

PUBLIC INPUT SIGN UP SHEET

August 18, 2010

PUBLIC INPUT SHALL BE LIMITED TO
THREE (3) MINUTES PER PERSON.

EACH PERSON SHOULD:

- (1) STATE YOUR NAME
- (2) IN WHAT AREA OF THE COUNTY YOU LIVE
- (3) SPEAK IN A CLEAR AND COURTEOUS MANNER.

Please Print:

	NAME	ADDRESS	ISSUE
1.	Vincent Marini	225 Greenville Hwy, Flat Rock, NC 28731	Flat Rock Playhouse producing in the Historic Henderson County Courthouse
2.	Jennifer Henderson	Blue Ridge Comm Health	NC Rural Center
3.	Fielding Lucas	Dec. 5th event	
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			

2011 REAPPRAISAL UPDATE

Henderson County Board of County Commissioners

Regular Mid-month Meeting - 18 August 2010

Stan C. Duncan
County Assessor/Tax Collector

Determining Authority...

In re AMP, Inc.,

“The North Carolina General Assembly, and no one else, determines how property in this State should be valued for purposes of ad valorem taxation.”

287 N.C. 547, 215 S.E. 2d 752 (1975)

Uniform Appraisal Standard

All property, real and personal, shall as far as practicable be appraised or valued at its true value in money. When used in this Subchapter, the words “true value” shall be interpreted as meaning market value, that is, **the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used.”**

Market Value is...

- *“Value in Exchange” ...*
- **BUT NOT** necessarily the most recent price paid in an arms length transaction **WHEN** competent evidence of a different value is presented, and
- **NOT** the highest or lowest value, **BUT** the most probable value meeting the requirements of the Uniform Standard, and
- **NOT** a “foreclosure” or “short sale” .

The Task . . .

Reappraise all real property at Market Value
effective as of 1 January 2011:

65,658	Total Parcels of Real Property
62,440	Parcels of Land
37,067	Single-Family Residential Properties
3,219	Condominiums/Townhomes
4,644	Commercial/Industrial Parcels
1,602	Parcels in Present-Use Value
1,357	Parcels w/ Tax Relief (Elderly/Disabled, and Veterans)

Economic Principles Involved

1. Highest & Best Use:
 - Legally Permitted
 - Physically Possible
 - Financially Feasible
 - Generates the Greatest Net Return
2. Anticipation
3. Balance
4. Change
5. Consistent Use
6. Contribution
7. Substitution
8. Supply & Demand

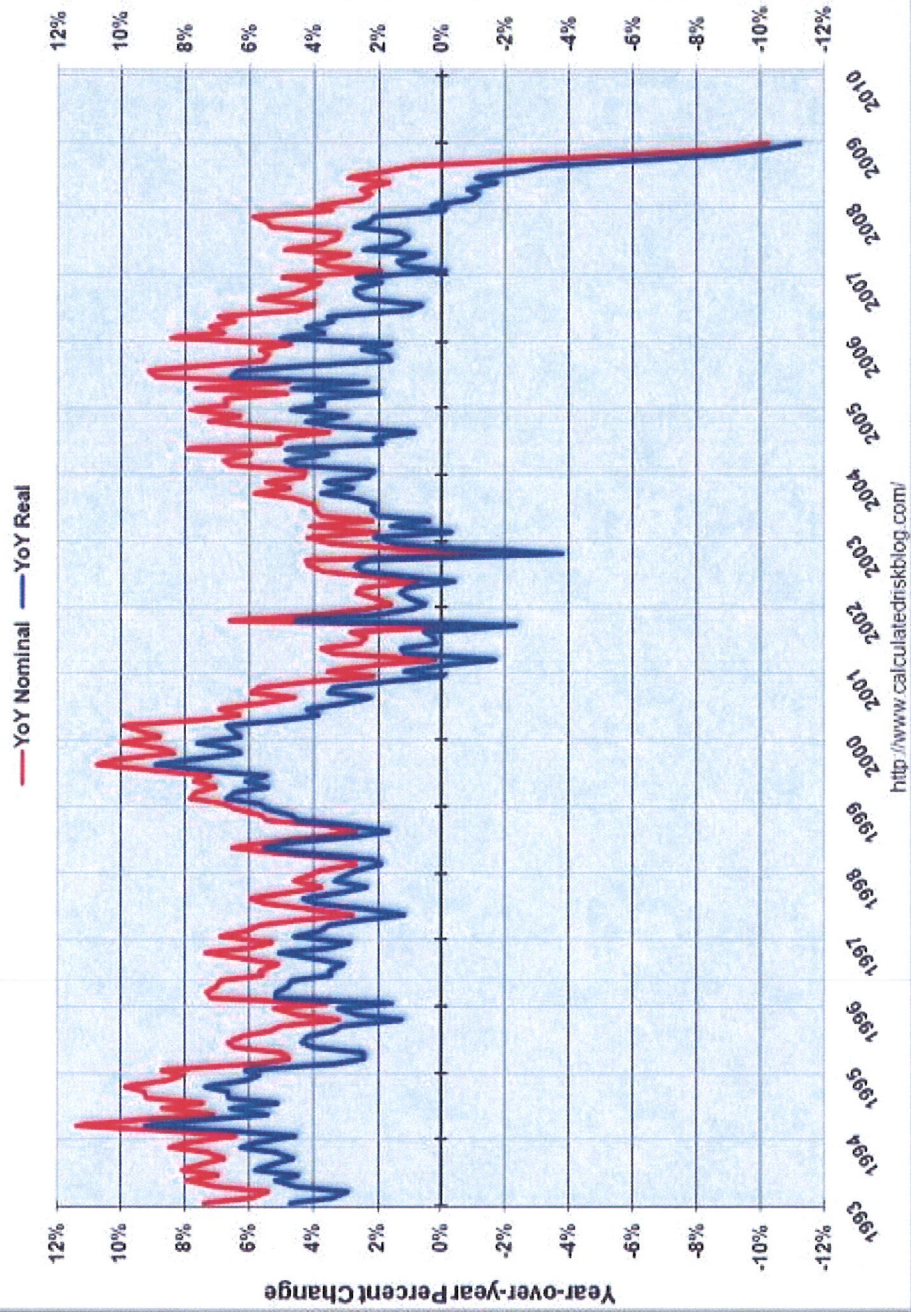
The Tax Base is Comprised of...

