

2020 Reassessment Report

Office of the Commissioner of Revenue

January 1, 2020





Laura M Ecimovic
COMMISSIONER OF THE REVENUE
PO BOX 99
NEW KENT, VA 23124
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January 13, 2020

The Honorable Board of Supervisors
New Kent County
PO Box 150
New Kent, VA 23124

RE: January 1, 2020 Reassessment

Honorable members of the Board,

I am submitting for your review the biennial reassessment report, effective January 1, 2020. This report is similar to previous reports and is intended to provide you with an executive summary of the real estate analysis process and our conclusions.

The 2020 reassessment estimated fair market value of all real estate, taxable and exempt property is \$3,851,666,456 (\$3,420,681,456 taxable). With an overall increase in taxable value of 10.95% including new construction/new parcels and 8.09% increase in existing real properties.

Overall increase in value is reflective of the growth and strong economic conditions in New Kent County. Weldon Cooper population estimates indicate we are the 2nd fastest growing community in the commonwealth, with 446 new homes constructed in the past 2 years. 318 new parcels went to record in 2019. 837 new parcels have gone to record since 2015. 45% of those new parcels have been built upon. New home sales continue to show a strengthening market with median home prices increasing. New homes continue outperforming existing homes sales on the market. However, the existing home market has stabilized with our current new construction trends.

A total of 1,730 transfers of property occurred in 2019 (19.1% increase over reassessment 2018). Of those 552 were deemed qualified market sales. Foreclosure related sales continue to decline, 2019 rate 4.31% compared to 9.66% in 2017.

Multiple commercial projects have been completed or are anticipated in the near future.

Reassessment Notices were mailed January 26, 2020. Appeals will be heard through March 31, 2020.

Sincerely,

A handwritten signature in blue ink that reads "Laura M. Ecimovic".

Laura M. Ecimovic
Commissioner of Revenue

We inspect and collect field data on all new construction, including additions or alterations where permits are obtained. We have conducted the reassessment of all real property via a computer assisted mass appraisal system. The key components of which are; sales analysis, data management, valuation and administration. Utilizing current market data and trends, detailed statistical analysis is performed to measure accuracy, equality and equity. All statistical data and representations in this report are as of January 1, 2020.

Overview:

In 2018/2019 the County of New Kent continued with a fast paced growth pattern, new construction and sales in the real estate market. During the past year, the region as a whole experienced an upward trend in prices paid for residential properties. 2020 housing forecasts predicts an increase in home sales and new construction. There is concern, the market lacks affordable housing, with median new construction sales in excess of \$300,000. However, Since the last reassessment, 453 new parcels have gone to record. There were 446 new homes completed in 2018 and 2019. The total number of sales utilized for our 2020 analysis was 553.

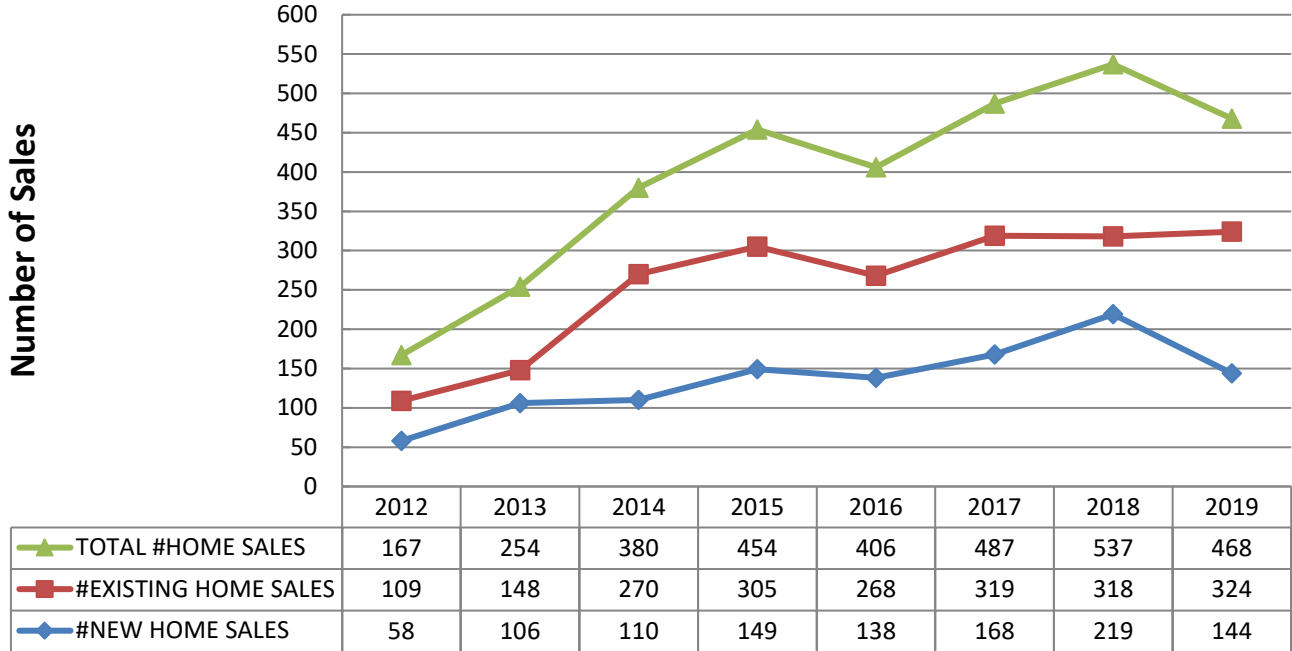
Land values impact the average sale price of a home in the county as there is a direct relationship between the land and improvement values. Evaluation of market sales in most neighborhoods reflects a direct influence on property size. Therefore, most properties in the 2020 reassessment have been assessed using acreage. The overall effect on land value is directly related to the size of the lot within its neighborhood. The current dynamics of the real estate market are reflected in the data presented. Residential single-family sales for 2019 are summarized and compared with 2012-2019; graphs on the following page.

