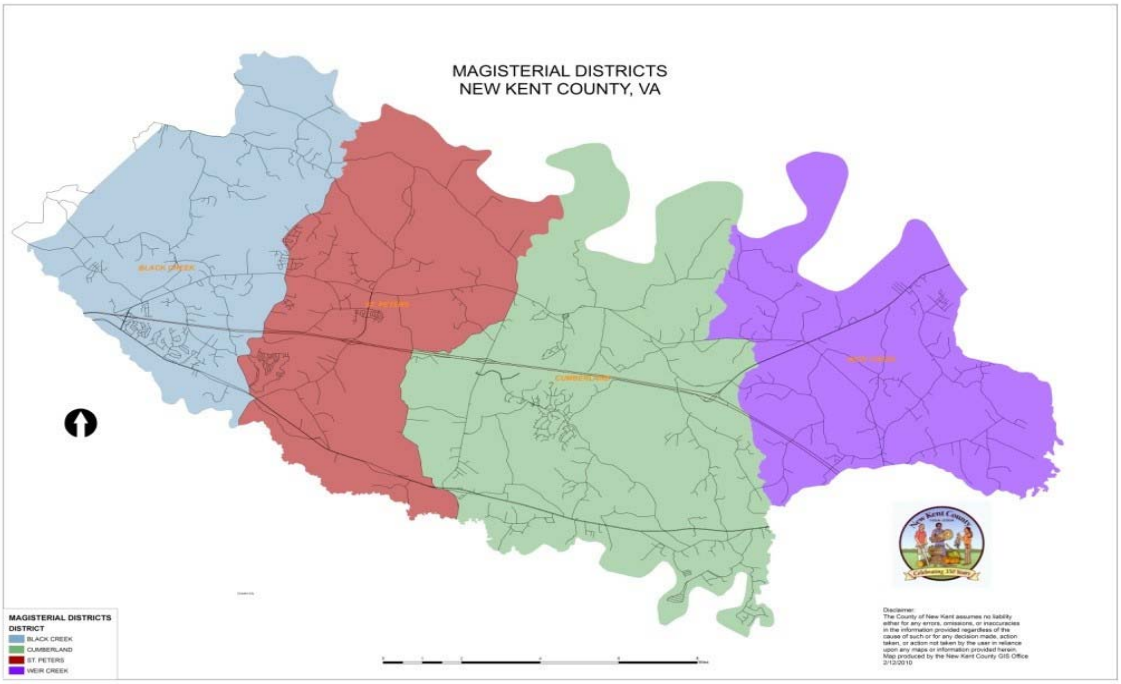
Commercial:

