



**WAKE  
COUNTY**

NORTH CAROLINA

# **Economic and Property Tax Update**

**February 17, 2009**

# Presentation Purpose

- Provide an economic update regarding the real estate market and assessed values
- Discuss tax base growth potential
- Provide an update on property tax collections





# Wake County Cycle

**Wake County operates  
on an 8-year  
revaluation cycle; the  
most recent reassessed  
values were effective  
on Jan 1, 2008**



# What did the project accomplish?

*Re-established equity between properties that appreciated (or depreciated) at different rates and set assessed values in line with market values as of Jan 1, 2008*





# Results of Reval 2008

**Average increase  
countywide:  
43%**

*(more than 5% each year  
over 8 years)*



# Revaluation 2008: Appeal Activity

		Appeals	Parcels	% Appealed	Value Reduced
Informal Appeals	Residential	23,504	300,800	7.81%	595,913,647
	Commercial	3,824	19,200	19.92%	915,511,481
	Total Informal	27,328	320,000	8.54%	1,511,425,128
Board of Equalization		4,088	320,000	1.28%	680,460,372
Appeals to State		421	320,000	0.13%	



# **New Appeals**

**Property owners could begin appealing again as of Jan 1, 2009 but changes in economic conditions (up or down) cannot be considered if the change occurred after Jan 1, 2008 (NCGS 105-287)**



# Market Sales Activity – Single Family Residential – 2007 v. 2008

Jan to Dec	2007	2008	Difference
<b>Apex</b>	1,122	791	-29.50%
<b>Cary</b>	3,800	2,503	-34.13%
<b>Fuquay-Varina</b>	854	462	-45.90%
<b>Garner</b>	723	360	-50.21%
<b>Raleigh</b>	9,808	6,136	-37.44%
<b>Wake Forest</b>	1,083	610	-43.67%
<b>Fire District</b>	3,016	1,915	-36.51%
<b>Holly Springs</b>	1,096	606	-44.71%
<b>Morrisville</b>	518	213	-58.88%
<b>Knightdale</b>	444	204	-54.05%
<b>Rolesville</b>	210	92	-56.19%
<b>Wendell</b>	157	97	-38.22%
<b>Zebulon</b>	84	61	-27.38%
<b>Angier</b>	22	7	-68.18%
	<b>22,937</b>	<b>14,057</b>	<b>-38.71%</b>

## **Assessed Valuation Statistics – Market Sales - Jan 1 through Dec 31, 2008**

	<b>SALES</b>	<b>ASSMT LVL</b>	<b>COD</b>
<b>Apex</b>	791	0.987	5.970
<b>Cary</b>	2,503	0.995	7.250
<b>Fuquay-Varina</b>	462	1.000	7.100
<b>Garner</b>	360	1.000	7.260
<b>Raleigh</b>	6,136	0.990	8.055
<b>Wake Forest</b>	610	1.026	7.200
<b>Fire District</b>	1,915	0.999	9.300
<b>Holly Springs</b>	606	0.995	5.920
<b>Morrisville</b>	213	1.007	5.310
<b>Knightdale</b>	204	1.012	6.890
<b>Rolesville</b>	92	1.018	7.420
<b>Wendell</b>	97	1.023	7.030
<b>Zebulon</b>	61	1.030	9.520
<b>Angier</b>	7	1.110	7.660

# Assessed Valuation Statistics – Market Sales - Oct 1 through Dec 31, 2008

	SALES	ASSMT LVL	COD
<b>Apex</b>	116	0.993	7.140
<b>Cary</b>	421	1.018	8.760
<b>Fuquay-Varina</b>	76	1.024	7.980
<b>Garner</b>	51	1.022	10.150
<b>Raleigh</b>	953	0.997	11.290
<b>Wake Forest</b>	74	1.040	7.720
<b>Fire District</b>	373	0.994	10.650
<b>Holly Springs</b>	94	1.026	5.760
<b>Morrisville</b>	26	1.008	5.030
<b>Knightdale</b>	28	1.019	7.310
<b>Rolesville</b>	15	1.021	8.970
<b>Wendell</b>	9	1.020	5.910
<b>Zebulon</b>	8	1.150	14.800
<b>Angier</b>	2	1.100	27.830

