

2022 Real Estate Assessment

Board of Supervisors Meeting

December 14, 2021

Agenda

- Economic Conditions
- 2022 Real Estate Assessment
- Real Estate Fiscal Impact
- Next Steps

Economic Conditions

Economic Conditions - Federal Stimulus Impacts

- Coronavirus Aid, Relief, and Economic Security (CARES) Act
 - \$2.2 trillion economic stimulus bill
 - Authorized the first economic impact payment of up to \$1,200 per adult for eligible individuals and \$500 per qualifying child under age 17
 - Signed into law on March 27, 2020

- COVID-related Tax Relief Act of 2020
 - \$900 billion as part of the Consolidated Appropriations Act of 2021
 - Authorized the second economic impact payment of up to \$600 per adult for eligible individuals and up to \$600 for each qualifying child under age 17
 - Signed into law on December 28, 2020

Economic Conditions - Federal Stimulus Impacts

- American Rescue Plan Act (ARPA)
 - \$1.9 trillion economic stimulus bill
 - Authorized the third economic impact payment, or stimulus checks, up to \$1,400 for eligible individuals or \$2,800 for married couples filing jointly, plus \$1,400 for each qualifying dependent, including adult dependents
 - Signed into law on March 11, 2021
- Infrastructure Investment and Jobs Act
 - \$1.2 trillion infrastructure bill
 - Provides federal aid for highway, transit, highway safety, motor carrier, research, hazardous materials, and rail programs of the Department of Transportation
 - Signed into law on November 15, 2021

Economic Conditions – Residential

- Residential building permits increased 11.8%
 - 781 through October 2020 compared to 873 through October 2021
 - New Construction permits increased 15.1% (476 in 2020 to 522 in 2021)
 - Alterations permits increased 9.7% (305 in 2020 to 351 in 2021)
- The value of residential building permits increased 24% from 2020 to 2021
- Housing prices continue to trend higher due to demand and lower interest rates

*Information provided by Roanoke County Economic Development, Planning, and GIS

Economic Conditions – Business and Commercial

- Commercial building permits decreased 21.1%
 - 180 through October 2020 compared to 142 through October 2021
 - New Construction permits decreased 49.2% (63 in 2020 to 32 in 2021)
 - Alterations permits decreased 6.0% (117 in 2020 to 110 in 2021)
- Prospect Inquiries, or the number of businesses looking at sites or buildings in Roanoke County, have increased by 41% since 2019
- Sales Tax Revenue has increased 6.94% from FY 2020 to FY 2021

*Information provided by Roanoke County Economic Development, Planning, and GIS

Economic Conditions - Statistics

- The most recent annual inflation rate is 6.2% as of October
- Roanoke County's unemployment rate averaged 3.5% during 2021 and reached a pre-pandemic low of 2.7% in September 2021 (down from 9.6% in April 2020)
- Virginia's unemployment rate has decreased to 3.2% in September 2021 (down from 10.8% in April 2020)
- The national unemployment rate has decreased to 4.6% in September 2021 (down from 14.4% in April 2020)
- Roanoke County Population as of the 2020 US Census is 96,929 (up from an estimate of 94,186 in 2019 or a 2.91% increase)

