

Property Tax Workshop



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Four Areas of Interest

- Real Estate Market Overview
 - Real Estate Trends
 - Sales Ratio Study
 - Supply / Demand & Construction Costs
- 2023 Updates
 - Valuation Process (Field & Office)
- Appeals
 - Areas of Concern
- Board Of Equalization
 - BOE Hearing

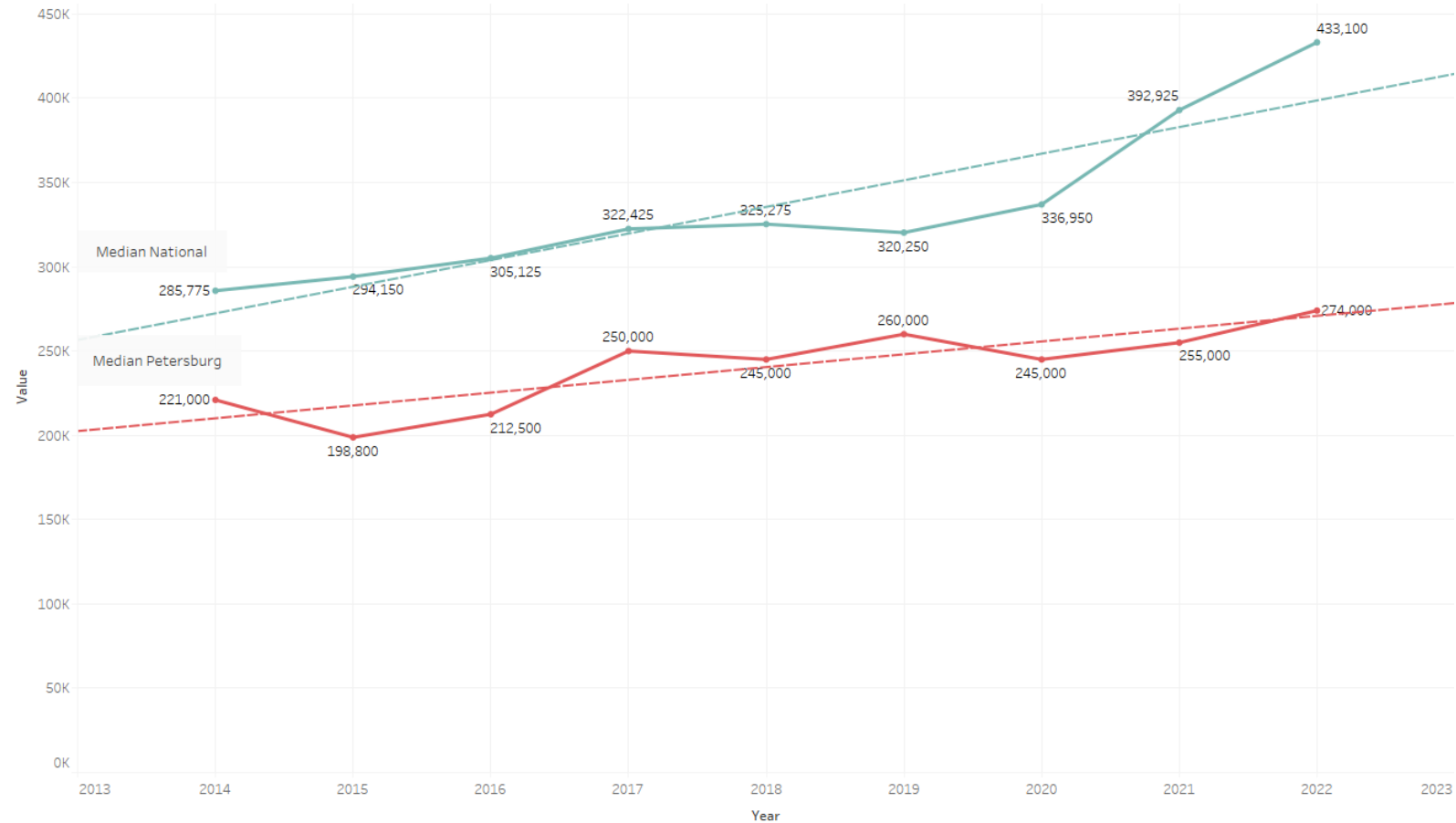
Real Estate Market Overview

- Sales Ratio Study 2022
 - (75 Sales – 40 Vacant & 35 Improved)
- Current Sales Ratio 81.34%
- Vacant Land 75.22%
- Residential Properties 83.8%



Real Estate Market Overview

U.S. Census Bureau and U.S. Department of Housing and Urban Development, Median Sales Price of Houses Sold for the United States [MSPUS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MSPUS>, February 22, 2023.
Appraisal Company of Alaska State Reports "Sales Ratios"



