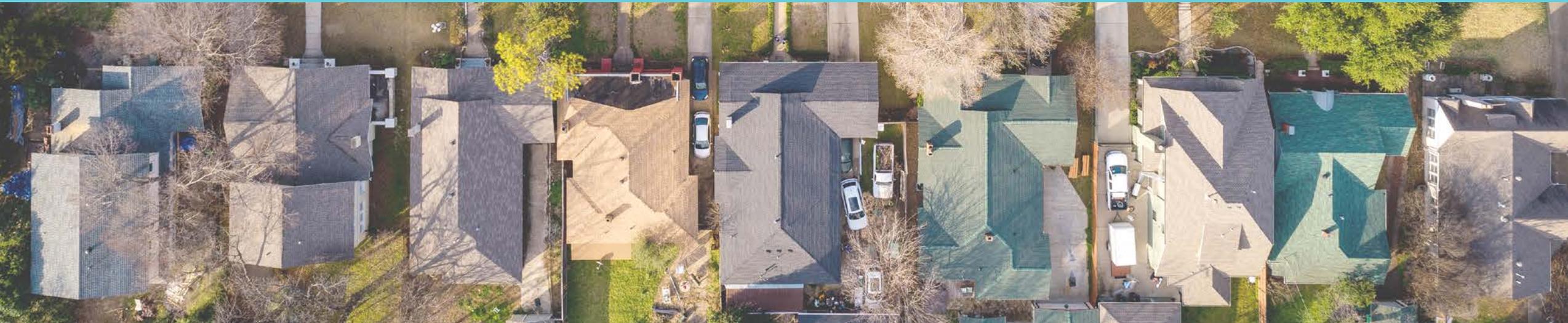




2020 Reappraisal Results



What is Reappraisal?

The process of updating Wake County's real property values to reflect fair market value as of January 1, 2020

- ▶ Fair market value is the most probable price a property would bring in an open and competitive market. A hypothetical sale.
- ▶ The last countywide reappraisal was conducted 4 years ago with an effective date of January 1, 2016.
- ▶ Wake County transitioned from an 8-year to a 4-year reappraisal cycle in the Spring of 2016.

Why Perform a Reappraisal?

- ▶ Required by NC General Statutes
North Carolina law requires all counties to reappraise real property at least once every 8 years.
- ▶ Equity and Fairness
Reappraisal reestablishes the fairness of the tax burden between properties which typically change in value at different rates by location and property type.

Reappraised Every 4 Years

85% of the property tax base

- ▶ All residential, commercial and rural farm land throughout Wake County and all improvements to the land.



Appraised Annually

15 % of the property tax base

- ▶ Business personal property
Business equipment, computers, desks, chairs, machinery, equipment
- ▶ Individual personal property
Cars and trucks, boats, aircraft, RV's, trailers
- ▶ Public utilities property
Electric/nuclear power generation, gas companies, bus lines, railroads



Reappraisal Review Activity

| Property Type | Office Reviews | Field Reviews |
|--|-----------------|----------------|
|  Residential | 287,000 parcels | 51,000 parcels |
|  Rural | 13,000 parcels | 17,000 parcels |
|  Commercial | 9,000 parcels | 15,000 parcels |

Cost Comparison - Contracts

| 2008 | 2016 | 2020 (anticipated) |
|--------------------|--------------------|--------------------|
| \$9,000,000 | \$7,100,000 | \$5,850,532 |
| 325,000 parcels | 360,000 parcels | 395,000 parcels |
| \$27.69 per parcel | \$19.72 per parcel | \$14.81 per parcel |