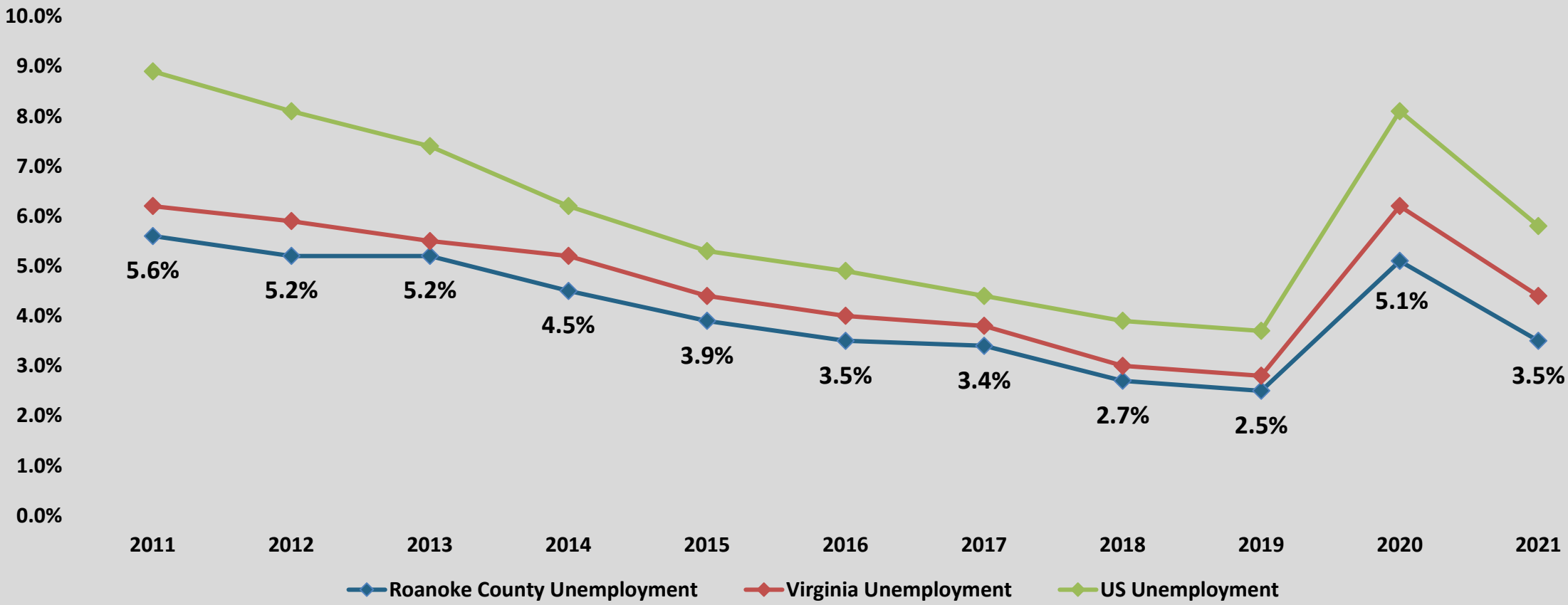
*Information provided by Roanoke County Economic Development

Economic Conditions - Conclusions

- Inflation for October is 6.2% higher than at the same time the previous year due to Federal COVID-19 stimulus bills, labor market changes, and business trends
- The local and national real estate markets continue to perform strongly due to continued low interest rates and limited supply of housing