Real Estate Market Overview


Year	Petersburg	% Change	National	% Change
2014	\$ 221,000.00		\$ 285,775.00	
2015	\$ 198,800.00	-10.05%	\$ 294,150.00	2.93%
2016	\$ 212,500.00	6.89%	\$ 305,125.00	3.73%
2017	\$ 250,000.00	17.65%	\$ 322,425.00	5.67%
2018	\$ 245,000.00	-2.00%	\$ 325,275.00	0.88%
2019	\$ 260,000.00	6.12%	\$ 320,250.00	-1.54%
2020	\$ 245,000.00	-5.77%	\$ 336,950.00	5.21%
2021	\$ 255,000.00	4.08%	\$ 392,925.00	16.61%
2022	\$ 274,000.00	7.45%	\$ 433,100.00	10.22%
			\$ 467,700.00	7.99%
Average		3.05%		5.75%

Real Estate Market Overview


- Supply / Demand
- Construction Costs
- Vacant Land



Real Estate Market Overview 2022

- **Valdez** – median 2%...13% residential, some cases higher
 - **Anchorage** – average 8.6% residential, some cases more than 25%
 - **Fairbanks** – around 10% residential; 15% commercial
 - **Juneau** – average 5%...12.2% residential; 5% commercial; (50% land increase in 2021)
 - **Unalaska** – 2%...12% residential
 - **Nome** – 5%...15% residential
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Real Estate Market Overview 2023

- **Valdez** – average 16%...18% residential
 - **Anchorage** – average 2%...3.7% residential
 - **Petersburg** – around 14%...18% residential; 12%...20% land
 - **Dillingham** – average 6%...8% residential;
 - **Unalaska** – N/C
 - **Nome** – 5%...15% residential
 - **Cordova** – Residential 16%...18%; Land 10%
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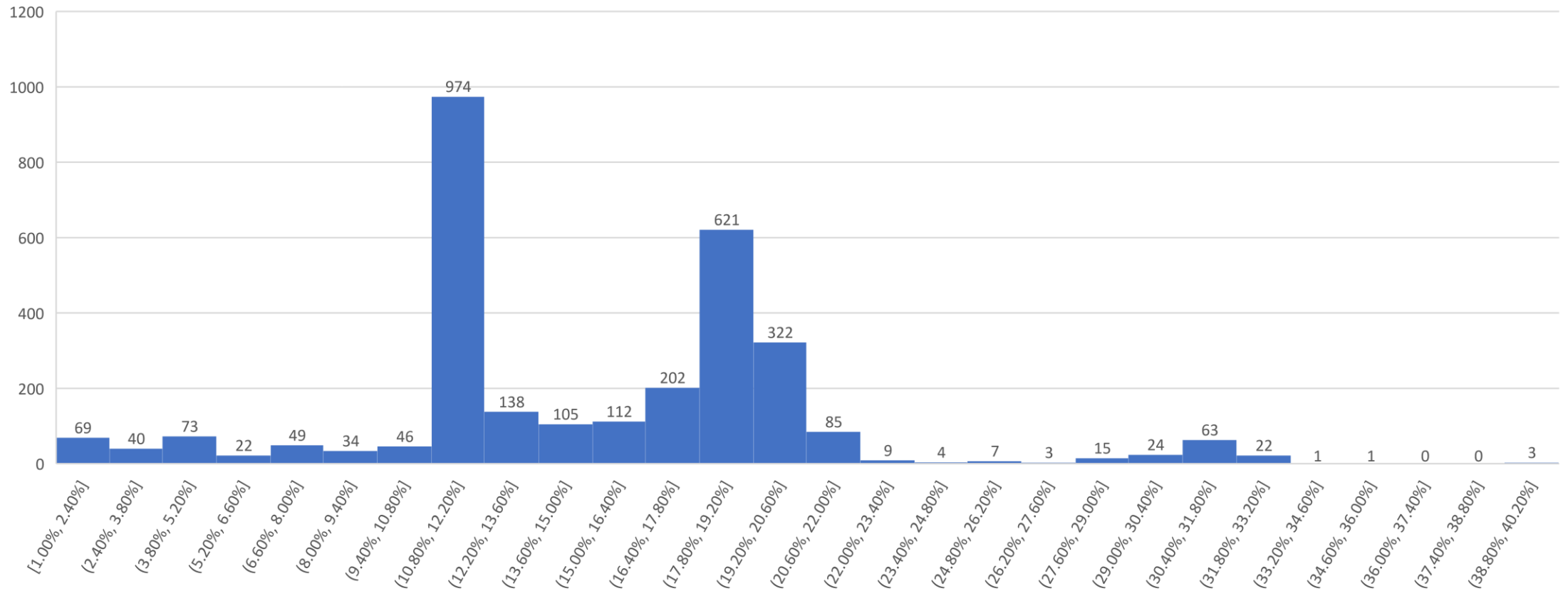
2023 Updates

- Valuation Process
 - Field Work
 - Ongoing Recheck Items
 - Building Permits
 - Cost Approach -> Sales Approach
 - Quality; type; age; etc
- Residential Increase
- Vacant Land Increase



