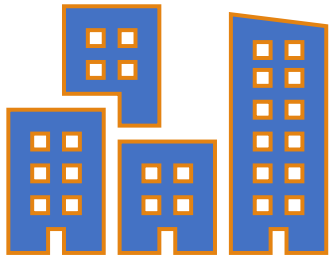


Residential Real Estate Assessments

Loudoun County

BOB WERTZ, LOUDOUN COUNTY COMMISSIONER OF THE REVENUE

JAMES WHITE, DEPUTY COMMISSIONER

JAMIE RITCHIE, PATRICK JEWELL & CARL WIBERG, SUPERVISING APPRAISERS

Assessment Administration

The chief tax assessing officer in Loudoun County is the Commissioner of the Revenue. The primary duty of the Commissioner is to ascertain and assess, at fair market value, all real and personal property.

This authority is granted under the Code of Virginia § 58.1-3103.

Mass Appraisal is not Fee Appraisal...

Mass appraisal is the systematic appraisal of groups of properties, as of a given date, using standardized procedures and statistical testing.

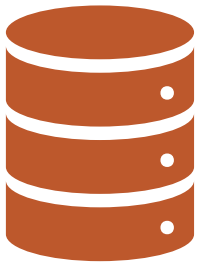
This differs from single-property appraisal, commonly referred to as "fee" or "bank" appraisal, which generally estimates value for a single property as of a given date.

Assessment Process…

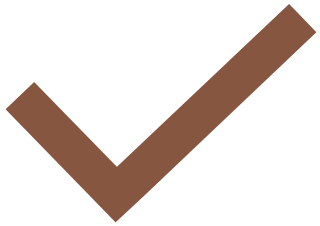
Assessments are prepared annually at 100% of fair market value per state code 58.1-3201 and Loudoun County Ordinance 860.09. The effective date of the assessment is January 1st of each year.

- Data collection and analysis: General, Specific & Comparative.
- Group stratification: Arrange similar properties together to form assessment groups or neighborhoods.
- Determine and apply land values for all residential property.
- Model specification: Develop or refine valuation models
- Sales verification: analyze sale & property characteristics, remove sales that do not meet the requirements of Market Value.
- Reassessment: Apply valuation models & adjustment factors to produce the assessment – statistically test each group for market value, uniformity and equity.
- Assessment Notice: Send notification of real estate assessment to each property owner.
- Assessment Review: Property owners may request a review of the assessment prior to the levy.
- Land Book: Submit to the Clerk of Court the final real estate assessment roll & levy for the specific tax year.

Data Integrity



The quality of property characteristics data, more than anything else, will determine the reliability of values generated in the reassessment. Therefore, property characteristics are constantly verified to ensure reliable assessment results.