- Retail sales and sales taxes continue an upward trend due to consumer spending
- Overall economic recovery and growth continue, however, there are some areas for concern with inflation and slowing of growth in real estate and personal property values within the next few years

Average Annual Unemployment

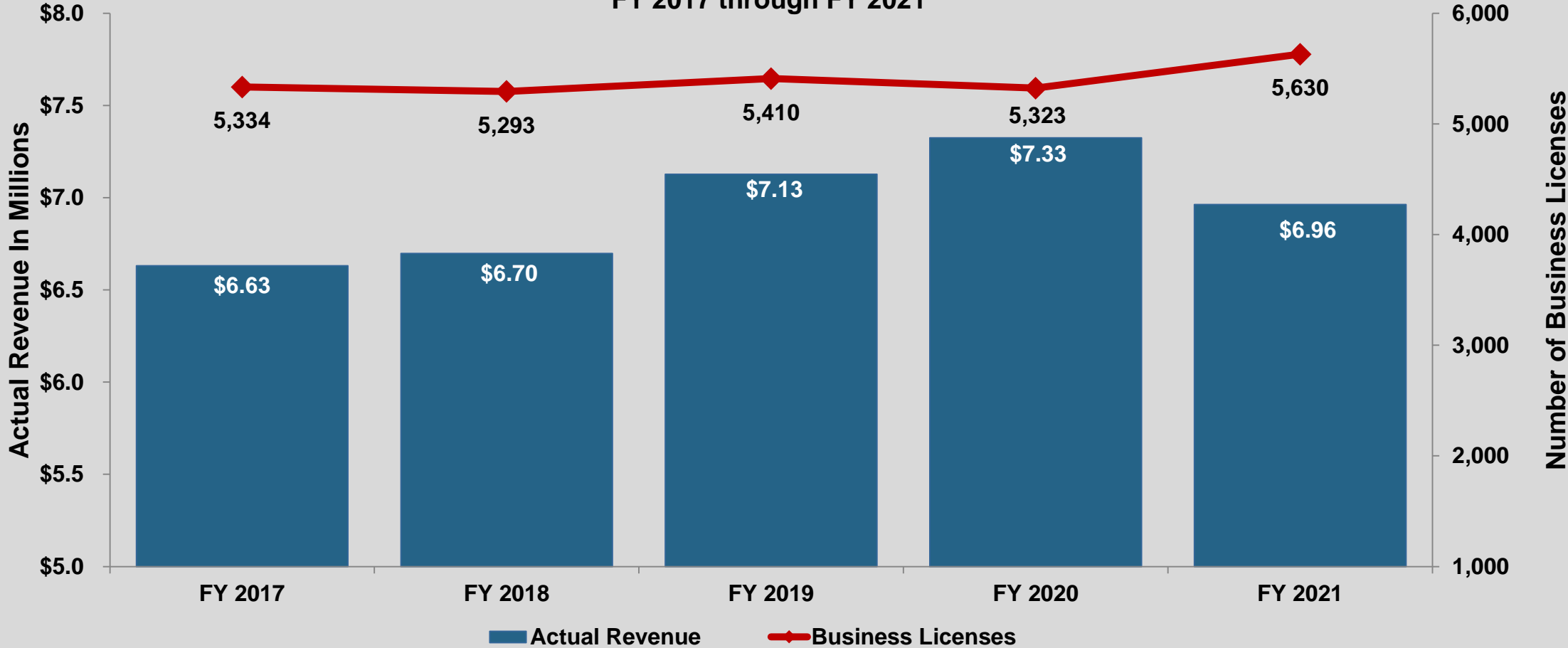
Unemployment Rates Roanoke County, Virginia, and U.S.