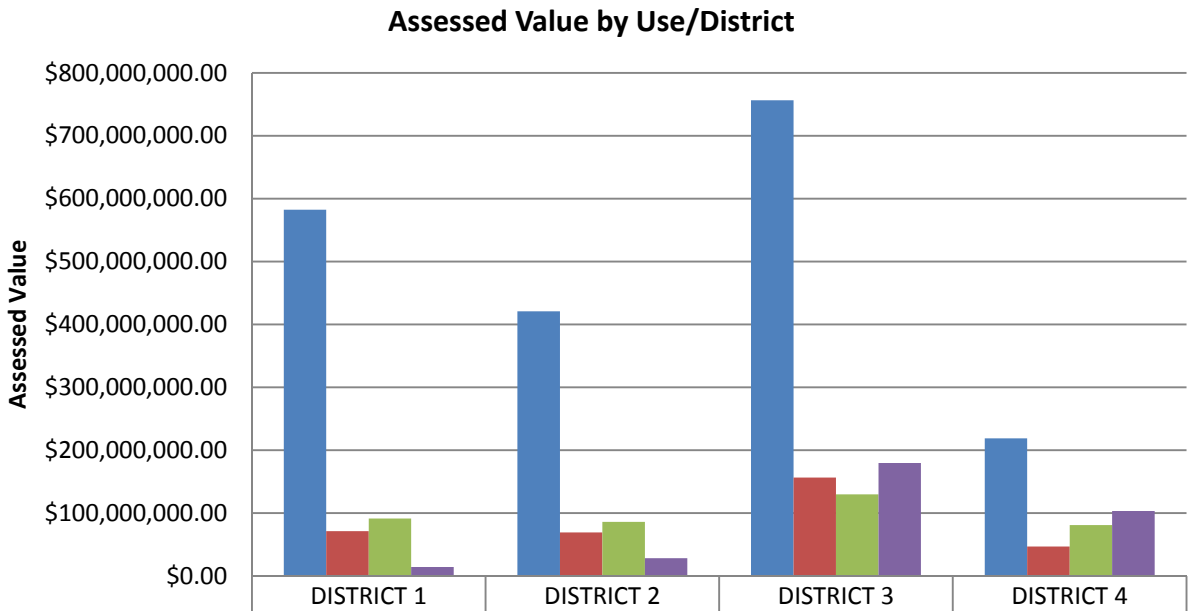
Although commercial properties comprise only 4 % of all parcels in New Kent, it represents 11 % of total value. New Kent County has experienced growth in this area in the past few years. Notable additions Waffle House, Advanced Auto, Dollar General, Burger King, Cousiac Manor, Gauthier Vineyard. Commercial properties are analyzed by location, allowable use and size, with attention to known and emerging growth areas. There are several areas of the county that experienced higher than average percentage increases. Noted is the Bottoms Bridge corridor this area has multiple commercial sales and development. The RT106 with RT33 have seen limited development. The Bottoms Bridge influences have been primarily retail and fast food establishments. The Interstate 64 influence has been predominantly for properties of an industrial nature. Neighborhoods for these areas were created to properly reflect the market data. The following three graphs/charts depict the distribution of zoning and use for all parcels in New Kent County as of January 1, 2016.