This task is completed in several ways…

Data Collection & Verification

On-site property inspections

Permit and building plan reviews

Multiple Listing Systems

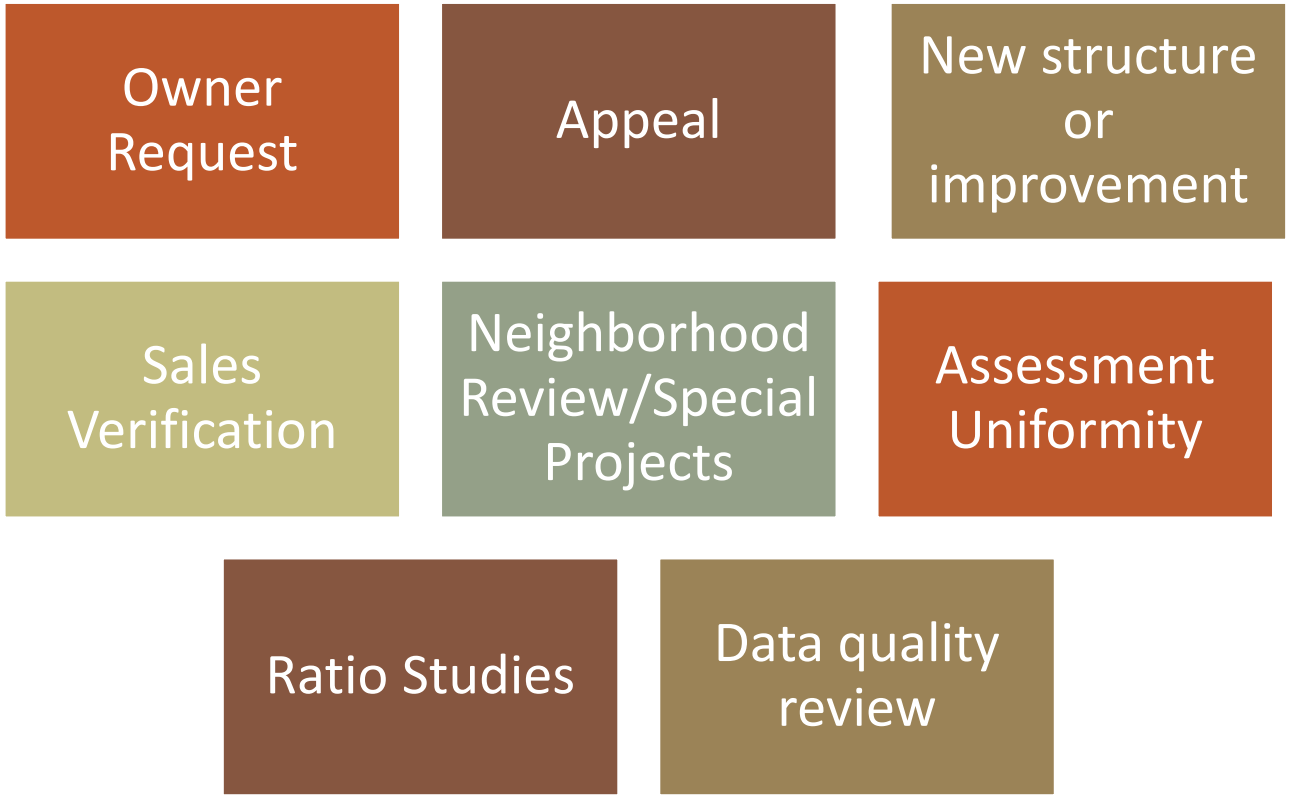
Aerial imagery

Geographic Information Systems (GIS)

Data collection surveys

Property owners

Data Collection/Verification - Site inspection…



Sales Verification

How are sales verified?

1. Real Estate Transfer Documents: Deeds, sale contracts, transfer affidavits, etc…
2. Third Party Sources:
   - MLS
   - Real Estate brokers and agencies
3. Buyers & Sellers
4. Sale Verification Questionnaires: Sent to property owner after the sale.

Market Value

Fair market value is the most probable price a buyer would be willing to pay a seller for a property offered for sale in an open market, over a reasonable period of time, where both buyer and seller are well informed, and neither is under pressure to buy or sell.

Transfers of real estate are analyzed annually. Nearly 95% involve sales of residential properties. Sales for previous years are also reviewed when warranted. Information is gathered from buyers, sellers, and real estate professionals. The selling prices are then compared to the assessed values to arrive at an assessment / sales ratio. The county is required by law to annually assess at fair market value as of January 1 of each year.

Non-Market Value Sales

1. Same Surname - (Jones to Jones; or father to daughter, etc).
2. Deed of Gift.
3. Forced Sale- foreclosure, divorce, bankruptcy, or special commissioner.
4. Sale between government or private tax-exempt entity.
5. Sale of undivided interest. (may include business interest).
6. Partial Conveyance - part of the property is conveyed creating a new parcel.
7. Sale between co-tenants.
8. Deed of Trust.
9. Cemetery Lots.
10. Deeds of Exchange.
11. Timber, Easement, Quit Claim, or Mineral Rights deed..
12. Conveyance where personal property is conveyed; e.g. inventory, machinery, accounts receivable.
13. Auction Sales.
14. Sale between Bank and Contractor.
15. Rezoned property.
16. Date of Deed is substantially different from Date of Recordation.