Cost Comparison – Staffing

20 16

\$4,213,500

\$11.70 per parcel

65 Staff

1 to 5,538 parcels

20 20

\$5,850,532

\$14.81 per parcel

76 Staff

1 to 5,197 parcels

2020 Reappraisal Results

Wake County Property

Overall Change



Residential

20%



Commercial

33%



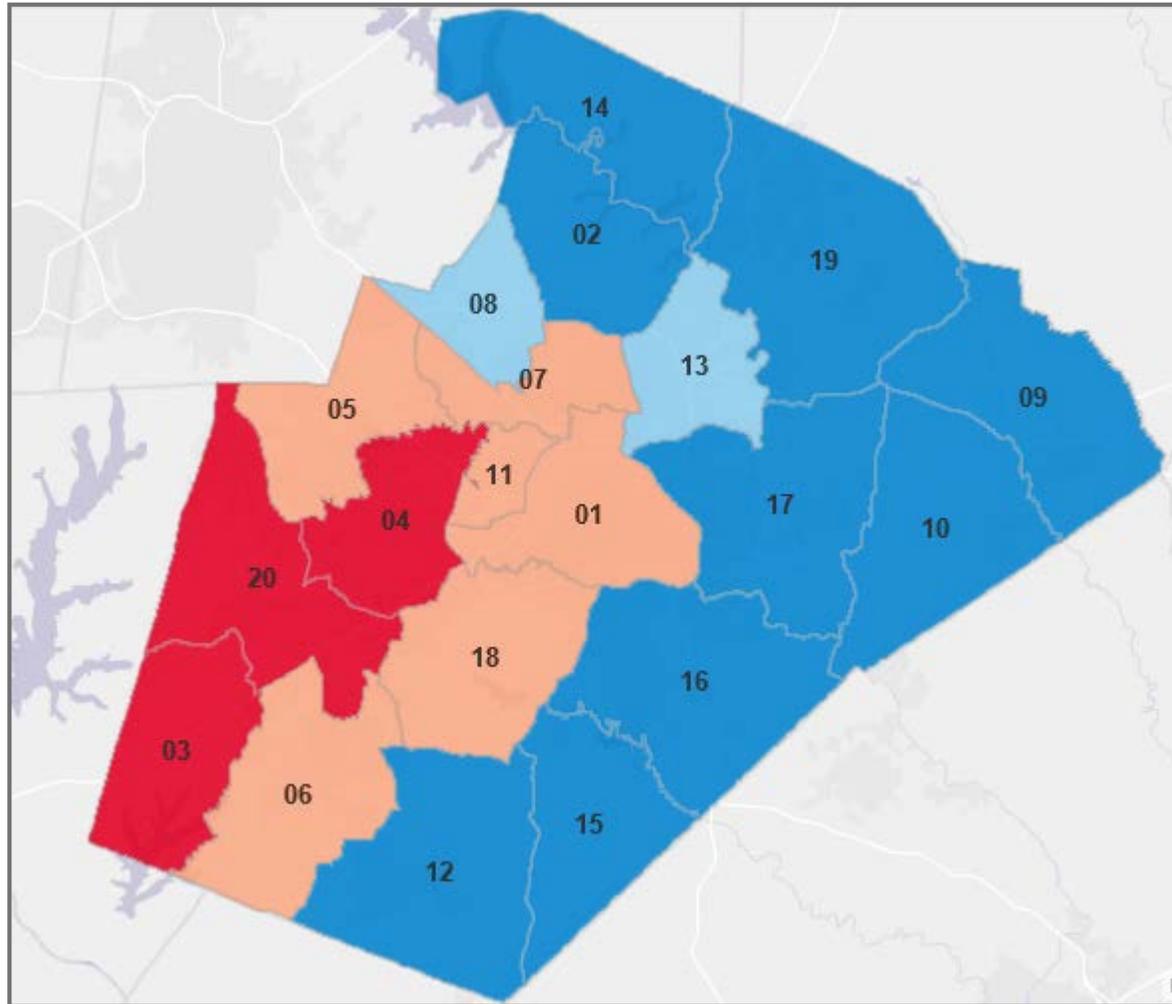
Total

24%

Reappraisal History

| | 1992 | 2000 | 2008 | 2016 | 2020 |
|--|---------|---------|-----------|-----------|-----------|
| Total Parcels | 165,000 | 230,000 | 325,000 | 360,000 | 395,000 |
| Single Family | 105,000 | 150,000 | 258,000 | 283,700 | 312,000 |
| % Change from Reappraisal | 43% | 43% | 40% | 5% | 24% |
| Taxable Value Post Reappraisal | \$21B | \$43 B | \$94 B | \$118.3 B | \$162.2 B |
| Taxable Value After Growth (New Construction) | \$30 B | \$67 B | \$112.3 B | \$131.3 B | |

