

Laurie Gearheart
Director of Finance &
Management Services

County of Roanoke



Memo

To: Roanoke County Board of Supervisors

From: Laurie Gearheart, Director of Finance & Management Services

Date: January 19, 2024

Subject: FY 2025 Budget Memo #1: Real Estate Assessment Information

On January 9, 2024, Ken Fay, Director of Real Estate, provided a briefing to the Board of Supervisors on the 2024 real estate assessment for Roanoke County. During this briefing, he shared data on the assessment for calendar year 2024. This memo is in response to questions from the Board of Supervisors regarding assessment information during the budget work session.

Real Estate Assessment Increases by Price Range

The Board of Supervisors requested additional information on slide 9 of the briefing presentation which is attached for reference. Specifically, the Board of Supervisors asked for the average assessment increase by price range shown on slide 9 (\$0 to \$200,000, \$200,001 to \$400,000, \$400,001 to \$600,000, \$600,001 to \$800,000, and \$800,001 and above). The board of Supervisors also asked for the delta between calendar year 2023 and 2024 assessments by these same price ranges. This information is shown in the table below.

Roanoke County Average Assessment Increase by Price Range					
Assessment Year	\$0 to \$200,000	\$200,001 to \$400,000	\$400,001 to \$600,000	\$600,001 to \$800,000	\$800,001 and above
CY 2023	12.05%	12.95%	11.11%	14.90%	14.67%
CY 2024	8.35%	8.96%	8.20%	8.77%	8.30%
Difference	-3.70%	-3.99%	-2.91%	-6.13%	-6.37%

Reassessment Process

The Board of Supervisors also requested additional information regarding the annual reassessment process and how valuations for new construction is administered by the County.

The Real Estate Valuation Department reassesses all real estate in Roanoke County on an annual basis at 100% of market value. Reassessment notices are mailed in January. At that

time informal appeals are heard throughout most of January. Informal appeals afford property owners a chance to discuss or challenge the new assessment values. After the hearings are complete the Annual Landbook is recorded in the Commissioner of Revenues Office.

In February, appraisers analyze sales from the end of the prior year and the sales of the current year. Qualified sales, or at arm's length sales, determine an adjustment to the base rates for the upcoming year. From that point until the end of the year appraisers determine if the base rate adjustment is supported by sales in each neighborhood. If not, the appraisers make further neighborhood adjustments until all new values are fair and equitable.

There are three methods to assess property values and all three are considered during the assessment process: market, cost, and income approaches. The market approach analyzes sales of properties and compares sales to determine market values. The cost approach is commonly used on special purpose properties such as churches, schools, or hospitals and can be used on new properties by analyzing current replacement cost, subtracting any depreciation, and adding current land value. The income approach is best used on income producing properties such as apartment complexes and shopping centers and analyzes the potential net income production of a property. Residential properties rely mainly on the market comparison approach. Commercial properties assessments typically rely on cost and income.

During this process, appraisers also receive building permits from the Development Services Department. All properties with building permits are periodically inspected until construction is completed. Permits are issued for alterations, additions, and or new buildings. Once the permits are complete, the property record card is updated to reflect the new construction and value is adjusted to the market. A supplemental notice is sent to the property owner. New construction is added to the tax roll at the first of each month once construction is substantially complete.

The Code of Virginia § 58.1-3292 gives localities the authority to assess values on new construction. Roanoke County Code Section 21-40 establishes the process to assess new construction values and to assess tax at a prorated rate. This process occurs after the real estate tax rate is approved by the Board of Supervisors in April.

The Board of Equalization (BOE) conducts hearings throughout the year. BOE hearings are a more formal process for property owners to challenge their reassessment.

From April until November of each year appraisers also inspect 1/3 of all properties in Roanoke County. This field work is necessary to update all information on the property record card. This process recognizes any changes to the property such as improvements made without a permit, changes in physical conditions, or alterations because of bad weather.

Throughout the year the appraisal staff receives calls or walk-ins from property owners. Some matters are resolved through a desk review and sometimes it is necessary to conduct a field visit of the property and complete a full analysis.