- 87.18% - Real Property; land & improvements (structures permanently attached), including some manufactured housing
- 5.66% - Personal Property; Business-Personal (machinery & equipment, furniture, computers, etc.), aircraft, watercraft, untagged motor vehicles, & some manufactured housing
- 5.63% - Registered Motor Vehicles; Licensed (tagged) Vehicles
- 1.53% - Public Service Companies; Public Utilities and other regulated companies

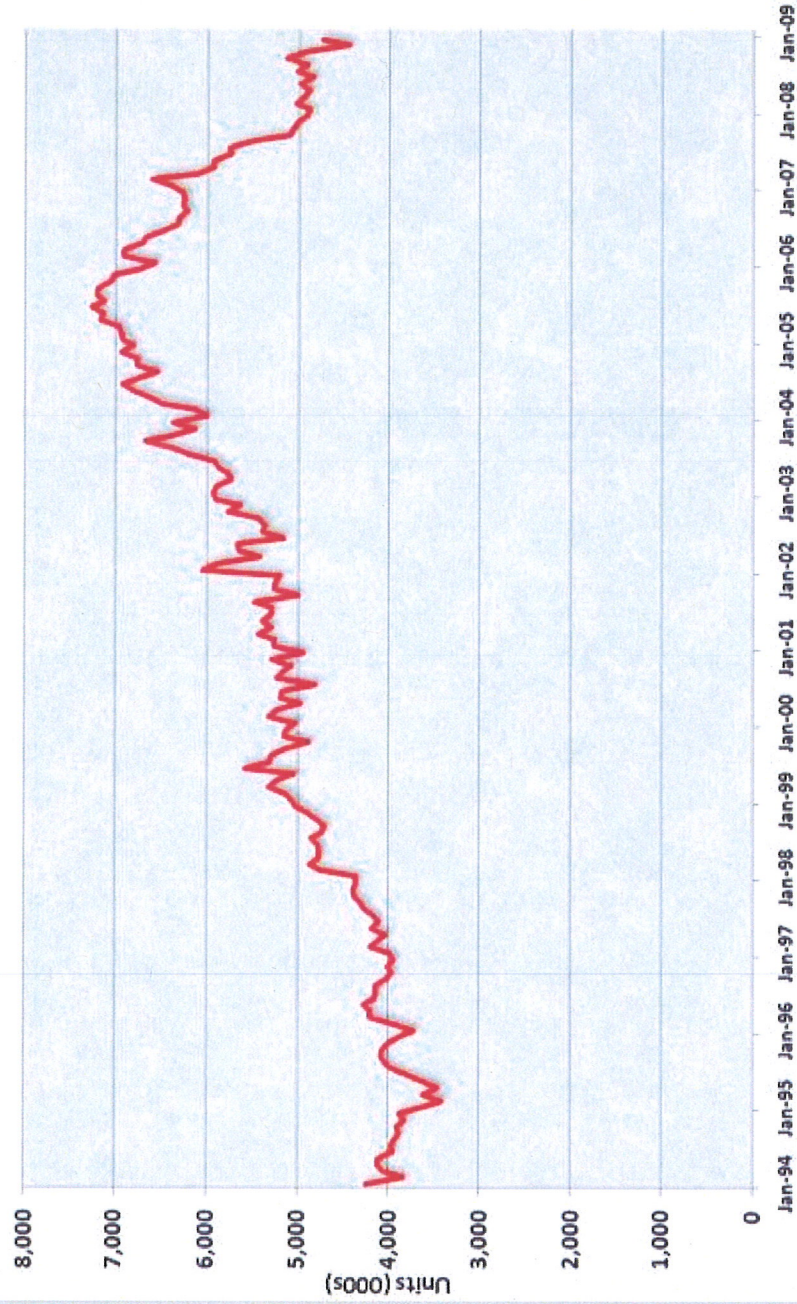
From 2007 to Now...

- 1 Jan 2007 – General Reappraisal of Real Property
- 19 Sept 2007 – LDC Adopted
- 1 Jan 2008 – Decline in Motor Vehicle Registrations,
Existing Tax Relief Programs Expanded
- 2nd Qtr 2008 – Real Estate Market begins to stall
- 1 Jan 2009 – Personal Property Investment Declines,
Circuit Breaker Program Created, and
Veteran's Program Expanded
- 1 Jan 2011 – General Reappraisal of Real Property

Year over Year Change in Retail Sales, Source: Census Bureau

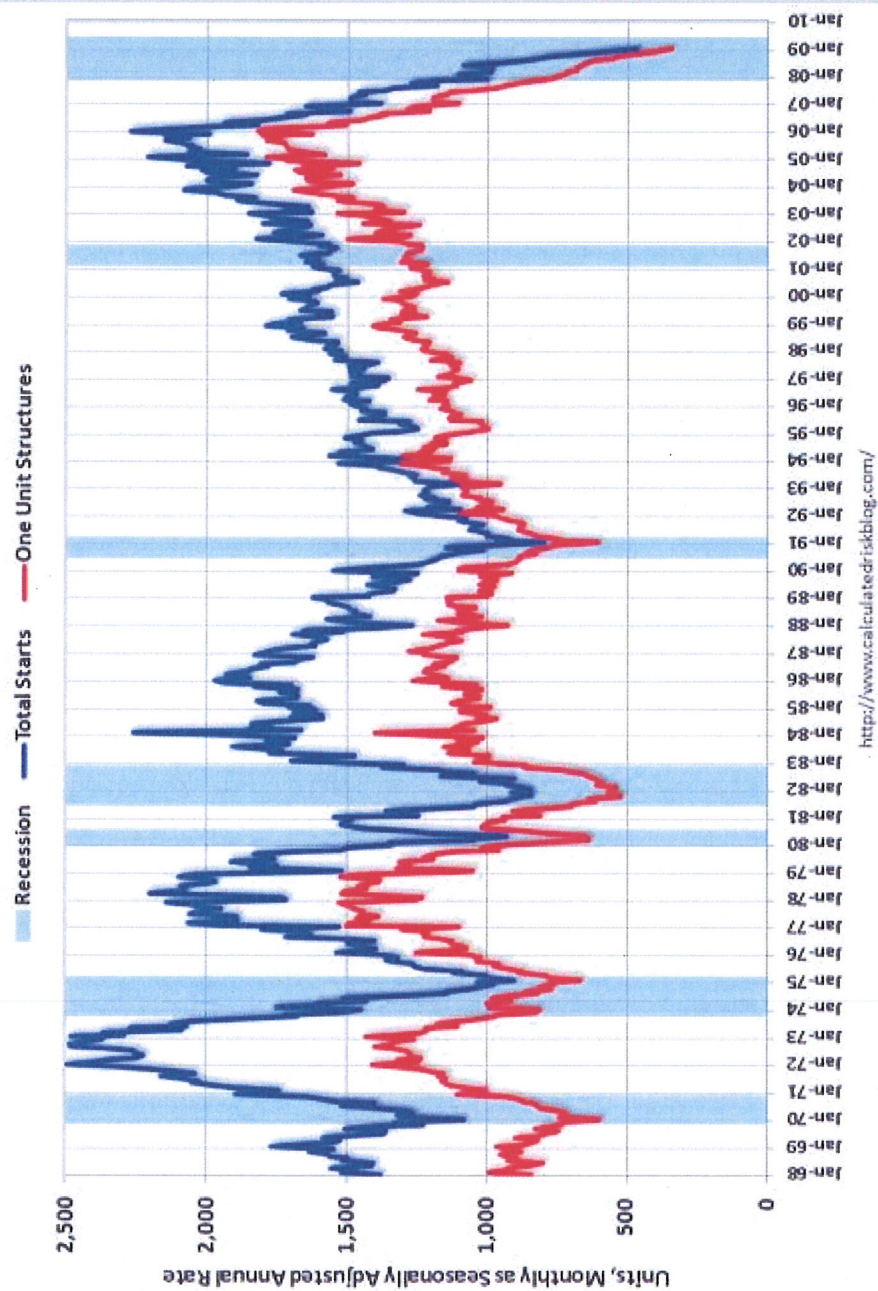


Existing Home Sales (SAAR)



