
PITKIN COUNTY'S LATEST PROPERTY VALUATIONS

Ho Hum, Hooray or Holy Smokes!?

Within the next few weeks, you'll be receiving an updated valuation from the County Assessor's office, as we all do every other year in Colorado, reflecting your property's value as of June 30, 2012, based on sales data from the two years prior.

These new valuations will then be reflected in the next tax bill you receive in January 2014, as Colorado property owners pay their taxes in arrears. According to Larry Fite, Pitkin County Deputy Assessor and chief appraiser, many owners in the upper valley will see a modest increase in their property's valuation this year. Other owners, primarily in the midvalley, will see declined valuations. Still others will see their values flat with those from 2011. As Fite explains, "It's a mixed bag this time, and very neighborhood specific."



If, as a Roaring Fork Valley property owner, you have questions about your valuation when it arrives, we're happy to review it with you. Our library of data is extensive and, of course, we know the area and recent sales activity extremely well. E-mail or fax your valuation notice to us before you call, and we'll go over it with you.

Upon review, if you decide there is possible merit in protesting your valuation, you must do so by June 1st, in person, by fax, or by postmarked mail. Your protest should be accompanied by documentation which supports your claim that your property is worth less than the assessor's office believes. "It doesn't do any good to say, 'It's too high,'" says Fite.

The best is a fee appraisal done in the six months preceding June 30, 2012 (for either acquisition of the property or its refinancing). If you don't have an appraisal, then the assessor will want a list of at least **three comparable property sales which closed prior to June 30, 2012**, to support your claim, the more recent, the better.

aspenspitkin.com/Departments/Assessor/Comparable-Sales

HOW ARE PROPERTY TAXES DETERMINED IN COLORADO?

Every odd year, Colorado's assessors are required to re-appraise all property in their counties based on market value, as determined by comparable sales. For the current period, a state-mandated 24-month stretch of time from July 1, 2010 through June 30, 2012, assessors have been looking at sales transactions of comparable properties in various neighborhoods to determine individual property owner's valuations, in the same way a real estate appraiser evaluates property for a lender.

For tax purposes, counties use the **appraised** – or actual – value of one's property in order to determine an **assessed** value, the latter number being the one upon which property taxes are based. **The good news for Colorado owners is that the assessed values of residential properties are only 7.96% of their actual values** (commercial properties and vacant land are assessed at 29%).

Fortunately for Colorado property owners, compared to other areas of the country, **our state's laws have a way of balancing mill levies against property assessments so that our tax bills don't reflect dramatic changes from year to year.** We won't know until December how new property values will impact the taxes we'll be paying next year, as local governments and taxing districts don't set their mill levies (i.e., property tax rates) until the fall budgeting season. Some of these entities are limited by Colorado's TABOR Amendment (the Taxpayer Bill of Rights) on the amount of increased revenues they can collect. However, some tax districts, faced with insufficient revenues or looking to fund special projects, may go to the voters in November and ask to be exempted from TABOR and secure the ability to set their mill levies higher than otherwise allowed by legislation.

It is the assessed value, multiplied by the total mill levy in your community, which determines your actual property taxes.

$$\text{\$1,000,000} \times 7.96\% = \text{\$79,600} \times .032325^* = \text{\$2573}$$

actual value

HOME

assessed value

mill levy

property tax

$$\text{\$1,000,000} \times 29\% = \text{\$290,000} \times .032325^* = \text{\$9374}$$

actual value

VACANT LAND

assessed value

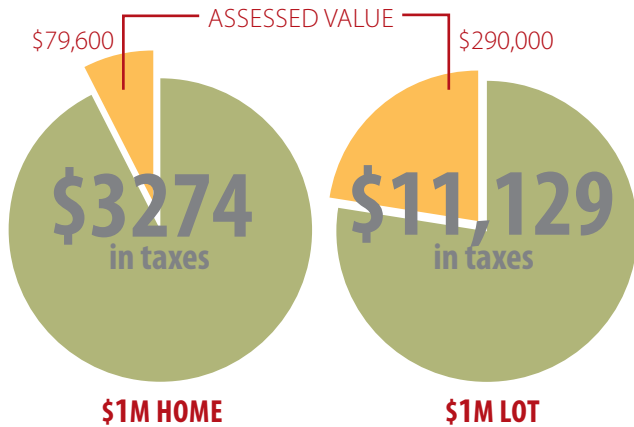
mill levy

property tax

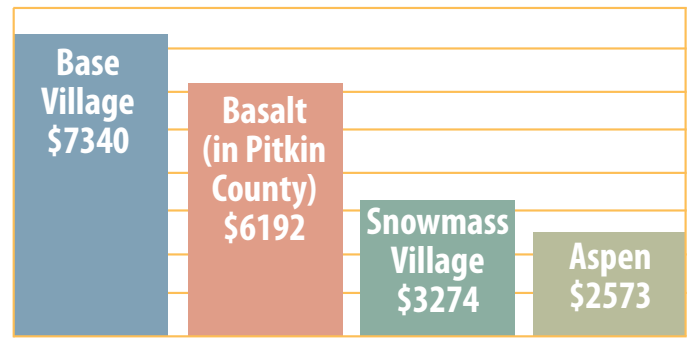
* The current mill levy in Aspen is 32.325; in Snowmass Vlg, it's 41.135 (but in Base Village, it's 90.952); in the part of Basalt located in Pitkin County, it's 77.787

