



2023 Board of Appeal and Equalization

April 10, 2023



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, 2023, 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 12, 2023, 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.

2023 Assessment Summary

According to the Certificates of Real Estate:



**A notable 12% volume
decrease**

2023 Assessment Summary



qualified residential sales in Fridley from
October 1, 2021 – September 30, 2022.

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

2023 Assessment Summary

Structure values were **increased 1 – 5%** (depending on type) to meet state ratio requirements **(90 – 105%)**.



2023 Assessment Summary

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

During the 2022 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 2023 was 94.49%.

Commercial and Industrial

90.89%

Countywide Commercial
Sales Ratio

84.54%

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 **3.5% to 35%** 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 **34.44% and ratio of 92.03%.**



2023 Assessment Summary



There were 172 sales in the 200K to 300K bracket compared with 167 in the prior year exemplifying a very similar market.

Institutional purchasers pushed sales of large apartment complexes to record per unit prices and industrial sales to double digit increases. Commercial sales stabilized.

2023 Assessment Summary

Residential sales within the first 6 months of the 2024 assessment study period indicate a **1.33% decrease** in the average sales price with sales volume down considerably from last year.

Market time has **increased from 11 days to 24 days** and sellers are getting **just under 100%** of their asking price. Buyers are no longer forgoing inspections; while there are still multiple offers in most sales it's more typical to see less than 3% over list price. Interest rates had remained near historic lows for the first half of the 2023 assessment study period but steadily rising interest rates appear to be having a stalling affect on sales in the last six months of the study period.

2023 Assessment Summary

Sale price ranges are as follows for the first six months of the 2024 assessment:



12 sales

\$100,000 to
\$200,000



58 sales

\$200,000 to
\$300,000



54 sales

\$300,000 to
\$400,000



8 sales

\$400,000 to
\$500,000



1 sale

Over \$500,000

2023 Assessment Summary



As of March 31, 2023, there were only **15 homes** on the market and **7** of them had offers with some form of contingency. On the low end is a Innsbruck N. Townhome at \$215K and at the high end, a proposed new home to be built on a vacant lot on Lucia Lane which is listed at \$499,900.