

Property Tax Overview

Lane County Budget Committee

April 29th , 2014

Michael Cowles Lane County Assessor



- Introduction
- General Information
- Measure 5 & 50
- Collections & Foreclosures
- Property Values
 - Residential
 - Commercial
 - Industrial
- Summary
- Questions

Lane County Assessor Property Tax



- The Lane County Assessor collects property tax on behalf of 83 separate taxing districts including cities, schools, education service districts, water districts, rural fire districts, urban renewal districts; and park and recreation, library and ambulance districts
- Lane County's January 1, 2013 total real market value increased to \$45.6 billion from \$44.8 billion the previous year
- This is an overall increase of 1.8 percent from January 1, 2012

Lane County Assessor Property Tax



- Property values for tax purposes are set only once a year at the time of certification
- Oregon does not reset property values at the time of sale as in California, nor does it reset property values for tax purposes at the time of a refinanced loan
- An individual property's market value change varies due to many factors including the general real estate market, property location, and changes made to the property such as new additions, remodels, or demolition

Lane County Assessor Property Tax



- The change in tax an individual property owner will see depends on where the property is located, and if there are any new bonds or levies, etc. In Lane County, we are seeing some increases in real market value from the previous year and expect the real estate market to continue to improve during the next few years
- The total property tax certified to collect for all tax levies combined in 2013 was \$440.3 million
- This is approximately eight percent more than in 2012
- The amount of taxes billed changes each year as a result of new, expired or renewed local option and bond levies approved by voters; the three percent statutory increase in maximum assessed values; the addition of new properties to the tax roll; the number of exemptions granted; and the number of properties being taxed on their lower market values instead of their Measure 50 maximum assessed values



Lane County Assessor Property Tax

- Oregon's constitution limits the increase in maximum assessed value of each property to three percent per year, unless there have been changes made to the property
- The most common reasons for a property's assessed value to grow more than three percent are new construction or additions, new partitions or subdivisions, removal from special assessment or exemption programs, or changes in zoning and use of the property

Lane County Assessor Property Tax



- Seventy-seven percent of residential properties in Lane County still have a Measure 50 maximum assessed value lower than their real market value
- Those properties will continue to see the three percent statutory increase in their maximum assessed value
- On average, residential property owners will pay tax on 88 percent of their home's real market value in 2013.

Lane County Assessor Property Tax



- The total taxable value for all properties located in Lane County increased by 2.6 percent over last year, from \$27.2 billion in 2012 to \$27.9 billion in 2013
- This change reflects a six percent increase in new construction activity (\$285 million for 2012 over \$268.5 million in the previous year)

Lane County Assessor Property Tax



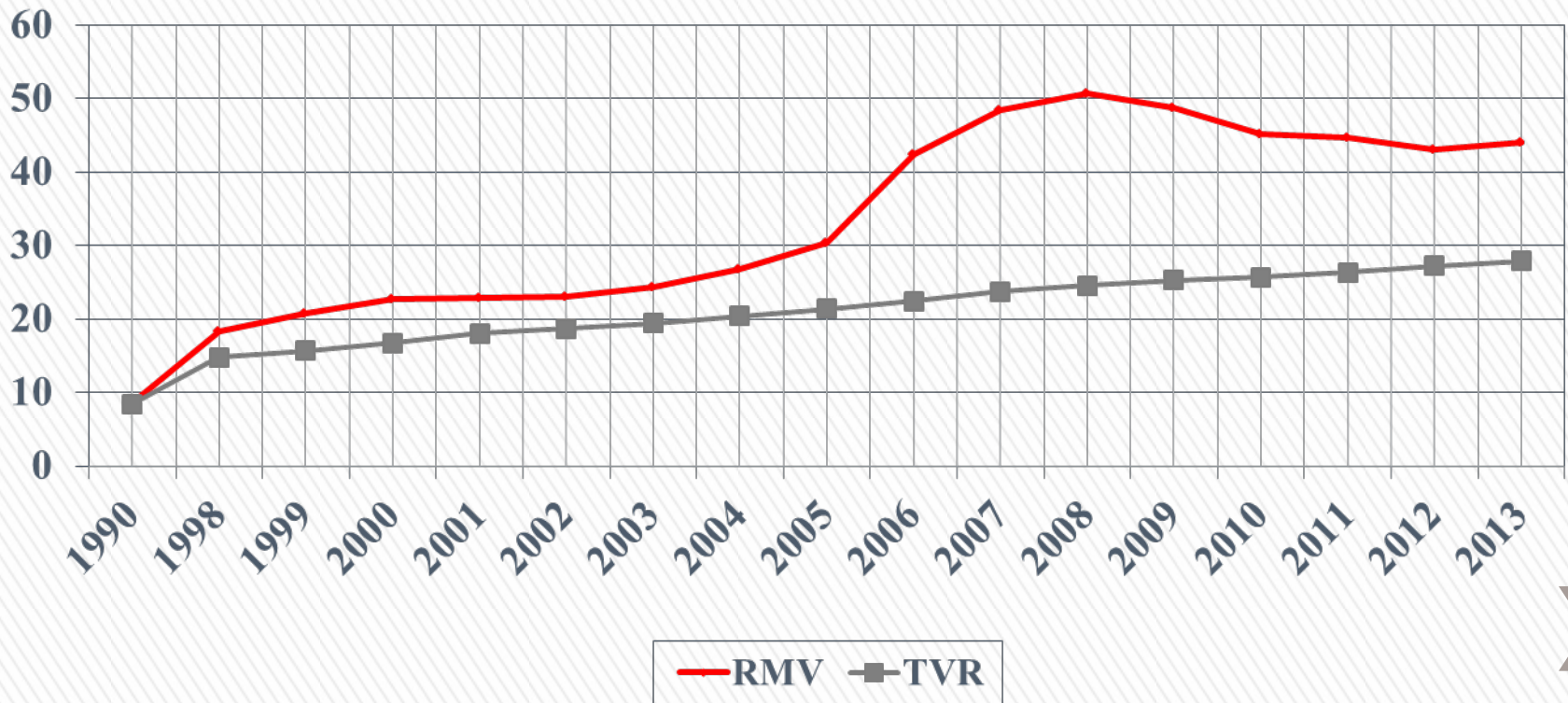
Measure 50

- Most residential & commercial properties will have 3% increase in Maximum Assessed Value and will still have a taxable value lower than their market value on the 2014 tax statement
- During the “boom real estate market”, Measure 50 protected property owners from spikes in taxes
- During the slowdown of the real estate market, Measure 50 provides general stability to district revenues