PROPERTY TAXES: THE HIGHER COST OF OWNING LAND

Using a Snowmass Village property with an Actual Value of \$1M



TAXES ON A \$1M PROPERTY IN FOUR COMMUNITIES



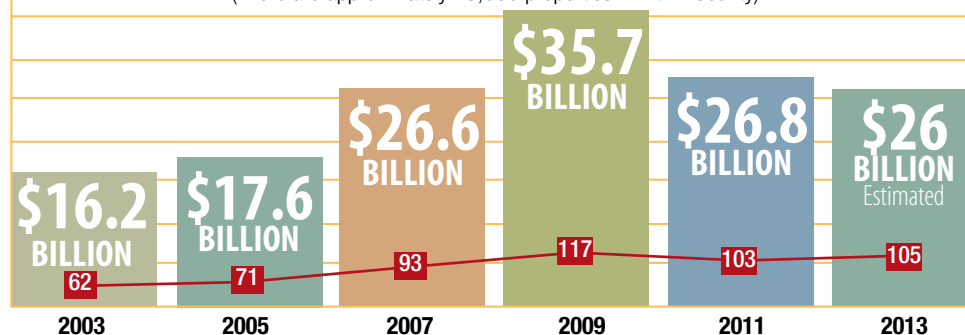
The differences in the mill levy for each area are due to Aspen vs the Roaring Fork School Districts, water and sanitation and fire protection facilities, and the size and density of each community. Base Village properties are located in their own metro district which is an additional mill levy. (Based on current 2012 mill levies)

HELPFUL TO KEEP IN MIND WHEN YOU REVIEW YOUR VALUATION

- 1** Property owners have until June 1 to protest their valuations, and it's worth doing so if you can demonstrate that, had your property been for sale on June 30, 2012, you wouldn't have been able to secure that price for it. You must be able to provide the assessor's office with comparable sales from the two-year period prior to June 30, 2012, to validate your point. The later the sale date, the more weight it carries. The assessor's office cautions people to shy away from using foreclosure, short sale, or REO (bank real-estate-owned) sales as comps, particularly if there are other valid arms-length sales available.
- 2** Each \$100,000 reduction in actual value you are able to successfully claim may save you about \$260 to \$330 in property taxes on residential properties depending upon the district in which you reside. Consider whether your efforts to protest will be worth the end result, particularly if you hire an appraiser, attorney or tax consultant. The impact on vacant land, properties in Base Village or Basalt, however, is considerably more.
- 3** If comparable sales which closed after June 30, 2012, would otherwise prove your property is not as valuable as the assessor's office currently believes it is, know that those sales will be reflected in your 2015 re-appraisal.
- 4** By state statute, the cost approach to determining value (evidence of what you spent to build or remodel a property) cannot be considered by the assessor's office. **They may only consider the market value — how your property measures up against other similar properties in your neighborhood.**

TOTAL PITKIN COUNTY PROPERTY VALUATIONS AND COLLECTED TAXES (IN MILLIONS)

(There are approximately 15,000 properties in Pitkin County)



THE BIG RED BOOK

JUST THE FACTS (and the facts are impressive)

OF SALES & UNDER CONTRACT PROPERTIES ARE UP

9% in Aspen
165% in Snowmass Village*

LISTING INVENTORY IS DOWN:

3% 12% in Aspen
in Snowmass Village

7

Number of land sales so far this year in Aspen.

SNOWMASS VILLAGE CONDOS:

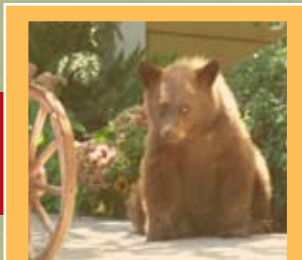
The average sales price per square foot and the number of sales are on pace to **FAR EXCEED 2012 NUMBERS**

The number of home sales in Aspen **HAS INCREASED** every year since 2009

THE AVERAGE SALE PRICE TO LIST PRICE **RATIO** HAS REACHED A 5-YEAR HIGH IN ASPEN/SNOWMASS

*16% not including Viceroy sales

Still room to improve: In Aspen, the blistering pace of \$10M+ sales has slowed over the past few months, with only 2 closings in 2013 (although there are a few more currently under contract) | **Snowmass Village** Single Family Homes above \$4M in 2013: **Listed 32, Sold 0** | **Snowmass Village Land Sales: 0**



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Real Estate on Higher Ground

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