



2022 Board of Appeal and Equalization

April 11, 2022



Board Meeting

This meeting is held in accordance with **State Statute 274.01**.

The purpose of the Board is to establish a consistent appeal procedure for the January 2, 2022, valuation or classification.

Courses of Action

Upon hearing appeals the Board has 3 courses of action it may take to the current value based on the information presented:

1. ***Affirm***
2. ***Reduce***
3. ***Increase***

Property owners may appeal the decision at the County Board of Appeal and Equalization (June 13, 2022, at 6 p.m.).

Responsibilities of the Board

- Majority of the members in attendance to have a quorum.
- Must be at least one member who completed an appeal and equalization course approved by the Commissioner of Revenue within the last four years.
- If a property is omitted from the tax rolls, it may be added by the Board.
- The Board may only increase or decrease **individual** properties.

Responsibilities of the Board

- Reduction cannot exceed 1% of the citywide aggregate assessment.
- If the Board finds a case of under valuation, it must first notify the owner before raising the value.
- Board must complete and adjourn within 20 days from the time it convened.

Appeal Procedures

- Hear property owners that are present and accept any information provided.
- Direct staff to review the property.
- Written appeals will be read once property owners who are present have completed their appeal.

2022 Assessment Summary

According to the Certificates of Real Estate:



**A considerable 23.5%
volume increase**

2022 Assessment Summary



qualified residential sales in Fridley from
October 1, 2020 – September 30, 2021.

Includes single family homes, townhomes, double bungalows and
condominiums.

2022 Assessment Summary

Structure values were **increased 5 – 30%** (depending on type) to meet state ratio requirements **(90 – 105%)**.



2022 Assessment Summary

Along with the structure increase, land adjustments were also made.

During the 2021 reassessment staff reviewed neighborhood land values and made changes to all land zones in order to bring assessed levels toward the goal of **94.50%**. After adjustments, the Fridley Assessment Role 2022 was 94.46%.

Commercial and Industrial

97.64%

Countywide Commercial
Sales Ratio

93.39%

Citywide Industrial
Sales Ratio

These ratios compare real estate sale prices to estimated market value to measure the overall accuracy of our values.

Apartments

Upon review of the apartment sales, a change of **-2 to 18.6%** was applied to structures countywide, depending on the number of units.

Along with changes made during the reassessment, the result was an overall value increase in Fridley Apartments of **17.99% and ratio of 94.66%**.



2022 Assessment Summary



There were 167 sales in the 200K to 300K bracket compared with 60 in the prior year; 31 were in Locke Park. Entry level sales still lead the brackets.

Institutional purchasers pushed apartment, commercial and industrial sales to double digit increases. Light Manufacturing sales were strong for owner occupants.

2022 Assessment Summary

Residential sales within the first 6 months of the 2023 assessment study period indicate a **8.9% increase** in the average sales price with sales volume up considerably from last year.

Market time has **decreased by nearly 38.4%** and sellers are getting **just under 103%** of their asking price. Buyers are routinely foregoing inspections; well qualified buyers can forgo appraisals with 20% down and successful offers are typically 5 – 10% over list price. Interest rates had remained near historic lows for most of the 2022 assessment study period. Rising interest rates appear to be having an affect on sales in the last six months which saw a year over year increase of 8.9% compared with same period last year where the gain was 9.2%.

2022 Assessment Summary

Sale price ranges are as follows for the first six months of the 2023 assessment:



2022 Assessment Summary



As of March 31, 2022, there were only **11 homes** on the market and **5** of them had offers with some form of contingency. On the low end is a Black Forest Condo at \$125K and at the high end, a 5 BR, 5 BT Two story home with nearly 5,000 finished square feet.