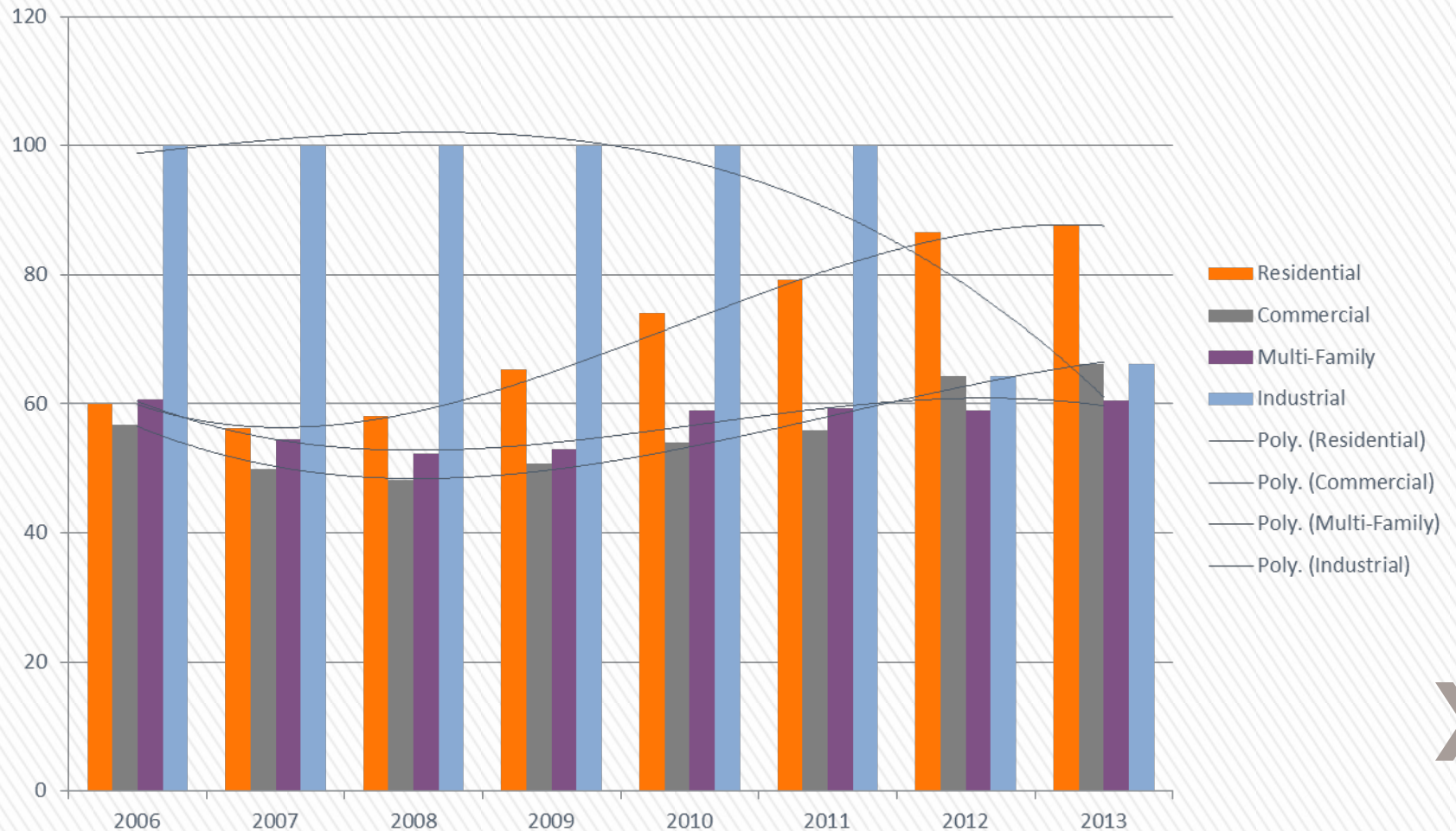


All Lane County Property

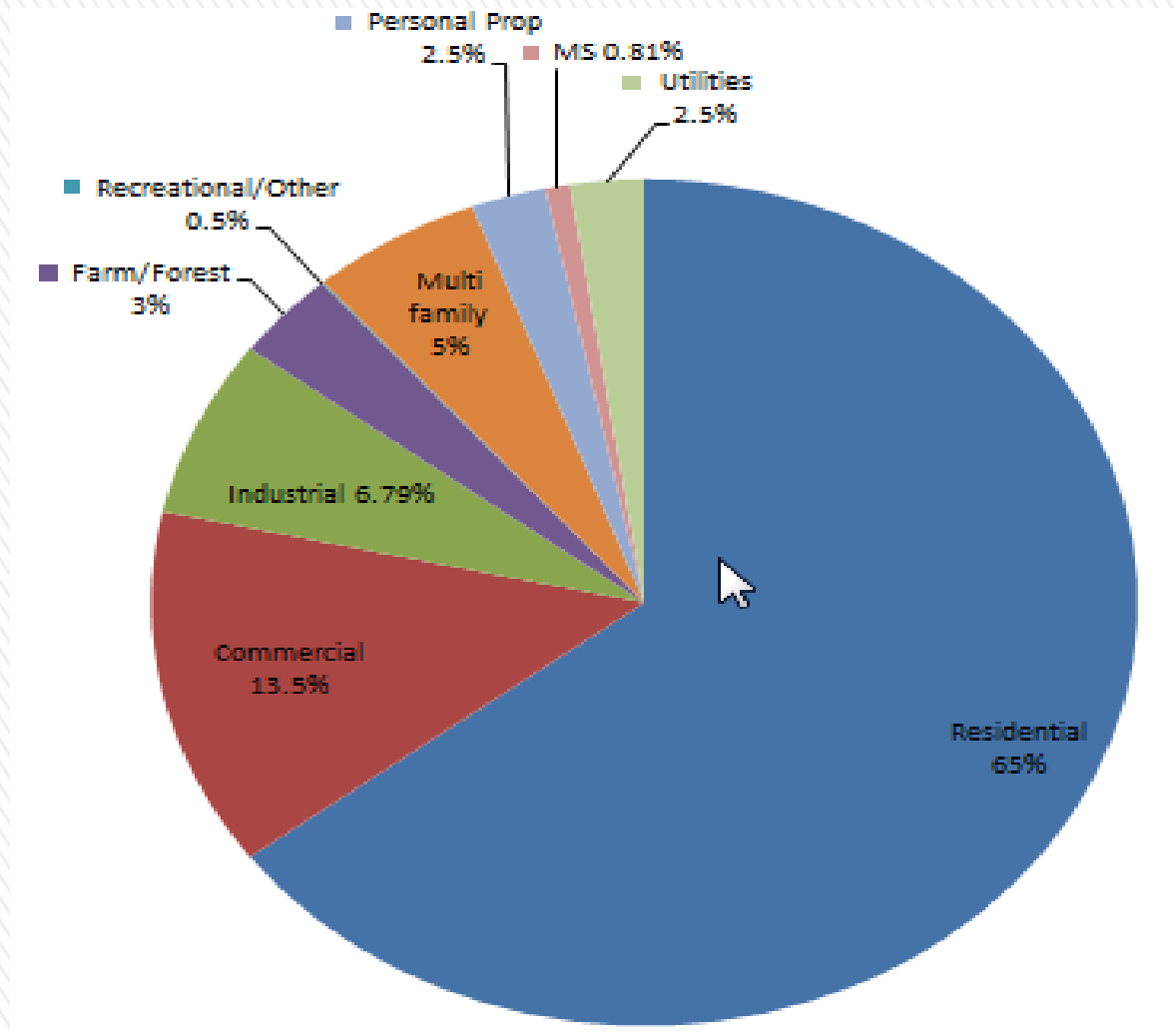
Real Market Values compared to Measure 50 Values 2013 Combined "Gap" = 36.6%



