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Some modest relief

in a down market Charlotte lowers appraisals on most homes

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Despite a collapsing real estate market, appraisers determined that the value of a surprising 48 percent of homes actually went up in Manatee, Sarasota and Charlotte counties.

In Manatee County, 85 percent of single-family homes built before 2006 rose in value, while 39 percent of similar properties in Sarasota rose and only 19 percent rose in Charlotte. Property owners are getting the news in the mail this week or next week when they open their TRIM, or Truth In Millage, notices.

The reason Charlotte County lowered far more values than it raised is that Property Appraiser Frank Desguin put more emphasis on the slumping real estate market than his counterparts to the north.

"When we started gearing up to look at last year's numbers, we saw that the second half of 2006 looked significantly different from the first half," Desguin said. "So we decided to give more weight to the second half."

In Sarasota and Manatee counties, the property appraisers did not make that adjustment.

Still, all three appraisers say they went by the book assessing homes and businesses in the region.

All of them looked at sales of similar properties in hundreds of distinct neighborhoods during 2006. But prices did not start dropping until the second half of the year, skewing the data. And after prices dropped, there were far fewer sales, giving the higher prices more weight.

How appraisers dealt with the shifting market is now impacting the region in different ways. Nowhere is that more evident than at county borders.

On the Charlotte County side of Hillsborough Boulevard, the assessed values of building lots are declining by as much as 30 percent, while similar lots are appreciating by as much as 16 percent on the Sarasota County side.

Fuad Ali, who owns a lot on the Charlotte County side of Hillsborough, saw his assessed value drop 28.2 percent to \$26,000 from \$37,000 in 2006.

"I guess it's good to be on that side of the street," Ali said. "At least I don't have to pay as much tax.

SARASOTA COUNTY --

Homeowners who want to save money on their property taxes would be wise to pay attention to the market value listed on their TRIM notices.

That number could be the basis for homesteaded residents' 2008 tax value.

Proposed changes to the Save Our Homes tax break, which caps assessed value increases at 3 percent per year, would base the tax break on a home's market value.

Voters could approve the changes in January.

Savvy homeowners will take a look at the changes in their home's market value from the past few years and will consider hiring a lawyer if the market value went up in 2007, said William Seider, a Sarasota attorney.

Homeowners who want to appeal the market value or assessed value of their home are required to file a petition with the property appraiser's office within 25 days of receiving the TRIM notice.

Homeowners who appeal do not need to hire a lawyer. They can just meet with a staff member at the appraiser's office and see if an agreement can be reached.

Tax appraisers are expecting a record number of appeals to local Value Adjustment Boards this year.

Value Adjustment Boards, tribunals that determine the worth of a disputed property, had more cases than ever in 2006, when the number of cases in Sarasota, Manatee and Charlotte counties nearly doubled to about 2,500.

Property appraisers expect even more appeals this year.

External Links

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"But the funny thing is that I can buy lots in that area for \$10,000 to \$20,000 easy. The market has dropped much more than the assessed value. Properties are really depreciating."

Charles Hackney, Manatee County's property appraiser, said values did not start falling in his jurisdiction until late 2006. Even then, there have not been enough sales to justify a trend.

"One of the real dilemmas we've had this year is a lack of sales," Hackney said. "I personally believe that you can't take one sale and say that's what the market's doing."

Some property appraisers, including those in Charlotte, Santa Rosa and Brevard counties, are providing more tax relief than others by weighing the downturn more heavily in their calculations, said Bill Donegan, Orange County's property appraiser and a leading property tax expert.

But if sellers lowered their prices, that would have an even greater impact, he said.

"Something has got to give, and that's price."

But taxpayers find it hard to fathom that a bad market is still causing their home's taxable value to go up.

That is particularly true for tax-weary snowbirds who thought the market slowdown would put an end to five consecutive years of double-digit tax increases.

William Channell, a Chicagoan who owns a house in Manatee County just north of the Sarasota County line, said he was very unhappy about the increase in his assessed value and would contest the amount.

His house on Abingdon Court was assessed at \$646,000 this year, up 18 percent from \$547,000 last year.

"That's a ridiculous increase," Channell said. "I bought the house two years ago. My tax bill almost doubled last year and now we have to deal with 18 percent."

Not surprisingly, phone calls were pouring in to Sarasota County Property Appraiser Jim Todora's office Wednesday, mainly from people unhappy with an increased assessment or a tax cut smaller than they had anticipated.

Due to state-mandated cuts in tax rates by local governments, most homeowners will pay slightly less this year, Todora said.

"But perhaps not the hundreds of dollars they may have been anticipating," he said.

Full-time residents who have had the Save Our Homes exemption for several years also are finding reason to complain.

Save Our Homes limited the annual increase on assessments to 3 percent even when the market was doubling and tripling prices in recent years.

But the market has declined nearly enough to eat into the huge cushion between market values and assessed values enjoyed by many residents.

That phenomenon also hits non-homesteaded property owners.

Michele Geraci would have received a \$186 tax cut on her Arley Court home in North Port if the assessed value had stayed the same. But it went up 3.8 percent to \$222,000 and her tax break is \$65.

"I feel conflicted between wanting the properties not to depreciate and also not wanting to pay taxes that

are higher than they should be," said Geraci, whose house is just a block away from the Charlotte County border where assessments plummeted.

"The values that Sarasota County is coming up with don't seem to be in line with today's market and do create a hardship for myself and others."

Manatee and Sarasota appraisers point out that they have to follow state rules in their computations, and that assessments are analyzed by the Florida Department of Revenue for fairness. Hackney and Todora say their annual assessments have never failed a state fairness test.

Jim Ley, the Sarasota County administrator, said he was much more concerned about what would happen to assessed values next year than this year.

"The trend is going down," Ley said.

Not only are prices declining on existing properties, but construction has slowed, meaning growth of the county's tax base will slow, too.

Although it is small consolation for taxpayers this year, Manatee County's Hackney predicted that if enough sales occur in 2007, assessments could drop by more than 15 percent for next year's tax bills.

Though government officials may be worried about falling assessments, some taxpayers say they would be livid if tax bills do not come down in 2008.

Nancy Whipple, an agent with Rose Bay Real Estate in Bradenton said that based on what she has seen, assessed values should go down.

"A lot of people will be upset if they don't," she said.

What will probably happen is that people will have to go ballistic about their assessed values before local governments do anything, said Barry Gould, a Holmes Beach real estate agent. "I think more people will appeal their cases than ever before."
