

Office of the Real Estate Assessor
City of Norfolk
Annual Report of Assessments
2022



William A. (Pete) Rodda, CAE, RES
Real Estate Assessor



October 1, 2022

The Honorable Mayor and City Council
City of Norfolk
Norfolk, Virginia 23510

Dear Mayor and Council Members:

It is a pleasure to provide you with the 2022 Annual Report of Assessments from the Office of the Real Estate Assessor.

The 2022 Land Book reassessment total of \$24,228,514,300 represents a 10.24% increase over the previous year. This is the largest increase in our taxable base since 2007, which is welcome news for the city and is a positive contribution to our overall fiscal health for FY 2023. This is largely driven by residential properties and apartments, which increased by 10.34% and 14.29% respectively over last year. Low interest rates and a pent-up demand fueled home sales and apartment properties in Norfolk are basically at full occupancy. COVID is not entirely out of the picture but seemed to have little effect on home buyers.

The commercial and manufacturing sector has performed well over the past year. We have not seen the reductions many called for in office buildings due to employees working from home. Industrial property, particularly warehouses, experienced increases in value. The problems we see for the future are in the retail sector with several established retail facilities either in financial trouble or heading in that direction. The two leading factors most mentioned is an over-built retail sector combined with changing consumer habits such as the increase in on-line shopping.

A word of caution regarding residential home sales should be considered regarding the upcoming 2023 reassessment. Sales prices as shown in the REIN multiple listing service continued to increase through July 2022 but showed a 3.5% decrease in August. This could be the beginning of a trend, given the state of the national economy. I believe we will see another increase in residential values for 2023, but not nearly as dramatic as reported for 2022.

I sincerely thank the Mayor and Council for allowing me to serve the citizens of the City of Norfolk. I also thank the employees of the Real Estate Assessor's Office for their professionalism and dedication to supporting the citizens of Norfolk.

Respectfully,

W.A. (Pete) Rodda, CAE, RES
Real Estate Assessor

The Assessment Process

The 2022 reassessment has an effective date of July 1, 2022. Per the Norfolk City Code, the 2022 reassessment was completed in February 2022 with notices of value mailed to property owners on March 8, 2022. Because of the requirement for completion in February, the 2022 reassessment was performed with significant reliance upon sales recorded from January 1, 2021, through December 31, 2021. This explains why our assessments appear to follow behind the real estate market - there is a six month “lag” between our final sales analysis and the effective date of the reassessment.

This apparent “lag” is more pronounced with properties appraised utilizing the income approach to value. Income and expense (I&E) data for the prior year (2021) is generally unavailable by February 2022. This is because this type of information is predominantly prepared for income tax purposes with a typical filing deadline of April 15, 2022. Because I&E statements for 2021 are largely unavailable due to our deadlines, the 2022 commercial assessments for income producing properties were developed utilizing 2020 income and expense data.

Our office utilizes mass appraisal techniques in the annual reassessment process. In mass appraisal we appraise a universe of properties as of a given date. In this case our “universe” is made up of real estate parcels located within the City of Norfolk. We analyze recent sales within “market areas” or “neighborhoods”, which are defined as areas subject to similar social, environmental, economic, and governmental forces. The analysis of recent sales (again, largely 2021 sales) provides insights as to the market behavior within a given area. We apply what we learn in our sales analysis to all parcels within the neighborhood or market area in a uniform and equitable manner.