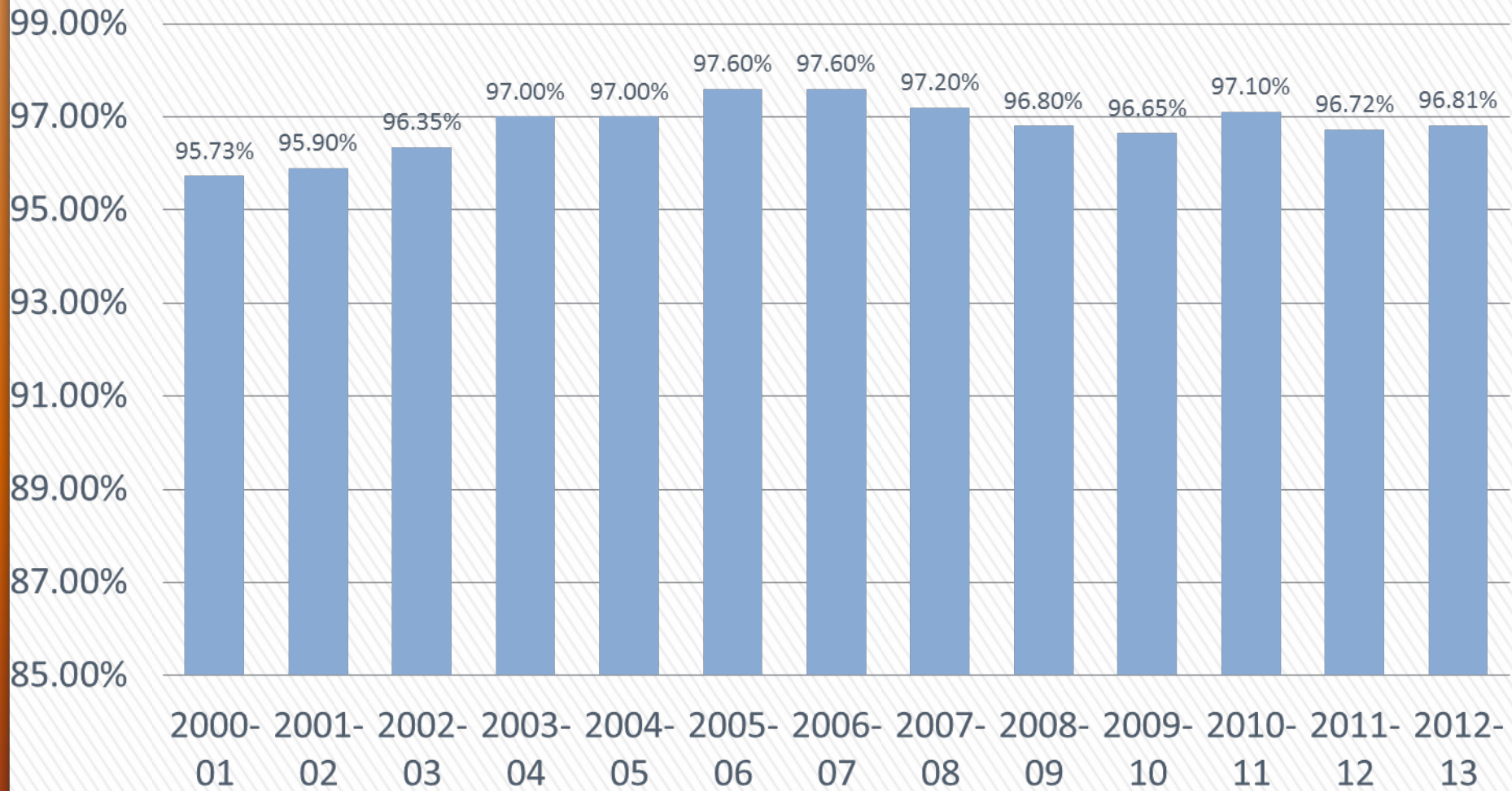
Assessed Value as % of Real Market Value by property type



