



2007 REAPPRAISAL

REAL PROPERTY SUMMARY

Prepared by the Assessment Division
City and County of Denver
May 2007

- ◆ How is Real Property valued
- ◆ How does the Reappraisal affect taxes
- ◆ What should taxpayers do if they disagree or have questions concerning their valuation
- ◆ Assessment calendar
- ◆ Typical questions and answers for the protest period
- ◆ Denver Public Library hearing schedule

HOW IS REAL PROPERTY VALUED?

Base Year Concept

Under Colorado law, the Assessor must reappraise all real property every two years. The property value, or the "Actual Value", must reflect the appropriate "base year" level of value. For assessment years 2007 and 2008 the "base period" is the 18-month period from January 1, 2005 to June 30, 2006 and market data (sales, rents & expenses for commercial properties) will be collected from the "base period" to project values for 2007/2008. The specific "Assessment Date" is January 1.

Approaches to Value

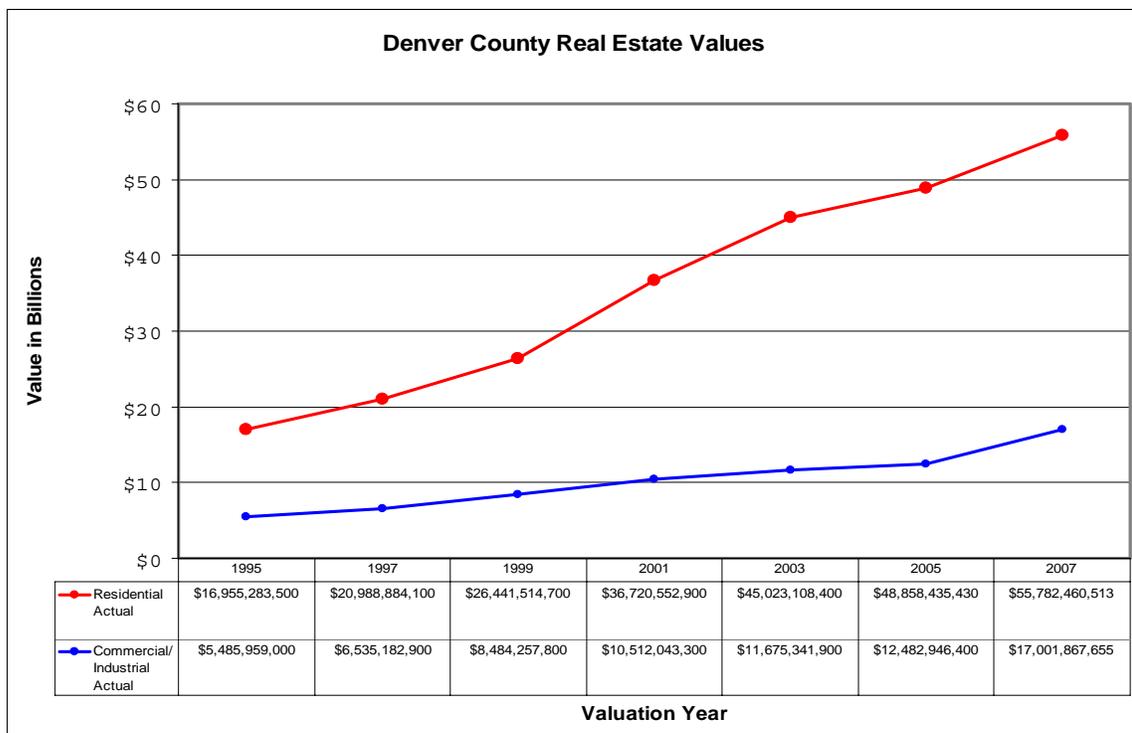
The Assessor determines the Actual Value of property by considering three approaches to value: the *market* approach, the *cost* approach, and the *income* approach.

MARKET APPROACH: Market sales of similar properties which sold during the "base period" are analyzed, compared and adjusted for time (to June 30, 2006) to arrive at a value for the subject property. Amendment 1 to the Colorado Constitution requires all residential property be valued exclusively by the market approach.

COST APPROACH: Estimates the replacement cost of buildings and fixtures at the base year level of value, less any depreciation that may have occurred, plus the value of the land.

INCOME APPROACH: Determines the net income of the property (usually a commercial or industrial occupied building) from rents, by deducting operating expenses (excluding taxes), from the gross income. The net income is capitalized into an indication of value.

Typically, the Actual Value will be based on the one approach that most accurately reflects the market value. Some classes of properties (generally, Commercial, Industrial, etc.) may be valued by a "Correlation" between two or all three approaches.