Differences Between Single Property and Mass Appraisal

It is not uncommon for property owners to submit a recent appraisal for consideration by this office. These appraisals are usually developed for mortgage lending purposes. This type of appraisal is not considered applicable for an assessment appeal under the Uniform Standards of Professional Appraisal Practice (USPAP) for several reasons:

1. The client identified in the appraisal is usually a lending institution, not the property owner.
2. The scope of work required for a mass appraisal or tax assessment appeal is different than for single-property appraisals.
3. For residential properties, the assessor usually limits the search for comparable sales to the neighborhood or market area in which the subject property is located. Single-property appraisers do not regularly impose this limitation.
4. Mass appraisers share a great concern for uniformity and equity within a given neighborhood or market area. Single-property appraisers rarely consider uniformity and equity issues in an appraisal developed for lending purposes.
5. Assessment offices are required to derive a separate land and improvement value which is summed to a total value. Single-property appraisers develop a separate land and improvement value only if required by the scope of work necessary to complete the assignment. Even if necessary, the land value in a typical residential appraisal is rarely supported in an appraisal developed for lending purposes.
6. The Effective Date of the appraisal should be the same as the Assessment Date (July 1, 2021).
7. The Scope of Work should require the single-property appraiser to use the same sale date range (January 1, 2021 – December 31, 2021) as the assessor.

2022 Land Book Information

The 2022 Real Estate Land Book was certified and distributed on August 1, 2022. The overall land book totals for taxable property are as follows:

	<u>FY 2021 - 22</u>	<u>FY 2022 - 23</u>	<u>% Change</u>
Land Value	\$6,591,775,000	\$7,048,809,900	6.91%
Improvement Value	\$15,385,899,100	\$17,179,704,400	11.67%
Total Value	\$21,977,674,100	\$24,228,514,300	10.24%

The 2022 total taxable value represents an overall increase of 10.24% or \$2,250,840,200 over the prior year. Using the current tax rate of \$1.25, the additional assessed value for 2022 would generate \$28,135,502 in gross revenue before other exemptions, abatements, potential appeals losses, and the anticipated tax collection rate is applied.

The overall increase of \$2,250,840,200 is based upon net new construction valued at \$298,880,800 and general reassessment growth in the amount of \$1,951,959,300. New construction made up 13.28% of the total increase in value while the general reassessment produced 86.72% of the total taxable value.