Data Collection/Verification – MLS & PERMITS

Sweetgum Pl, Round Hill, VA 20141 | **Pending** | **Residential** | **$510,000**

(61) - -

1 / 61

MLS #:	VALO	Beds:	4	Structure Type:	Detached
Tax ID #:		Baths:	3 / 1	Style:	Colonial
MLS Area:		AbvGrd Fin SqFt:	1,848	Central Air/Heat:	Yes / Yes
School District:	Loudoun County Public Schools	Acres/Lot SF:	.99 / 43124	Year Built:	1994
		Lot Dim:		DOM/ CDOM:	5 / 5
Subdiv / Neigh:	FALLSWOOD	Tax Annual Amt:	$4,424.00		
Garage Spaces:	2	Property Cond:	Very Good		
Total Parking:	2				
Listing Agent:				Agent Phone:	
Listing Office:				Office Phone:	
Selling Agent:				Settled Date:	
Selling Office:	Atoka Properties				

BUILDING/ZONING PERMIT # B----------

Permit Issue Date :	2020-01-31	Building Permit # :	B----------
Applicant Name :	CARRINGTON BUILDERS AT WHEATLA	Structure Type :	RESIDENTIAL SGL FMLY DETACHED
Owner name :	CARRINGTON BUILDERS AT WHEATLA	Construction Purpose :	ADDITION
Property Address :	XXXXX AUDREY JEAN DR WATERFORD VA 20197	Permit Purpose :	SCREENED PORCH
		MCPI Number :	377305240000
Bldg/ Floor/ Unit:		Tax Map Number :	/27/B/2//////
Section/ Lot :	PH X LOT X	Contractor :	CARRINGTON BUILDERS LC
Subdivision :	OLD WHEATLAND ESTATES	Related Permits :	ZP
Mechanics' Lien Agent :	ANY AGENT	Mech Lien Agent Ph # :	XXX XXX-XXXX

Data Collection/Verification – Aerial Imagery

Data Collection/Verification - Geographic Information Systems

Land Valuation

- Fundamental Assumption...
  - Current use is the highest and best use unless something occurs to question the current use, an example could be a zoning change to higher or lower density.
  - Land is assumed to be buildable unless:
    - Documentation otherwise is on file or provided
    - Readily apparent conditions limiting development (physical factors)
    - Deed Restrictions
    - Governmental restrictions
    - Easements

Common Approaches to Land Valuation

Sales Comparison Method: This is the most accurate approach to land values and should be used when sufficient sales are available.

Comparative Unit Method: The average or typical per unit value of each stratum of land is determined.

Base Lot Method: The value of the standard or "base" parcel is established in each stratum through traditional sales comparison with the base lot serving as the subject parcel.

Allocation Method: The allocation method is based on the principal of balance, a logical value relationship based on a normal or typical ratio of land value to the total property value for specific categories of real estate in specific locations, example – condos.

Abstraction Method: Abstraction is a method in which land value is extracted from the sale price of an improved property.

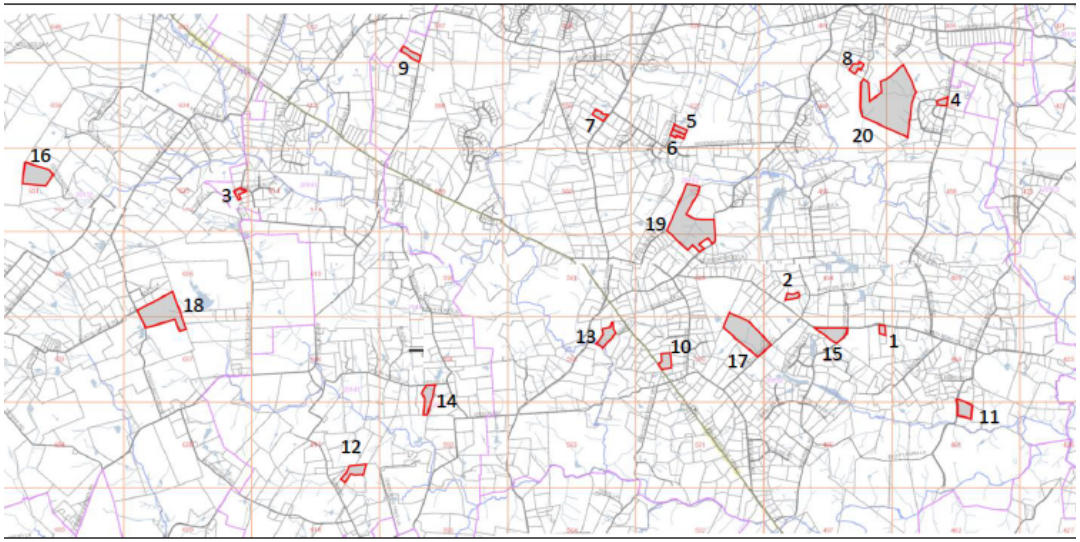
Cost of Development Method: This method subtracts the total development costs from projected sales prices to derive land values.

