

## Attachment 9: Overview of the Assessment Process

The legislation enabling and requiring the City to annually assess real property for local taxation is found in the Virginia Constitution, Code of Virginia, the Charter of the City of Alexandria, and Alexandria City Code. The Department of Real Estate Assessments (DREA) annually assesses all parcels of real estate in the City at 100% of fair market value. In establishing annual real property assessments, DREA uses mass appraisal methods to estimate the fair market value. Mass appraisals replicate the market for one or more land uses across a wide geographic area, while single-property appraisals represent the market for one kind of land use in a limited area. Notwithstanding the relative difference, mass appraisal builds on the same principles as single-property appraisal. The CY 2013 real property assessments are the result of measuring market indicators from arm's length transactions, property income and expense information, comparable sales data, and relevant construction cost data. Staff also employs numerous data services and our Computer Assisted Mass Appraisal (CAMA) System to produce equitable values for all properties in the City.

For CY 2013, 44,156 local taxable properties were assessed. Also assessed on an annual basis were 1,105 tax exempt parcels. Assessment notices were mailed to property owners on February 8, 2013. Real estate assessment information is available on the City's web site in conjunction with the City Council presentation, which includes the information about the forms needed for the review and appeal process, the 2013 assessments for all locally assessed properties, general assessment information, and our data search capability on the real estate portion of the City's web site enabling residents to view recent sales data, as well as the sales used to determine their assessment.

The 2013 assessment notices include information about requesting a review of assessment with DREA by March 15, and information about filing an appeal of the assessment with the Board of Equalization and Assessment Review by June 1. Typically less than 2% of owners or real property challenge the assessed value of their property through the annual assessment review and appeal process. The Board of Equalization and Assessment Review is required to have heard and acted upon an Appeal of Assessment before a property owner has the right to file an appeal to the Circuit Court. Even with an improving market, it is anticipated that property owners will continue to file appeals to protect their right to file suit in the future for the current and three prior tax years.