



**City Council Work Session
February 17, 2009**





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Real Estate Assessor



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Chesapeake Real Estate Tax Rate

Chesapeake Real Estate Tax Rate Mosquito controlled areas	\$1.05 per hundred of the assessed value
Non-Mosquito controlled areas	\$1.04 per hundred of the assessed value

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City of Chesapeake, Virginia

Council Work Session
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Mayor, Vice Mayor, Members of Council and City Staff:

Thank you for this opportunity to share with you a brief overview of the 2009/2010 revaluation process.

This includes data collected and currently being analyzed from January 1, 2008 to December 31, 2008, which is covered in greater detail in the Annual Report you will be provided via the Real Estate Assessor's Home Page, the first week of March 2009.

This year the revaluation of all classes of taxable real estate totaled 79,625 properties.

We will mail approximately 50,000 notices reflecting both increases and decreases in assessed value. In addition approximately 29,920 properties had no change in their assessment. This is the result of 2008 market data that supports the value structure applied the previous year.

Data collected and currently being analyzed as of December 31, 2008 revealed the following information.

Sales Data

Detached Residential Single-Family 2004 - 2008 Comparison

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of New Home Sales:	288	368	599	809	1,011
No. of Existing Home Sales:	1,400	1,966	2,654	3,435	3,789
Avg. Price New Homes:	\$402,352	\$429,650	\$472,747	\$441,267	\$334,146
Avg. Price Existing Homes:	\$304,569	\$309,833	\$302,799	\$275,709	\$222,956
Avg. Lot Price 1 Acre or Less:	\$133,954	\$156,488	\$149,640	\$167,600	\$119,451

Detached Condos

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of New Sales	34	41	76	148	94
Number of Existing Sales	54	105	132	165	179
Average Price New	\$297,290	\$363,011	\$348,284	\$259,716	\$190,335
Average Price Existing	\$263,013	\$264,731	\$271,013	\$244,777	\$191,834

Attached Condos

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of New Sales	142	137	196	146	17
Number of Existing Sales	194	318	387	483	517
Average Price New	\$285,853	\$308,910	\$304,271	\$223,716	\$184,682
Average Price Existing	\$189,292	\$190,376	\$187,322	\$164,582	\$124,581

Townhomes

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of New Sales	1	-	-	13	-
Number of Existing Sales	266	409	556	537	815
Average Price New	\$239,900	-	-	\$317,895	-
Average Price Existing	\$185,331	\$186,733	\$180,057	\$156,108	\$115,990

To confirm the information presented we also utilized the Real Estate Information Network, Inc. service and Zillow.com.

Real Estate Information Network, Inc., indicated that the median list sales price of pending sales for Chesapeake for the time period of January – December 2008, were down -3.71%.

The median sales price for this same time period was down -3.35%

Settled sales detached/attached resale for the same period was down -0.84%.

Settled sales detached/attached new construction for the same period was down -6.03%.

Zillow.com shows the metro Virginia Beach – Norfolk – Newport News, VA-NC area as follows.

<http://www.zillow.com/reports/RealEstateMarketreports.htm>

Virginia Beach-Norfolk-Newport New, VA-NC

Metro Area Home Value Performance

<u>Home Type</u>	<u>Current Zillow Home Value Index</u>	<u>Year Over Year Change</u>	<u>5-Year Annualized Change</u>
All Homes	\$225,629	-6.4%	8.0%
Single Family	\$234,809	-6.1%	7.8%
Condo/Coop	\$176,348	-7.5%	11.1%
Bottom Tier	\$161,854	-3.7%	11.5%
Middle Tier	\$225,629	-6.4%	7.7%
Top Tier	\$350,764	-6.7%	5.5%

ASSESSMENT DETAIL SHEET

Preliminary Numbers for 2009/2010

	2009/2010
Average Assessment Decrease Overall	-1.79%
Average Residential Assessment Decrease	-2.70%
Average Commercial Assessment Increase	2.59%

Residential Properties Status 09-10

Total Number of Taxable Residential Parcels	75,127
Properties Experiencing a Decrease in Assessments	52.9%
Properties Experiencing No Change in Assessments	38.5%
Properties Experiencing a 1% -10% Increase in Assessments	8.3%
Properties Experiencing a 11% or Greater Increase in Assessments	0.3%
Total Residential Properties Experiencing Change in Assessments	61.5%

Commercial Properties Status 09-10

Total Number of Taxable Commercial Parcels	4,498
Properties Experiencing a Decrease in Assessments	4.1%
Properties Experiencing No Change in Assessments	21.7%
Properties Experiencing a 1% - 10% Increase in Assessments	66.5%
Properties Experiencing a 11% or Greater Increase in Assessments	7.7%
Total Commercial Properties Experiencing Change in Assessments	78.3%