Sales Comparison Method

Verified Indicators of Market Value – Sales within the market area are researched to identify indicators of value for the subject property by adjusting the sales prices of the comparable for differences from the sale price of the subject. The sales data can be used to create land valuation models for mass appraisal.

2017 Bluemont / Philmont /North Fork Vacant Land Sales

	PARID	Address	ALT ID	ZONING	FLD	STP	MS STP	ACRES	Sale Price	Sale Date
1	495405541000		/57/////////13A	AR1				3	$160,000	6/8/2016
2	494163796000		/56//50/////5B	AR1				3	$110,000	7/11/2016
3	635206534000		/54//18/////2/	AR2				3	$175,000	9/29/2016
4	457375624000	19155 Lancer Cir	/45//32/////3/	AR1				3.14	$200,000	4/7/2014
5	527173089000	19108 Nicholson Farm Ln	/44//33/////3/	AR1				3.51	$162,500	9/29/2015
6	527172269000		/44//33/////4/	AR1				3.51	$150,000	11/17/2015
7	559295424000		/43//24/////1B	AR1				4.58	$180,000	10/5/2016
8	492495650000	18829 Trinity Church Rd	/45//35/////4A	AR1				4.64	$184,500	9/16/2016
9	587166244000	18781 Airmont Rd	/43///2////10A	AR1				6.3	$185,000	12/30/2014
10	530264297000	36984 Snickersville Tpke	/56//26/////6/	AR1				7.74	$249,000	10/16/2015
11	461484166000		/57///8/////2/	AR1		1.3		10	$178,000	5/15/2014
12	617197879000	20834 Furr Rd	/55//25////14A	AR2				10	$240,000	10/1/2014
13	562496916000	20102 Lovers Ln	/56//48/////1C	AR1	4.01	1.18		10.56	$284,500	6/30/2014
14	591172741000	35417 Poor House Ln	/55//16/////5C	AR2		0.15		10.6	$250,000	2/11/2015
15	495483218000	20035 Watermill Rd	/56/////////47/	AR1				14.59	$220,000	10/22/2015
16	651371568000	19305 Dodderidge Ct	/53///9/////4/	AR2		1.07	5	24.89	$325,000	1/27/2016
17	530401717000		/56/////////52/	AR1				48.68	$580,000	1/10/2014
18	636167308000		/54//17/////8A	AR2				50.26	$525,000	3/24/2015
19	528178116000	19571 Telegraph Springs Rd	/56//17/////D/	AR1		0.6		81.65	$769,000	7/28/2016
20	457261326000		/45/////////47/	A10		1.09		119.47	$800,000	1/7/2015



Allocation Method

The allocation method is based on the principal of balance, a logical value relationship based on a normal or typical ratio of land value to the total property value for specific categories of real estate in specific locations. This method is predominately used in planned subdivisions where parcels of land are similar in size and location. An example is illustrated below…

Neighborhood	Average Land value	Average value when Improved	Land-to-Total Value Ratio
R191376	$251,200	$646,330	39%
R192114	$297,500	$872,940	34%

The land-to-total value ratio is approximately 35%. This percentage could be applied to other similar neighborhoods where land sales are not available for comparison.