We have worked vigorously to correct individual records through meetings with individuals, Home Owner Associations, physical inspections of properties, reassessment public meetings as well as the inclusion of the property record card with the reassessment notice

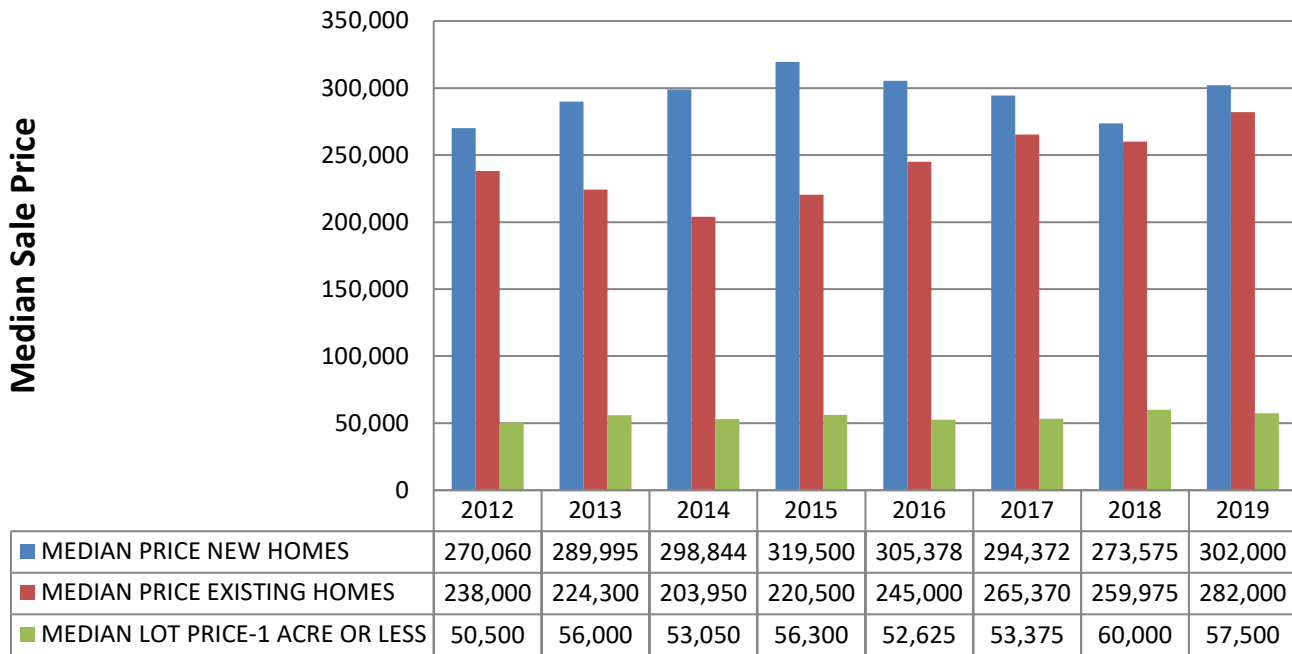
Residential:

During the revaluation process, the goal is to have all properties at an equitable assessment level while reflecting market value. The objective is to comply with state code and eliminate any one part of the county or one class of property from being under or over assessed, thus equalizing the tax among the taxpayers. In continuing our goal of improving the uniformity of residential assessments, all areas of the county were addressed. Neighborhoods with noted inequities were reviewed to bring the assessments in balance with the area. Physical inspections were completed and corrections were made due to improvements, age/condition adjustments, physical properties and market desirability. It is not unusual to see large increases as well as decreases in assessments in these areas. While it would be desirable to inspect every parcel in the county every reassessment, it is cost prohibitive. Approximately 40% of improved properties have been physically inspected in this reassessment. Neighborhoods selected for review are based on statistical data. Several areas required additional work due to market influences, waterfront location and change in zoning or improper land use for zoning. All areas were reviewed and assessed. It is the goal of this office to maintain costs associated with a general reassessment by physically inspecting 1/3 to 1/2 of all properties each reassessment cycle, rotating cycles so that every property is physically inspected at least once every six years as recommended by IAAO standards. The following graphs/charts depict single family sales and assessed values as of January 01, 2020.

