

*January 22, 2008*

*Dear Albemarle County Property Owner,*

*Enclosed is your reassessment notice for the recently completed annual reassessment conducted by the Real Estate Division of the Albemarle County Finance Department. Please note that this is the County's first annual reassessment as opposed to the biennial reassessment that citizens are used to receiving.*

*During the past year the County's residential real estate market has weakened somewhat for the first time in recent memory. The decline is reflected in the decrease in the number of residential properties sold, and in the corresponding increase in the inventory of unsold homes on the market.*

*For the 2008 reassessment, although the value of a majority of residential properties has declined, the value of land in Albemarle County has remained firm and in some areas has shown modest appreciation. Commercial property values have also remained firm or increased modestly, due to the continuing strength and attractiveness of our local economy. Naturally, individual properties increased or decreased based upon specific circumstances.*

*The performance of the residential market stands in sharp contrast to the almost 15% per year appreciation experienced during the 2006 and 2007 two-year reassessment period.*

*We understand that the valuation of your property is a very important issue, and the following information is meant to help you understand the reassessment process. If you have any questions or concerns, do not hesitate to contact the Real Estate Assessor's Office at (434) 296-5856.*

*Bruce Woodzell  
Albemarle County Assessor*

## **Frequently Asked Questions about the Reassessment**

**What is a reassessment?** Reassessment is a State mandated periodic process of revaluing all land and improvements for tax purposes. The word **improvements** in this case does **not** refer in the normal sense to renovations or upgrades, but instead is a legalistic term denoting improvements **to the land**, for example buildings, decks, patios, pools etc.

**Why is my property reassessed?** Periodic reassessments are meant to reflect changing economic and market conditions, with the goal of insuring that each property is valued fairly and equitably. The Code of Virginia requires that all property be assessed at 100% of fair market value. The assessed value is multiplied by the tax rate set by the Board of Supervisors to calculate the amount of property tax.

**How often is property reassessed?** The Commonwealth of Virginia mandates that a reassessment take place at least every six years. Counties having lower populations typically have the longest reassessment periods, relieving them of the burden and cost of frequent revaluations. Albemarle County this year has moved from a two year reassessment cycle to a yearly reassessment process. This change enables the County appraisers to more quickly react to changing market conditions.

It is important to note that if this change to yearly revaluations had not been made, it would not have been possible for County appraisers to reflect the weakening of the residential market experienced in 2007.

**How does the reassessment process work?** The reassessment process is an objective analysis of the property's actual worth in the market place, as is required by law, and is independent of any influence on the part of the County or the County Board of Supervisors. The reassessment is conducted using a process known as *mass appraisal*. While this process bears some resemblance to the *fee appraisal* process which is used, for example, for mortgage loans, it does differ substantially.

While both processes are rooted in deriving values from the sale prices of properties which have changed hands, the mass appraisal process is more statistically oriented, and depends on the extensive amount of information about each individual property in County records. This information has been obtained during the building permit process, coupled with periodic physical inspections by County appraisers.

In addition, information about properties which have sold is obtained by sending a 'Sale Verification' inquiry to each person who has purchased a property in Albemarle County, and by inspections of all of those properties by County appraisers. Information about these properties is also obtained by the appraisers from sellers, agents and others with knowledge of the transactions.

Once this information is compiled, statistical models for similar properties are developed and then tested for accuracy against sale prices in order to obtain the most accurate results possible.

Albemarle County has consistently ranked among the most accurate jurisdictions in Virginia in Assessment/Sale Ratio Studies conducted by the Department of Taxation. This means that our assessments should be relatively close to the actual sale prices of properties.

**Why is my reassessment different from that of another property owner who lives in different part of the County?** Property values do fluctuate throughout the County, and some areas experience more or less supply or demand, resulting in differing rates of increase or decrease in value than other areas. Differences are also seen, for instance, in different styles of residences or in differing amounts of acreage, due primarily to variations in supply and demand.

**Is the reassessment notice I received a bill?** No. The reassessment notice is not a bill, and no payment should be sent to Albemarle County based upon this notice. You will receive a separate bill for real estate taxes.

**What can I do if I don't agree with my reassessment?** There is a structured process in place that allows residents to appeal their reassessment. As a first step, property owners are encouraged to contact the appraiser responsible for the appraisal, and owners have until the last business day of February to appeal their reassessment to the Assessor's Office. If satisfaction is not achieved, a second option is available to owners through an appeal to the Board of Equalization, which is comprised of Albemarle citizens who have completed instructional training from the Department of Taxation. Board of Equalization appeals can be done until March 17<sup>th</sup>. Further appeal can also be made to the Circuit Court at any time.

I strongly recommend that you start your appeal with the Assessor's Office, since issues can frequently be resolved at that point. Please contact the Assessor's Office at (434)296-5856 for assistance.