



ATTORNEYS AT LAW

April 2, 2012

**PROPERTY TAX REVALUATIONS  
FIRST APPEAL DEADLINE APPROACHING**

If you own real property in Guilford County, you should have received a notice from the county stating the new value of your real property. The new assessed value of your real property will likely remain in effect until 2020. Reports from the Guilford County Tax Department indicate that the overall property tax base has increased since 2004, when the last valuation was done at the height of the local real estate market. This increase is in spite of an overall estimated decrease in property values since 2004. In fact, real property in Guilford County is selling for an average of 3% *lower* than its assessed value.<sup>1</sup> For a point of reference, immediately after the 2004 Guilford County revaluation, real property in Guilford County sold at an average of 99.35% of assessed value, meaning sale price was higher than tax value. Since property tax value should be a reflection of fair market value, this 3% difference indicates that the current County values are too high.

Additionally, in 2010, after the widely reported 2008 real estate market collapse, Guilford County real property continued selling at 95.02% of assessed value. This means that as recent as 18 months ago, local real estate was still selling at prices higher than tax value. Unfortunately, since tax values have remained constant, this most recent sales ratio showing that real estate now sells 3% below assessed value indicates that market value continues to decrease in Guilford County. To the extent any assessment is based on a theoretical rebound in the local real estate market, these sales ratios indicate otherwise.

These sales numbers are a sign that the County's assessed values should have decreased on average. However, Guilford County Tax Director Ben Chavis recently told the Greensboro *News & Record* that the total tax base in Guilford County increased 2 percent, which equates to a \$5.6 billion increase.<sup>2</sup> While the County attributes this increase in part to new construction, it specifically identifies only \$196 million of new construction, leaving more than \$5.4 billion in unexplained increased value. The County is willing to attribute some of this increase to a 1.6 percent raise in the assessments of office buildings.

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<sup>1</sup> All sales ratio figures were reported in Guilford County's 2012 Schedule of Values. Pursuant to state statute, each county is required to perform an annual study of the ratio of assessed values of real property to sales prices.

<sup>2</sup> News & Record, March 20, 2012, at 1.

Tuggle Duggins & Meschan, P.A. has formed a team of property tax professionals including Mike Fox, Nathan Duggins, Martha Sacrinty, and former Guilford County Manager Roger Cotten. We are assisting owners of commercial property through the valuation appeal process.

Most tax assessment notices are dated March 9, 2012. You have thirty days to submit your appeal to Guilford County for the informal stage of the appeal process. We recommend that you take this step if you have any question about your new assessment. Keeping in mind that the 30-day mark falls on Sunday, April 8 and the preceding Friday is a state holiday, we suggest that you submit your appeal by Thursday, April 5, 2012. Our property tax team can assist you in submitting this initial appeal form or can become involved later in the appeal process.

If you are considering a property tax appeal, please contact Mike Fox, Nathan Duggins, or Martha Sacrinty.

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