Residential Change by Township - 20 16

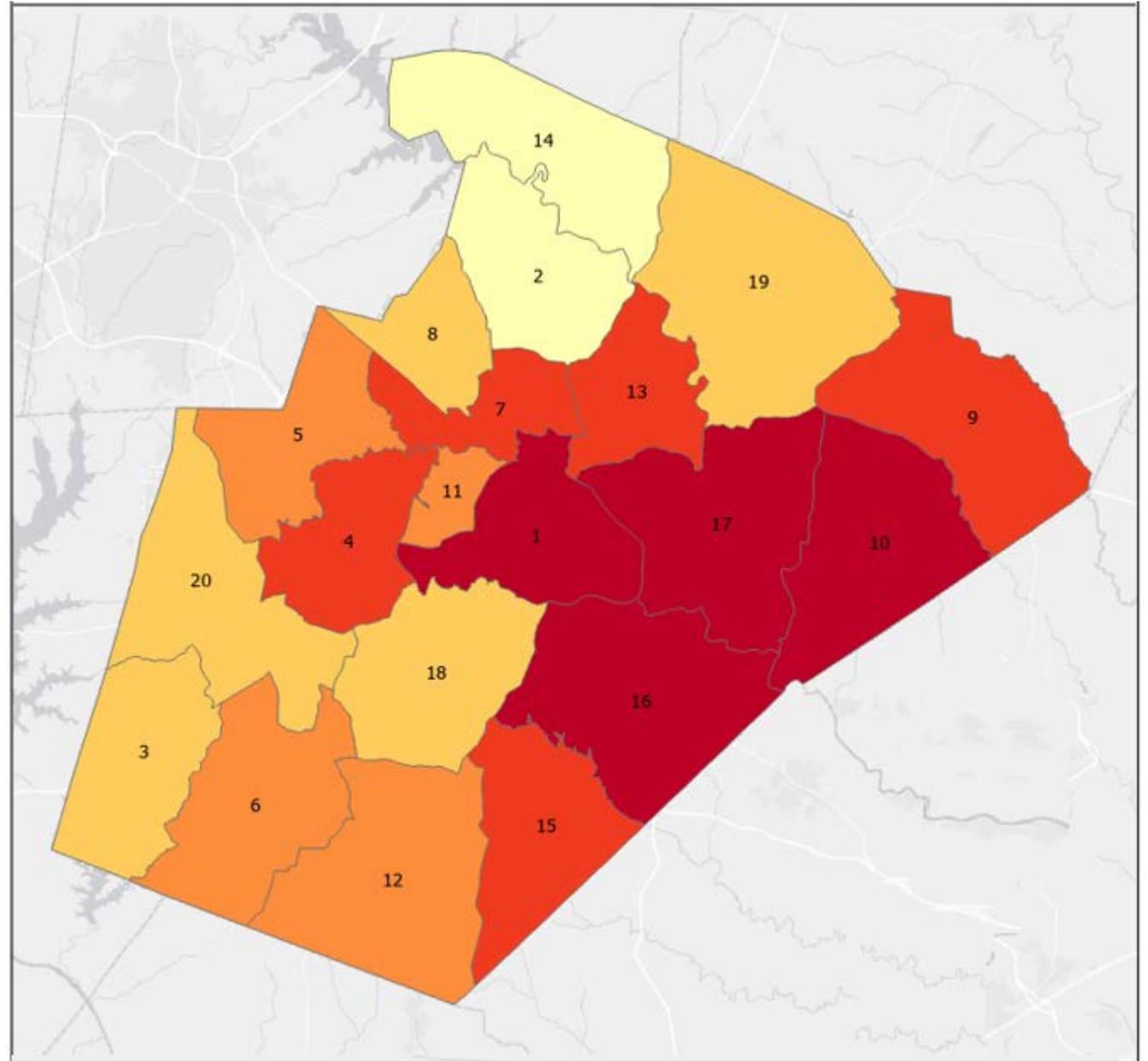
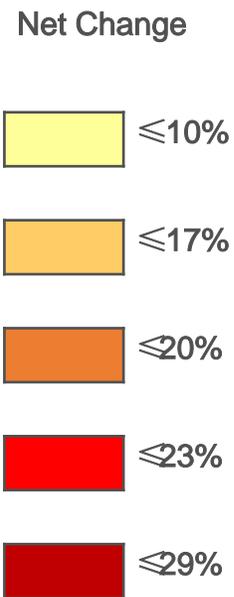