# Assessed Valuation Statistics – Market Sales – January 2009

	Sales	Assmt Lvl	COD
Angier	1	1.210	0.00%
Apex	19	1.054	5.27%
Cary	55	1.019	6.80%
Fire Dist	59	1.014	12.31%
Fuquay Varina	15	0.994	6.80%
Garner	9	0.998	10.89%
Holly Springs	13	1.054	9.90%
Knightdale	4	0.992	4.39%
Morrisville	8	1.053	7.26%
Raleigh	167	1.022	8.59%
Rolesville	5	0.996	6.12%
Wake Forest	13	1.060	5.64%
Wendell	2	0.992	2.41%
Zebulon	1	1.110	0.00%
<b>County Wide</b>	<b>371</b>	<b>1.023</b>	<b>8.49%</b>

# Real Estate Growth Potential

## New Construction Permits – Residential and Commercial January through December

JAN TO DEC	2006		2007		2008	
	New Res	New Com	New Res	New Com	New Res	New Com
<b>Apex</b>	341	33	568	14	190	32
<b>Cary</b>	1,891	89	2,105	92	1,182	68
<b>Fuquay-Varina</b>	625	12	745	15	363	14
<b>Garner</b>	471	19	278	43	78	13
<b>Raleigh</b>	3,731	222	3,315	318	1,694	203
<b>Wake Forest</b>	872	45	752	27	261	26
<b>Fire District</b>	1,479	6	1,253	18	509	21
<b>Holly Springs</b>	865	6	507	24	337	25
<b>Morrisville</b>	286	16	197	23	244	15
<b>Knightdale</b>	283	12	271	11	171	41
<b>Rolesville</b>	216	5	228	3	95	1
<b>Wendell</b>	81	3	62	3	41	2
<b>Zebulon</b>	47	5	92	4	16	6
<b>Angier</b>	34	-	5	-	6	-
	<b>11,222</b>	<b>473</b>	<b>10,378</b>	<b>595</b>	<b>5,187</b>	<b>467</b>

## Outlook for FY 08/09 tax collections

- **Through Feb 13, collection activity is only slightly lagging the prior two year benchmarks**
- **All large mortgage escrow payment files were received and posted in the same manner as prior years with no problems**



## Three Year Collection Comparison Through Feb13

		County Tax Billed	County Tax Due	Tax Collected	% Collected
<b>FY 06/07</b>	Real & Personal	459,174,575.37	12,091,930.93	447,082,644.44	97.37%
	Vehicles	35,721,691.13	9,525,255.38	26,196,435.75	73.33%
		494,896,266.50	21,617,186.31	473,279,080.19	95.63%
<b>FY 07/08</b>	Real & Personal	518,191,359.75	13,506,641.48	504,684,718.27	97.39%
	Vehicles	40,223,948.97	10,763,549.89	29,460,399.08	73.24%
		558,415,308.72	24,270,191.37	534,145,117.35	95.65%
<b>FY 08/09</b>	Real & Personal	590,202,631.93	20,115,032.66	570,087,599.27	96.59%
	Vehicles	36,133,250.71	8,736,342.30	27,396,908.41	75.82%
		626,335,882.64	28,851,374.96	597,484,507.68	95.39%

## Prior Year Payment Plans through Feb 13, 2008

Create Month	Active Arrangements	Total Tax Under Active Arrg
Dec 07	146	\$ 126,843.00
Jan 08	633	\$ 1,835,680.00
Feb 08	289	\$ 793,990.00
	1068	\$ 2,756,513.00

## Current Year Payment Plans through Feb 13, 2009

Create Month	Active Arrangements	Total Tax Under Active Arrg
Dec 08	394	\$ 2,874,976.00
Jan 09	806	\$ 4,208,041.00
Feb 09	1057	\$ 4,137,259.00
	2257	\$ 11,220,276.00

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	2257	\$ 11,220,276.00

## Prior Year Legal Actions Issued through Feb 13, 2008

	Number	Total Tax Under Action
Wage Garnishment	169	\$ 367,134.00
Bank Attachment	150	\$ 1,610,816.00
Rent Attachment	19	\$ 198,711.00
Sheriff's Execution	92	\$ 321,308.00
Deed of Trust Notice	61	\$ 764,103.00
	491	\$ 3,262,072.00

## Current Year Legal Actions Issued through Feb 13, 2009

	Number	Total Tax
		Under Action
Wage Garnishment	401	\$ 652,412.00
Bank Attachment	356	\$ 6,023,991.00
Rent Attachment	30	\$ 547,932.00
Sheriff's Execution	159	\$ 463,815.00
Deed of Trust Notice	195	\$ 1,025,982.00
	1,141	\$ 8,714,132.00

# **Biggest Risks to Property Tax Revenues**

- **Default on payment arrangements**
- **Escalating bankruptcy filings**



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**Questions?**