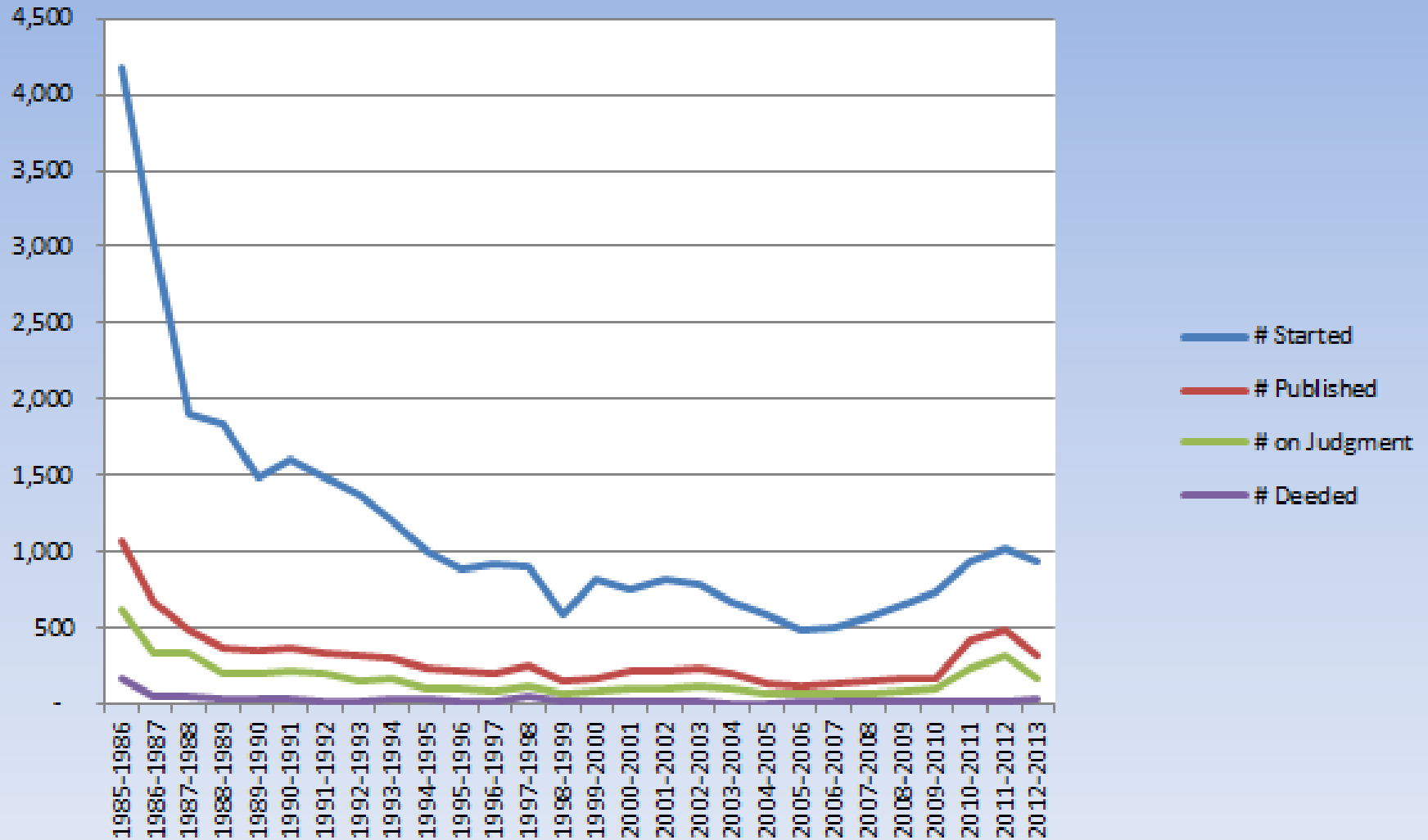
Taxes by Property Type



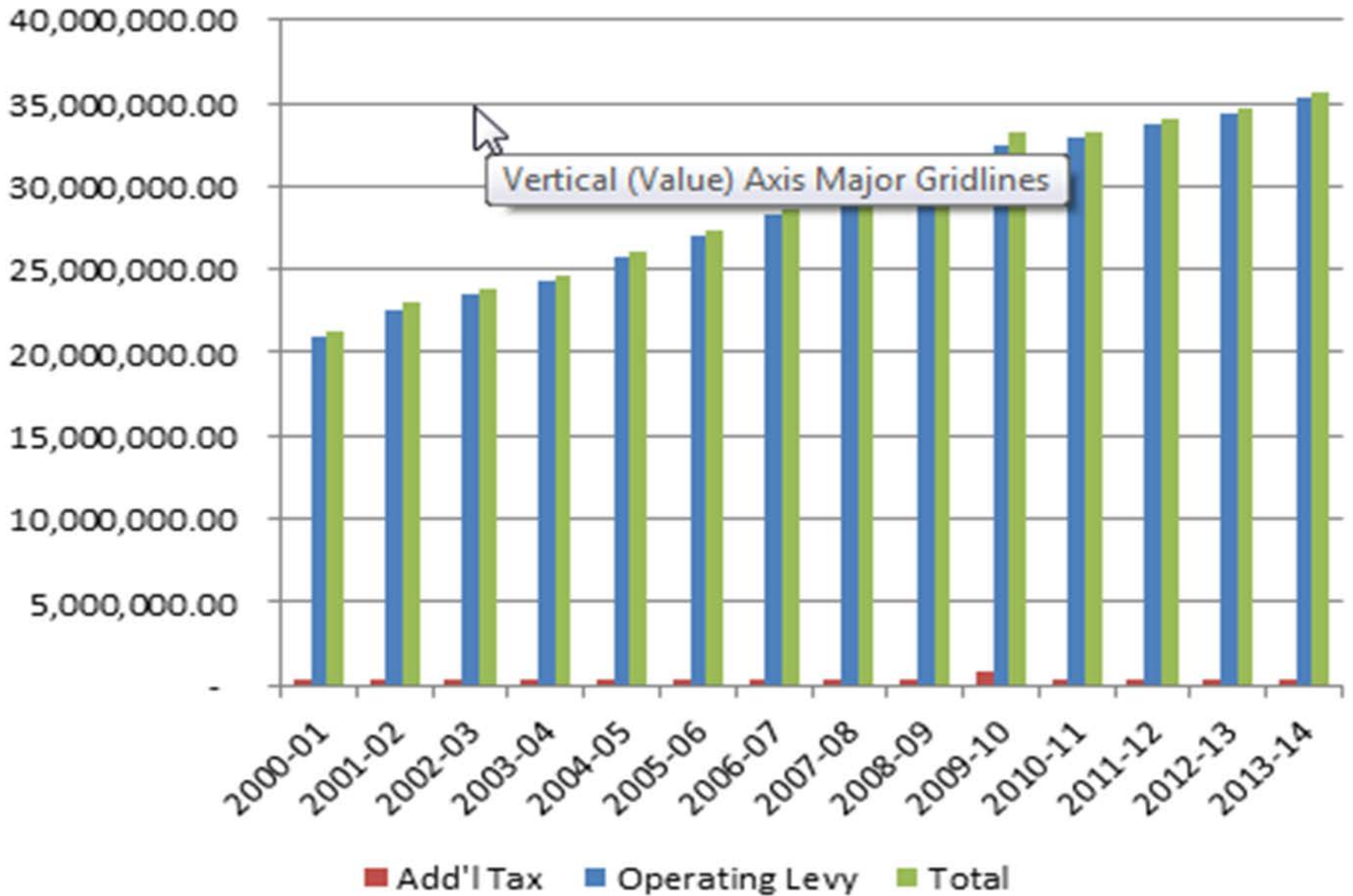
Lane Co Tax Collection Rates



Property Tax Foreclosures



Lane County Operating Levy



Residential Market Activity



MARKET ACTION



A Publication of RMLS™, The Source for Real Estate Statistics in Your Community

Residential Review: Lane County, Oregon

December 2013 Reporting Period

Average and Median Sale Prices

The average price through December is \$224,900, up 11.9% from this time in 2012, when the average was \$200,900. In the same comparison, the median price increased 12.4% from \$178,000 last year to \$200,000 this year.