2020 Reassessment Single Family Residential - # of Sales

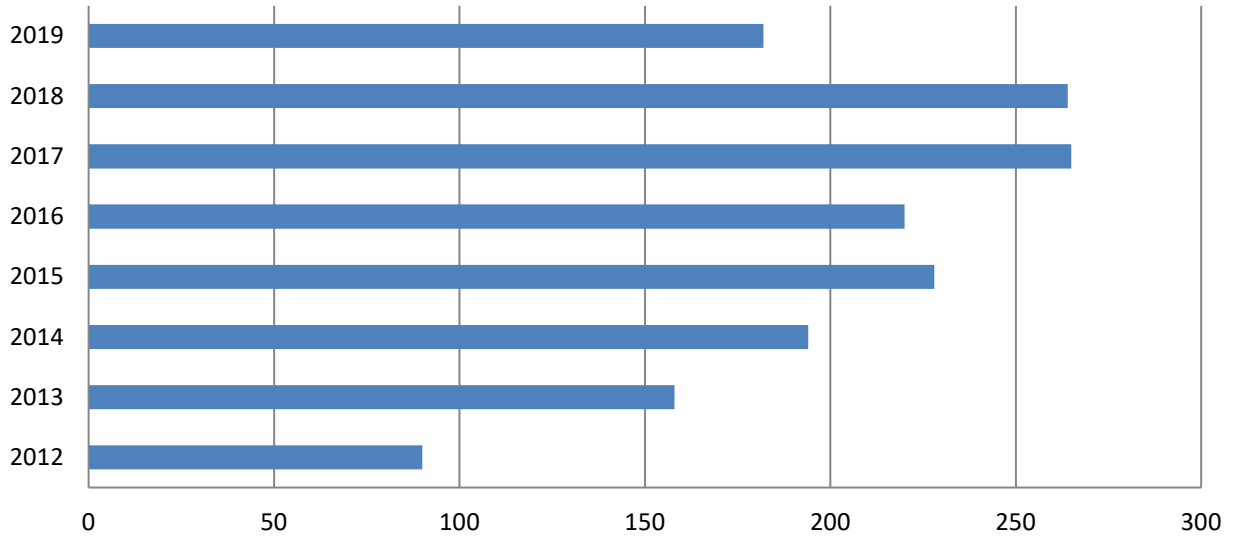


2020 Reassessment Single Family Residential - Median Sale



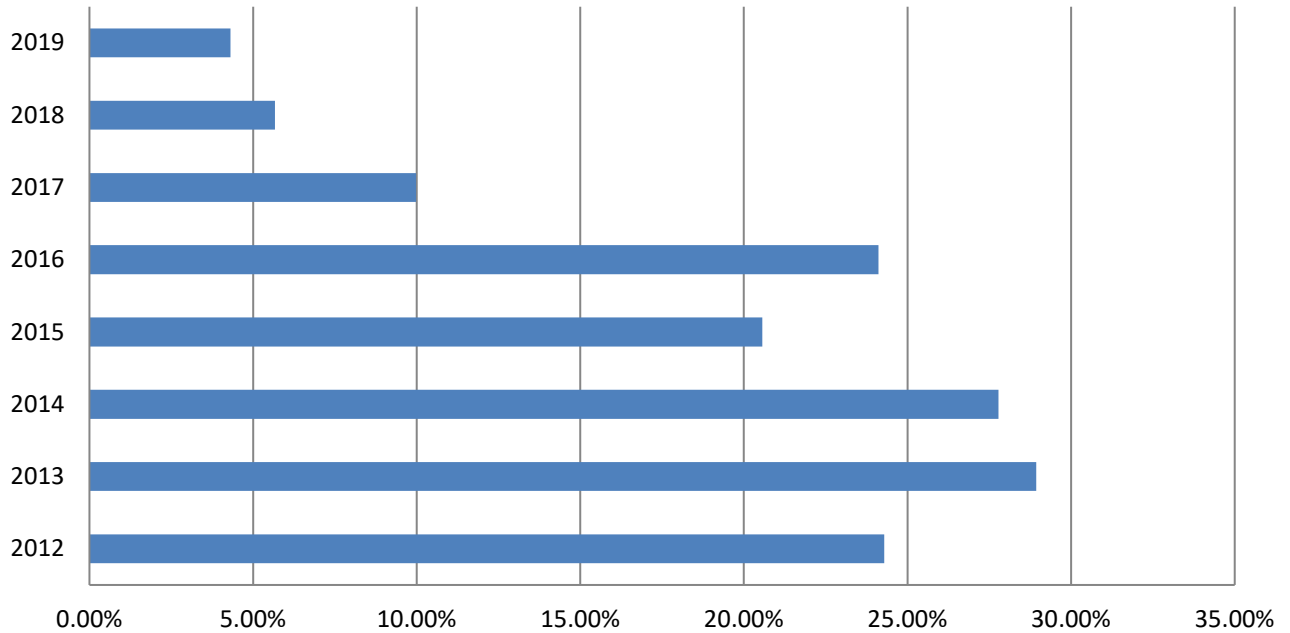
- Median lot price is not reflective of per acre price
- 2020 Median Single Family Residential Assessed Home Value \$270,400 – 2016 \$223,600 – 20.9% INC