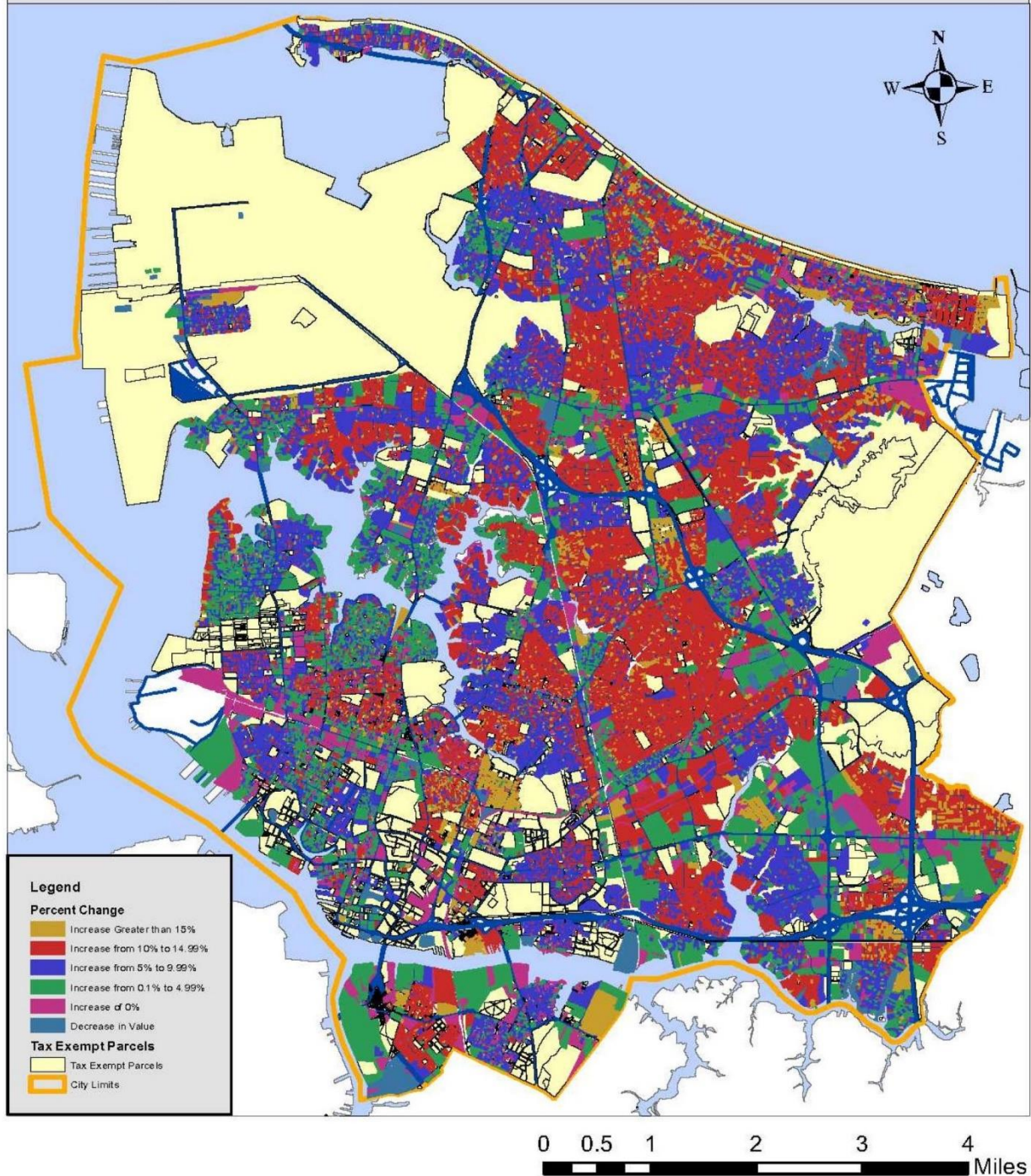
Taxable Value by Property Type

This chart depicts the change in assessed value from 2021 to 2022 by property type. Apartments and Residential property showed the largest increases primarily because of the extraordinary performance of these sectors. The residential sector is fueled by new construction, historically low interest rates and a dwindling inventory of homes for sale.

Summary of Assessments by Type

	Apartments	Commercial	Manufacturing	Residential	Vacant	TOTAL
Parcel Count						
Nbr 2022 Parcels	988	2,506	574	58,494	5,723	68,285
Nbr 2021 Parcels	981	2,518	575	58,382	5,859	68,315
% Change	0.71%	-0.48%	-0.17%	0.19%	-2.32%	-0.04%
Land Comparison						
2022 Land	499,958,100	1,271,729,200	308,549,600	4,650,454,700	318,118,300	7,048,809,900
2021 Land	485,029,700	1,260,238,900	289,396,000	4,260,919,700	297,496,000	6,593,080,300
% Change	3.08%	0.91%	6.62%	9.14%	6.93%	6.91%
Improvement Comparison						
2022 Improvements	2,527,084,000	3,237,875,000	411,683,800	11,003,061,600	0	17,179,704,400
2021 Improvements	2,163,552,900	3,053,797,100	369,389,000	9,797,854,800	0	15,384,593,800
% Change	16.80%	6.03%	11.45%	12.30%	0.00%	11.67%
TOTAL Comparison						
2022 Total	3,027,042,100	4,509,604,200	720,233,400	15,653,516,300	318,118,300	24,228,514,300
2021 Total	2,648,582,600	4,314,036,000	658,785,000	14,058,774,500	297,496,000	21,977,674,100
% Change	14.29%	4.53%	9.33%	11.34%	6.93%	10.24%

2021-2022 Percent Change in Value City of Norfolk Real Estate Assessor's Office



Vacant Land

The number of vacant parcels decreased by 136 to 5,713 during the past year. The taxable assessed value of vacant parcels effective July 1, 2022 is \$318,118,300. This figure represents a value change of \$20,622,300 or 6.93% from July 2021.