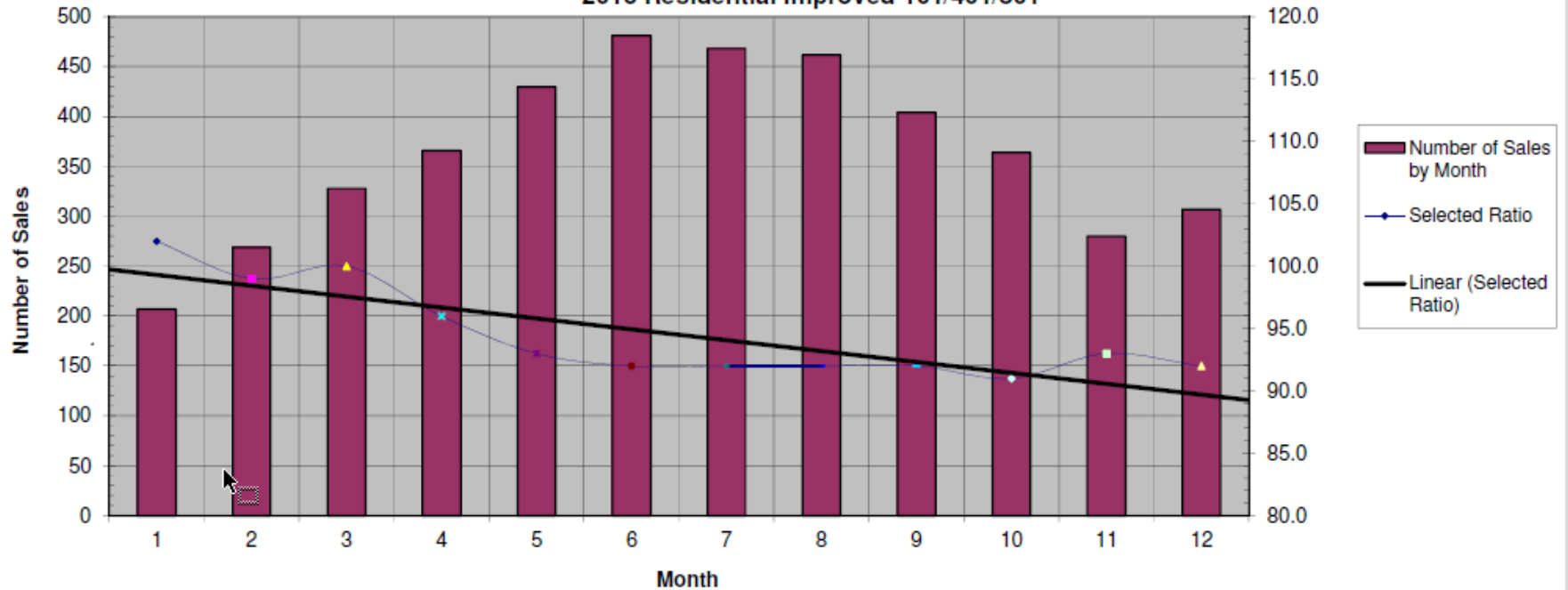
Inventory in Months*

	2011	2012	2013
January	12.4	7.8	6.8
February	11.9	8.8	5.7
March	8.6	6.3	4.6
April	8.0	6.9	4.5
May	7.6	5.8	4.2
June	7.0	6.7	4.3
July	8.6	5.9	4.7
August	7.7	5.1	4.3
September	7.7	5.7	4.7
October	7.6	5.5	5.2
November	8.2	6.0	6.0
December	6.4	5.2	4.4

*Inventory in Months is calculated by dividing the Active Listings at the end of the month in question by the number of closed sales for that month. This number includes proposed and under construction homes.

2014 Lane County Ratio Report

2013 Residential Improved 101/401/801



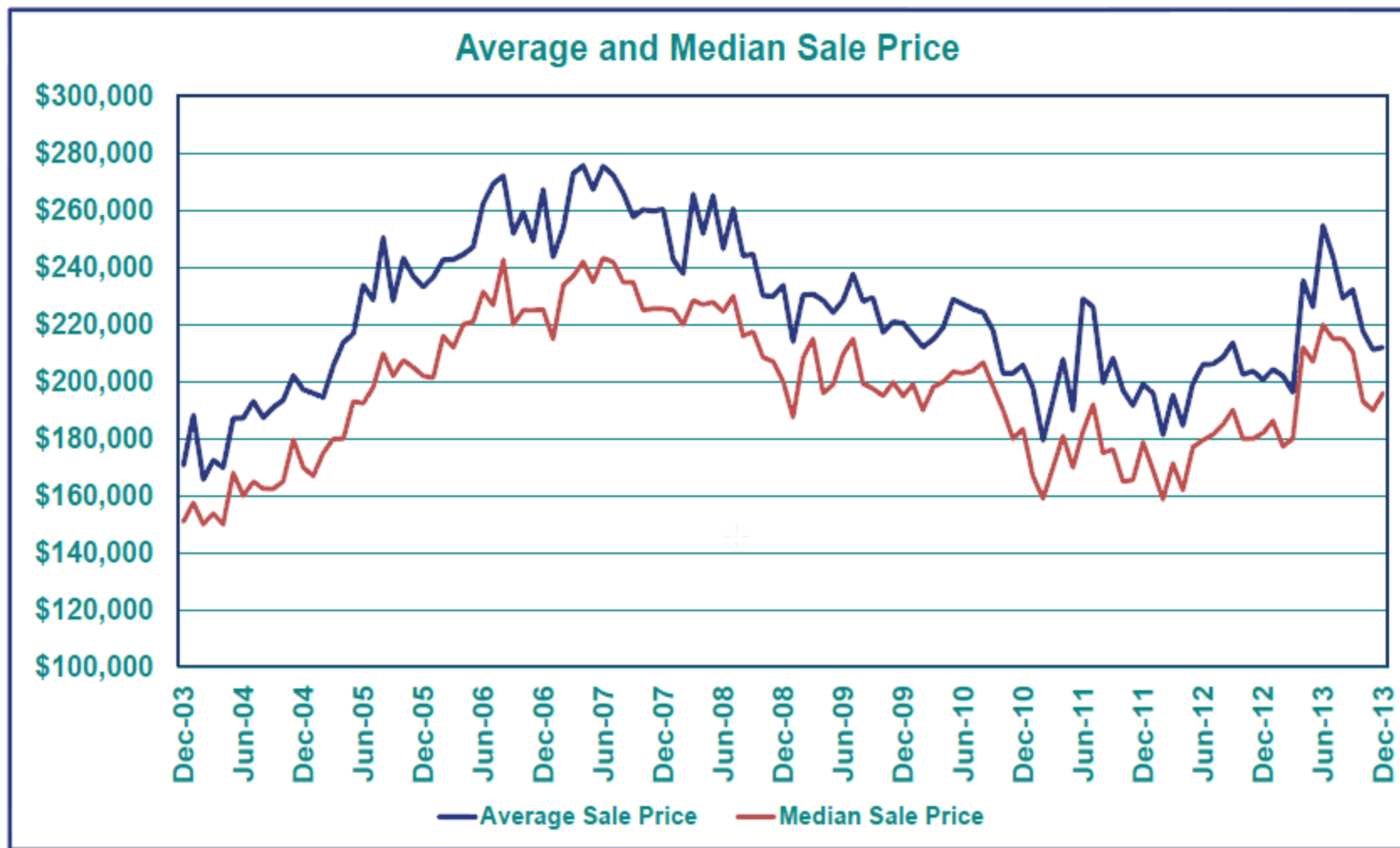
<u>starting ratio</u>	<u>ending ratio</u>	<u>change</u>	
99.75	89.25	10.50	(Ratio rising = Values Dropping)
			(Ratio dropping = Values Increasing)
Months	12		
Monthly Adjustment	0.88		