Application: If the estimated market value is $600,000, the land contribution would be estimated at $210,000 or 35% of the total.

Comparative Unit Method

Suitable for areas where parcels vary in size but similar in other aspects.

HOMESITE (comparative unit)

- Predominant driver of value due to ability to support a residential dwelling.

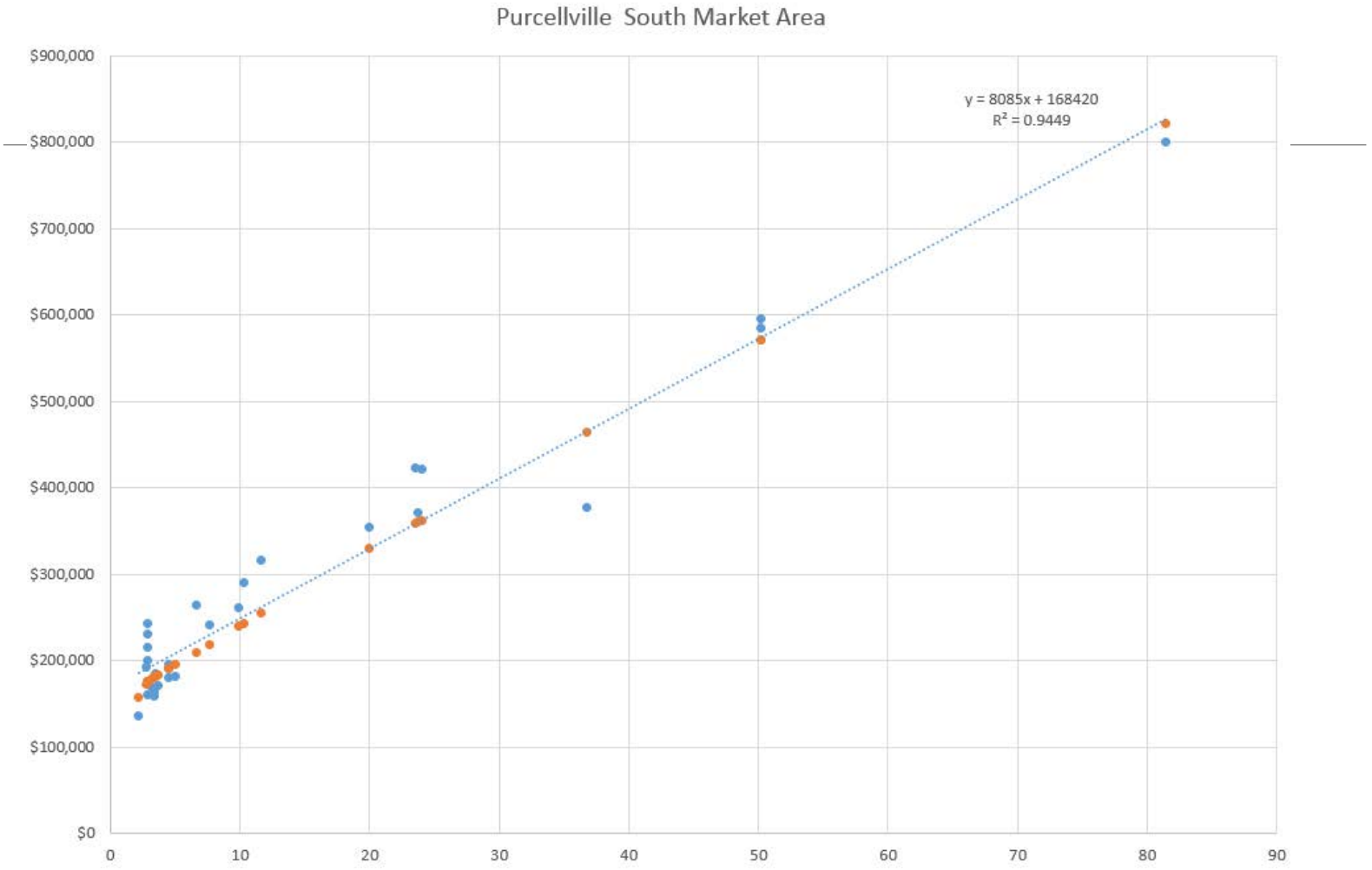
SURPLUS ACREAGE (size adjustment)

- The contributory value of land decreases as land size increases. The value of 10 acres is not twice the value of 5 acres.