<http://www.calculatedriskblog.com/>

Housing Starts: Total and One Unit Structures

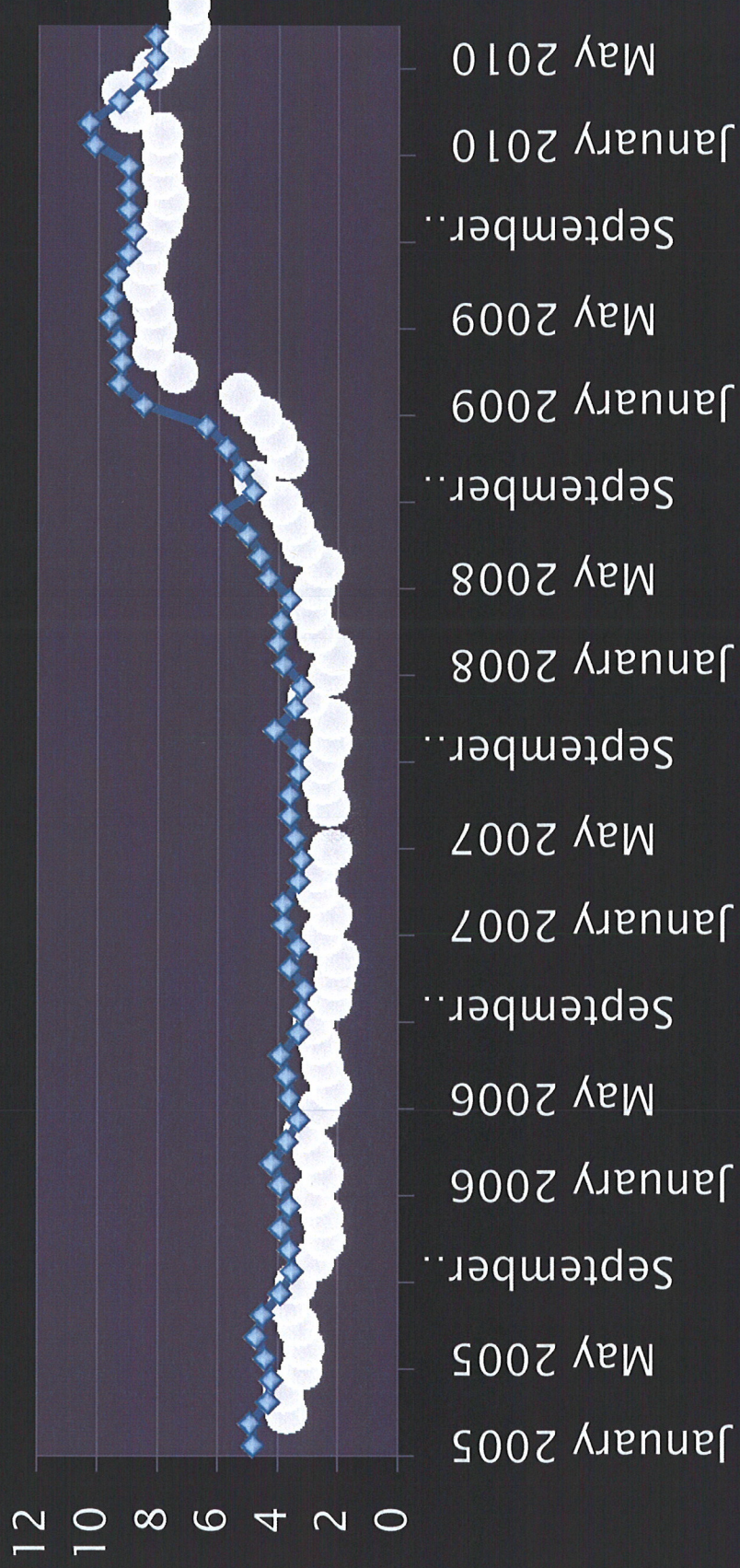


Unemployment: National View

[Unemployment History](#)

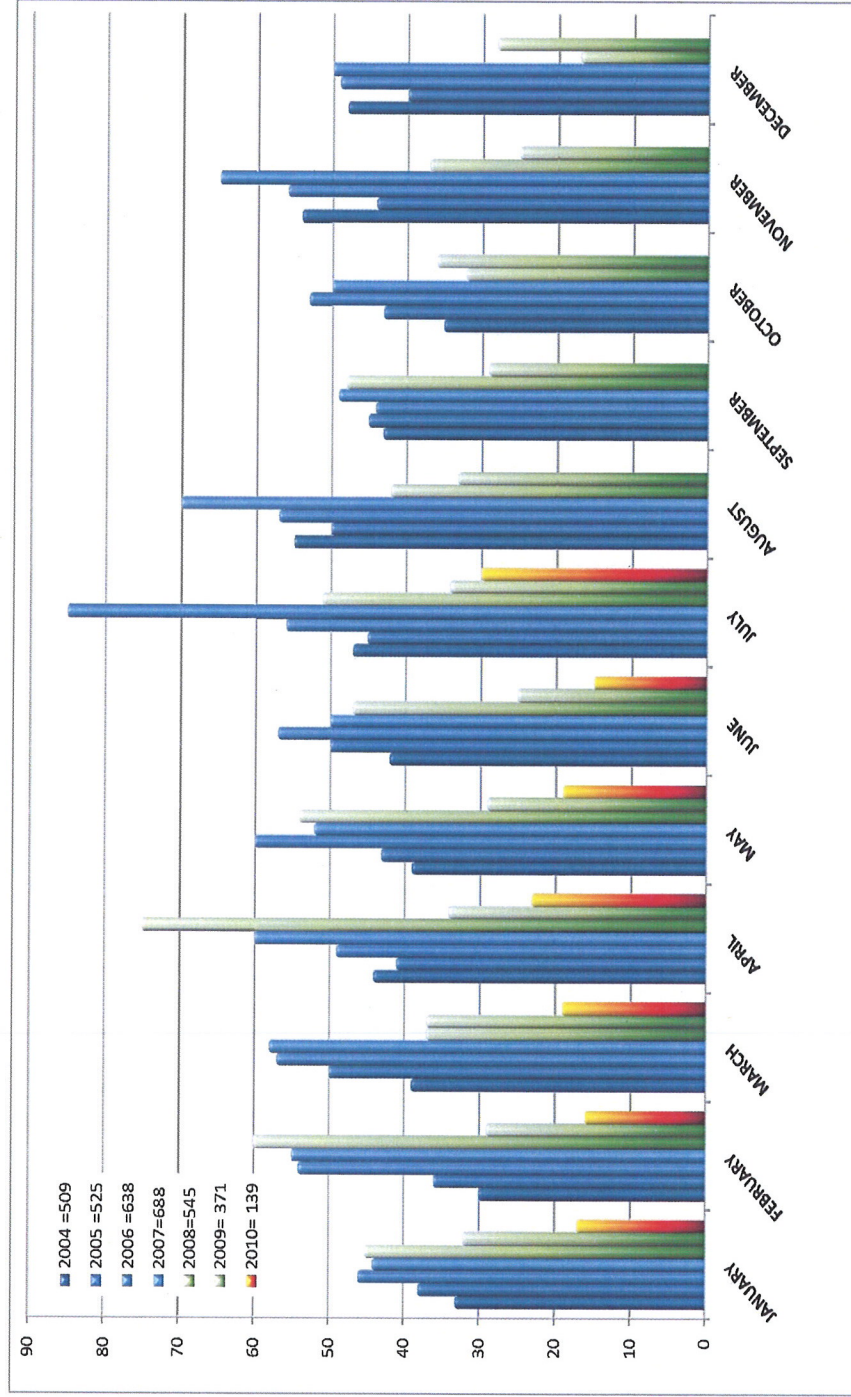
Henderson County Unemployment Rate Over Time January 2005 - June 2010