New Home Construction Trends



	2012	2013	2014	2015	2016	2017	2018	2019
NEW HOMES	90	158	194	228	220	265	264	182

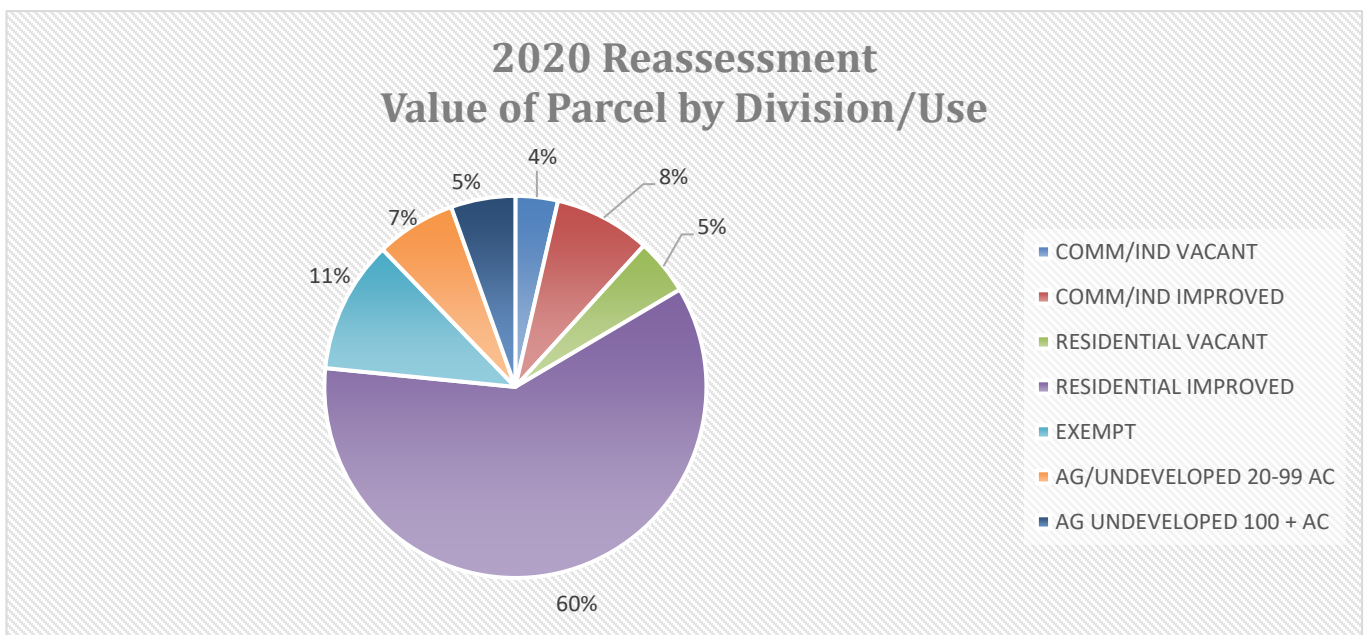
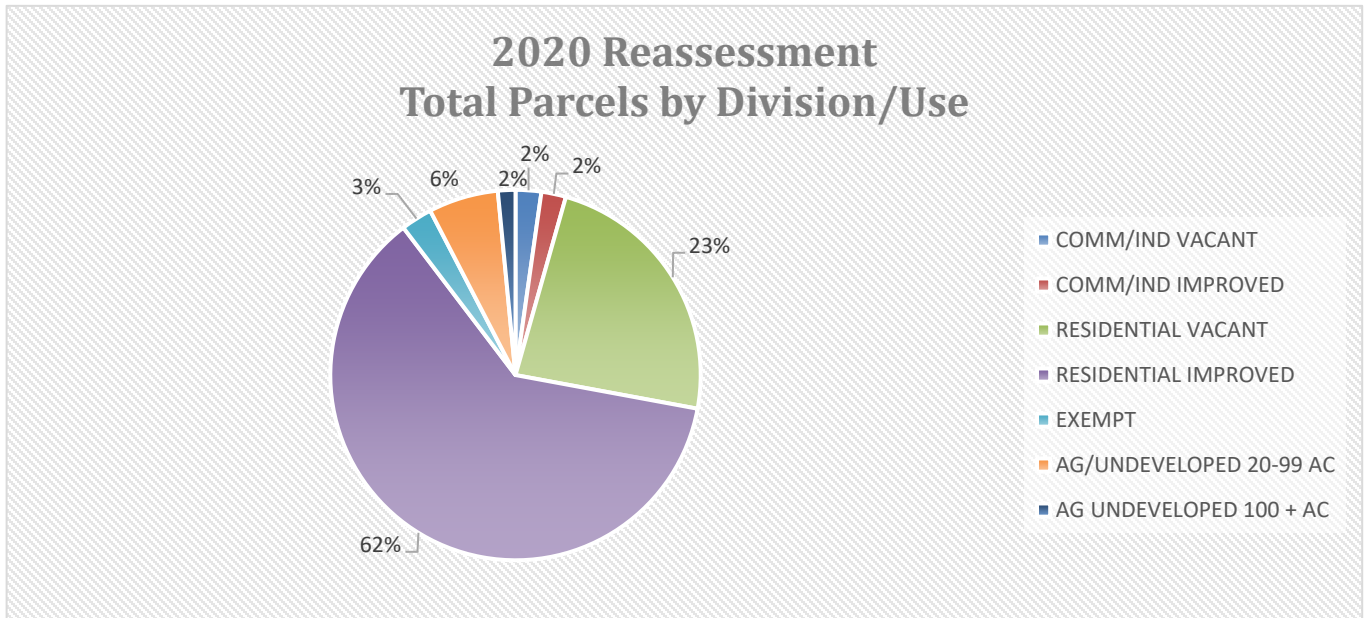
% of Foreclosure Related Sales



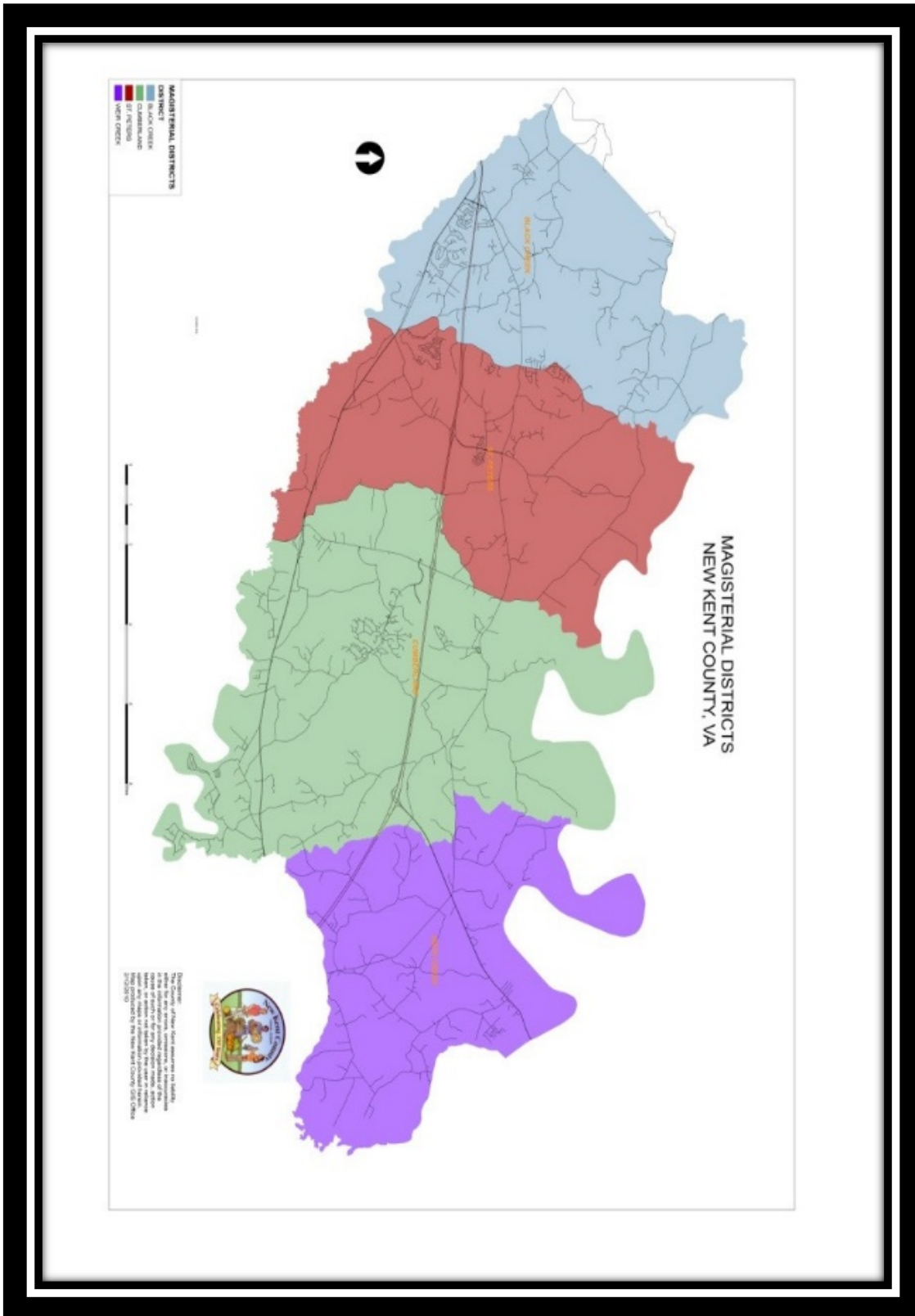
	2012	2013	2014	2015	2016	2017	2018	2019
% OF SALES	24.29%	28.94%	27.78%	20.56%	24.11%	9.98%	5.67%	4.31%