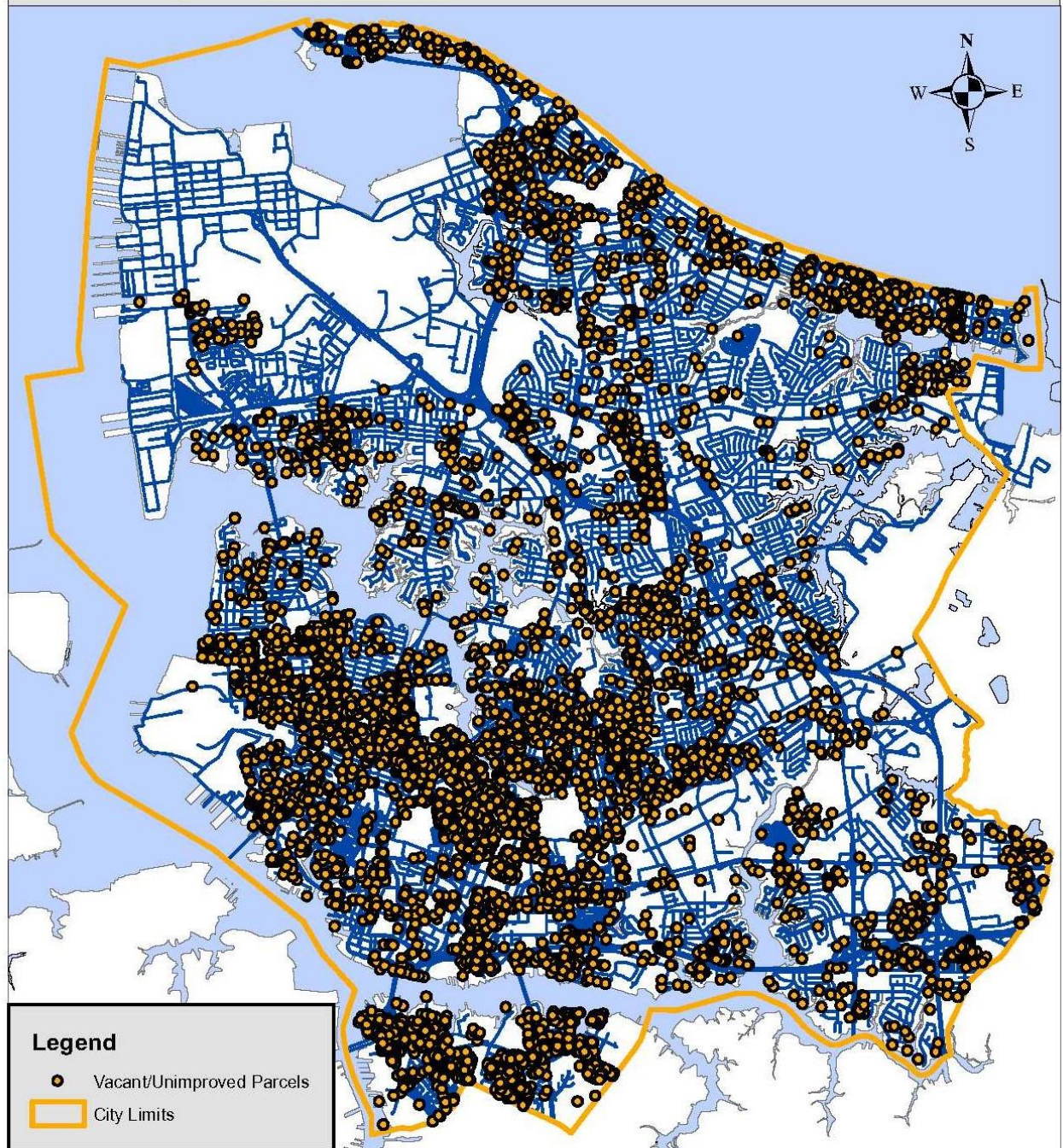
	Vacant Land	
	Nbr Parcels	Value
2022	5,723	318,118,300
2021	5,859	297,496,000
Difference	-136	20,622,300
% Difference	-2.32%	6.93%