Source: U.S. Bureau of Labor Statistics



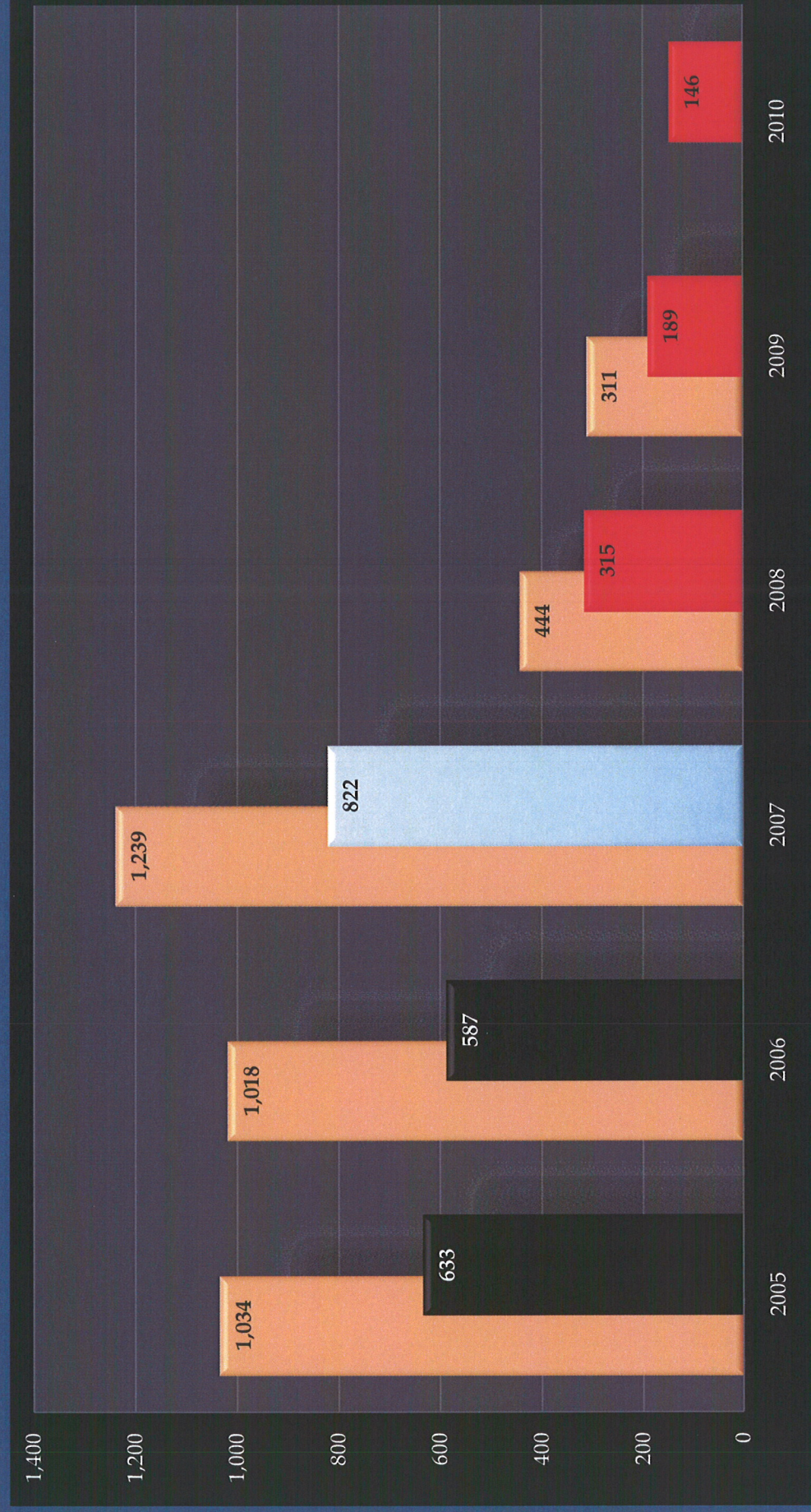
Plats Recorded

Recorded Plats by Month 2004 - July 2010



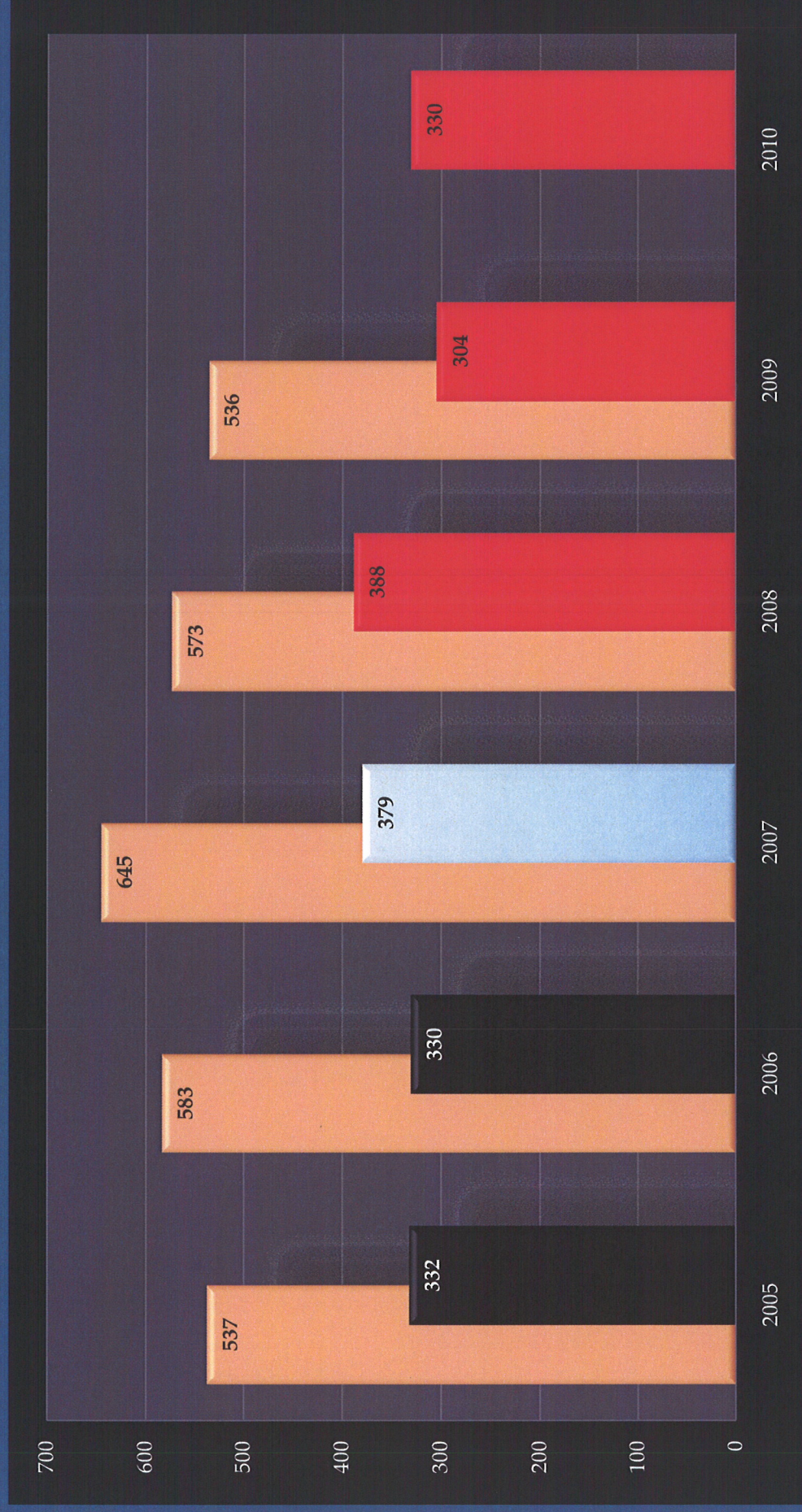
Residential Permits; Annual

Res. Permits; YTD Jan-July



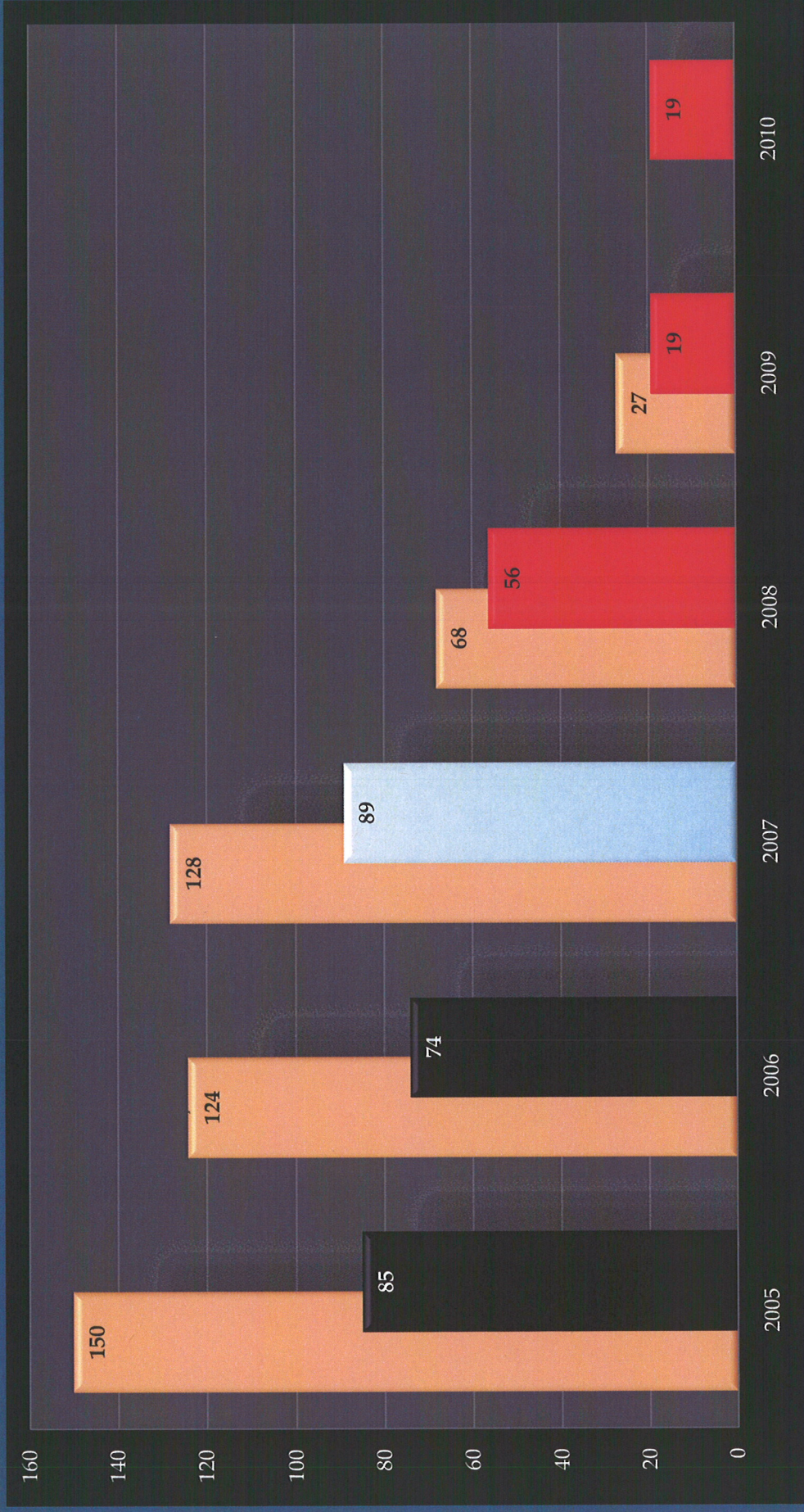
Source: data provided by Denisa Lauffer, Coordinator with Henderson County Permit Center

Res. Remodeling Permits; Annual Res. Remodeling; YTD Jan-July



Source data provided by Denisa Lauffer, Coordinator with Henderson County Permit Center

