2024 Real Estate Assessments process and status update

City Council meeting August 22, 2024

CITY OF STAUNTON™ VIRGINIA

The Assessment Process

- Per Virginia Law, Title 58.1 Chapter 32, All real estate, except that which is exempted by law, shall be subject to taxation.
- Virginia Law specifically identifies the International Association of Assessing Officers (IAAO) as a named professional organization that prescribes generally accepted appraisal practices, procedures, rules and standards in the valuation of property.
- The City of Staunton Real Estate Assessments department follows the guidelines of the IAAO and is a member of the Virginia Chapter of the IAAO.
- Per Virginia Law, assessed values shall be at 100% of fair market value (FMV)
- An abbreviated definition of fair market value is the most probable prices in which a property should bring in an open and competitive market in which a seller and a buyer each are acting prudently and knowledgeably. The Buyer and seller would be typically motivated and not under duress, there has been reasonable exposure in the open market and there is typical financing.

Mass Assessment

- Of course not all residential homes or commercial properties are for sale or have sold recently. That is why the IAAO uses Mass Assessment, which is on a larger scale than if you had an individual fee appraisal done. Mass assessment utilizes standardized procedures, data collecting and statistical analysis to ensure all properties in a locality are assessed uniformly and equitably.

- There are three approaches to value, the sales comparison approach, the cost approach and the income approach.

- Single Family residential homes are predominantly valued on the sales comparison approach. A rising tide lifts all ships, conversely a receding tide lowers all ships. Key factor in real estate is location, location, location. We compare similar homes in similar neighborhoods. There are several adjustment factors that are made, such as age of home, construction quality, square footage, age, and condition. Are there other improvements to the home such as decks, porches, patios, garage, basement etc.? Each of those components would have varying levels of value. Land values are based on location and size.

- Commercial properties are generally valued on the income approach and sales comparison approach.

- Specialty commercial or commercial properties with few sales are generally valued on the cost approach and backed with the sales comparison approach

Real Estate Assessment by Category	2023 Number of Parcels	January 1, 2023 Assessed Value ($0.89 Tax Rate)	2024 Number of Parcels	January 1, 2024 Assessed Values ($0.89 tax rate)
Residential	9,066	$2,346,570,250	9154	$2,377,233,621
Commercial	616	$386,832,841	883	$387,030,270
Industrial	48	$73,519,682	48	$73,519,682
Land	1,508	$65,683,244	1508	$65,683,244
Tax Exempt	401	$452,220,395	401	$453,095,305
Total Assessed Value	11,639	$3,324,826,412	**11641**	**$3,356,562,122**
Total Taxable Value	11,238	$2,872,606,017	11296	$2,903,466,817
One Cent Taxable Value		$287,260.60		$290,346.68
Average Residential Assessed Value		$258,831.93		$262,214.17

Residential is 81.88% of the tax base,
Commercial/Industrial is 15.86% of the tax base
Land & Tax exempt is 2.26%

Sales and market data used will be from 2023 and 2024 to set the assessment values effective 1/1/2025 for the 2025 and 2026 assessment years

Monthly Home Sales
Source: Virginia REALTORS
Updated: July 15, 2024
Contact: research@virginiarealtors.org

County/City	2023 - Jan	2023 - Feb	2023 - Mar	2023 - Apr	2023 - May	2023 - Jun	2023 - Jul	2023 - Aug	2023 - Sep	2023 - Oct	2023 - Nov	2023 - Dec	2024 - Jan	2024 - Feb	2024 - Mar	2024 - Apr	2024- May
Staunton City	25	21	39	30	48	42	29	31	23	37	26	25	29	25	39	39	44