Source: YesRoanoke.org. Unemployment % represents yearly average at year end. Unemployment rates are average of monthly rates for each year.

County Business Licenses & Revenue

County Business Licenses & Revenue
FY 2017 through FY 2021



2022 Real Estate Assessment

2022 Real Estate Assessment

Category	2021 Assessed Value	2022 Assessed Value*	Change in Assessed Value	% Change
Residential	8,089,961,400	8,709,549,200	619,587,800	7.66%
Commercial	1,231,540,600	1,247,571,700	16,031,100	1.30%
Total	9,321,502,000	9,957,120,900	635,618,900	6.82%

Assessment Increase Attributed To:		
New Construction – Residential	51,363,400	8.08%
New Construction – Commercial	990,700	0.15%
Market Value – Residential	568,224,400	89.40%
Market Value – Commercial	15,040,400	2.37%
Total	635,618,900	100%

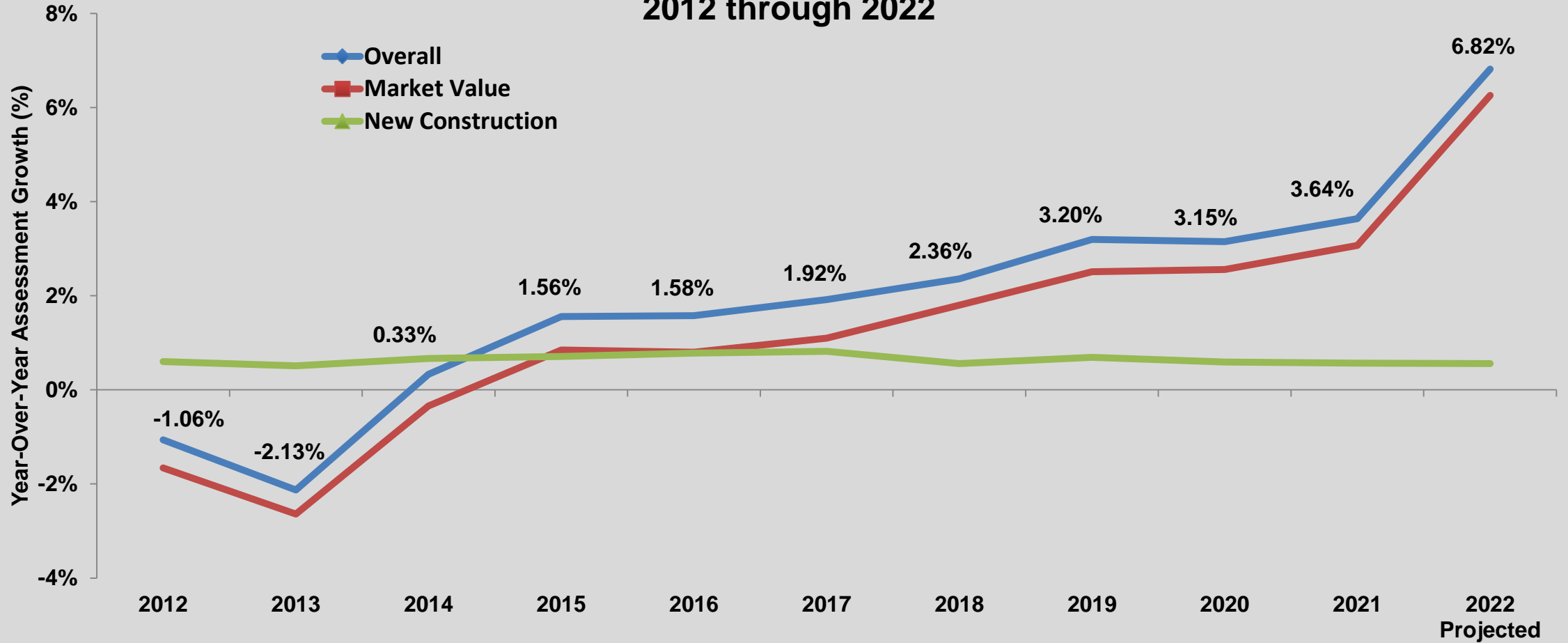
*As of November 15, 2021

Assessment Accuracy

Measure	IAAO Standard	Roanoke County as of November 15, 2021
Sales Ratio: a ratio of assessment value to sales price	91% to 105%	91.1%
Coefficient of Dispersion (COD): indicates how tightly the ratios are clustered around the median ratio. The lower the COD, the greater uniformity in appraised values.	5% to 15%	7.373%
Price Related Differential (PRD): measures the equity between low value and high value properties. A PRD greater than one implies that higher priced properties have lower average assessment ratios than lower priced homes.	0.98% to 1.03%	1.004%