Secondary adjustments for land valuation

- Major Flood plain
  - Adjustments considered for diminished use.
- Steep slopes
  - Adjustments considered for diminished utility.
- Road frontage
  - Value reductions can be applied to reflect reduced marketability due to lack of frontage.
- Easements
  - Adjustments to consider right-of-way or other restrictive easements.

Testing land models: the example below uses linear regression to measure the relationship between estimated land values against actual sales.



Sales Prices Assessment Model Values Linear Regression Line

Development & Application of Valuation Models (Improvements)

PRIMARY ATTRIBUTES

Size (living area)

Quality

Condition

Number of Stories

Number of Bathrooms

Basement foundation

Attic (finished or unfinished)

Exterior (brick, stucco, siding, etc…)

HVAC (heating and air conditioning)

SECONDARY ATTRIBUTES

Finished basement area

Garages

Fireplaces

Decks, Patios, Porches, etc.

Other buildings and yard improvements: Pools, barns, or stables.

Misc. Features: 2nd kitchens, wet bars, elevators etc.

Model Tuning & Calibration

Using the primary and secondary attributes, assessment models are developed & calibrated against recent market sales. The results are tested to ensure models meet the standards of mass appraisal regarding uniformity & market value.

Model Name	# of Sales	Median Ratio	Weighted Ratio	Average Ratio	COD	PRD
110 - 1.0 Story Detached	276	95.35	95.32	95.592	5.363	1.003
120 - 2.0 Story Detached	2171	95.20	95.37	95.708	5.901	1.004

Common Statistical Testing Methods

Assessment to Sale Price Ratio – Assessment ÷ Sale Price. This is used to see how appropriate the valuation model is.

Coefficient of Dispersion (COD) - Provides a measure of the variation of individual assessment ratios around the median ratio.

Price Related Differential (PRD) – Used to determine if higher valued properties are over assessed or lower valued properties are under assessed.

Group Stratification

Properties that share similar characteristics can be assembled into assessment groups or neighborhoods.