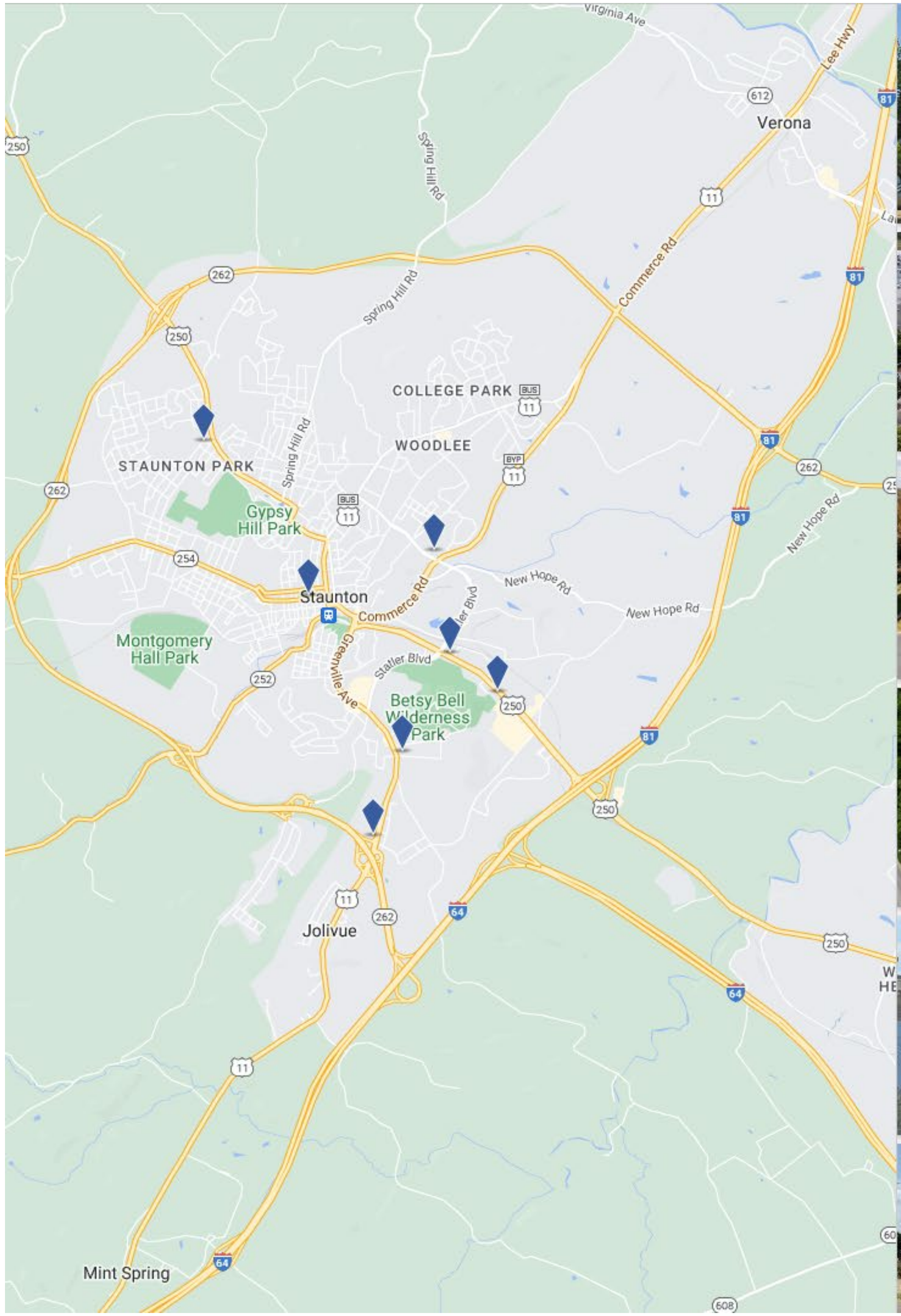
- 527 residential sales from January 2023 through May 2024

Monthly Median Sales
Source: Virginia

	2022 - Jan	2022 - Feb	2022 - Mar	2022 - Apr	2022 - May	2022- Jun	2022 - Jul	2022 - Aug	2022- Sep	2022- Oct	2022- Nov	2022- Dec	Median 2022	2023- Jan	2023- Feb	2023- Mar	2023- Apr	2023- May	2023- Jun	2023- Jul	2023- Aug	2023- Sep	2023- Oct	2023- Nov	2023- Dec	Median 2023	2024- Jan	2024- Feb	2024- Mar	2024- Apr	2024- May	Median to Date 2024
Staunton	$245,000	$233,020	$240,000	$239,950	$247,500	$243,400	$225,000	$225,000	$235,000	$257,450	$264,500	$275,000	$241,700	$264,900	$254,500	$250,000	$242,250	$255,750	$302,500	$268,000	$260,000	$242,500	$261,000	$288,000	$239,000	$257,875	$275,000	$275,000	$275,000	$255,000	$315,500	$275,000
													Increase													Increase						Increase
													14.01%													6.69%						6.64%
										Average	Sales Price	2021 & 2022	$226,850																Average Sales price 1/2023 to 5/2024			$266,438
																																Increase
																																17.45%

Increase of Average sales Price from last reassessment cycle to current is **17.45%** across to board in Staunton

Seven commercial properties for sale



217-219 W Beverly St
Staunton, VA 24401 · HISTORIC STAUNTON LANDMARK

13,650 SF · Storefront Retail/Office · Built 1870
For Sale: $869,000 ($63.66/SF)

+ VIEW MORE

2408 Cedar St
Staunton, VA 24401

1,872 SF · Medical Office · Built 1950, Renov 2018
For Sale: $299,000 ($159.72/SF)