The decrease in the number of vacant parcels is due to two factors. One is a continuing trend of requests for parcel merges, reconfigurations, and subdivisions. As we merge smaller parcels into larger configurations (for example, three twenty-five-foot lots into a single seventy-five-foot lot), we obviously have fewer parcels in the database – but our total land area remains the same. Second, several City departments have created a “City-owned vacant parcel” work group that works together to merge city-owned parcels into more viable configurations. Another part of their work is to identify parcels no longer needed by the City that could be potentially conveyed to taxable property owners. Given the City has a relatively small number of vacant parcels, we should continue to see reductions in the numbers of vacant parcels as the parcel merges continue.

The word “decrease” in this case is somewhat misleading as the loss of a newly improved vacant parcels are transferred to one of the improved parcel categories. For example, if a home is constructed on a formerly vacant parcel, the value of the land and improvements will now be placed in the residential category. So, while there is a “loss” in the vacant parcel count, in this case it is more accurately described as a shift in count and value as these parcels move into other valuation categories.

Also noteworthy is the 6.93% increase in the value of vacant parcels. This is due in part to an increased emphasis on land values as a part of the reassessment process.

2022 Vacant/Unimproved Parcels City of Norfolk Real Estate Assessor's Office



Improved Residential Property

The taxable assessed value of 58,494 improved residential parcels (including condominiums) for 2022 is \$15,653,516,300. This figure represents an increase of \$1,594,741,800 or 11.34% from the previous year.

Improved Residential		
	Nbr Parcels	Value
2022	58,494	15,653,516,300
2021	58,382	14,058,774,500
Difference	112	1,594,741,800
% Difference	0.19%	11.34%

This includes the changes made due to reassessment, the addition of 227 new dwellings, 2,370 properties with additions or repairs, and 136 dwellings still under construction or renovation as of July 1. These numbers also include a reduction in value resulting from the demolition of improvements on 181 properties and fire damage to structures on 8 properties.

	<u>Parcels</u>	<u>Value</u>
New Improvement	227	\$51,809,400
New Construction	2370	\$84,750,200
Demolition	181	\$4,990,500
Fire Damage	8	\$1,051,600
Catastrophic Damage	0	\$0
Partial NI	124	\$21,857,200
Partial NC	12	\$511,700
Net Growth		\$152,886,400
Reassessment Increase		\$1,441,855,400
Total Increase		\$1,594,741,800

