

# City Values Show Slight Decline

## Reassessment Close To Current Figures

By **PRESTON KNIGHT**

*Daily News-Record*

**HARRISONBURG** — Even though the value of the city's taxable property dipped about 1 percent in the most recent reassessment, Lisa Neunlist, Harrisonburg's real estate director, sees reason for optimism.

A "positive movement" in the market the last few months, Neunlist said, is an encouraging sign that home values could increase in the coming year.

The Commissioner of the Revenue's Office mailed out roughly 9,000 assessment notices last week. The notices assign values to properties to keep them in line with the current market.

The new figures take effect Jan. 1.

The total value of Harrisonburg's 12,531 taxable parcels for 2013 is \$3.91 billion, about 1 percent less than the current year, Neunlist said.

In the last reassessment, the city had 12,511 taxable parcels and saw its first decline — of 2 percent — in overall property value from the previous year in recent memory. Sluggish home sales and less construction activity in 2011 were largely to blame.

Though the total property value figure dips slightly again for 2013, Neunlist is encouraged by recent home sales. Through October in Harrisonburg, year-to-date sales were up almost 10 percent from last year, according to a report from real estate broker Scott Rogers. A "good housing stock," as the International Association of Assessing Officers terms it, helps boost property values because neighborhoods become "fashionable."

The total assessed value for single-family homes for 2013 is still down about 2 percent, to \$1.2 billion, from the current city figure, Neunlist said. The average assessed value of a house stays roughly the same at \$235,000.

Multifamily homes, or apartments, increased 4 percent in overall value, to \$571 million. Neunlist said new construction in the category bolstered that total.

In the townhouse category, the total assessed value decreased 2.5 percent to \$381 million, while condominiums saw the largest dip of any classification: 8 percent, to \$47.8 million.

Neunlist said some condos, such as Hunters Ridge on Port Republic Road and University Place on South Avenue, see declining values because it's harder for them to find tenants when so many are being wooed by the newer developments.

"There's a lot of new [in Harrisonburg]," she said.

Neunlist said she also sees fewer vacancies in Harrisonburg's commercial market, which boosts property values in that category. The number of vacancies filled in the past year was unavailable, but the total assessed value for commercial office properties in 2013 is up 1 percent, to \$179.5 million, from the current total.

"If you would ride around in the city [last year], you could tell some of the commercial properties were vacant," Neunlist said. Now, though, "occupancy has improved," she added.

### **Questions Encouraged**

An assessment notice is not a tax bill and does not set the tax rate. It simply assigns a value to a property.

The decision to raise or lower the real estate tax rate, or keep it the same, falls to Harrisonburg City Council and depends on budgetary needs. For fiscal 2013, which started July 1, council increased the rate from 59 to 63 cents per \$100 of assessed value, the second-lowest among Virginia cities.

Adjusting the rate again, based on the new property values, will not be discussed until spring, when the city develops its fiscal 2014 budget. However, if rates stayed the same, Harrisonburg would need to account for the loss in tax revenues that the 1 percent decline in assessed value will generate.

Assessors estimate the value of a property by first looking at physical characteristics, such as if any improvements have been made. For commercial locations, a property's ability to generate income is a factor. Anyone wishing to appeal his or her assessment, or anyone with questions, can contact Neunlist at 432-7795.

Appeals will be heard in the real estate office at 345 S. Main St. from Dec. 10 to Dec. 14. If an owner further disputes the city's assessment after the appeal, he or she can go to the Board of Equalization, which meets in February.

Council appoints members to the three-person board, which functions to balance the assessments to ensure the real estate tax is spread fairly among all taxpayers.

Contact Preston Knight at 574 6-272 or [pknight@dnronline.com](mailto:pknight@dnronline.com)