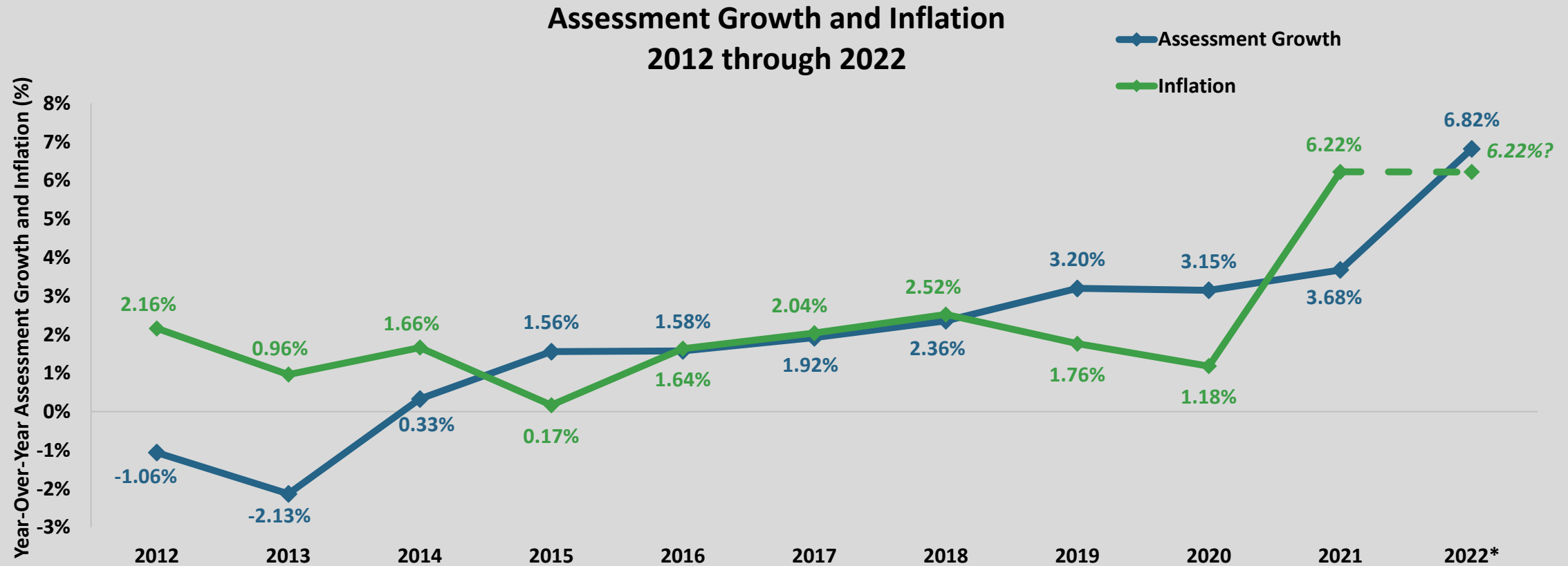
Assessment Growth History

Assessment Growth History 2012 through 2022



*As of November 15, 2021

Assessment Growth History with Inflation

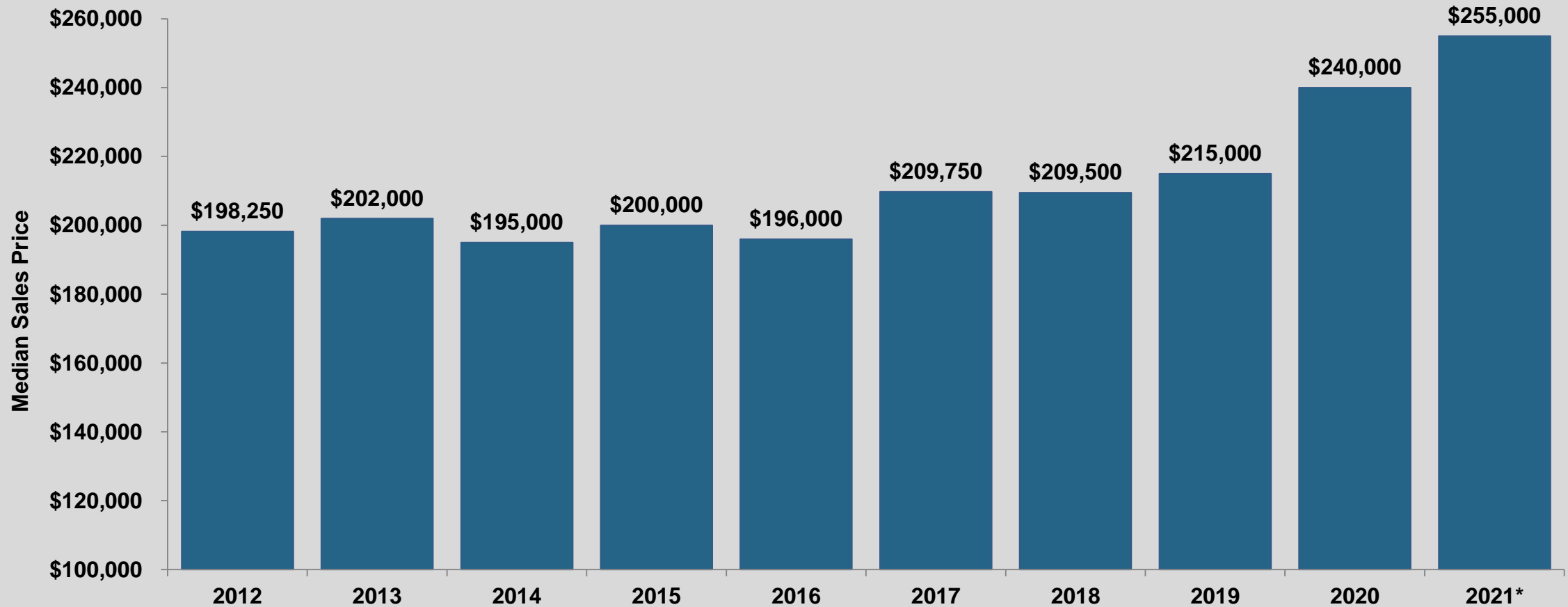


*As of November 15, 2021

*Inflation calculated based Consumer Price Index data from the US Bureau of Labor Statistics for October of each year.