| Township | Change | Township | Change |
|----------|--------|----------|--------|
| 03 | 18% | 08 | -1% |
| 04 | 6% | 12 | -3% |
| 20 | 5% | 02 | -4% |
| 11 | 3% | 16 | -5% |
| 01 | 3% | 15 | -5% |
| 06 | 2% | 19 | -7% |
| 07 | 1% | 17 | -7% |
| 05 | 1% | 09 | -8% |
| 18 | 1% | 10 | -9% |
| 13 | -1% | 14 | -14% |

Residential Value Drivers

| Value Range | Total Change |
|-------------------------------------|--------------|
| Over \$1 million | 3% |
| \$700 k to \$1 million | 8% |
| \$450 k to \$700 k | 12% |
| \$250 k to \$450 k | 17% |
| Less than \$250 k | 31% |
| Overall | 20 % |
| Higher demand at lower price points | |

Residential Change by Township - 20 20



Commercial Value Drivers

| Property Type | Total Change |
|----------------|--------------|
| Hotels | 48% |
| Apartments | 45% |
| Industrial | 31% |
| Service Garage | 26% |
| Office | 25% |
| Restaurant | 24% |
| Retail | 16% |

Current Real Property Tax Base

2020/2021 Real Property Tax Base Prior to Reappraisal

| | | |
|-------------------|------------------|------|
| Residential Value | \$92,236,450,000 | 70 % |
| Commercial Value | \$39,080,659,000 | 30 % |



New Real Property Tax Base

2020/2021 Real Property Tax Base After Reappraisal



Jurisdictional Percent Change

| | Residential Change | Commercial Change | Overall Change |
|---------------------|--------------------|-------------------|----------------|
| Angier | 20% | 35% | 22% |
| Apex | 18% | 31% | 21% |
| Cary | 18% | 28% | 21% |
| Durham | 20% | 51% | 37% |
| Fuquay Varina | 21% | 32% | 23% |
| Garner | 23% | 32% | 27% |
| Holly Springs | 18% | 31% | 20% |
| Knightdale | 25% | 36% | 29% |
| Morrisville | 22% | 31% | 27% |
| Raleigh | 23% | 36% | 28% |
| Rolesville | 13% | 15% | 13% |
| Wake Forest | 15% | 26% | 17% |
| Wendell | 22% | 40% | 26% |
| Zebulon | 29% | 28% | 28% |
| Unincorporated | 16% | 29% | 17% |
| Wake County Overall | 20% | 33% | 24% |

FY21 Neutral Rate

Wake County Base

Overall Change

New Estimated Total Tax Base

\$189,390,000,000

FY21 Est. Neutral Tax Rate

60.0 cents per \$100

FY21 Estimated Property Tax

\$1,130,150,000

New Tax at **Revenue** Neutral

\$33,375,000

NC Property Tax Relief Programs

- ▶ **Elderly or Disabled** - 65 or total and permanent disability and income below \$31,000 or \$46,500 depending on program.
- ▶ **Disabled Veteran** - Total service connected disability and discharged under honorable conditions (or unmarried surviving spouse).
- ▶ 2020 Applications due by June 1
Call (919) 8565400
wakegov.com/tax/relief

Project Schedule 20 20

- January
14
- New values viewable on the Wake County website
 - Notices mailed to property owners
 - Start informal reviews (7% expected or 27,650)

FEB 3 • Submit pool of qualified BOER candidates for BOC review

FEB 17 • Appoint 2020 BOER members

APRIL • Begin BOER hearings

MAY 28 • BOER Adjourns from receiving additional appeals

JUNE • Adopt FY21 budget, set FY21 tax rate



Wake County Tax Administration

919-857-3800

reappraisal@wakegov.com

wakegov.com/taxportal