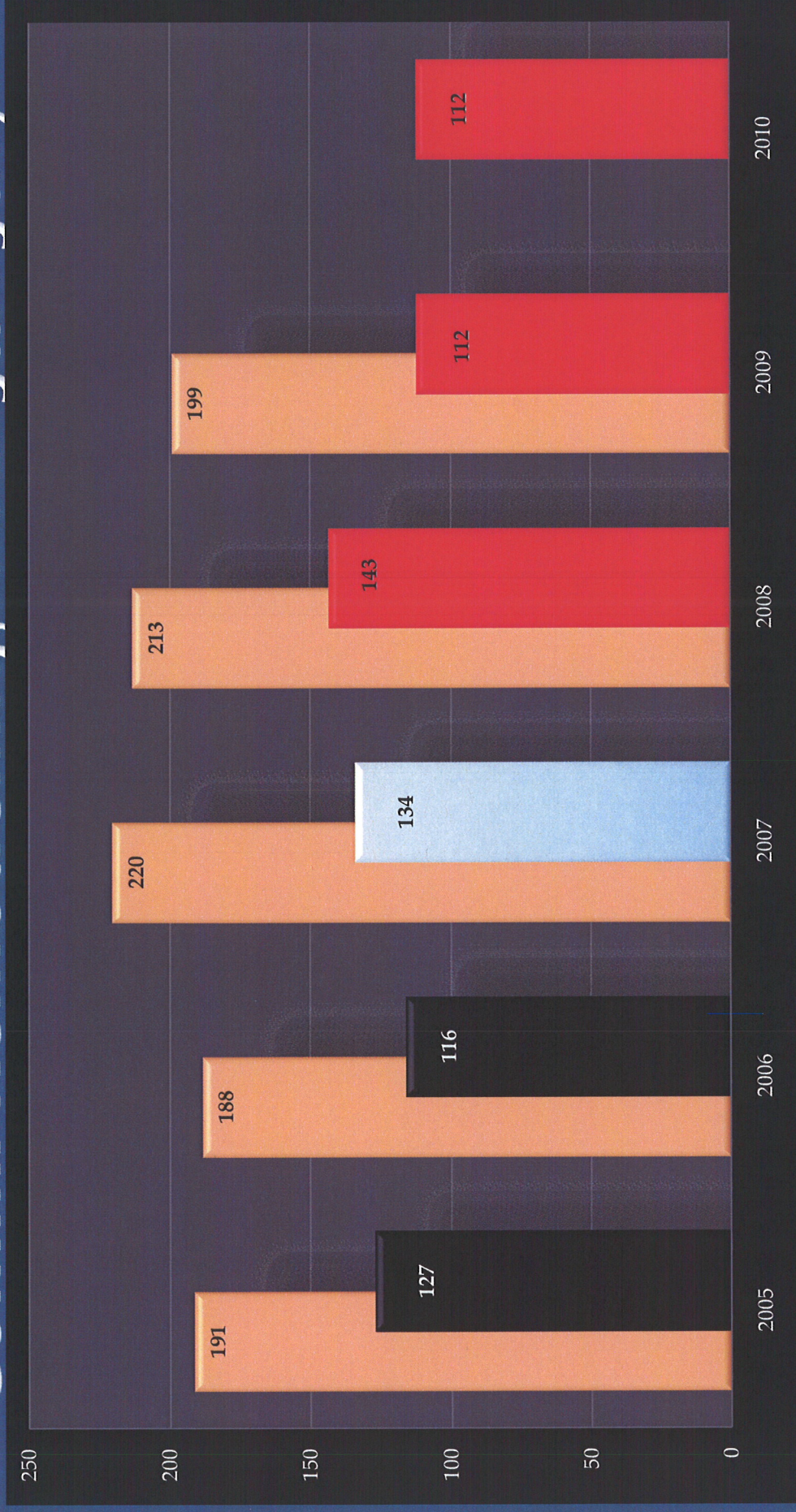
Commercial Permits; Annual Comm. Permits; YTD Jan-July



Source: data provided by Denisa Lauffer, Coordinator with Henderson County Permit Center