Median Sales Price History – Single Family Residential

**Median Sales Price - Residential
2012 through 2021**



*As of November 15, 2021

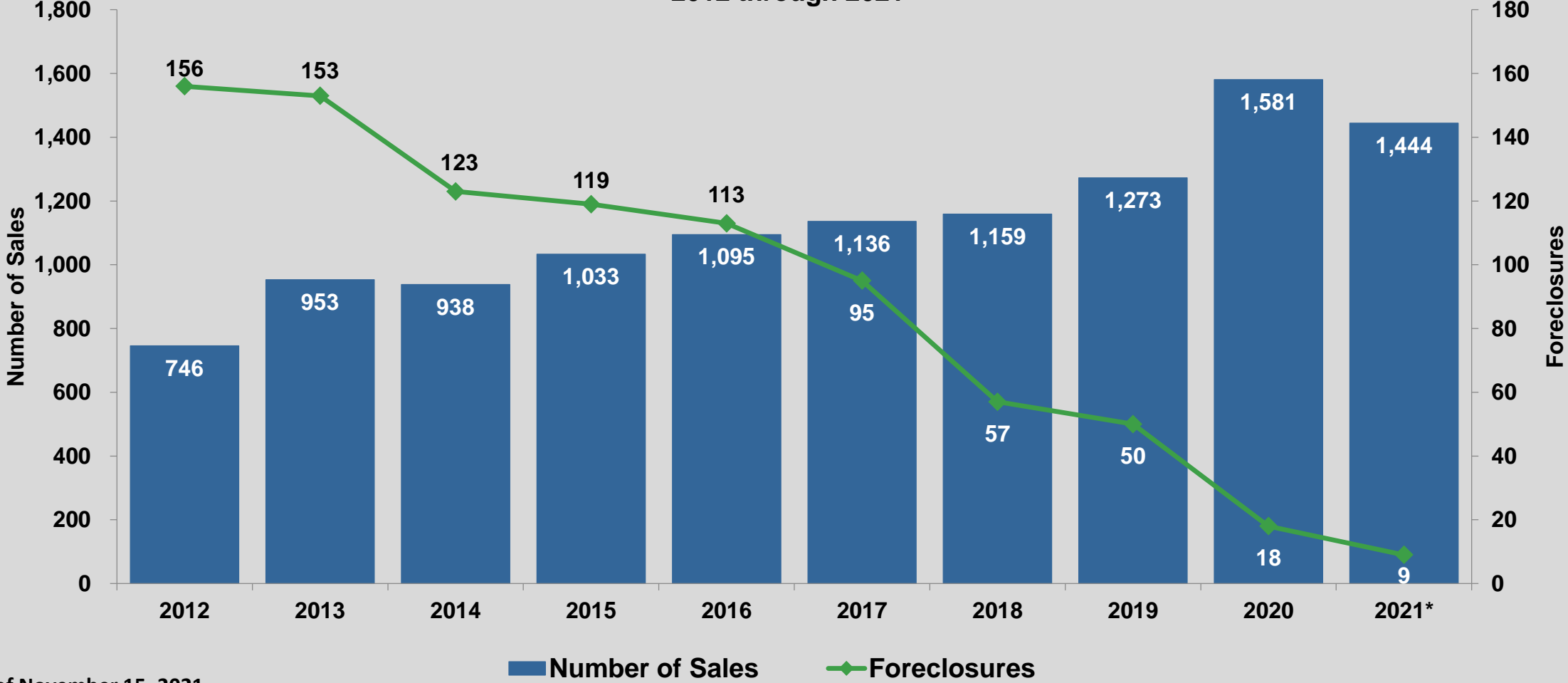
Residential Sales by Price Range



*As of November 15, 2021

History of Residential Sales

History of Total Sales and Foreclosures
2012 through 2021



*As of November 15, 2021

Coming New Construction & Redevelopment

Single Family

- Cherokee Hills Section #5 (14 remaining lots)
- Fairway Ridge Court (10 lots)
- Faircrest Townhomes (10 remaining lots)
- Foxfield at Russlen Farms (12 lots)
- Woods Hill Section #3 (4 lots)
- Laurel Crest (24 lots)
- Edgefield II (10 lots)
- Fox Hunt (21 remaining lots)
- Masons Crest II (28 remaining lots)
- Hunt Camp (6 lots)
- Belmont (21 remaining lots)
- Berkley Farms (5 remaining lots)

Multi-Family

- The Retreat (2 additional buildings)
- Village Green Apartments (1 additional building)

Coming New Construction & Redevelopment

Commercial

- Vinyard Station in Vinton
- Rosie's Expansion in Vinton
- Vistar Eye Center
- Fallowater Square Office Complex
- Richfield Living Continued Expansion
- Gish Mill Redevelopment Project in Vinton
- Tanglewood Mall Outparcels (4 new buildings)
- New Hotel Project in Vinton
- Springhill Suites by Marriott at Gander Way
- Lewis Gale ER Bonsack
- AEP Operation Center
- I-81/Wildwood Road Hotel Project