January 1st 2013 to December 31st 2013

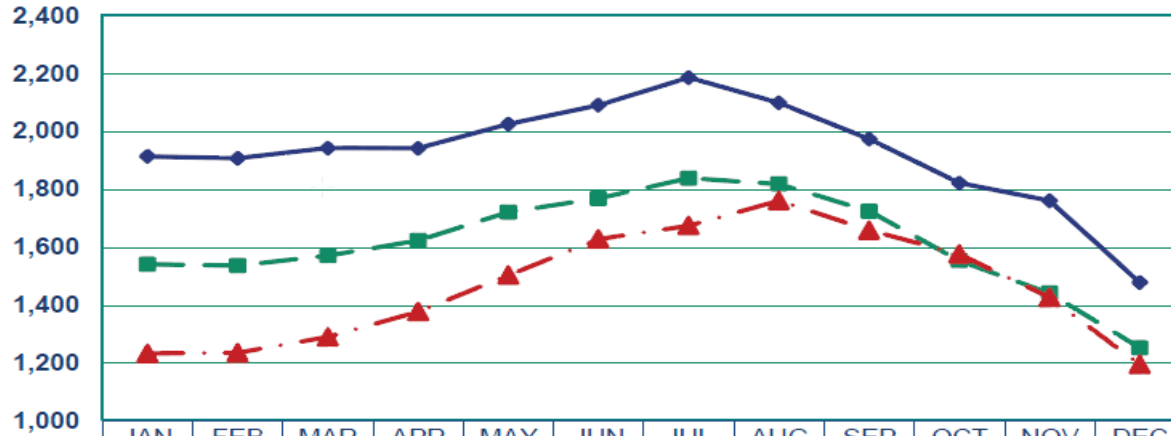


SALE PRICE
LANE COUNTY, OR

This graph represents the average and median sale price for all homes sold in Greater Lane County, Oregon.



Active Residential Listings



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2011	1,914	1,908	1,943	1,942	2,026	2,091	2,186	2,099	1,974	1,822	1,761	1,479
2012	1,542	1,537	1,572	1,624	1,722	1,769	1,839	1,819	1,725	1,554	1,442	1,254
2013	1,234	1,236	1,291	1,378	1,504	1,629	1,675	1,761	1,659	1,577	1,427	1,196

ACTIVE RESIDENTIAL LISTINGS

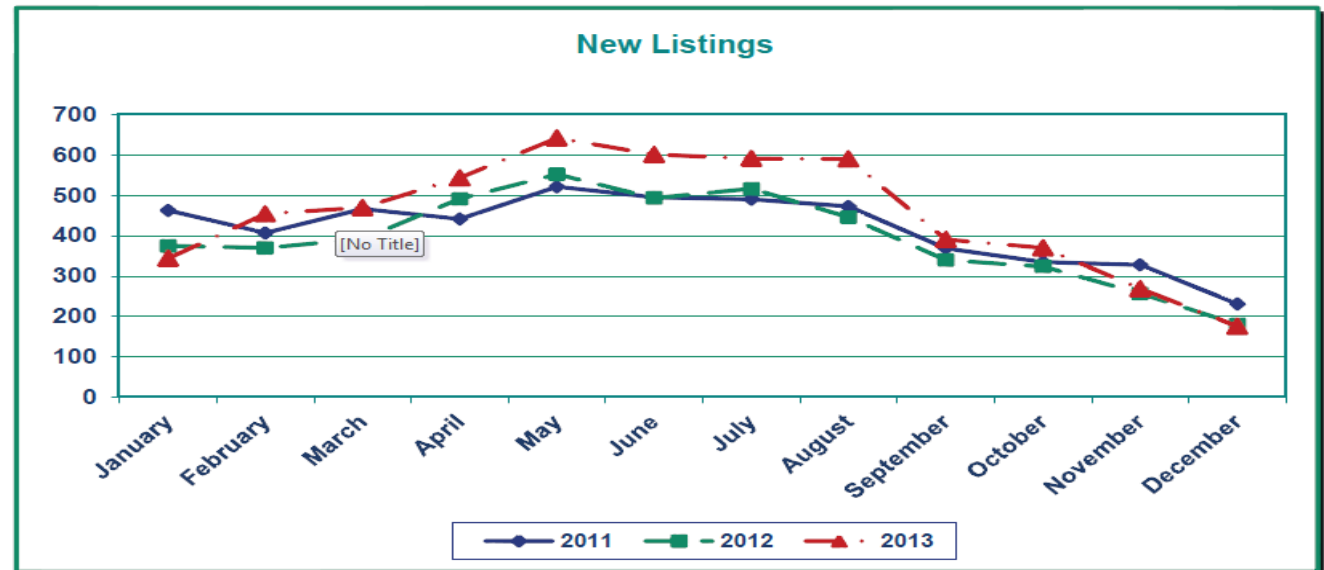
LANE COUNTY, OR

This graph shows the active residential listings over the past three calendar years in Lane County, Oregon.