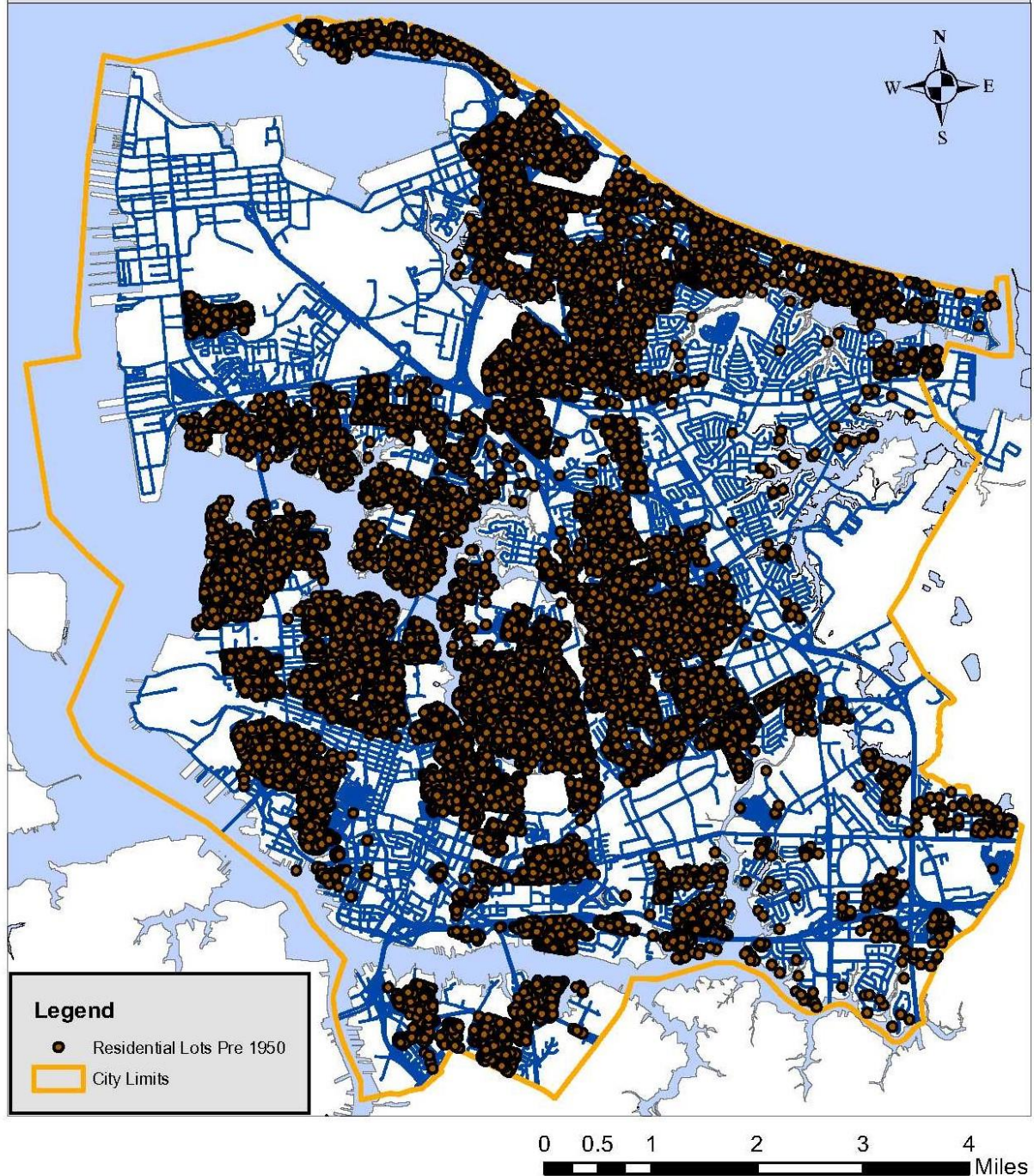
New construction made up 9.59% of the total increase in value while the general reassessment produced 90.41% of the total taxable residential value.