REAL ESTATE VALUES AND TAXES

Fair Market Value

For this reappraisal the Assessor must estimate the fair market for all Denver properties as of June 30, 2006 as they stand on the assessment date, January 1. All items affecting value are considered, including general inflationary trends, the value of new construction, remodeling, renovation, demolition, change in use, or any other component of the real estate market.

Assessed Value

Residential assessed values are established by multiplying the actual value (Fair Market Value) by the "ratio of assessment". For 2007 and 2008, preliminary indications are that the State Legislature will maintain the current 7.96% for residential property. All other property is assessed at 29%.

The actual or market value is based on the condition of the property as of January 1, 2007 at the June 30, 2006 level of value using information from the 18-month base period. Market sales are adjusted for time to June 30, 2006.

Tax Rate

The location of your property determines the jurisdictions to which you pay taxes. These may include City and County levies, school district levies, and special taxing jurisdictions, such as business improvement districts or pre-annexation special districts.

Each year the City Council, the School Board and special districts hold budget hearings to determine how many dollars will be needed, and are allowed, for the following year's operations.

Per Amendment 1 requirements, these taxing jurisdictions may only increase their tax rate or mill levies to account for inflation and local growth or to recover revenue lost due to abatement and refunds. Any other property tax increases must receive specific approval from the voters in the November elections. **Note:** *The tax rate (mill levy) shown in the calculation below is the 2006 rate, for taxes paid in 2007; the 2007 levies, for taxes to be paid in 2008, will be established in the next budgetary process, and are normally finalized in December of each year.*

RESIDENTIAL PROPERTY TAXES

Property taxes are calculated by multiplying the actual value times the assessment ratio then multiplying the assessed value by the appropriate mill levy. This example assumes the same mill Levy for 2006 and 2007.

$$\begin{array}{r}
 \text{Assessed Value} \\
 \times \text{ (Tax rate)} \\
 \hline
 = \text{Property Taxes}
 \end{array}
 \begin{array}{l}
 \text{(determined prior to May 1)} \\
 \text{(to be set prior to December 15)} \\
 \\
 \text{(Payable in January)}
 \end{array}$$

Example:	<u>2006</u>	<u>Projected 2007</u>
Residence valued at	\$ 216,300	\$ 230,900
Multiplied by the Assessment Ratio	x <u>7.96%</u>	x <u>7.96%</u>
Assessed Value	\$ 16,530	\$ 18,380
Multiplied by the Tax Rate (Mill Levy) (current levy; Next year's not yet set)	x <u>.066948</u>	x <u>.066948</u>
Property Taxes	\$ 1,065	\$ 1,230

**WHAT SHOULD TAXPAYERS DO IF THEY DISAGREE
OR HAVE QUESTIONS CONCERNING THEIR VALUATION?**

1. When you receive the Notice of Valuation you should study it carefully. The property tax bill you will receive next January will be based on this information.
2. Contact the Assessor's Office if you find errors, if you don't understand the form, or if you have questions about the new value.
 - a. To Appeal in Writing:
 - i. Use the "Real Property Appeal Form" which is included as a part of the Notice of Valuation, or draft your own request for review letter. (Be sure to refer to the schedule number of your property.)
 - ii. Submit with your appeal any documentation from the 18-month base period (January 1 to June 30, 2006) in support of your value conclusion. The documentation could be an appraisal or market sales. Please retain a copy of your submissions for your records.
 - iii. Your written objection must be postmarked no later than June 1st.
 - iv. Mail to: Assessor's Office
Attn: Real Property Appeal
201 W Colfax Ave Dept 406
Denver, CO 80202
 - b. To Appeal in Person:
 - i. To avoid delays in service, please schedule a specific appointment time.
 - ii. After May 1, call (720) 913-4164 to arrange for an appointment. Note: During May 2007, an assessor's representative will be available to meet with the public at various branch libraries. A copy of the library schedule is attached.
 - iii. Bring your Notice of Valuation and any other pertinent documents from the 18 month period January 1 to June 30, 2006 (appraisal, market sales, repair estimates if repairs are needed, etc.) to your scheduled appointment.
 - iv. June 1st is the deadline for protesting your valuation in person.
 - v. In person appeals can be delivered to the Assessor's downtown office.
 - c. To Appeal Online: Go to www.denvergov.org/assessor to file your appeal online.
- Note: The Assessor will mail a decision regarding your appeal by August 31st.
3. If you are dissatisfied with the Assessor's decision, you may appeal to the County Board of Equalization by September 17th.
 - a. The County Board of Equalization may conduct hearings as early as September 1. All hearings must be concluded by November 1.
 - b. All timely appeals to the Board will be scheduled for a hearing before a hearing officer. You will be notified by mail of the date, time and location of your hearing.
 - c. The Board must notify you in writing of their final decision within five business days of the date such decision is rendered.
4. If you are dissatisfied with the County Board of Equalization's decision, you may appeal to the State Board of Assessment Appeals, District Court, or arbitration. You must file your appeal within 30 days of the County Board of Equalization's decision.