2008 Summary of Sales Updates

Thru:	Total Sales	Median Ratio	COD	Average Sales Price	Average Resale	Ratio	Average New Const.	Ratio
12/31/2007	2,346	95.9	4.2	\$328,143	\$309,833	95.8	\$429,650	96.1
2/26/2008	295	97.7	5.9	\$318,858	\$285,918	97.7	\$415,142	97.3
4/7/2008	436	97.3	5.9	\$319,127	\$294,531	97.3	\$401,857	97.5
5/12/2008	601	97.7	5.9	\$322,260	\$300,270	97.8	\$408,481	97.6
7/1/2008	913	98.0	5.8	\$320,564	\$303,742	98.0	\$401,928	97.9
8/1/2008	1,133	98.1	5.8	\$321,527	\$306,363	98.3	\$396,899	97.7
9/10/2008	1,343	98.3	5.8	\$323,185	\$307,594	98.5	\$404,327	97.7
10/14/2008	1,469	98.4	5.8	\$323,439	\$306,939	98.7	\$405,625	97.6
12/1/2008	1,612	98.5	5.9	\$322,867	\$306,937	98.8	\$407,306	97.7
12/31/2008	1,716	98.6	6.0	\$320,736	\$304,307	98.9	\$404,144	97.6
revised	1,694	98.4	5.9	\$320,888 down 2.2%	\$304,569 down 1.7%	98.7	\$402,352 down 6.4%	97.6

City of Chesapeake
Average Sales Price-Single Family 1993-2008

Year	Overall		Resales		New Construction	
	#Sales	Average Price	#Sales	Average Price	#Sales	Average Price
1993	3,347	\$123,855	n/a	n/a	1,544	\$143,179
1994	3,168	\$133,371	1,530	\$112,610	1,638	\$152,749
1995	2,602	\$132,547	1,809	\$117,548	793	\$166,789
1996	2,891	\$135,335	1,990	\$124,321	894	\$160,149
1997	2,728	\$139,320	1,784	\$128,044	934	\$161,847
1998	2,829	\$146,921	2,022	\$136,139	796	\$175,008
1999	3,371	\$151,516	2,345	\$140,288	1,026	\$177,956
2000	2,929	\$159,547	2,148	\$146,156	762	\$198,891
2001	2,997	\$171,588	2,422	\$158,629	551	\$231,300
2002	3,368	\$184,448	2,630	\$170,488	776	\$233,205
2003	2,545	\$211,681	1,904	\$196,222	631	\$259,704
2004	4,830	\$245,637	3,789	\$222,956	1,011	\$334,146
2005	4,277	\$306,250	3,435	\$275,709	809	\$441,267
2006	3,272	\$333,456	2,654	\$302,799	599	\$472,747
2007	2,346	\$328,143	1,966	\$309,833	368	\$429,650
2008	1,694	\$320,888	1,400	\$304,569	288	\$402,352
		down 2.2%		down 1.7%		down 6.4%

* % change in average sales price from 12/31/07.

City of Chesapeake
SFR by Borough-2008

Borough	# Sales	Median Ratio		C.O.D.		Avg Resale Price	%chg*	Avg New Price	%chg*
		Before	After	Before	After				
Butts Road	80	99.2	97.0	6.2	4.5	\$338,188	-13.9	\$483,180	-16.0
Deep Creek	384	97.5	96.3	5.3	3.9	\$270,979	-0.7	\$394,479	-1.3
Pleasant Grove	399	99.8	96.3	6.1	4.9	\$365,233	-5.6	\$591,629	-8.9
South Norfolk	132	94.4	95.9	6.1	4.1	\$181,123	-3.0	\$217,227	-4.5
Washington	474	99.3	96.2	5.9	4.4	\$288,255	1.1	\$395,510	-4.6
Western Branch	225	98.9	96.5	5.2	3.8	\$327,362	0.3	\$356,403	-16.7

* % chg in avg sales price from 12/31/07

Annual Median Ratio as Provided by the
Virginia Department of Taxation Assessment/Sales Ratio Study

<u>Years</u>	<u>Chesapeake</u>	<u>Newport News</u>	<u>Virginia Beach</u>	<u>Hampton</u>	<u>Portsmouth</u>	<u>Norfolk</u>	<u>Suffolk</u>
2007	94.1%	76.9%	75.7%	80.2%	73.6%	75.8%	91.9%
2006	95.6%	70.0%	63.1%	81.0%	79.9%	70.5%	87.0%
2005	97.4%	71.9%	64.2%	98.0%	75.5%	75.8%	72.0%
2004	97.1%	80.4%	74.8%	87.6%	76.2%	74.4%	76.9%
2003	95.6%	85.4%	82.4%	89.1%	80.9%	80.2%	80.9%
2002	95.9%	91.7%	86.4%	92.3%	89.5%	85.7%	91.4%
2001	95.7%	94.0%	88.7%	94.0%	92.3%	87.7%	87.9%
2000	95.1%	94.0%	90.6%	94.4%	92.8%	90.2%	89.8%
1999	95.3%	95.0%	92.1%	95.4%	93.5%	93.2%	91.5%
1998	95.8%	96.3%	92.3%	98.0%	93.9%	94.0%	92.5%

Annual Local Ratio as Provided by the Virginia Department of Taxation Statement of Assessed Values for Local Tax Purposes for Railroads and Pipeline Transmission Companies.