Commercial:

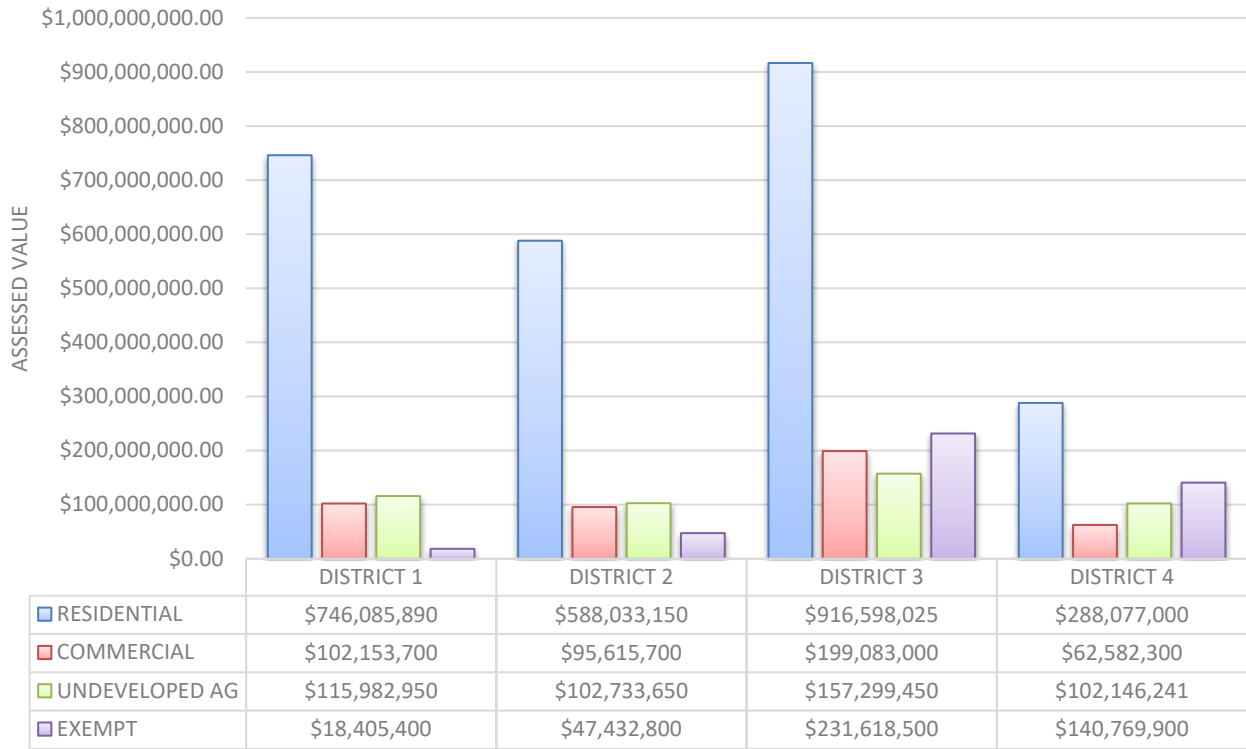
Although commercial properties comprise only 4.16 % of all parcels in New Kent, it represents 12% of total value. New Kent County has experienced growth in this area in the past few years. Notable additions for 2018 & 2019: Renovation and reopening of Colonial Downs, Tractor Supply, New Kent Pediatrics, Dunkin Donuts, New Kent Tours and a 2nd Dollar General . Commercial properties are analyzed by location, allowable use and size, with attention to known and emerging growth areas. There are several areas of the county that experienced higher than average percentage increases. The Bottoms Bridge corridor continues to be the most active commercial area, with multiple commercial sales and development, including the new VCU Health 17,000 sq ft emergency center under construction. The Interstate 64 influence has been predominantly for properties of an industrial nature. Neighborhoods for these areas were created to properly reflect the market data. The following three graphs/charts depict the distribution of zoning and use for all parcels in New Kent County as of January 1, 2020.