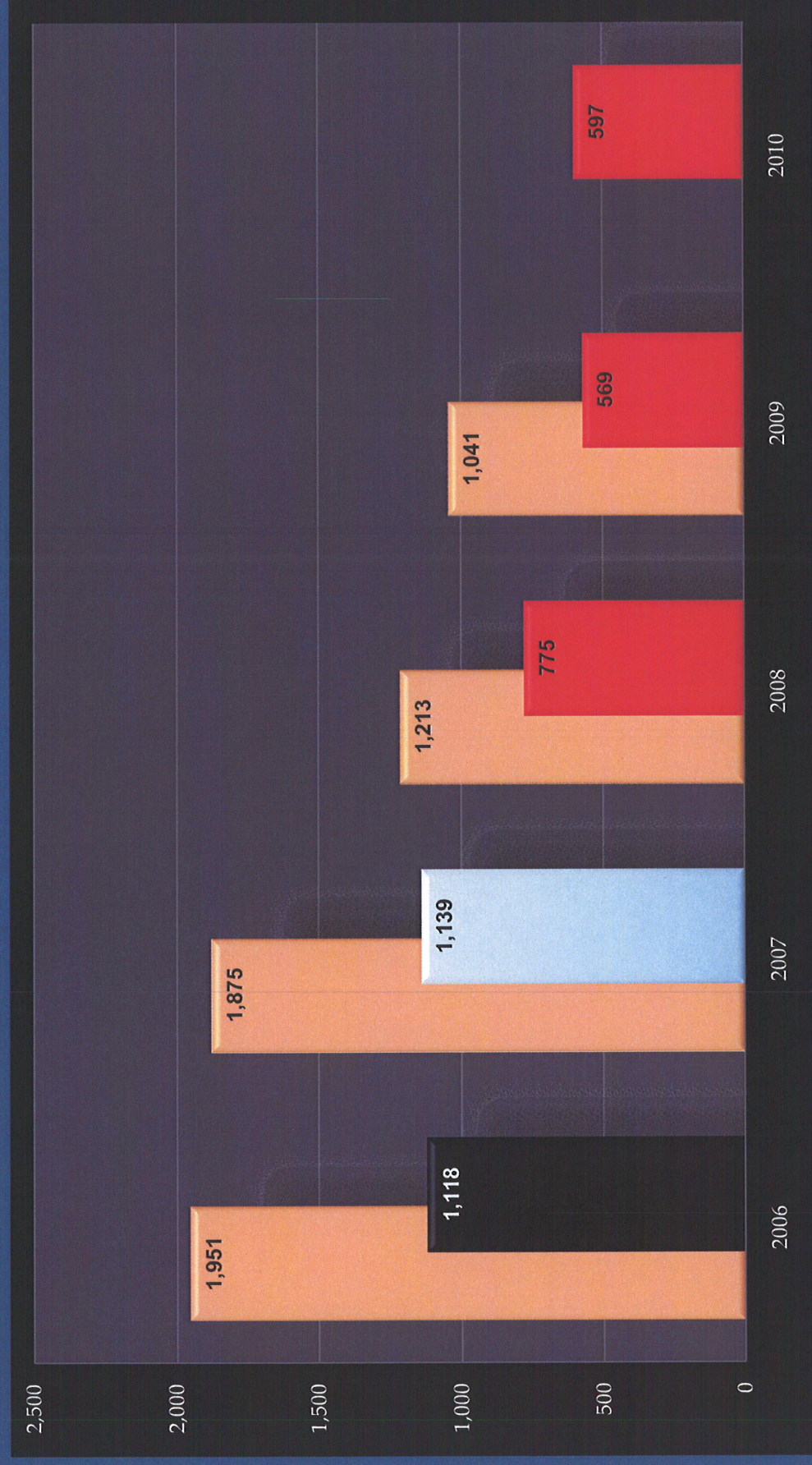
Comm. Remodeling Permits; Annual

Comm. Remodeling; YTD Jan-July

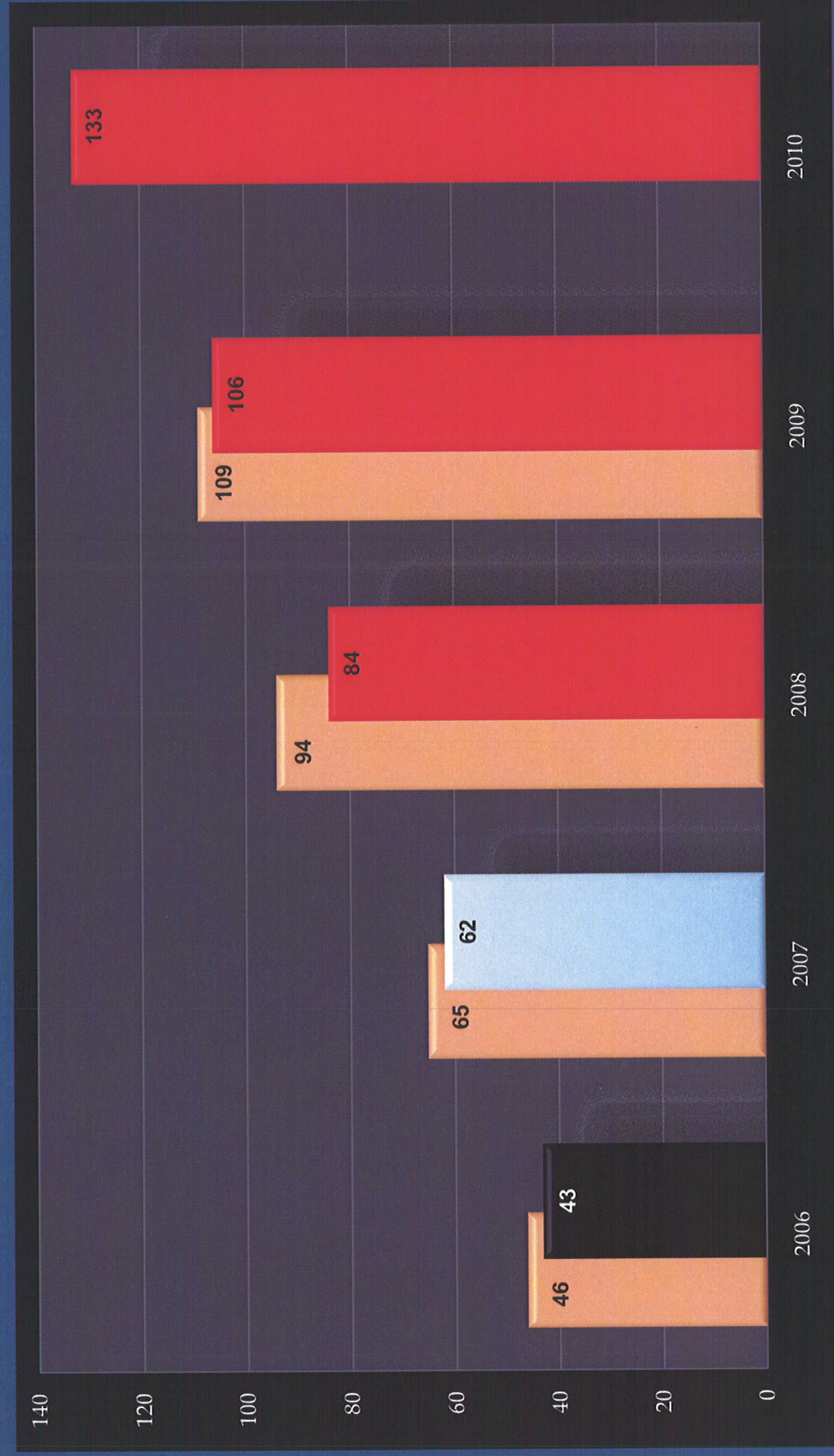


Source: data provided by Denisa Lauffer, Coordinator with Henderson County Permit Center

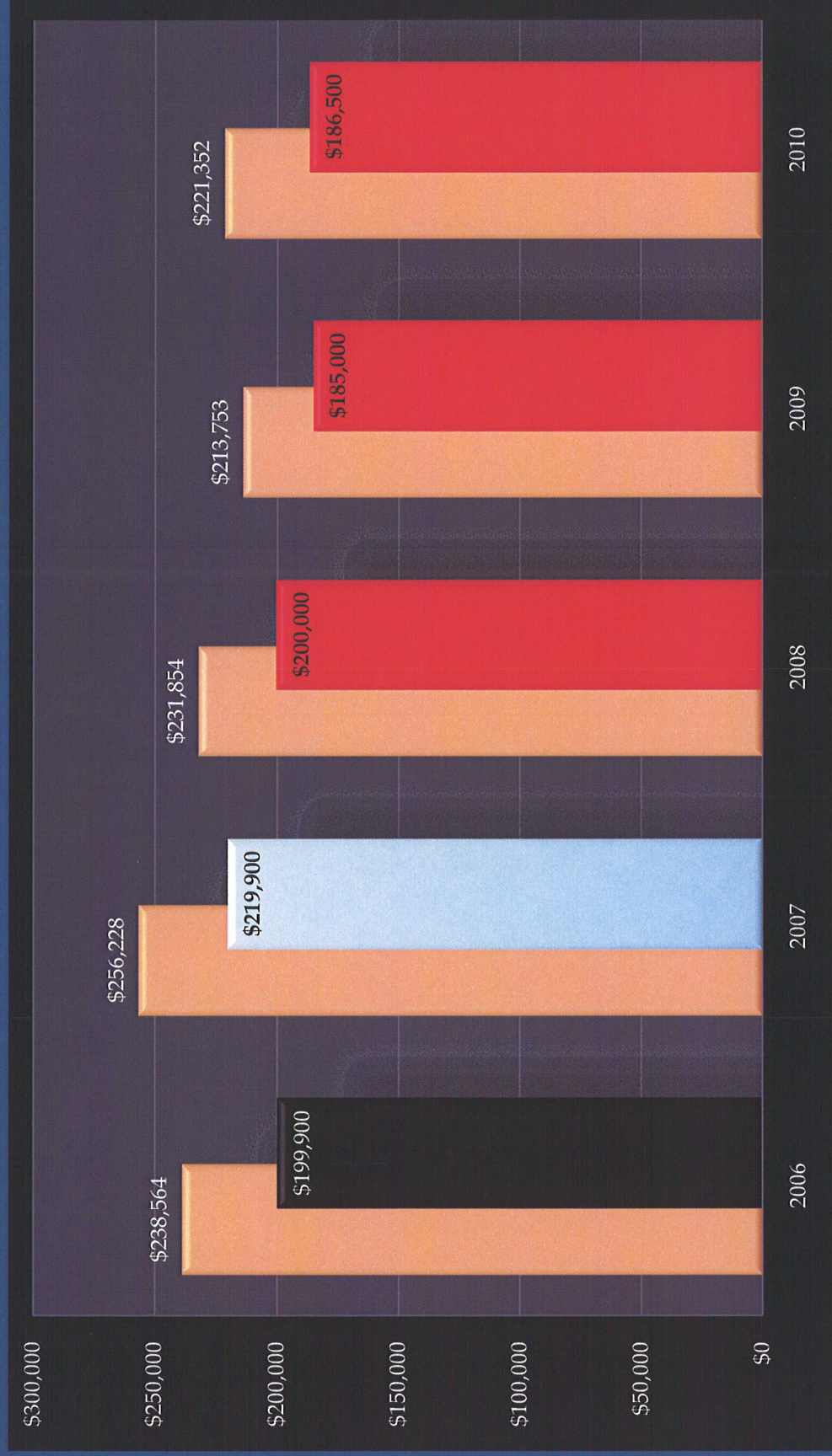
Number of MLS Transactions YTD; January Thru July....



Median Days on Market Per MLS YTD; January Thru July...



Average vs. Median Sale Price Per MLS YTD for 2010; January Thru July...



Reappraisals Recognize...

The “Market Change” in real property:

- Generally speaking, the “Hydraulic Principle” seeks to explain how a rising market tends to raise all properties and conversely, a decreasing market tends to lower all properties.
- However, the change in markets is rarely uniform across any county. Rather, markets tend to vary by identifiable influences:
 - Location
 - Property type
 - Age / Condition

Reappraisals Create . . .

An *equitable distribution* of the tax burden.