	<u>Chesapeake</u>	Newport <u>News</u>	Virginia <u>Beach</u>	<u>Hampton</u>	<u>Portsmouth</u>	<u>Norfolk</u>	<u>Suffolk</u>
2008	98.0%	91.4%	94.2%	91.0%	82.6%	88.2%	94.0%
2007	95.2%	76.3%	74.3%	80.4%	71.3%	75.7%	93.2%
2006	91.0%	70.1%	63.8%	79.1%	65.4%	63.2%	72.0%
2005	87.7%	75.1%	64.8%	79.7%	72.2%	69.8%	85.5%
2004	92.4%	83.7%	76.0%	86.0%	81.4%	77.0%	76.2%
2003	93.1%	87.4%	86.4%	89.6%	85.5%	83.6%	81.6%
2002	88.3%	92.1%	90.1%	91.3%	90.6%	87.5%	87.4%
2001	93.8%	94.2%	89.3%	94.2%	92.4%	88.2%	90.7%
2000	93.8%	95.1%	91.8%	95.3%	96.0%	91.4%	91.0%
1999	95.4%	96.9%	93.7%	95.9%	95.8%	94.2%	91.7%
1998	95.7%	98.2%	93.8%	98.1%	95.1%	96.1%	91.4%

Foreclosures

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
January	45	25	57	65	36	34	23	26	35	42	29	46	33	22	8	7	15	1	10	46	45
February	26	26	41	49	52	34	21	27	37	39	31	31	25	18	7	11	11	7	14	45	
March	16	40	68	53	41	36	31	22	35	38	40	33	31	12	7	42	7	3	10	33	
April	17	42	44	34	41	33	20	30	30	28	44	26	30	25	16	23	6	8	13	38	
May	17	39	44	45	42	28	32	28	25	30	31	27	29	17	4	22	3	3	12	42	
June	14	33	44	46	37	39	16	17	37	32	45	45	23	17	8	27	1	3	6	31	
July	24	37	58	51	35	27	19	33	31	34	29	42	17	25	12	16	5	2	3	48	
August	32	39	49	32	39	37	24	20	29	33	35	33	27	15	6	12	3	7	12	41	
September	21	43	45	53	40	32	22	27	30	40	24	32	23	25	11	11	4	4	6	65	
October	28	26	52	45	38	20	24	35	35	35	30	26	28	11	15	8	2	5	22	67	
November	40	26	37	28	15	34	22	25	27	30	26	27	18	13	14	9	6	7	28	47	
December	17	34	39	33	47	35	25	30	36	18	41	42	20	17	10	10	1	3	33	56	
Total	297	410	578	534	463	389	279	320	387	399	405	410	304	217	118	198	64	53	169	559	

CITY OF CHESAPEAKE

ASSESSMENT INCREASE

Assessment Increase is the percentage of difference calculated between the past fiscal year assessed value and the current fiscal year assessed value minus allowable deductions (new construction, rezoning and new subdivisions).

<u>FISCAL YEAR</u>	<u>ASSESSMENT INCREASE</u>
2008/09	1.411%
2007/08	9.709%
2006/07	23.919%
2005/06	16.171%
2004/05	7.886%
2003/04	6.980%
2002/03	4.635%
2001/02	4.300%
2000/01	2.251%
1999/00	2.347%
1998/99	1.616%
1997/98	2.029%
1996/97	2.374%
1995/96	3.056%
1994/95	1.170%
1993/94	0.405%
1992/93	1.916%
1991/92	0.504%
1990/91	4.537%
1989/90	9.533%
1988/89	4.664%
1987/88	5.753%
1986/87	6.025%
1985/86	3.875%
1984/85	3.388%
1983/84	3.836%
1982/83	2.420%
1981/82	4.280%

1.77% Average	}	Years Between 2000/01 1991/92
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Fact Sheet

1). Requirements and Authority for Annual Assessment Process

- a). The Virginia Constitution, Article X, Section 1 and 2
- b). Code of Virginia Title 58.1-3200 and 3300
- c). Code of Virginia Title 58.1-3321*
- d). City Code of Ordinances, Chapter 30

*** Effect on rate when assessment results in tax increase; public hearings.**

2). Annual Reassessment Time Frame

- a). Data is collected from January 1, - December 31 of each year.
- b). New Assessment is as of January 1, effective July 1 of that year.

3). Total number of sales used this year for the reassessment process 1,823, this is 1,834 sales less than last year when we had 3,657 sales (-49.8%).

4). Number of properties that experienced a decrease or no change in value this year 69,860 or 87.7% of taxable properties.

5). Properties that experienced an increase in value 9,770 or 12.3%.