



ARE YOU PAYING TOO MUCH IN PROPERTY TAXES?

Property taxes are expensive, and with the rise in housing prices across the nation, the property appraiser is 'on the hunt' to generate more tax revenues by increasing property taxes. Of course, who doesn't want to pay lower taxes, but in YOUR situation reducing taxes that are over-assessed can plan a large role in the sales process. Contrary to popular belief, lenders aren't actually handing out approvals 'for a specific price,' because their qualification process is based upon debt to income ratios, which most certainly is based on the buyers TOTAL monthly payments of their debts.

The lesson: Not only will higher property taxes reduce the pool of buyers who can financially qualify to purchase your home, it will also diminish the pool of buyers who will ACTUALLY buy you home. It is common for two virtually identical houses in the same area to have dramatically different assessed values, and given the choice of two competing homes, many buyers will select the home with lower property taxes.

Filing an appeal with your local tax authority used to be a difficult, expensive, and time-consuming process – until now.

The appeal:

Provide four or more comparable homes ("comps") that **sold** for an amount less than the assessed value of your home in the three years **prior** to the assessment date.

Provide between six and ten comparable homes that **did not sell** and are assessed for less than your home is assessed.

Demonstrate that there are major construction defects in your home. If applicable (leaking roof, cracked foundation, significant erosion, etc).

Prove that there has been a data error that unfairly raised your assessed value. (i.e. the region data could show four bedrooms for your home when there are only actually three).

In almost every jurisdiction, the appeal board will rely most heavily on the first item from the list above: comparable homes ("comps"). However, finding the correct comps for an appeal is different than finding comps for an appraisal. Many of the comps that we, as your real estate agent would find on the multiple listing service ("MLS") report would not be allowed in an appeal hearing. Similarly, most real estate Web sites that offer an estimated valuation for your home will include comps that would be disqualified during an appeal hearing. Just ask your Producers agent, we'll be glad to help you find the right comps for this process.

After closing on your new home, be sure to ask your Producers agent how to qualify for Homestead exemptions and, hopefully you'll already be a pro at appealing for reduced property assessments!