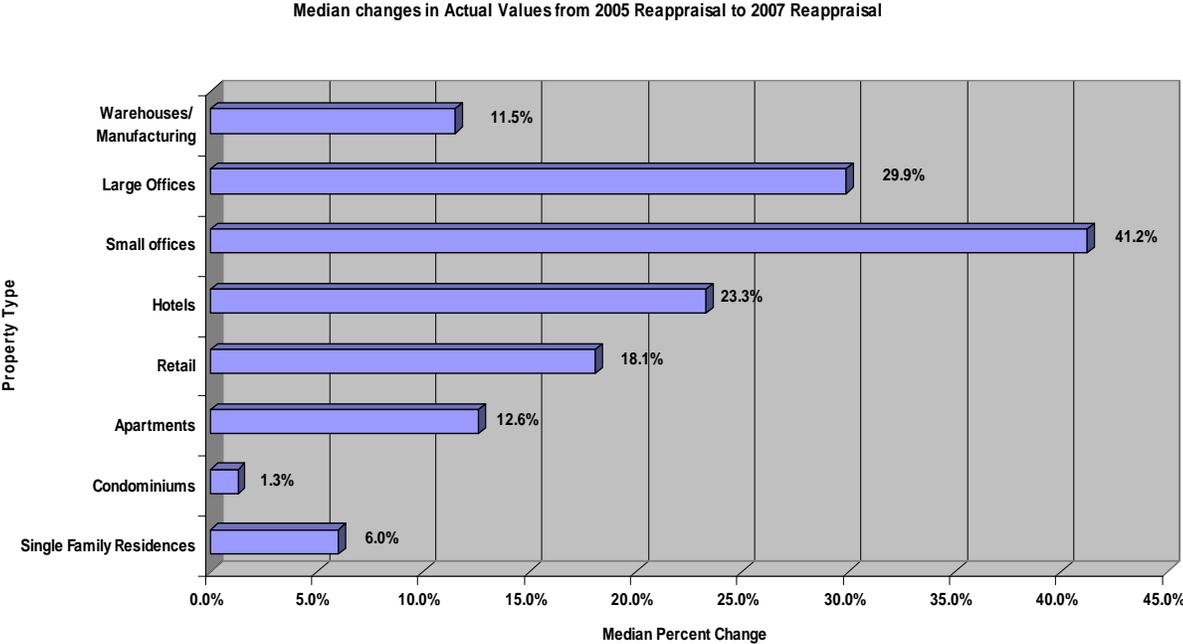
2007 ASSESSMENT CALENDAR

DATE	ACTION
No later than <u>May 1</u>	Assessor mails Notice(s) of Valuation for real property to taxpayers.
By <u>June 1</u>	Deadline for protesting a value "in person", by fax or internet. Assessor concludes all hearings of real property valuation appeals. All appeals received by mail must be postmarked by this date to be considered a timely filing.
On or before the <u>last business day of August</u>	Assessor mails Notice of Determination (decision on the appeal) concerning real property value to taxpayer.
Beginning as early as <u>September 1</u>	County Board of Equalization hears taxpayer appeals from determinations of the Assessor. All appeals concerning real property must be filed by September 15.
No later than <u>November 1</u>	County Board of Equalization concludes hearings and renders decision on real and personal property appeals. Any decision shall be mailed to the petitioner within five business days of the date on which the final decision is rendered.
No later than <u>30 days</u> after the decision of County Board of Equalization is mailed	Appeals from decisions of the County Board of Equalization must be filed with the Board of Assessment Appeals, District Court or to binding arbitration.

For additional information on the 2007 Reappraisal, visit the Assessor's Website at <http://www.denvergov.org/assessor>

DENVER COUNTY

Median changes in Actual Values from 2005 Reappraisal to 2007 Reappraisal



CITY & COUNTY OF DENVER
MEDIAN CHANGE IN ACTUAL VALUE
FROM 2005 REAPPRAISAL TO 2007 REAPPRAISAL

TYPICAL CONDOMINIUM COMPLEXES

<u>COMPLEX NAME</u>	<u>MEDIAN 2007 VALUE</u>	<u>CHANGE FROM 2005 VALUE</u>
Brandy Chase	\$96,300	-9.5%
Brooks Towers	\$132,900	14.8%
Cherry Creek Townhouse	\$153,800	0.3%
Chestnut	\$98,850	-6.6%
Morning Side	\$123,700	-0.2%
Oak Park	\$87,200	-0.4%
Park Lane	\$282,400	12.9%
Park Mayfair	\$99,400	-1.2%
Shadow Wood	\$101,750	-4.9%
Whispering Pines	\$86,800	-9.6%
Windsor Gardens	\$85,560	-7.1%
Woodside Village	\$105,700	-7.7%
Woodstream Falls	\$38,900	-44.0%