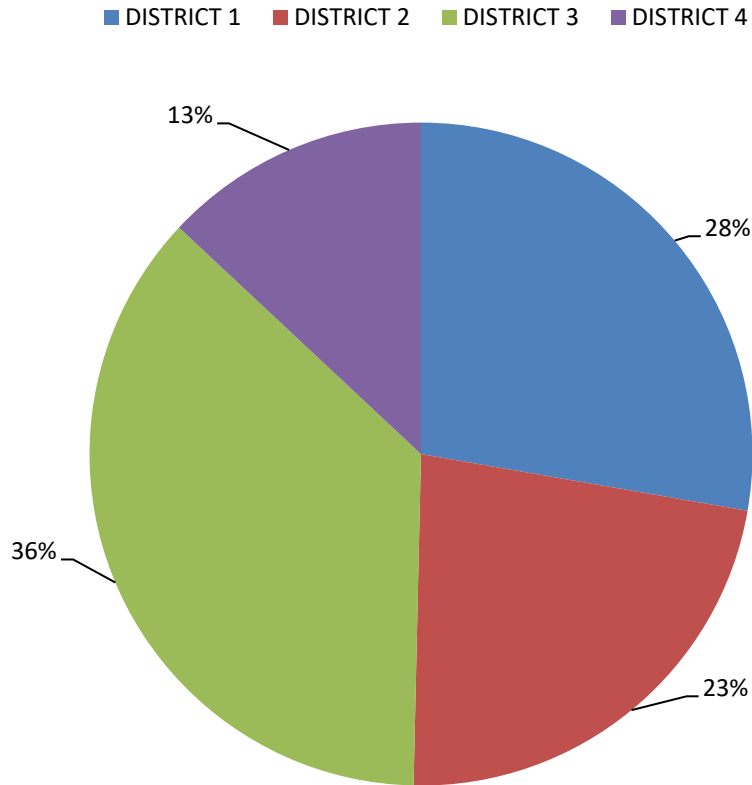
The following three graphs/charts depict the location and distribution of assessed values within each of the four magisterial districts as of January 1, 2020.



Assessed Value by Use/District



District % of Taxable Assessed Value



RESIDENCES BY YEAR BUILT

YEARS BUILT	# of HOMES	% of TOTAL	AVG SQ FT	MEDIAN ASSESSMENT
PRE 1950	390	4.28	1,586	\$287,100
1950-1959	228	2.53	1,415	\$185,200
1960-1969	461	5.44	1,387	\$186,600
1970-1979	1,079	12.50	1,576	\$211,000
1980-1989	1,265	14.68	1,916	\$257,300
1990-1999	1,350	15.38	1,952	\$282,029
2000-2009	2,207	24.86	2,430	\$321,300
2010-2019	1,812	20.34	2,380	\$321,850
TOTAL S	8,792		2,046	MEDIAN OVER ALL AGES \$271,900
MOBILE HOMES	# of HOMES		AVG SQ FT	
1950-1959	2		504	
1960-1969	34		635	
1970-1979	59		736	
1980-1989	72		851	
1990-1999	51		953	
2000-2009	57		908	
2010-2019	40		1,002	
TOTALS	315		AVG OVER ALL - 798 SQ FT	

AFD - LAND USE EXEMPTION

TAX YEAR	PARCELS	ASSESSMENT EXEMPT	TAX RATE	TAX EXEMPTED
2020 ESTIMATED	533	119,717,900	0.0076	\$909,856
2019	526	88,333,800	0.0082	\$724,337
2018	515	88,364,300	0.0082	\$724,587
2017	508	93,489,900	0.0083	\$775,966
2016	479	96,290,900	0.0083	\$799,214
2015	480	76,160,300	0.0084	\$639,746
2014	460	71,259,400	0.0084	\$598,578
2013	455	76,100,600	0.0085	\$646,855
2012	446	75,552,700	0.0081	\$611,977
2011	344	75,360,400	0.0070	\$527,523
2010	325	72,348,650	0.0070	\$506,441
INCREASE OVER 10 YEARS	208	47,369,250	2020 EXEMPTION PER PENNY	\$403,415
	64%	65.5%	\$11,972	79.7%

REASSESSMENT TOTALS FOR EQUALIZATION 01/01/2020

2019 TOTALS FOR EQUALIZATION	LAND	IMP	TOTAL	TAX
2019 LAND BOOK TOTALS	1,118,034,800	1,960,341,140	3,078,375,940	25,202,792
2019 ABATEMENTS/ERRORS OMISSIONS	-7,960,145		-7,960,145	-65,273
2019 CITY OF NN EXEMPTION	-8,591,661	-14,886,001	-23,477,662	-192,517
2019 AFD EXEMPTION	-88,333,800	0	-88,333,800	-724,337
2019 ELDERLY/DISABLED/VETERAN EXEMPTION	-13,362,436	-40,092,307	-53,454,743	-438,329
2019 TAXABLE VALUE	999,786,758	1,905,362,832	2,905,149,590	23,782,336

2020 TOTALS FOR EQUALIZATION	LAND	IMP	TOTAL
2020 REASSESSMENT TAXABLE TOTALS	1,325,760,966	2,094,920,490	3,420,681,456
2020 CITY OF NN EXEMPTION-ESTIMATED	-9,394,120	-14,907,903	-24,302,023
2020 AFD EXEMPTION	-119,717,900	0	-119,717,900
2019 NEW PARCELS	-21,086,300	0	-21,086,300
2019 NEW CONSTRUCTION	0	-62,003,100	-62,003,100
2019 ELDERLY/DISABLED/VETERAN EXEMPTION	-13,362,436	-40,092,307	-53,454,743
TOTAL FOR EQUALIZATION	1,162,200,210	1,977,917,180	3,140,117,390

PERCENTAGE OF CHANGE			8.09%	OVER 2019
INDICATED EQUALIZED RATE		RATE	0.0076	0.0076
		TAX	23,864,892	82,556
% OVER AFTER EQUALIZATION			0.00347	

as of 01/01/2020

Conclusion:

The estimated total taxable value as of January 1, 2020 is \$3,420,681,456. This represents an increase from all causes (revaluation, new construction, new parcels, rezoning, etc.) The State Corporation Commission assessments and State-assessed properties have not yet been reviewed by the State. The current revaluation reflects an overall median ratio of 99.88% with a coefficient of dispersion (COD) of 3.76%. The COD measures how closely the individual ratios are arrayed around the median. The smaller the dispersion, the more uniform or equitable the assessments are. The acceptable level for the COD depends on the type of property considered, and the size of the sample. The IAAO (International Association of Assessing Officers) notes that a low coefficient (15% or less) tends to be associated with good appraisal uniformity for single family residential properties. While a coefficient of 20 percent or less indicates good distribution for more diverse classes of property. A less uniform assessment translates into inequality in actual tax burdens. Virginia Code establishes that properties should be assessed at 100% of fair market value. Sales/assessment ratios are a measure of the level of assessed value to sales price. A ratio of 1 or 100% is the desired result in a reassessment. The desired result of a reassessment is to provide the fair and equitable assessments to ensure the distribution of tax base is evenly spread.