+ VIEW MORE

1013 Greenville Ave
Staunton, VA 24401

9,100 SF · Freestanding Retail · Built 2012
For Sale: Price Not Disclosed

+ VIEW MORE

500 Commerce Rd
Staunton, VA 24401

5,950 SF · Medical Office
For Sale: $984,900 ($165.53/SF)

+ VIEW MORE

139 Lee Jackson Hwy
Staunton, VA 24401

5,009 SF · Restaurant · Built 1995
For Sale: $3,225,237 ($643.89/SF) at 8% Cap Rate

+ VIEW MORE

705 Richmond Ave
Staunton, VA 24401

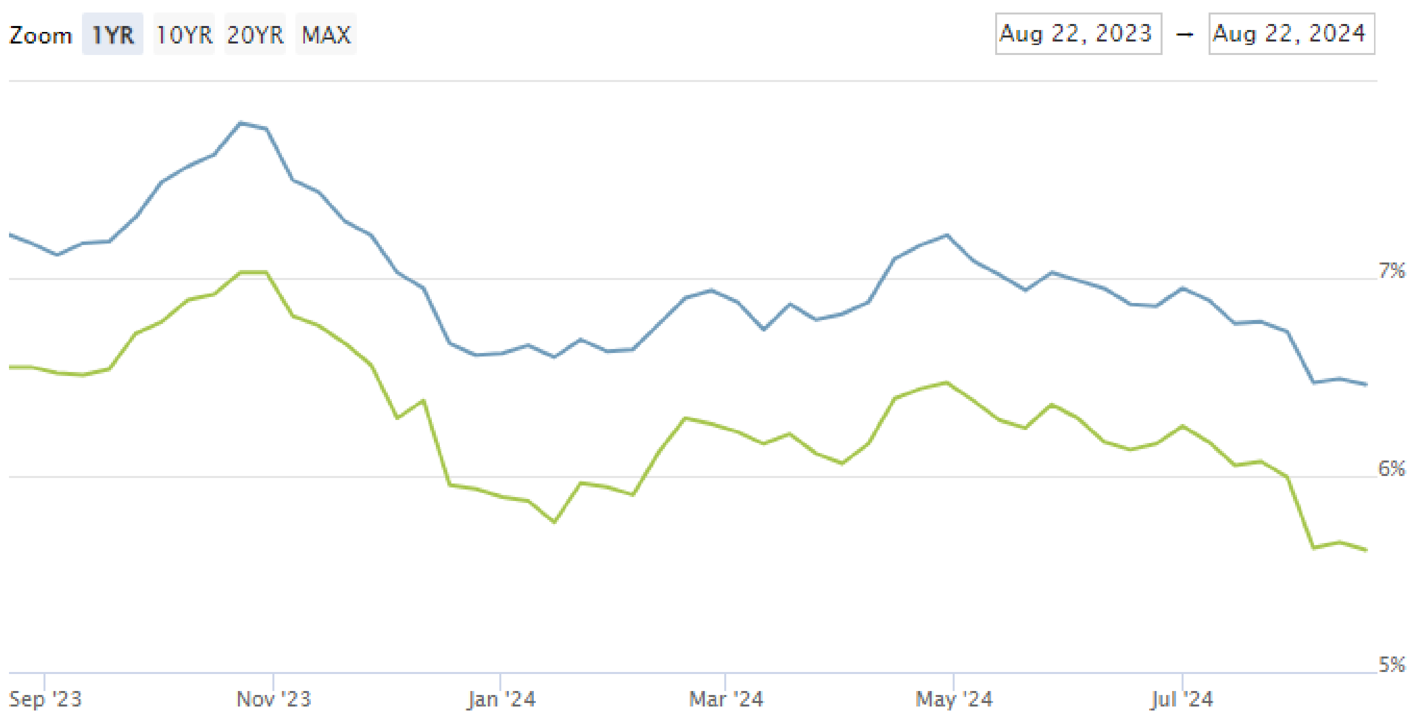
4,126 SF · Office · Built 1922, Renov 2010
For Sale: $365,000 ($88.46/SF)

Inventory of available homes is still tight, however good news is that mortgage rates are trending downward. Increasing reason to hope and expect that the Federal Reserve will make an interest rate cut in September.

		Change			52 Week Range	
Average Rates	Current	1 week	1 month	1 year	Low	High
30 Yr. Fixed	6.46%	-0.03%	-0.31%	-0.63%	6.46%	7.79%
15 Yr. Fixed	5.62%	-0.04%	-0.43%	-0.84%	5.62%	7.03%

Last Updated: 8/22/24

Freddie Mac Primary Mortgage Market Survey



Questions or Comments?