NEW LISTINGS

LANE COUNTY, OR

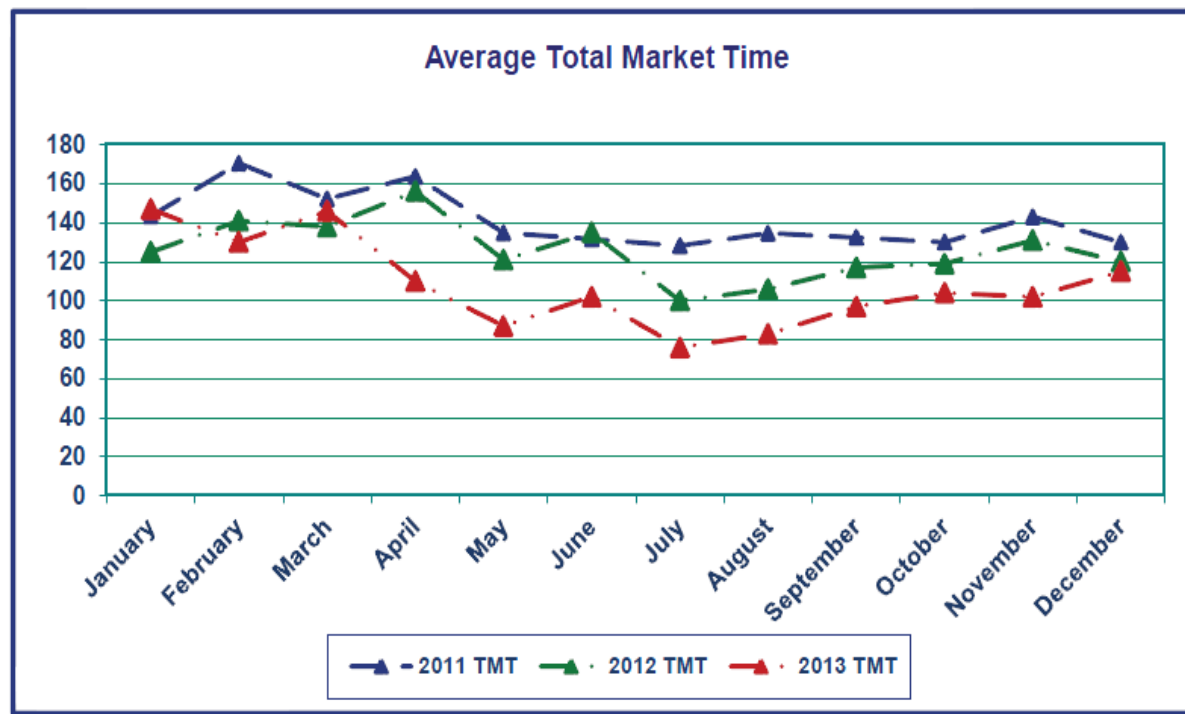
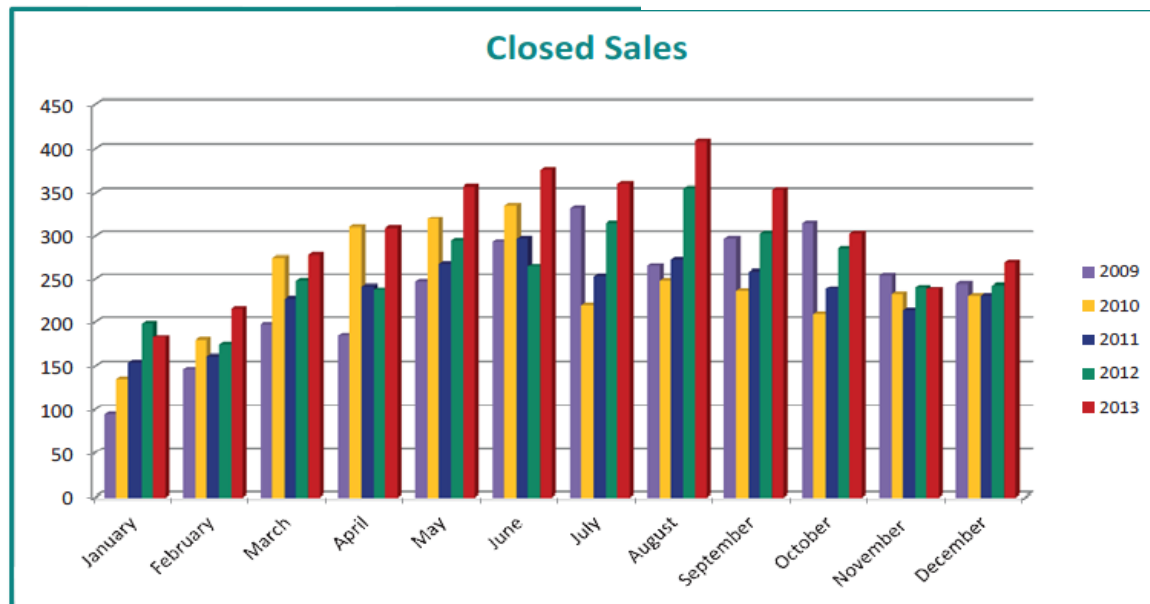
This graph shows the new residential listings over the past three calendar years in Lane County, Oregon.



CLOSED SALES

LANE COUNTY, OR

This graph shows the closed sales over the past five calendar years in Lane County, Oregon.



DAYS ON MARKET

LANE COUNTY, OR

This graph shows the average market time for sales in Lane County, Oregon over the past three calendar years.

Residential Distressed Property

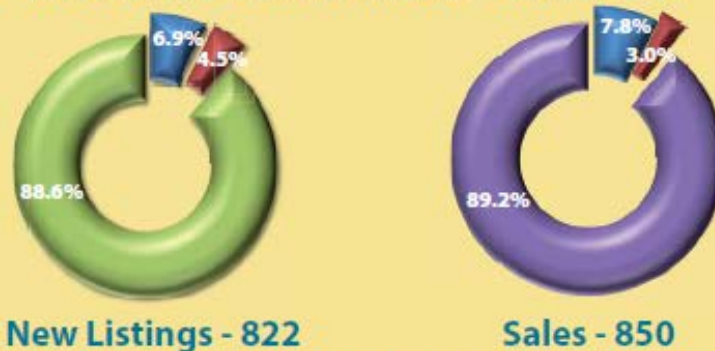


Distressed Residential Properties Lane County

RMLS™ 1st Quarter Stats (1/1/2014 - 3/31/2014)



4th Quarter Stats (10/1/2013 - 12/31/2013)



Source: RMLS™ Regional Multiple Listing Service, Portland, OR / RMLScentral.com



2013 Lane County Distressed Residential Properties—New Listings

	Q1	Q2	Q3	Q4	2013 Total
Short Sales	167 (12.9%)	103 (5.6%)	72 (4.5%)	57 (6.9%)	399 (7.2%)
Bank Owned/REO	64 (4.9%)	45 (2.4%)	35 (2.2%)	37 (4.5%)	181 (3.2%)
Non-Distressed	1,066 (82.2%)	1,695 (92.0%)	1,501 (93.3%)	728 (88.6%)	4,990 (89.6%)

2013 Lane County Distressed Residential Properties—Sold

	Q1	Q2	Q3	Q4	2013 Total
Short Sales	82 (11.5%)	83 (7.6%)	76 (6.4%)	66 (7.8%)	307 (8.0%)
Bank Owned/REO	96 (13.5%)	58 (5.3%)	39 (3.3%)	26 (3.0%)	219 (5.7%)
Non-Distressed	533 (75.0%)	955 (87.1%)	1,065 (90.3%)	758 (89.2%)	3,311 (86.3%)

Source: RMLS™ Regional Multiple Listing Service, Portland, OR / RMLScentral.com

- Comparing 2012 to 2013, distressed sales as a percentage of closed sales decreased from 28.6% to 15.1%
- Short sales comprised 6.4% of new listings and 8.1% of sold listings in 2013, down 4.9% and 4.0% from 2012 respectively as a percentage of the market
- Bank owned/REO properties comprised 4.5% of new listings and 7.0% of sales in 2013, decreasing slightly from 10.3% and 16.5% respectively in 2012



- Commercial properties are showing a flat to slight increase in values
- Overall values are expected to increase 0% to 5% (depending on market area) for the 2014 tax year

ReisReports

Performance Monitor (Monthly Data)

Prepared by Mike COWLES
Clearly Objective.