Highlights:

- **Identification and Inspection of \$55 million in new construction/parcels**
- **Continued training and certification of reassessment staff**
- **Review and refinement of 162 neighborhoods (40 new in 2018/2019 cycle)**
- **AFD certification compliance**

COVID-19 ADDENDUM

AS OF 4/1/2020:

The February 2020 Virginia REALTORS home sales report, indicated Virginia's housing market was strong. With New Kent County maintaining its position as second fastest growing (25.2% over 2010 census) in the Commonwealth, our housing market is stronger than most. High demand for new construction, low inventory and increasingly low interest rates will help mitigate the potential impacts of COVID-19. Central Virginia Regional Multiple Listing Service (CVR MLS), February & March 2020 Statistics indicate market trends in New Kent County are higher in 2020 than 2019.

According to the **Virginia Realtors** Covid-19 Impact on the housing market – “Risks of a U.S. recession have been increasing as the effects of the coronavirus are experienced more broadly. There are several reasons why a U.S. recession is now likely in 2020.” And when asked if this will create a housing market crash in Virginia, “While it is likely that the impacts of the coronavirus are leading the global and U.S. economies into a full-blown recession, the impacts on the housing market will be very different than what we experienced during the last recession in 2007 through 2009.”

Full report here: <https://www.virginiarealtors.org/2020/03/19/faq-covid-19s-impact-on-the-housing-market/>

It is the general consensus, it is too early to tell what the overall implications to the housing market will be. However, most trusted resources anticipate a temporary softening of the market. I will continue to monitor the market and advise as additional information is available.

Local Market Update – February 2020

A Research Tool Provided by Central Virginia Regional MLS.



New Kent County

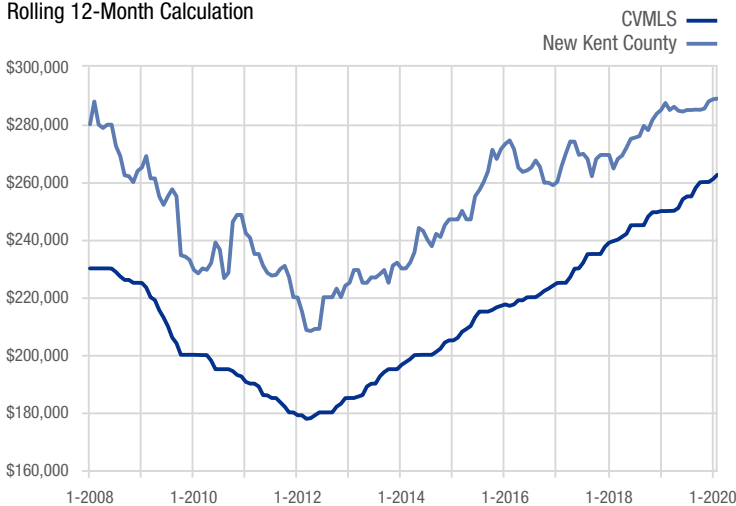
Single Family	February			Year to Date		
	2019	2020	% Change	Thru 2-2019	Thru 2-2020	% Change
Key Metrics						
New Listings	52	62	+ 19.2%	102	116	+ 13.7%
Pending Sales	19	52	+ 173.7%	40	83	+ 107.5%
Closed Sales	17	22	+ 29.4%	39	43	+ 10.3%
Days on Market Until Sale	43	65	+ 51.2%	48	69	+ 43.8%
Median Sales Price*	\$299,065	\$319,786	+ 6.9%	\$288,807	\$318,000	+ 10.1%
Average Sales Price*	\$298,256	\$325,621	+ 9.2%	\$290,029	\$303,383	+ 4.6%
Percent of Original List Price Received*	98.5%	98.0%	- 0.5%	99.1%	96.5%	- 2.6%
Inventory of Homes for Sale	131	106	- 19.1%	—	—	—
Months Supply of Inventory	4.7	2.9	- 38.3%	—	—	—

Condo/Town	February			Year to Date		
	2019	2020	% Change	Thru 2-2019	Thru 2-2020	% Change
Key Metrics						
New Listings	3	5	+ 66.7%	4	7	+ 75.0%
Pending Sales	2	1	- 50.0%	2	1	- 50.0%
Closed Sales	0	0	0.0%	0	1	—
Days on Market Until Sale	—	—	—	—	59	—
Median Sales Price*	—	—	—	—	\$221,500	—
Average Sales Price*	—	—	—	—	\$221,500	—
Percent of Original List Price Received*	—	—	—	—	98.9%	—
Inventory of Homes for Sale	5	7	+ 40.0%	—	—	—
Months Supply of Inventory	3.8	4.7	+ 23.7%	—	—	—

* Does not account for sale concessions and/or downpayment assistance. | Percent changes are calculated using rounded figures and can sometimes look extreme due to small sample size.

