



Legislation Text

File #: 26-0660, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 19, 2026

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER

FROM: KEVIN C. GREENLIEF, DIRECTOR OF FINANCE

DOCKET TITLE:

Consideration of the Calendar Year 2026 Real Property Assessments

ISSUE: (1) 2026 Notices of Assessment, which include the previous two calendar years and percentage change in the tax levy when applicable, will be mailed to property owners on February 25; and (2) staff will present the new real estate values at the February 24 City Council legislative meeting.

RECOMMENDATION: That City Council receives the report.

BACKGROUND: Included in the attached report are the annual changes in real property assessments from CY 2025 to CY 2026 and historical statistics related to assessment appreciation/depreciation, new construction, and residential sales activities.

The CY 2026 real property tax rate applicable to the January 1 assessments is scheduled to be set by the City Council on April 29, 2026.

DISCUSSION:

OVERALL CHANGE IN CY 2026 REAL PROPERTY TAX BASE

The City's overall assessed real property tax base increased **3.41%**, or \$1.70 billion on a year-over-year basis, from \$49.7 billion in CY 2025 to \$51.4 in CY 2026 (Attachment 1, Page 2, Line 73). The overall increase exhibits continued improvement in the residential market.

The following table shows the year-over-year Land Book changes in grand total taxable real property assessments from CY 2020 to CY 2026. Of the \$456,359,497 in taxable new growth reported as of January 1,

2026, \$302,287,420 (66.24%) is attributable to residential projects, mostly due to new condominiums. Of the \$154,072,077 (33.76%) in commercial growth, \$92,487,517 came from vacant commercial land and the office and warehouse sectors, with the majority coming from West End (Landmark) development. Another \$61,584,560 is attributable to new multifamily rental projects. The City’s new growth in CY 2026 is described in greater detail in **Attachments 3 and 12**.

<u>Calendar Year</u>	<u>Grand Total Taxable Real</u>	<u>Change from Prior Year</u>
2020	\$42.68	4.15%
2021	\$43.83	2.69%
2022	\$46.56	6.24%
2023	\$48.33	3.81%
2024	\$48.49	0.33%
2025	\$49.74	2.57%
2026	\$51.44	3.41%

Attachment 2 reflects the tax base from the starting point of 2025 equalized assessments. The equalized assessment represents the year-ending 2025 total (as of December 31, 2025) that reflects changes that occurred throughout the calendar year including administrative reviews, appeals, Board of Equalization changes, supplemental assessments, subdivisions, consolidations, changes in tax status and demolitions. On this basis, locally and non-locally assessed real property assessments increased **3.91%** (Attachment 2, Page 3, Line 66).

Points of Interest Relating to CY 2026 Land Book and Equalized Assessment Changes:

- **Locally assessed real property assessments increased 3.51%** (which consists of both new construction and appreciation), or \$1.7 billion, from \$49.0 billion in 2025 to \$50.7 billion in 2026 (Attachment 1, Page 1, Line 49).
- **The residential property tax base increased 4.40%**, or \$1.4 billion, from \$31.5 billion in 2025 to \$32.9 billion in 2026 (Attachment 1, Page 1, Line 21).
- **The average assessed value for all residential property (including single-family and condominium) as of January 1, 2026, increased 3.81%**, from \$729,925 in CY 2025 to \$757,706 in CY 2026. For 2026, approximately 63% increased, 8% decreased, and 29% remained unchanged.
- **The average assessed value for a residential single-family home as of January 1, 2026, increased 4.44%**, from \$1,001,336 in CY 2025 to \$1,045,750 in CY 2026. For 2026, approximately 79% increased in value, 4% decreased, and 17% remained unchanged.
- **The average assessed value for a residential condominium as of January 1, 2026, increased 2.81%**, from \$447,612 in CY 2025 to \$460,185 in CY 2026. For 2026, approximately 46% increased in value, 12% decreased, and 42% remained unchanged.
- **The commercial property tax base increased by 1.91%**, or \$334.8 million, from \$17.54 billion in 2025 to \$17.87 billion in 2026 (Attachment 1, Page 1, Line 47). This compares to a 0.88% decrease from the previous year. Details on the commercial base are presented in Attachment 9.