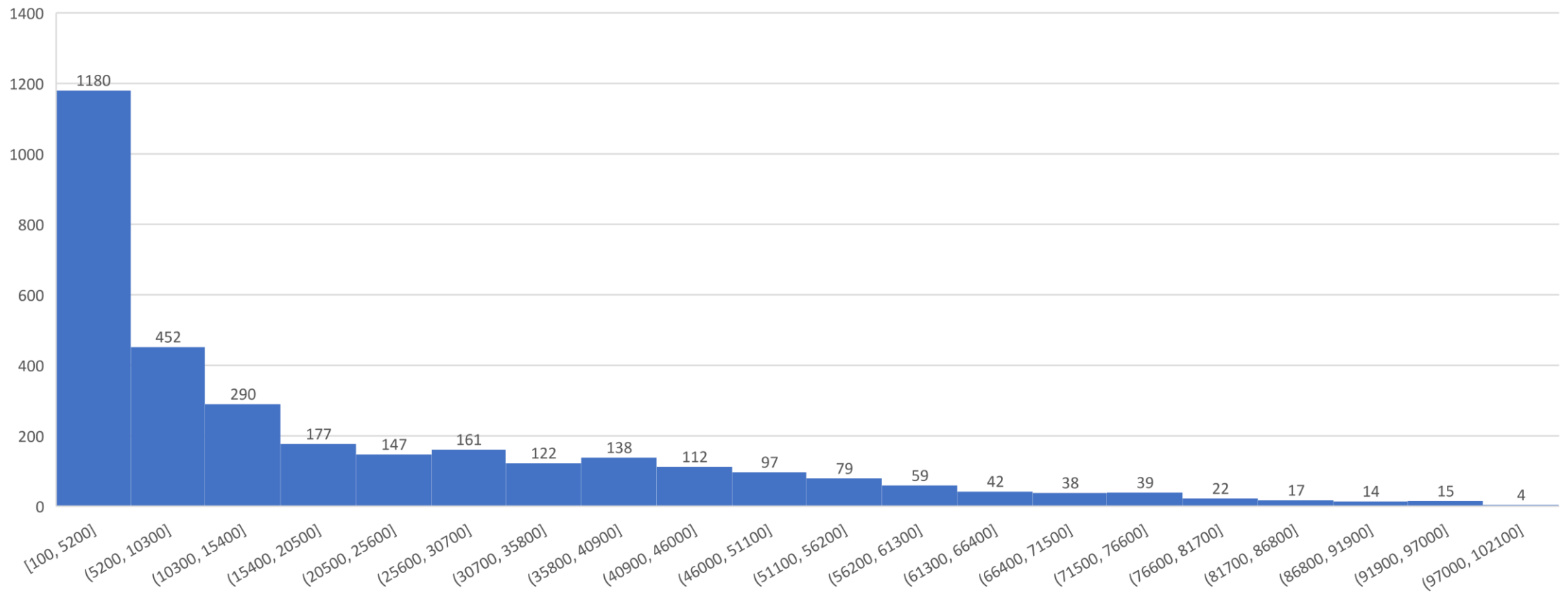
Real Estate Market Overview

Property Assessment Value Change



Real Estate Market Overview

Property Assessment Value Change in \$



Appeals

- Expected High Number of Appeals
- Main Areas of Concern
 1. No improvements made to the property
 2. Values should increase, but it is too high of an increase in one year
 3. Unaware of market changes
 4. Physical damage – water, snow, wind
 5. Local Economy
 6. Where is the tax \$ going to
 7. It's not fair

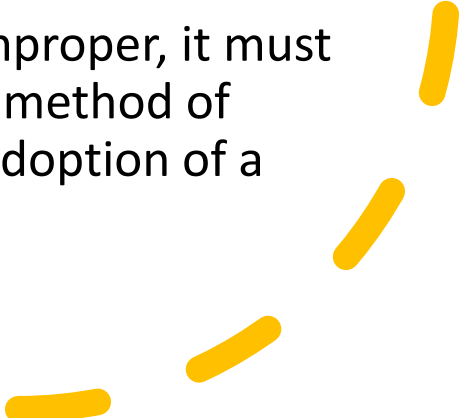


Board of Equalization

- Appeal to the board must include facts to prove your assessment is excessive, unequal, improper, or undervalued. The fact that your taxes are too high or that your assessment went up are not grounds for an appeal and the board can do nothing to alter those facts.
- Facts in \$



Unequal, Excessive, Improper

- **EXCESSIVE** – To show that an assessment is excessive, an appellant must show that the assessment is more than just overvalued. It must be shown that the assessment is grossly disproportionate when compared to other assessments (*OR, it can be shown that there is an intentional or fraudulent purpose to place an excessive valuation on the property.*) Higher than what similar properties are selling for.
 - **UNEQUAL** – To show that an assessment is unequal, the appellant must show that there are other properties in the same class as the property being appealed and that there is no basis that would justify different valuations of the property.
 - **IMPROPER** – To show that an assessment is improper, it must be shown that the assessor used an improper method of valuation, which amounts to fraud or a clear adoption of a wrong principle of valuation.
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Conclusion

- Values are increasing and are increasing as of today
- Assessor does not create the value; value is created in the marketplace between sellers and buyers; we research the market and report back to the city; make adjustments as needed to the assessment values.