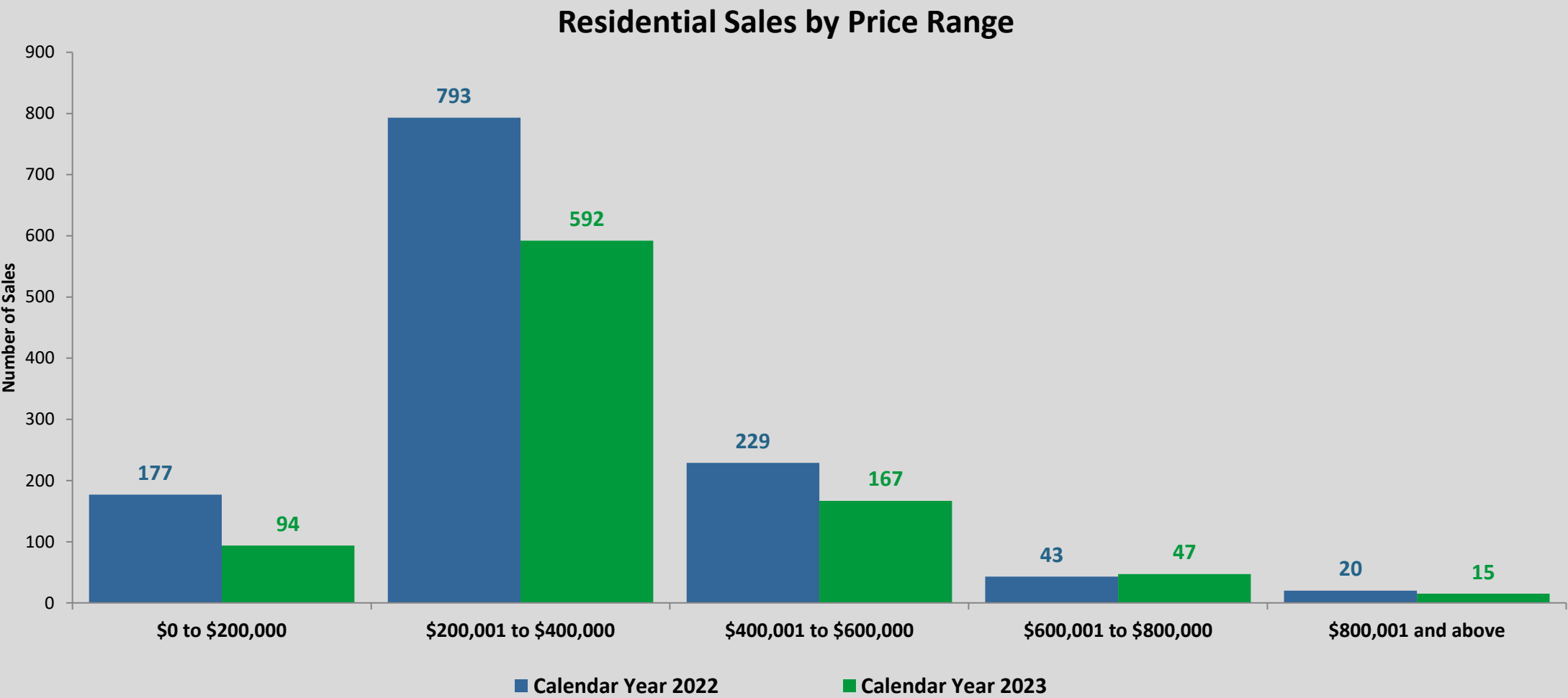
Once the new values are set, the Board of Supervisors are notified by a briefing near the end of the calendar year and the process repeats.

If you have any additional questions, please contact me at 540-283-8126 or llgearheart@roanokecountyva.gov.

cc: Richard Caywood, County Administrator
Rebecca Owens, Deputy County Administrator
Doug Blount, Assistant County Administrator
Peter Lubeck, County Attorney
Jason Peters, Commissioner of the Revenue
Kevin Hutchins, Treasurer
Ken Fay, Director of Real Estate
Steve Elliott, Budget Administrator
Madeline Hanlon, Assistant to the County Administrator

Attachments

Residential Sales by Price Range



*As of December 26, 2023