- **State-assessed public service corporation property assessments decreased 2.79%**, or \$20.5 million, from \$735.2 million in 2025 to \$714.8 million in 2026 (Attachment 1, Page 2, Line 71). The large change is due to certain railroad parcels being transferred from Norfolk Southern to the tax exempt Virginia Passenger Rail Authority. The 2026 state-assessed Public Service Corporation assessments are effective January 1, 2025. These values were certified by the State Corporation Commission (SCC) and the Virginia Department of Taxation (TAX) in late September. The City bills all non-locally assessed properties on a fiscal year basis to accurately reflect these assessment changes.
- **Tax-exempt real property assessments increased 3.58%**, or \$213.8 million, from \$6.0 billion in 2025 to \$6.2 billion in 2026 (Attachment 1, Page 2, Line 107).
- **Taxable new construction activity added \$456.4 million for CY 2026.** This compares to CY 2025, when \$363.9 million of growth was added to the City’s tax base. In 2026, residential construction accounted for \$302.3 million of new growth, while the commercial sector, which includes multifamily rental, accounted for \$154.1 million. The multi-family residential sector alone had \$61.6 million in new growth. Overall, \$2.8 billion in new growth has been added to the tax base from 2022-2026. Historical new growth figures are detailed in Attachment 3.

The table below compares the City of Alexandria’s median assessment to sales ratio for tax year CY 2024 to the Northern Virginia jurisdictions listed below, as determined by the Virginia Department of Taxation (VDoT). Alexandria’s ratio was in line with the surrounding Northern Virginia localities, showing the City’s assessments were close to market value. Median ratio data for CY 2025 will be released in 2026.

<u>Jurisdiction</u>	<u>Median Ratio</u>
Arlington County	92.53%
Alexandria	91.77%
Fairfax County	87.49%
Falls Church	87.21%
City of Fairfax	86.53%

Impact of Tax Relief

Eligibility for real estate tax relief for the elderly and disabled also includes military veterans who are considered completely and permanently disabled and spouses of those determined to be killed in the line of duty. The City has budgeted approximately \$10.3 million for these programs in FY 2026 and anticipates increasing this to approximately \$12 million in FY 2027.

Distribution of Real Property Assessments

- Real property classified as residential for assessment purposes for CY 2026 represents 63.9% of the total real property taxable base, while properties classified as commercial and public service corporations represent 36.1% of the base. If multifamily housing is excluded, commercial assessments are 17.4% of the base. This compares to CY 2025 when 63.3% of the tax base was residential, and property classified as commercial and public service corporations represented 36.7% of the base. If multifamily housing is excluded, commercial real property comprised 17.5% of the CY 2025 tax base. A historical distribution of the City’s real property tax base allocated between classifications of real property for assessment purposes is detailed in **Attachment 5**.

- **Attachment 6** depicts the distribution of the CY 2026 assessments using actual dollars and percentages by land use. The land uses represented are residential single-family; residential condominium; residential vacant land; commercial multifamily rental; commercial office, retail, and service; commercial and industrial vacant land; and public service corporations.

ATTACHMENTS:

- Attachment 1: CY 2026 Real Property Assessment Land Book
Attachment 2: CY 2026 Real Property Assessment Summary Including Appreciation and Growth
Attachment 3: Historical New Growth (CY 2019 to CY 2026)
Attachment 4: Potomac Yard
Attachment 5: Real Estate Tax Base Distribution (CY 2010 to CY 2026)
Attachment 6: Distribution of 2026 Assessments by Land Use
Attachment 7: Points of Interest - CY 2026 Residential Assessment Changes
Attachment 8: Average 2026 Real Property Assessment Percentage Change Map
Attachment 9: Analysis of the Commercial Market
Attachment 10: Overview of the Assessment Process
Attachment 11: New Construction Projects
Attachment 12: Noteworthy Trends in Alexandria Real Estate
Attachment 13: PowerPoint Presentation

STAFF:

Real Estate Division, Department of Finance:
William Bryan Page, Assistant Director of Finance / Real Estate
Annwyn Milnes, Appraiser Supervisor
Stephanie Branizor, Appraiser Supervisor
Leona Bradford, Senior Appraiser
Aracelie Hernandez, Senior Appraiser
Jessica Wills-Lipscomb, Senior Appraiser
Eric Braun, Appraiser
Greylind James, Appraiser
Gregory Richardson, Appraiser
Jasenka Reeves, Real Estate Land Records Manager
George Gray, Management Analyst II
Aylin Mejia-Quintana, Administrative Analyst