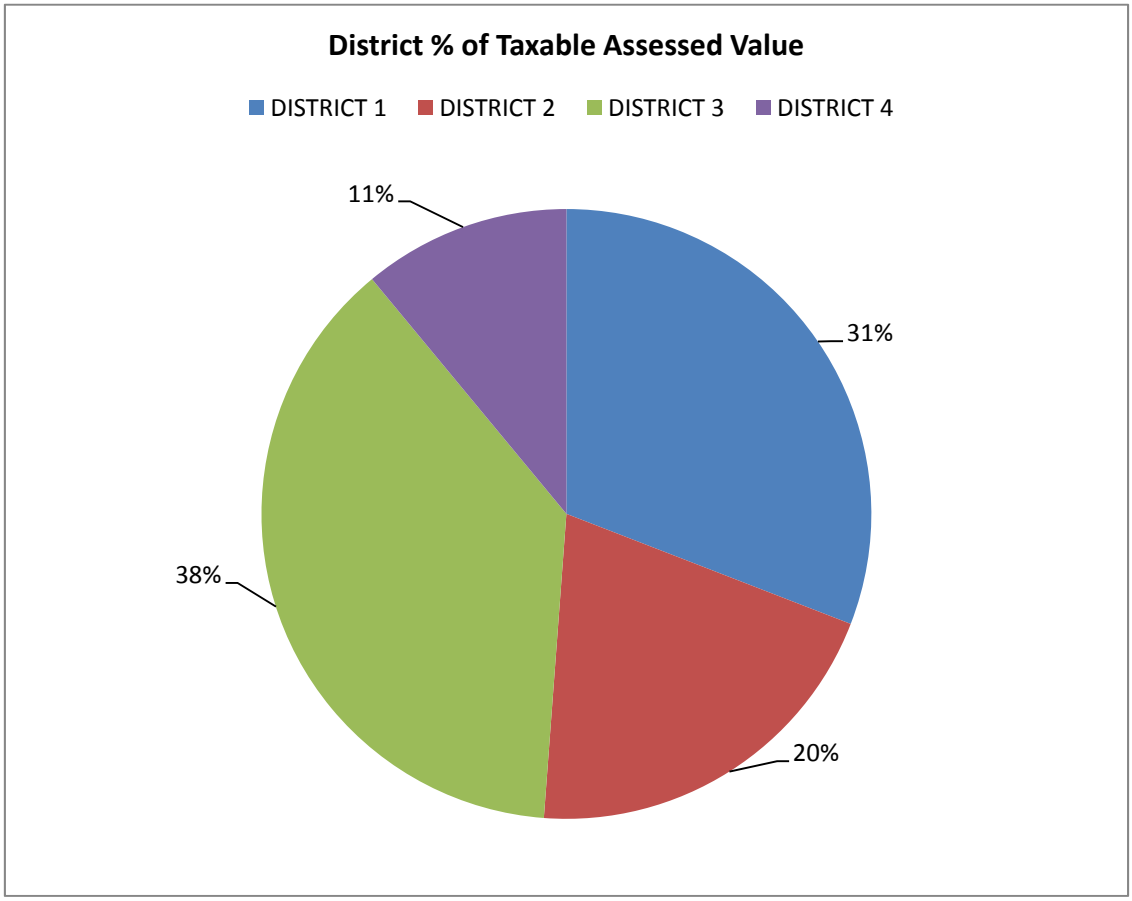


The following three graphs/charts depict the location and distribution of assessed values within each of the four magisterial districts as of January 1, 2016.





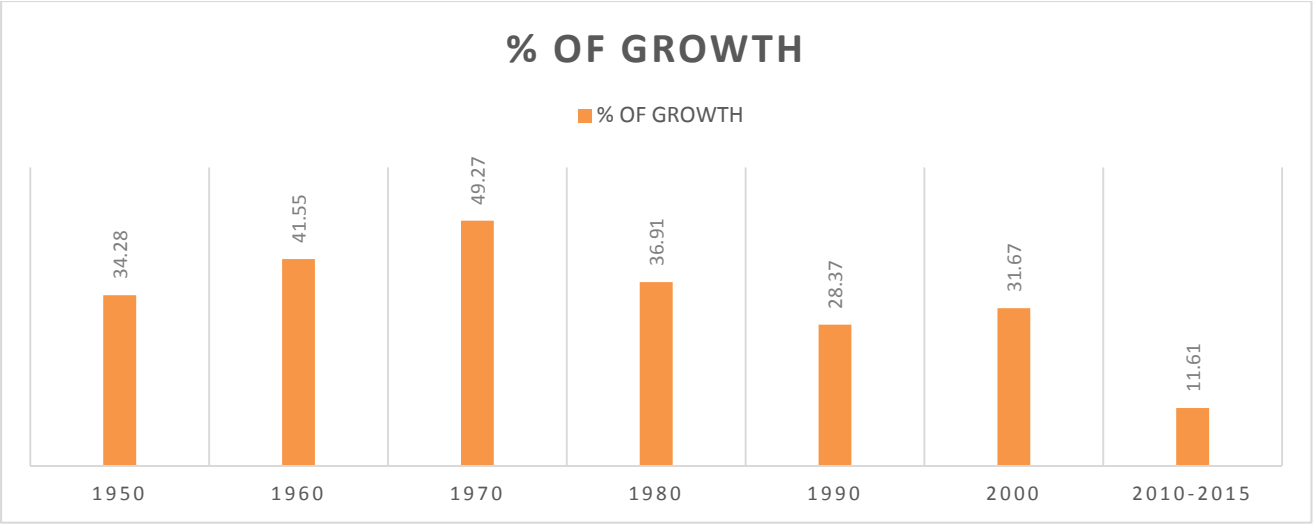
	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4
RESIDENTIAL	$582,392,090	$420,780,250	$756,278,675	$218,783,050
COMMERCIAL	$71,486,300	$69,332,200	$156,606,000	$46,912,200
UNDEVELOPED AG	$91,350,900	$86,246,750	$129,796,050	$80,983,575
EXEMPT	$14,439,600	$28,338,200	$179,735,700	$103,367,900

