

Agents: Tax value's role in house sale is subtle

By Ely Portillo and Lisa Hammersly

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Charlotte real estate agents are telling homeowners their new tax values shouldn't be a big factor in selling or buying a house. But they can play a role - especially if the values have fallen.

The Mecklenburg assessor's office mailed 2011 revaluation notices for about 297,500 single-family houses and townhomes this week. About 63 percent climbed over their 2003 values and almost 1 in 10 were up by 50 percent or more, an Observer analysis shows.

It's the first countywide mass appraisal in eight years, and many homeowners have expressed shock and frustration over values they think are too high - or too low.

Joe Clorite, a Keller Williams agent, said he expects that some of the falling home values will help convince homeowners looking to sell that high asking prices are unrealistic.

"It actually helps us and verifies we were right if we haven't been able to convince them," he said. "It makes it easier for them to swallow."

He said the clients he's contacted so far saw their assessed home values fall, which confirmed his suggested prices.

On the other hand, Clorite said, valuations that rose sharply could spark sellers to question why they're not asking for more money.

Derrick Thomas saw his value fall, but it won't affect his asking price for a one-story, vinyl-sided home in northwest Charlotte's Windy Ridge neighborhood. The area has been plagued by foreclosures, and assessments plummeted as much as 45 percent.

Thomas' house value fell to \$58,900 from \$106,000 in 2003.

But he said he never expected to get anywhere near the 2003 value for the house, which he and investors bought last year in a foreclosure sale for \$33,000. "We went by what other homes here are selling for. We've got it priced at \$69,900," he said.

Thomas said he thinks the drop in assessed value should help him sell, because he'll be able to tell buyers that property taxes will likely drop by about half from about \$130 each month.

Pat Riley, president of Allen Tate Real Estate, said he doesn't expect the change in assessed values to shake up

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the housing market.

"I don't think it's a big event," Riley said. "All in all, I think they did a pretty good job."

Aiming at fair market value

The county aims to estimate fair market value as of Jan. 1. The practical goal is to come within 5 to 10 percent of that value, says county revaluation team leader Chuck Hicks.

The revaluations are required by state law so homeowners can pay a fair share of property taxes based on what their land and buildings are worth.

The most important appraisal in buying and selling a house, real estate agents emphasized on Thursday, is done by a licensed appraiser for a fee.

That individual appraisal is required by lenders and helps them decide how much to loan on a property. If the fee appraisal is less than the buyer's offer, lenders often base their loan on the appraisal's lower price. The buyer has to come up with the difference.

Jonathan Osman at Keller Williams Realty SouthPark is hearing about assessed values that are all over the map. Most of his sellers have called in unhappy about big increases in south Charlotte. "Most would love to sell at those prices; some ... tried and failed."

He cited a recent home sale in Eastover. "Closing price was around \$740,000 and the new tax value of the home is \$1.4 million."

Osman doesn't think the county's values play much role in home sales because they're mass appraisals: "It's not like they sent somebody in your house and did a true market analysis."

Housing market has suffered

Sandy Coyer, a Keller Williams agent in the Lake Norman area, said she thinks values there have risen fairly. She said she hasn't seen any completely off-base increases, but hadn't looked at all of her listed properties Thursday morning

"The people that are getting an increase are saying, 'Hey wait a minute, I thought the market was bad,'" she said. Even though the housing market has suffered in recent years, people aren't taking into account the rise in prices for much of the decade in Charlotte.

One way the county's new values play a role is when a buyer wants to know what the property taxes are. The real estate agent usually posts that information with listings on the Multiple Listing Service. Home flyers often advertise a price as "below tax value."

Coyer hasn't ever had a sale derailed because of potential property taxes and doesn't expect that to become a problem. Buyers who look at high-priced properties usually can handle the taxes, and those moving from the Northeast or Midwest are often pleasantly surprised by relatively lower rates, she said.

Brian Augustine, a real estate agent for Elite Team Properties, which specializes in prestigious neighborhoods like Myers Park, said most of the clients he's talked with have seen huge valuation jumps that don't reflect what they could actually sell their house for.

Sales prices are low because of a lack of demand in such a depressed market, he said.

"There's just no buyers out there," Augustine said.



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