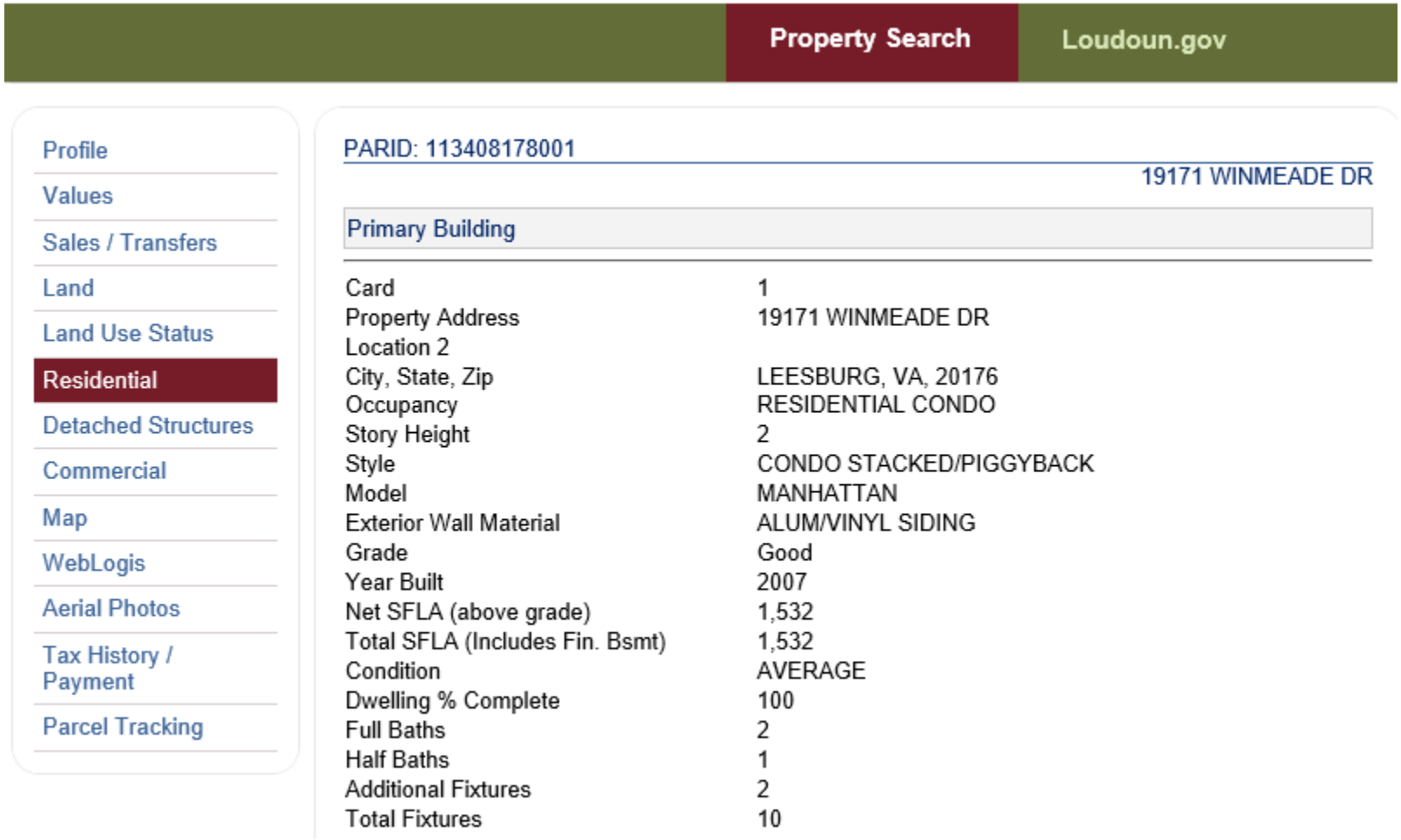
Location	*(Leesburg)*
Sub-Market	*(Greenway Farms)*
Style	(Colonial, rambler, other)
Age	(year built)
Quality	(Poor, Average, Good)
Size	(Living area)
Condition	(Average, Good, Very Good)

Completed Neighborhood assessment

Ratio Statistics:	
Average:	.959
Weighted Mean:	.958
COD:	2.234
PRD:	1.001
Target Nbhd Factor	.922

Sales Summary	Sales Price	Cost Value	Ratio	Sales $ Sq Ft	Assd $ Sq Ft
Total #	9				
Lowest	553,000	537,270	.91	212.45	206.40
Highest	646,000	610,350	1.01	245.87	228.34
Average	599,444	574,379	.96	228.41	218.88
Median	601,000	577,930	.96	226.94	218.96
Avg Deviation	24,395	19,201	.02	6.80	5.86

Property Details can be found at www.loudoun.gov/parceldatabase



Annual Assessment Notice

REAL ESTATE ASSESSMENT CHANGE NOTICE FOR TAX YEAR 2020

Parcel ID: 080374569000
Acres: 0.06
Property Address: 18524 PERDIDO BAY TER
LEESBURG VA 20176

Legal Description: RIVER CREEK LAND BAY J
200401200005394 PC F-29-9
PH.VIII SEC.2B LOT 25