Office - February, 2014
Metro: Eugene

Section 1 - Current Metro Rent Details

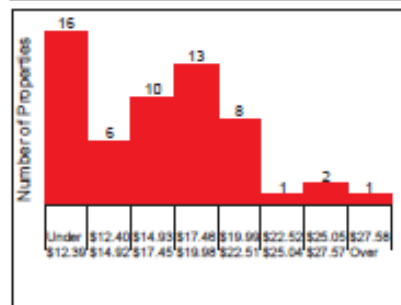
Asking Rent by Age

Year Built	Rent
Before 1970	\$13.49
1970-1979	\$15.92
1980-1989	\$16.63
1990-1999	\$19.04
2000-2009	\$23.58
After 2009	\$17.91
All	\$17.61

As of February 28, 2014

Asking Rent Distribution

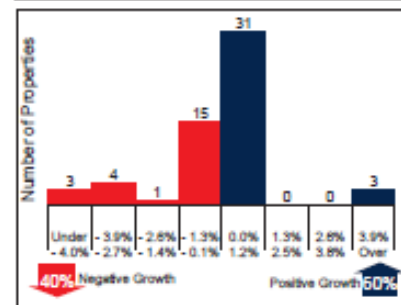
Low	25%	Mean	Median	75%	High
\$ 9.96	\$14.33	\$17.61	\$17.50	\$20.57	\$30.07



As of February 28, 2014

Asking Rent Growth Rate Distribution

Low	25%	Mean	Median	75%	High
-4.9%	-0.2%	-0.1%	0.3%	0.4%	5.4%

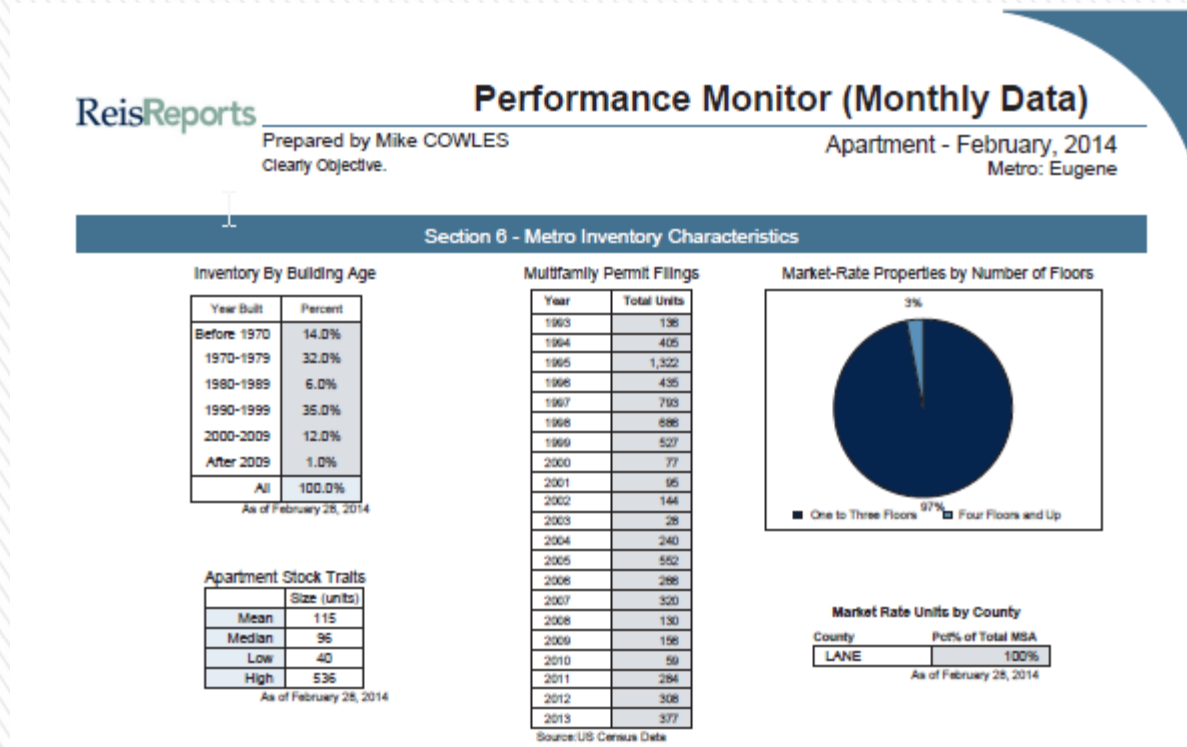


90 days ending February 28, 2014

Commercial



- Multifamily properties are showing a slight increase in values. Overall values are expected to increase 1% to 6% (depending on market area) for the 2014 tax year
- Oversupply is a concern



Multifamily



- » Large Industrial accounts values are holding steady and small industrial accounts experienced an uptick (1%-6%) in values for the 2014 tax year

Industrial



Preliminary look at 2014 tax roll

- Residential values are rebounding, but inventory is tight and property owners are still hesitant to put their homes on the market
- Many properties will still hit the Measure 5 maximum of \$15 per 1,000 RMV as many market values are still below assessed. Compression will affect schools most
- 2013 & 2014 new building permit activity still low volume but increasing
- Segregations and partitions are starting to increase
- Comcast will defer payment of their taxes again (still waiting for Oregon Supreme Court decision)
- Property tax revenues for most districts will be an increase but still below 3%



- Property tax revenues are maximized under the current law absent an aggressive reappraisal effort to find property that is not on the tax roll
- Prior year reductions in assessor staff makes any significant enhanced effort to increase tax revenues very difficult
- The focus is on getting the current tax roll finished by state deadline and statements mailed out on time
- Property tax will continue to provide relatively stable funding base to the General Fund

Conclusion for Lane County