2022 Assessment Hearing Dates

- Assessment notices will be mailed December 30, 2021
- Informal Appeals
 - January 18 through January 26, 2022
 - Call Real Estate Valuation Office at 772-2035 extension 0 for an appointment
- Formal Appeals with Board of Equalization (BOE)
 - Dates for BOE meetings are as follows:
 - April 28, 2022
 - July 28, 2022
 - October 27, 2022
- The final deadline to apply for an appeal is September 12, 2022

Real Estate Fiscal Impact

Fiscal Impact

Year	Change in Assessment
Calendar Year 2021	3.64%
New Construction	0.57%
Market Value	3.07%
Calendar Year 2022 (projected)	6.82%
New Construction	0.56%
Market Value	6.26%

Existing assessable base expected to increase by over 1.0%;
Requires a public hearing on Effective Tax Rate scheduled for March 22, 2022
Advertisement required 30 days in advance of public hearing

Real Estate Tax Rate

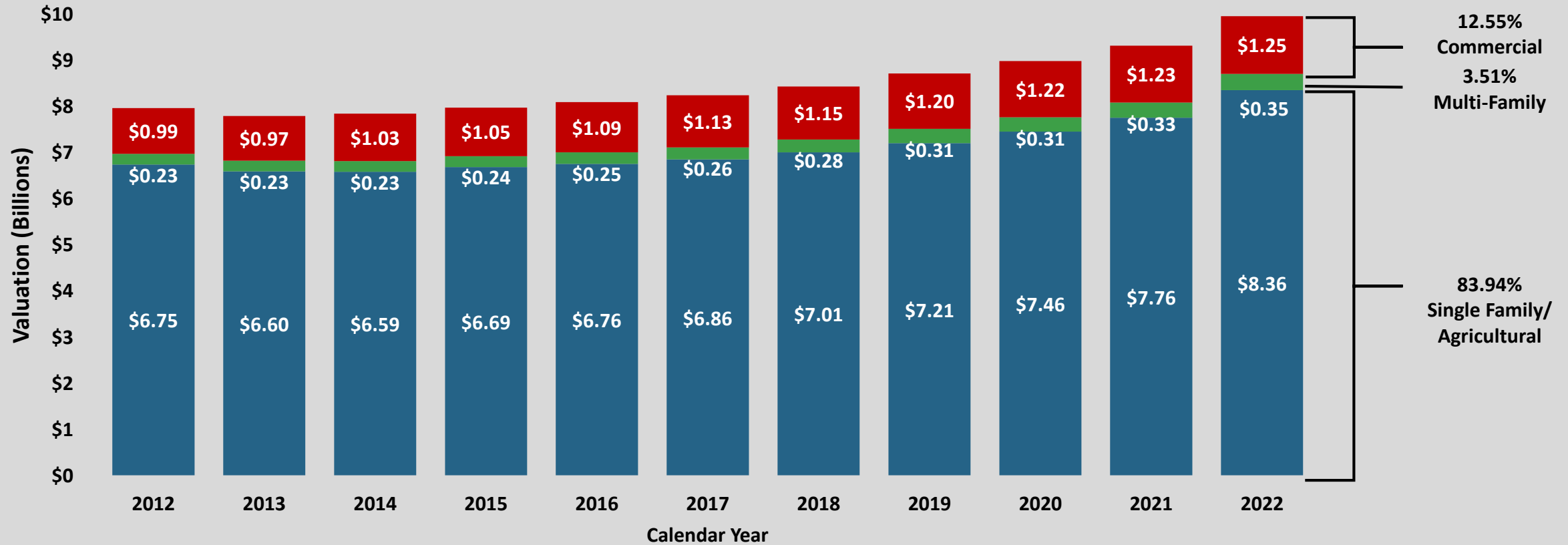
Impact of \$0.01 Change in Tax Rate

FY 2021-2022 Estimated Impact		FY 2022-2023 Estimated Impact	
County	Schools	County	Schools
466,000	-	498,000	414,000

- Roanoke County Real Estate Tax Rate has been unchanged at \$1.09 per \$100 assessed value since FY 2007