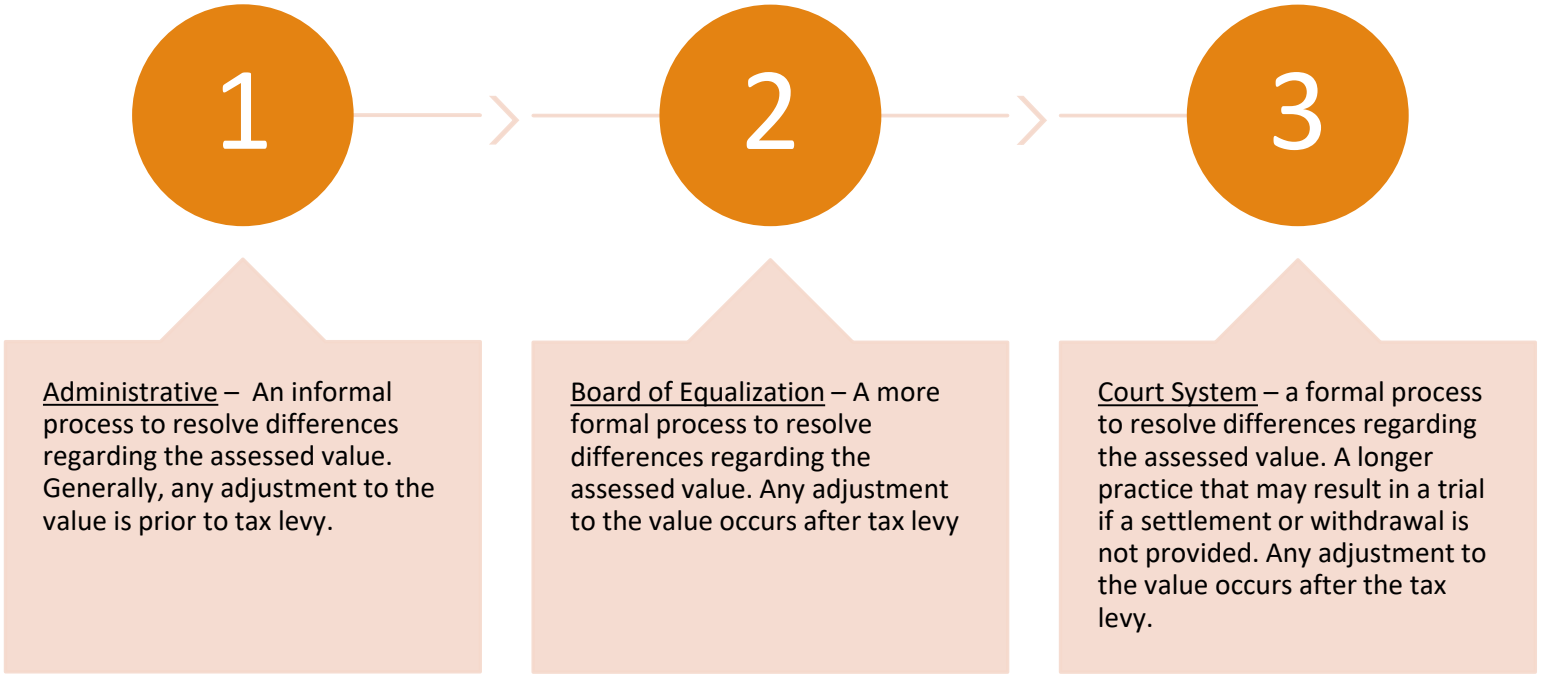
Magisterial District: CATOCTIN
Property Location: Catoctin District

Property Owner:

LOUDOUN COUNTY ASSESSMENT EFFECTIVE DATE	1/1/2020	1/1/2019	1/1/2018
LAND	180,000	180,000	180,000
STRUCTURE (includes wells, septic fields, buildings, and other structures)	416,950	390,770	379,270
TOTAL FAIR MARKET VALUE	596,950	570,770	559,270
TOTAL TAXABLE VALUE	596,950	570,770	559,270
LOUDOUN COUNTY TAX RATE PER $100	*Not Yet Set	1.045	1.085
TOTAL TAX	N/A	5,964.55	6,068.08
PERCENT CHANGE IN TAX LEVIED	N/A	-1.71%	-1.18%

Should you desire to have a discussion about your real estate assessment, your appraiser, **Monae Lienhard**, can be reached at **703-777-0294** or **Monae.Lienhard@loudoun.gov**. Office hours are Monday - Friday, 8:30 a.m. to 5:00 p.m.

Assessment Review Process



Thank You

Real Estate Information is available online at www.loudoun.gov/cor

or by calling (703) 777-0260

Select option #3