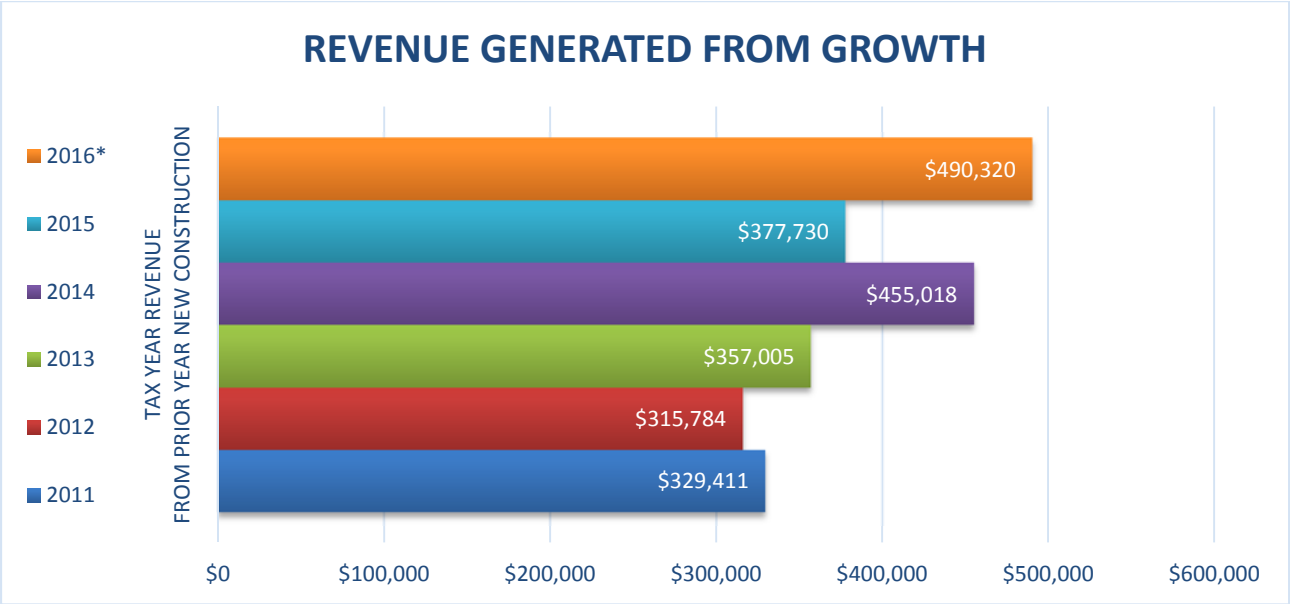


RESIDENCES BY YEAR BUILT

YEAR BUILT	NUMBER	MEDIAN ASSESSMENT*
PRIOR TO 1950	416	$ 146,600
1950-1959	217	$ 146, 800
1960-1969	450	$ 154, 700
1970-1979	1071	$ 179, 300
1980-1989	1260	$ 221, 300
1990-1999	1352	$ 219, 100
2000-2009	2209	$ 279, 500
2010 TO PRESENT	916	$ 294, 100

**ROUNDED TO NEAREST 100*





LAND USE TAXATION

TAX YEAR	PARCELS	ASSESSMENT EXEMPT	TAX RATE	TAX EXEMPTED
2016 ESTIMATED	479	96,290,900	0.0083	$799,214
2015	480	76,160,300	0.0084	$639,746
2014	460	71,259,400	0.0084	$598,578
2013	455	76,100,600	0.0085	$646,855
2012	446	75,552,700	0.0081	$611,977
2011	344	75,360,400	0.0070	$527,523
2010	325	72,348,650	0.0070	$506,441

REASSSEMENT TOTALS FOR EQUALIZATION 01/01/2015

2015 TOTALS FOR EQUALIZATION	LAND	IMP	TOTAL	TAX
2015 LAND BOOK TOTALS	1,017,647,800	1,469,599,344	2,487,247,144	**20,892,876**
2015 ABATEMENTS/ERRORS OMISSIONS	-964,963	-2,894,890	-3,859,854	**-32,423**
2015 CITY OF NN EXEMPTION	INCLUDED IN	LAND BOOK	TOTALS	
2015 AFD EXEMPTION	-76,160,300	0	-76,160,300	**-639,747**
2015 ELDERLY/DISABLED/VETERAN EXEMPTION	-6,649,691	-19,949,073	-26,598,764	**-223,430**
2015 TAXABLE VALUE	**933,872,846**	**1,446,755,381**	**2,380,628,226**	**19,997,277**