- Personal Property (motor vehicles, business machinery & equipment, aircraft & watercraft), is appraised and assessed at Market Value each and every year.
- Real property is appraised and assessed at Market Value ONLY in the year of, and as of, the general reappraisal.

The Shifting Burden

Level of Assessment Relative to January 1 Market Value

Real Property	Year	Personal Property
100.00%	2011	100.00%
94.75%	2010	100.00%
87.19%	2009	100.00%
90.75%	2008	100.00%
97.94%	2007	100.00%
83.83%	2006	100.00%
86.46%	2005	100.00%
92.41%	2004	100.00%
99.47%	2003	100.00%
85.88%	2002	100.00%

2007 - 2010 Market Change

Recap & Comparisons for Calendar Year 2010 . . .

County	2007 Ratio (2006 Sales) to Mkt. Value	2010 Ratio (2009 Sales) to Mkt. Value	% Change
Brunswick	99.29%	113.59%	Down 2.64%
Burke **	100.00%	100.00%	No Change 0.00%
Carteret	100.00%	112.65%	Down 12.65%
Catawba	97.73%	97.85%	Down .12%
Davidson **	100.00%	100.36%	Down .36%
Gaston **	96.87%	98.35%	Down 1.48%
HENDERSON	97.94%	94.75%	UP 3.19%
Iredell	99.40%	98.06%	Up 1.34%
Macon **	100.00%	109.29%	Down 9.29%
Moore **	100.00%	96.52%	Up 3.48%
New Hanover	97.03%	104.59%	Down 7.56%
Randolph **	96.76%	98.19%	Down 1.43%
Rowan	99.78%	97.76%	Up 2.02%
Rutherford	93.64%	93.29%	Up .35%
Wilkes **	98.66%	96.27%	Up 1.39%

** Denotes those counties delaying a 2011 reappraisal until 2013 or later.

Source: NC DOR Property Tax Division 2007/2010 Sales Assessment Ratio Studies

Tax Year 2007 vs. 2010...

Tax Base Components:

2007		2010
\$ 10,437,410,000	84.89%	Real Prop. 87.18%
873,186,000	7.10%	Regr'd MV's 5.63%
799,000,000	6.50%	Pers. Prop. 5.66%
185,000,000	1.50%	Public Utilities 1.53%
		200,000,000
\$ 12,294,596,000		TOTAL Tax Base \$13,065,000,000

Registered Motor Vehicles

Economic Shift:

<u>Fiscal Year</u>	<u># of Vehicles</u>	<u>Assessed \$</u>
2003-04	99,196	\$766,235,095
2004-05	102,458	\$811,942,453
2005-06	104,253	\$840,878,723
2006-07	106,416	\$879,991,396
2007-08	109,064	\$915,294,554
2008-09	94,461	\$871,957,292
2009-10	91,826	\$805,929,404
2010-11 (Est.)	87,500	\$735,000,000

Tax Relief Programs

Elderly Exclusion & Veterans:

<u>TAX YEAR</u>	<u>#</u>	<u>Value Excluded</u>	<u>% Change</u>
2006	913	\$34,019,336	
2007	1,018	\$47,725,742	+11.5% / +40.3%
2008	1,251	\$62,498,363	+22.9% / +31.0%
2009	1,381	\$74,676,804	+10.4% / +19.5%
2010	1,521	\$85,664,472	+10.1% / +14.7%

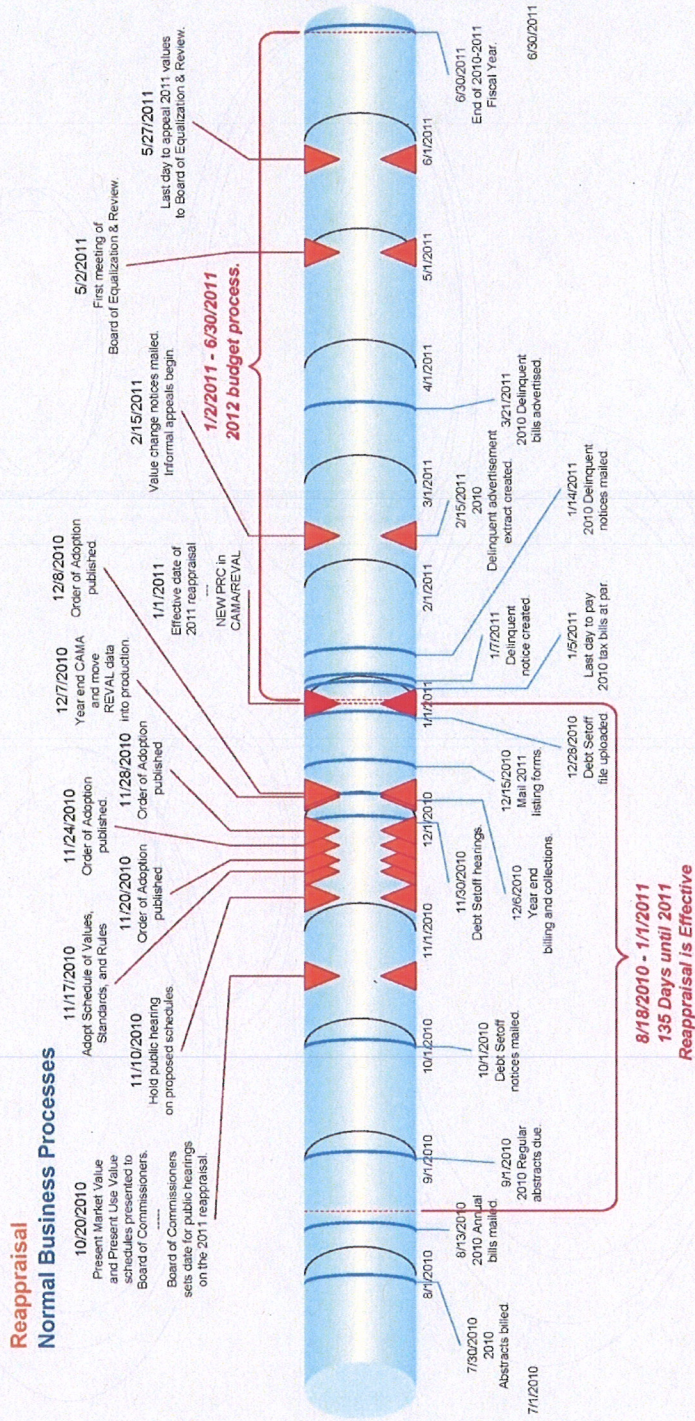
Tax Relief Programs

Present-Use Value:

<u>TAX YEAR</u>	<u>#</u>	<u>Value Deferred</u>	<u>% Change</u>
2006	1,595	\$ 170,973,336	
2007	1,563	\$ 384,725,934	-2.0% / +125.0%
2008	1,554	\$ 393,658,924	-.58% / +2.3%
2009	1,610	\$ 377,589,075	+.04% / -4.1%
2010	1,609	\$ 375,859,135	- / -.005%

2011 Reappraisal Timeline

Henderson County Reappraisal Timeline



Going Forward...

2011 Reappraisal

Real Property Values will “change”;
some up, some down...,
some very little, some significantly...

On-going Legislation

Will seek to expand current Tax Relief Programs...

Market Climate

Confidence will lag behind positive growth...