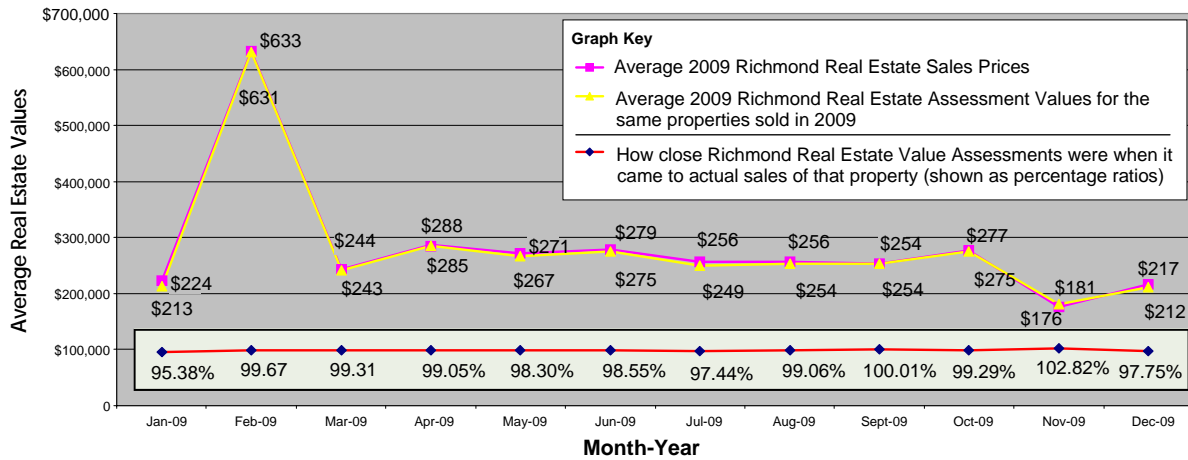


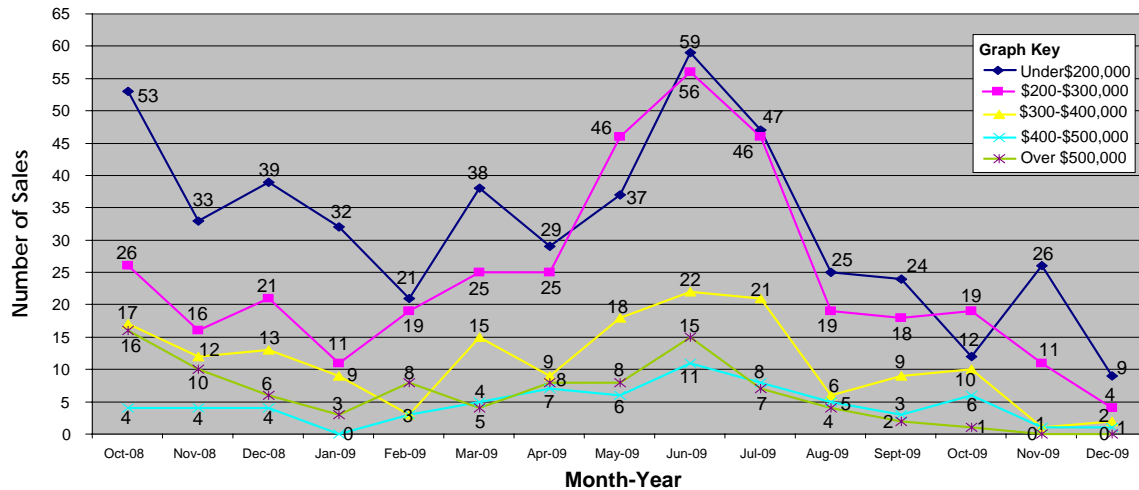
2009 Richmond Average Real Estate Sales Prices compared to the 2009 Average Assessed Values for the same properties



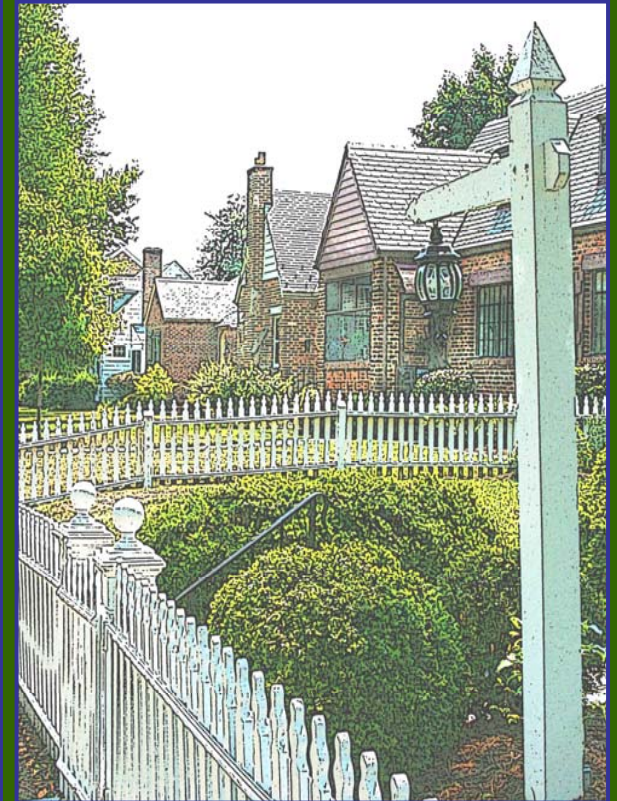
The graph above demonstrates that the 2009 Richmond real estate market maintained at sales price levels close to, or slightly above, the Richmond Real Estate Assessed Values for the same properties.