2016 TOTALS FOR EQUALIZATION	LAND	IMP	TOTAL
2016 REASSESSMENT TAXABLE TOTALS	1,098,215,000	1,569,969,140	2,668,184,140
2016 CITY OF NN EXEMPTION-ESTIMATED	-12,097,699	-13,135,626	-25,233,325
2016 AFD EXEMPTION	-109,764,105	0	-109,764,105
2015 NEW PARCELS	-8,414,000	0	-8,414,000
2015 NEW CONSTRUCTION	0	-68,339,500	-68,339,500
2015 ELDERLY/DISABLED/VETERAN EXEMPTION	-6,649,691	-19,949,073	-26,598,764
TOTAL FOR EQUALIZATION	**961,289,505**	**1,468,544,940**	**2,429,834,446**
PERCENTAGE OF CHANGE			2.07%
INDICATED EQUALIZED RATE			0.0083
			Assume 83/100

2016 FINAL TAX TOTALS/ AFTER COR APPEALS	LAND	IMP	TOTAL	TAX -RATE 83/100
2016 REASSESSMENT TAXABLE TOTALS AFTER APPEALS 03/16/2016	1,110,959,700	1,598,834,340	2,709,794,040	**22,491,291**
2016 SUPLLEMENTS NEW CONSTRUCTION-ESTIMATED	0	22,179,200	22,179,200	**184,087**
2016 ABATEMENTS/ERROR OMISSIONS-ESTIMATED	-1,013,212	-3,039,635	-4,052,847	**-33,639**
2016 CITY OF NN EXEMPTION- ESTIMATED	-12,097,699	-13,135,626	-25,233,325	**-209,437**
2016 AFD EXEMPTION- ESTIMATED	-96,290,900	0	-96,290,900	**-799,214**
2016 ELDERLY/DISABLED/VETERAN EXEMPTION- ESTIMATED	-6,982,176	-20,946,527	-27,928,703	**-231,808**
2016 ESTIMATED TAXABLE VALUE	**994,575,713**	**1,583,891,752**	**2,578,467,465**	**21,401,280**

	LAND	IMP	TOTAL	RATE 83/100
2016 - 1 PENNY			**257,847**	

Conclusion:

The estimated total taxable value as of January 1, 2016 is **$2,709,794,040**. This represents an increase from all causes (revaluation, new construction, new parcels, rezoning, etc.) The State Corporation Commission assessments and State- assessed properties have not yet been reviewed by the State. The current revaluation reflects an overall median ratio of 100.006% with a coefficient of dispersion (COD) of 4.17%. The COD measures how closely the individual ratios are arrayed around the median. The smaller the dispersion, the more uniform or equitable the assessments are. The acceptable level for the COD depends on the type of property considered, and the size of the sample. The IAAO (International Association of Assessing Officers) notes that a low coefficient (15% or less) tends to be associated with good appraisal uniformity for single family residential properties. While a coefficient of 20 percent or less indicates good distribution for more diverse classes of property. A less uniform assessment translates into inequality in actual tax burdens. Virginia Code establishes that properties should be assessed at 100% of fair market value. Sales/assessment ratios are a measure of the level of assessed value to sales price. A ratio of 1 or 100% is the desired result in a reassessment. The desired result of a reassessment is to provide the fair and equitable assessments to ensure the distribution of tax base is evenly spread.

Highlights:

- **Identification and Inspection of $59 million in new construction**
- **Continued training and certification of reassessment staff**
- **Development of income model**
- **Development of New residential model**
- **Documentation of procedures**
- **Review and refinement of 121 neighborhoods**
- **AFD certification compliance**