Assessment History

Valuation History
2012 through 2022

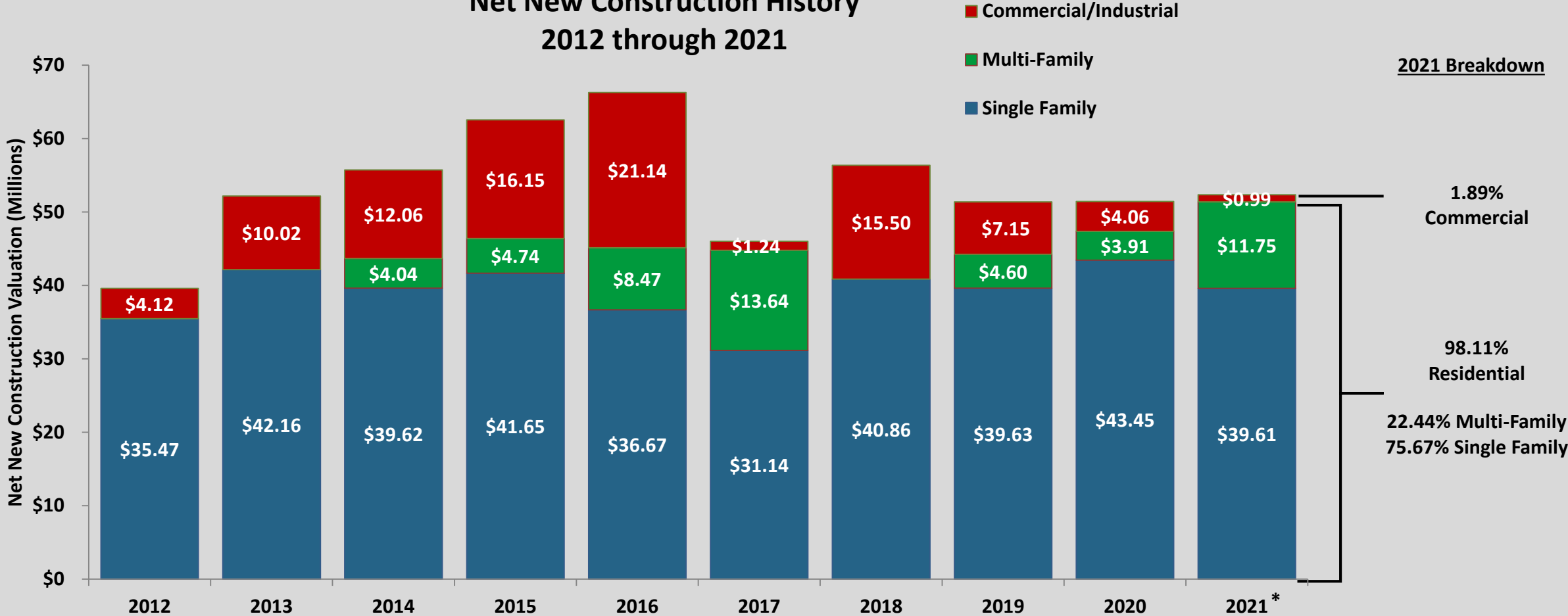


*As of November 15, 2021

■ Single Family/Agricultural ■ Multi-Family ■ Commercial

New Construction History

**Net New Construction History
2012 through 2021**



2021 Breakdown

1.89%
Commercial

98.11%
Residential

22.44% Multi-Family
75.67% Single Family

*As of November 15, 2021

Next Steps

Next Steps – Board Items

Item	2022 Date
County Administrator's Proposed FY 2023 – FY 2032 CIP	January 25
County Administrator's Proposed FY 2022-2023 Operating Budget	March 8
Public Hearing: Effective Tax Rate Public Hearing: Maximum Tax Rate Adoption of Maximum Tax Rate	March 22
Public Hearing: Tax Rate Adoption Public Hearing: Operating and Capital Budgets (first of two) Adoption of 2022 Tax Rates	April 12
Public Hearing: Operating and Capital Budgets (second of two) 1 st Reading of FY 2022-2023 Operating and Capital Budget Ordinances	April 26
2 nd Reading and Adoption of FY 2022-2023 Operating and Capital Budget Ordinances	May 10

Next Steps – Work Sessions

Item	2022 Date
FY 2023 – 2032 Capital Improvement Program	January 11
FY 2022 Mid-Year Revenue and Expenditure Updates and FY 2023 Budget Issues	January 25
FY 2023 Revenue Outlook and County Fees and Charges Compendium	February 8
FY 2023 Compensation Update, Outside Agency Funding FY 2023 – 2032 Capital Improvement Program	February 22
FY 2023 Operating Budget Work Session #1	March 22
FY 2023 Operating Budget Work Session #2	April 12

Questions & Comments