<u>NEIGHBORHOOD</u>	<u>MEDIAN 2007 VALUE</u>	<u>CHANGE FROM 2005 VALUE</u>
Barnum	\$156,400	-0.5%
Bear Valley	\$235,100	-1.6%
Bonnie Brae	\$520,750	15.1%
Chaffee Park	\$197,700	3.7%
Congress Park	\$316,000	10.6%
Country Club	\$1,371,300	12.0%
Green Valley Ranch	\$193,850	-1.5%
Hale	\$287,800	11.1%
Harvey Park	\$196,400	-3.8%
Highland West	\$273,600	16.3%
Hilltop	\$747,400	17.6%
Montbello	\$171,850	-4.5%
Park Hill North	\$372,800	13.6%
Pinehurst	\$620,850	-1.0%
Platte Park	\$303,600	17.2%
Ruby Hill	\$176,600	-1.0%
Skyland	\$205,700	15.6%
Southmoor	\$414,700	1.5%
University Hills	\$227,800	12.2%
Washington Park	\$473,850	16.7%

Wellshire	\$439,900	13.7%
Westwood	\$148,800	-4.5%

QUESTIONS AND ANSWERS FOR THE PROTEST PERIOD

QUESTION: How is the value on this notice for my property derived?

Answer: The Assessor is required by law to determine residential values by studying home sales from the *base period*, which is the 18-month period from January 2005 to June 2006. All sales, by statute, must be adjusted for time to the end of the valuation period, which is June 30, 2006. The notice you have received reflects the value using base period sales for homes similar to yours, and the condition of your property as of January 1, 2007.

QUESTION: My value went up more than my neighbors' property. Why the difference?

Answer: Each property is valued as of the January 1, 2005, through June 30, 2006 base period, and its specific condition as of January 1, 2007. Property values in every neighborhood differ based upon property age, size, basement finish, number of baths, condition, etc. Certain styles, quality, and classes of property increase or decrease in value at different rates.

QUESTION: How can I find out which sales the Assessor used to value my property?

Answer: For residential, condominium and apartment properties comparable sales used to value your home will be included with the Notice of Valuation. Comparable sales can also be found on the Assessor's web page at www.denvergov.org/assessor. If you have further questions you can call (720) 913-4170.

QUESTION: I don't agree with this valuation. How do I file an appeal?

Answer: Protest instructions are included on the Real Property Notice of Valuation. This form describes the procedures on how to file an appeal in person or in writing. If you want to appeal in person, you should set an appointment by calling (720) 913-4164.

QUESTION: If I submit my appeal in writing, what information should I send in?

Answer: Since your valuation is based upon sales that occurred between January 1, 2005 and June 30, 2006, comparable sales for that time period would be appropriate. The more similar the "sale" home is to yours, the more comparable it will be. Also, if you have had an appraisal conducted for purchase or refinancing purposes during the base period or later, you may submit a copy of that appraisal with your documentation. If you file your appeal in writing, be sure to retain a copy of all documentation sent to the Assessor and postmark your appeal by June 1st.

QUESTION: I own an income-producing property. What information will the Assessor need to evaluate my claim of over-valuation?

Answer: The basis for valuing most income-producing properties is the cost, market or income approach to value. Please submit information relating to all rents received during 2005 and 2006 and all expenses incurred to operate the property during that time. Market sales from the base period can be submitted as well.

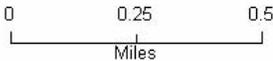
QUESTION: When will I be notified of the Assessor's decision on my appeal?

Answer: The Assessor is required to notify all property owners of the results of the appeal review no later than August 31, 2007. If you disagree with the Assessor's decision, you may continue your appeal to the Denver County Board of Equalization.

Denver Assessor's Office Library Hearing Locations June 12 thru June 22, 2007						
Sun	Mon	Tues	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12 1:00 - 4:00 pm Virginia Village	13 1:00 - 4:00 pm Virginia Village	14	15 1:00 - 4:00 pm Virginia Village	16
17	18	19 1:00 - 4:00 pm Virginia Village	20 1:00 - 4:00 pm Virginia Village	21	22 1:00 - 4:00 pm Virginia Village	23
24	25	26	27	28	29	30
<p style="text-align: right;">Virginia Village 1500 S Dahlia St 303.757.6662 Wed. Fri. 1 - 4:00</p>						

City & County
of Denver
Assessor's Office

Library Hearing Locations
June 12 thru June 22, 2007



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