

Revaluation

Phased-In Implementation of a Two-Year Revaluation Cycle

Marcus Kinrade, RES AAS

Wake County Tax Administrator

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@wakegov    

wake.gov

Today's Presentation

- **Historical Growth: Real Property Tax Base**
- **Status of Appeals**
- **National Peers**
- **Future Changes & Next Steps**

75,000 + Parcels Since 2016

Equivalent to Growing an Alamance County



Parcel Growth Since 2016

	New Parcels	Percentage Increase
Angier	521	243%
Wendell	5,438	169%
Durham	222	151%
Zebulon	3,214	136%
Fuquay	9,582	88%
Rolesville	2,233	82%
Apex	12,498	76%
Garner	6,150	59%
Knightdale	2,895	53%
Wake Forest	5,932	42%
Holly Springs	5,293	42%
Cary	6,582	13%
Morrisville	901	12%
Raleigh	10,641	8%
Clayton	-	0%
Municipal	72,102	26%
Unincorporated	4,058	5%
TOTAL	76,160	21%

Revaluation

- **Required by NC General Statutes**
 - North Carolina law requires all counties to revalue real property at least once every 8 years
 - Wake transitioned from an 8-year to a 4-year revaluation cycle in 2016.
- **Tax Equity and Fairness**
 - Revaluation ensures property tax values accurately reflect their market value, so that the property tax burden is spread equitable across all taxpayers



Revaluation History

	2016	2020	2024
Total Parcels	360,000	395,000	427,000
Single Family	284,000	312,000	352,000
% Change from Revaluation	5%	23%	51%
Total Value Post Revaluation	\$118.3 B	\$162.2 B	\$272.4 B
Taxable Value After Growth (New Construction)	\$131.3 B	\$178.5 B	TBD

Percent Residential/Commercial as of 1/1/2024

Real Property Component	Before Revaluation	Percent	After Revaluation	Percent
Residential	\$124.5 B	69%	\$190.5 B	70%
Commercial	\$56.4 B	31%	\$81.9 B	30%
Total	\$180.9 B	100%	\$272.4 B	100%



Public Engagement



Community Meeting at Top Green Recreation Center



15+ Community Meetings



10 of 12 Municipalities – Formal Presentation to Governing Board



Information Shared with 200+ Community Partners



60% of Wake County Web Traffic Related to Tax Administration (real estate search, revaluation, billing and collection)



In-Depth Media Briefings and Ride-Alongs

2024 Revaluation Appeals

	2016	2020	2024
Informal Review	17,879	17,397	15,937
Percent of Total Parcels	5%	4.4%	3.7%
Formal Appeal	3,650	6,391	8,935
Percent of Total Parcels	1%	1.6%	2.1%
Property Tax Commission	381	708	TBD
Percent of Total Parcels	0%	0%	TBD

2024 Revaluation Appeals

	Informal Review		Formal Appeal	
No Change	9,828	61.7%	4,924	55.1%
Decreased	5,566	34.9%	3,425	38.3%
Increased	543	3.4%	136	1.5%
Pending	0	0%	458	5.1%
Total	15,937	100%	8,943	100%

2024 Real Estate Market Activity

Median increase in market: 5%



17,500 + sales



Median sales ratio = 95%

2024 Real Estate Market Activity

Residential Properties	Median Sales Ratio
< \$250,000	93%
\$250,000 - \$450,000	96%
\$450,000 - \$700,000	95%
\$700,000 - \$1 million	93%
> \$1 million	92%

Revaluations Effective 1/1/25

	Revaluation Cycle	Percentage Change
Durham	6 years	75%
Johnston	4 years	70%
Chatham	4 years	TBD: Notices to be sent mid-March. Preliminary 40% - 60% increase
Orange	4 years	49%
New Hanover	4 years	57%
Dare	5 years	TBD – Estimate 67%

10 Fastest Growing Counties in U.S. with > 1 million residents revalue more frequently

	County	State	County Seat	Population Estimate (as of July 1, 2023)	Revaluation Cycle
1	Collin	TX	McKinney	1,195,359	Annual
2	Denton	TX	Denton	1,007,703	Annual
3	Wake	NC	Raleigh	1,190,725	Four Years
4	Hillsborough	FL	Tampa	1,535,564	Annual
5	Mecklenburg	NC	Charlotte	1,163,701	Four Years
6	Bexar County	TX	San Antonio	2,087,679	Annual*
7	Maricopa County	AZ	Phoenix	4,585,871	Annual
8	Duval County	FL	Jacksonville	1,030,822	Annual
9	Travis County	TX	Austin	1,334,961	Annual
10	Tarrant County	TX	Fort Worth	2,182,974	Bi-Annual
*If successfully appealed, no increase in next year if no change in property characteristics					

Proposal

- **Shorten Revaluation Cycle**
 - Gradual Transition
 - 4 years → 3 years = 1/1/2027
 - 3 years → 2 years = 1/1/2029



Benefits

- **Property valuations become more routine for property owners.**
- **Assessed values will align closer to market value**
- **Mitigates significant adjustments every four years**
- **New construction and significant renovations valued closer to market value**
 - Growth in tax base realized sooner
 - Promotes fairness in property value assessments
 - Reduces property tax burden on lower valued, older properties
- **Real estate sales more aligned with assessed value**
- **Aligns with best practices and County's national peers**

Tax Administration Capacity

- **Transition from majority contract appraisal staff to permanent FTEs**
- **Increase in appraisal FTEs**
- **Additional expertise in staff**
- **Continued investment in technology**
- **Supported by increase in municipal and special district commission**
 - Any future increases (FY 2027 and beyond) to address parcel growth and impact on billing and collections

Requested Action

- **Board of Commissioners considers adoption of resolution shortening revaluation cycle at 3/17/25 BOC meeting**
 - Resolution outlining phased-in implementation: 3 year → 2 year
 - 1/1/2027 effective date
 - 1/1/2029 effective date
- **Revaluation activities commence Spring 2025 for 1/1/2027 effective date**

Questions?



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