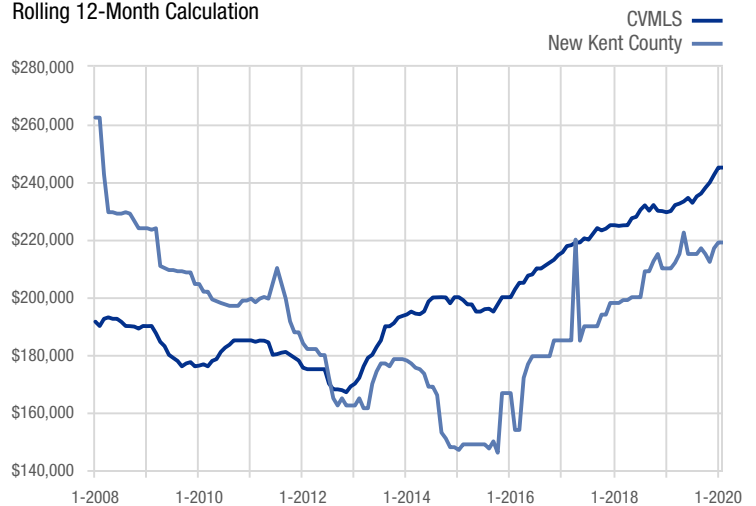
Median Sales Price - Single-Family

Rolling 12-Month Calculation



Median Sales Price - Condo/Town

Rolling 12-Month Calculation



A rolling 12-month calculation represents the current month and the 11 months prior in a single data point. If no activity occurred during a month, the line extends to the next available data point.

Local Market Update – March 2020

A Research Tool Provided by Central Virginia Regional MLS.



New Kent County

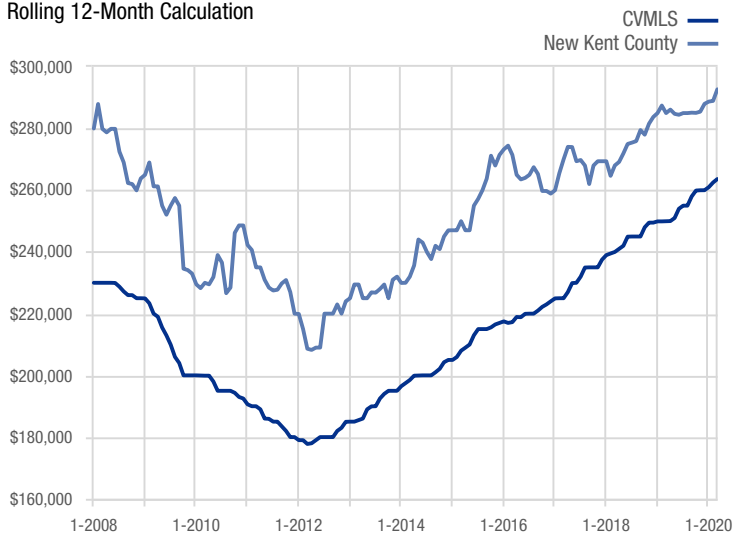
Single Family	March			Year to Date		
	2019	2020	% Change	Thru 3-2019	Thru 3-2020	% Change
Key Metrics						
New Listings	61	73	+ 19.7%	163	189	+ 16.0%
Pending Sales	43	43	0.0%	83	122	+ 47.0%
Closed Sales	28	42	+ 50.0%	67	85	+ 26.9%
Days on Market until Sale	82	59	- 28.0%	62	64	+ 3.2%
Median Sales Price*	\$272,250	\$306,475	+ 12.6%	\$283,580	\$315,000	+ 11.1%
Average Sales Price*	\$298,884	\$317,219	+ 6.1%	\$293,730	\$310,136	+ 5.6%
Percent of Original List Price Received*	100.2%	100.0%	- 0.2%	99.6%	98.2%	- 1.4%
Inventory of Homes for Sale	126	131	+ 4.0%	—	—	—
Months Supply of Inventory	4.5	3.6	- 20.0%	—	—	—

Condo/Town	March			Year to Date		
	2019	2020	% Change	Thru 3-2019	Thru 3-2020	% Change
Key Metrics						
New Listings	2	0	- 100.0%	6	7	+ 16.7%
Pending Sales	0	3	—	2	4	+ 100.0%
Closed Sales	0	3	—	0	4	—
Days on Market until Sale	—	24	—	—	33	—
Median Sales Price*	—	\$170,000	—	—	\$195,750	—
Average Sales Price*	—	\$179,333	—	—	\$189,875	—
Percent of Original List Price Received*	—	95.6%	—	—	96.4%	—
Inventory of Homes for Sale	6	4	- 33.3%	—	—	—
Months Supply of Inventory	4.3	2.4	- 44.2%	—	—	—

* Does not account for sale concessions and/or downpayment assistance. | Percent changes are calculated using rounded figures and can sometimes look extreme due to small sample size.

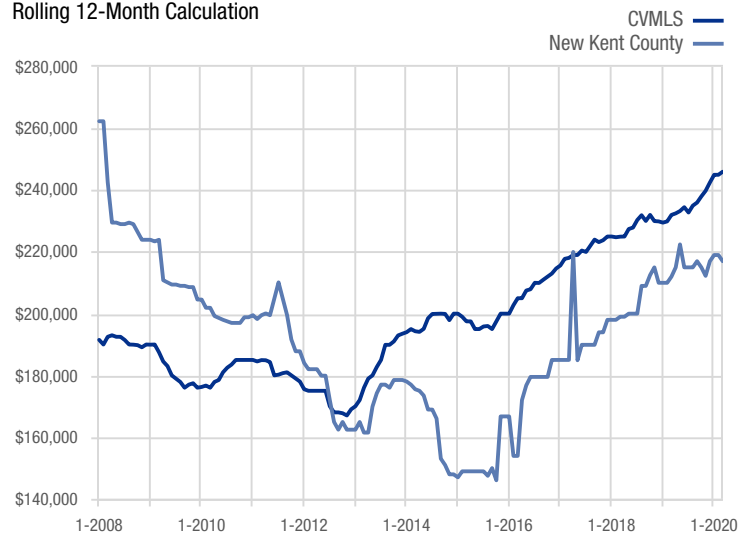
Median Sales Price - Single-Family

Rolling 12-Month Calculation



Median Sales Price - Condo/Town

Rolling 12-Month Calculation



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Current as of April 13, 2020. All data from Central Virginia Regional MLS. Report © 2020 ShowingTime.