The graph includes 2009 Richmond Real Estate Sales, in which the buyers and sellers bought and sold at fair market value. In the real estate industry, the term "arm's length transaction" is used, which means that both parties in the sale are buying at fair market value. An example of a sale not at fair market value would be: a situation where a mother sells her daughter her house for \$100 or a price that is way below its value.

2009 Richmond Average Real Estate Sales by price range



The graph above shows the amount and distribution of 2009 Richmond real estate sales that were bought and sold at fair market value per month. The graph demonstrates that the most active group was properties selling for \$300,000 or less.



— 2010 — Richmond ANNUAL REAL ESTATE ASSESSMENT PROCESS

Citizens of Richmond, Virginia U.S.A.

Provided by the

— Richmond City Council —
Office of the Assessor of Real Estate

Richmond City Hall - 900 East Broad Street, Suite 802
Richmond, Virginia 23219 - 804.646.5600 (tel)
www.richmondgov.com (website)

CITIZEN INFORMATION BOOKLET

Our Government, Real Estate and Taxes

As Richmond citizens, we pool our resources to own and operate our government and decide what public services we want and how to pay for them.

Examples of our services include the management, oversight and delivery of such things as clean/safe water; streets/parks; firefighting/rescue; trash/sewage removal; laws, police/courts; and, our children's education. Together, we own, operate, use and benefit from these services every day.

We as citizens have determined that a fair way to help pay for these services is for real estate owners to annually contribute funds, based on a percentage of the value of the real estate they own in the city. To help ensure fairness, this process includes:

1. Each year, the fair market value of real estate in the city is assessed and the value is set Jan. 1. Values are based on the previous year.
2. An annual Richmond Real Estate Tax Rate is set by Richmond City Council by April 15. This rate is the percentage, based on \$100 of value, that a real estate owner will contribute.
3. Real estate owners pay their share annually, based on the value of their real estate and the tax rate by June 15. For example, if a person who owns \$100,000 in real estate and the tax rate is \$1.20 per \$100, their share is \$1,200.

Our real estate tax is the largest single funding source we use to pay for our public services and is used statewide to pay for local services. There are approximately 73,000 real estate properties in Richmond and to help ensure fairness, Virginia State Law requires that Richmond perform annual real estate assessments to determine fair market value.

Richmond City Council Office of the Assessor of Real Estate

To help ensure consistency and fairness in establishing the value of real estate, one of the duties of the Richmond City Council Office of the Assessor of Real Estate is to perform annual real estate value assessments of properties located in the city, as required and prescribed by Virginia State Law and national real estate assessment standards. These assessments are published in a *Richmond Annual Land Book*.

This office is not involved with setting our real estate tax rate or the paying of taxes. The process followed by this office is illustrated to the right.

Richmond Annual Real Estate Assessment Process

Richmond Real Estate Assessments are annual estimates done each year to establish fair and equitable values for each real estate parcel in the city. Values are assessed (reassessed) annually in order to establish updated fair market values due to changes in real estate value, which include:

- 1 Market changes
- 2 Improvements
- 3 New construction
- 4 Corrected errors
- 5 Demolitions

Real Estate Assessment Factors

The following assessment factors are used to help ensure that assessments are fair and equitable.

- 1 Comparing property values to others in the area that have sold recently;
- 2 Determining how much it would cost, for current material and labor, to replace a property and, if a property is not new, how much it has deteriorated; and,
- 3 If a property is rented, how much income would it produce and how much operating expenses, taxes, insurance, maintenance costs and return on the investment should be.

Richmond Real Estate Assessment, Setting of Tax Rate and Tax Payments

The following calendar includes a summary of annual dates and information regarding real estate assessments, appeals, setting of tax rate and tax payments.

Autumn

(Oct./Nov./Dec.)

Richmond Office of the Assessor of Real Estate scrutinizes preliminary real estate assessments and puts them through a series of quality control measures to help ensure accuracy.

Winter

(Jan./Feb./March)

Richmond Office of the Assessor of Real Estate performs final quality control measures and new real estate assessments are prepared. Some important dates during this time include:

- Jan. 1** Real estates values are established and recorded in the Richmond Land Book
Jan. 25 Owners are mailed new real estate assessments (includes previous year value)
March 1 Deadline to file formal appeal of new real estate assessment, using an Application of Review of Assessment form

Spring

(Apr./May/June)

Richmond Office of the Assessor of Real Estate, inspects and evaluates properties, which includes creating and updating descriptions, photographs and sketches. Some important dates during this time include:

- April 15** Annual Richmond Real Estate Tax Rate set by Richmond City Council
June 30 Deadline to file formal appeal with Richmond Circuit Court Board of Review

Summer

(July/Aug./Sept.)

Richmond Office of the Assessor of Real Estate, inspects and evaluates properties, which includes creating and updating descriptions, photographs and sketches.

Appealing an Annual Richmond Real Estate Assessment

If a citizen does not agree with the assessed value of their real estate they may:

- 1 Contact the Richmond Office of the Assessor of Real Estate to discuss
- 2 If concern is not resolved, file a formal appeal using an Application of Review of Assessment form, available from city libraries, office and Website. **Application must be filed by March 1 for that year's assessment.**
- 3 If still not resolved, file a formal appeal to the Richmond Circuit Court Board of Review, using the form and information available from the city website. **Appeal must be filed by June 30 for that year's assessment.**

Note: Richmond Real Estate Taxes

- 1 The Richmond Office of the Assessor of Real Estate does not set real estate tax rates or send tax bills.
- 2 Richmond Real Estate Tax Rates are set by Richmond City Council.
- 3 Richmond Real Estate Tax bills are Prepared and sent by the Richmond Department of Finance. For tax bill questions, please call 804.646.5700, or email finance@richmondgov.com.