Residences by Year Built

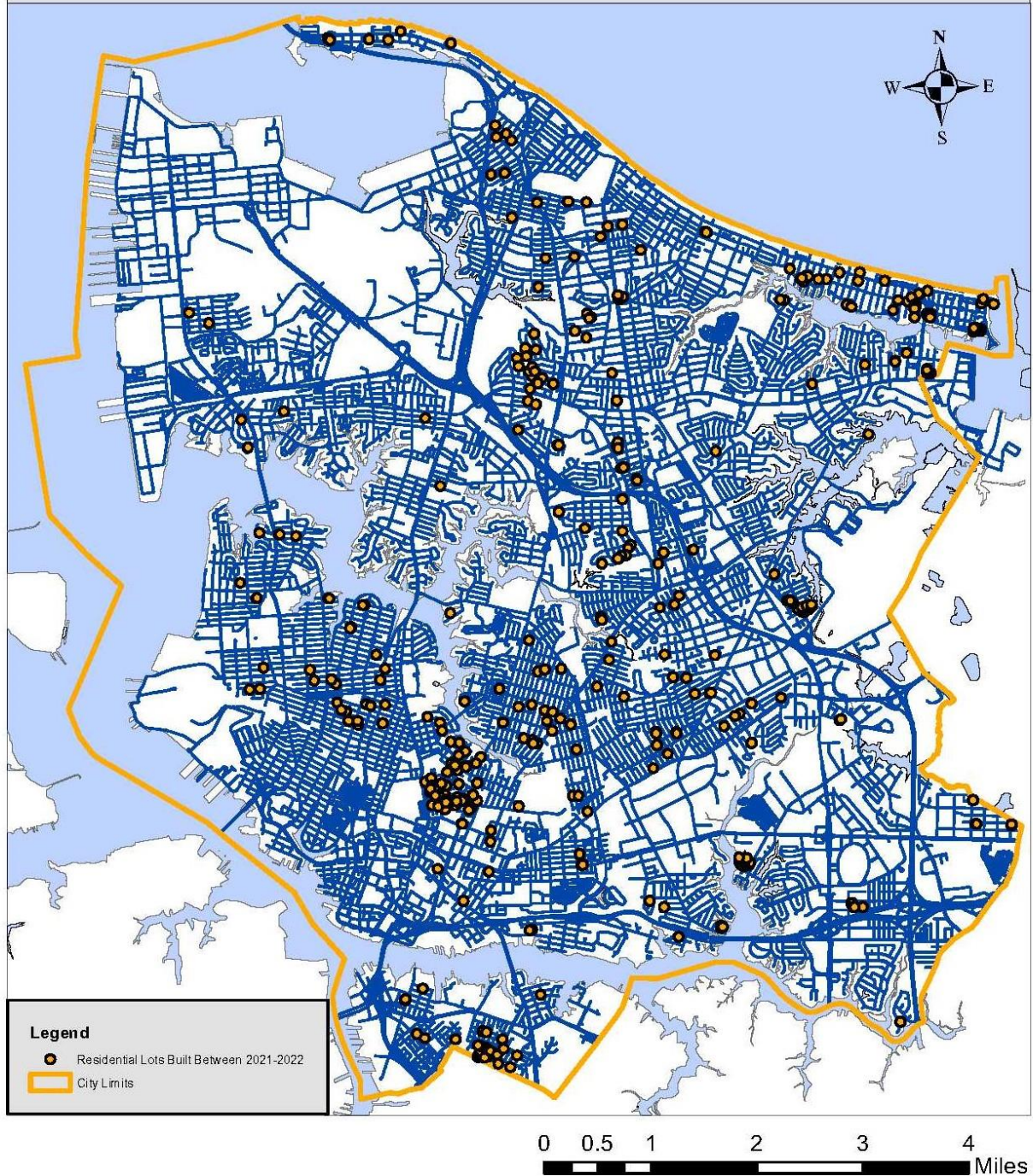
Year(s)	Parcels	% Parcels	2022 Assessment Total	% Assessed Value	Mean	% Increase from 2021
<1950	21,201	36.24%	5,388,273,700	34.42%	254,152	9.82%
1950 - 1959	15,357	26.25%	3,675,787,400	23.48%	239,356	11.54%
1960 - 1969	4,682	8.00%	1,145,094,100	7.32%	244,574	10.90%
1970 - 1979	3,046	5.21%	643,214,900	4.11%	211,167	12.49%
1980 - 1989	4,551	7.78%	1,212,320,000	7.74%	266,385	10.59%
1990 - 1999	1,950	3.33%	635,111,100	4.06%	325,698	10.48%
>=2000	7,707	13.18%	2,953,715,100	18.87%	383,251	12.18%
	58,494	100.00%	15,653,516,300	100.00%	267,609	11.13%

As shown above, the average assessed value for all residential homes as of July 1, 2022, is \$267,600 (rounded). This is an increase of 11.13% over the 2021 average of \$240,800 and 16.7% over the 2020 average of \$229,400. The REIN website indicates the average sale price of homes was \$262,590 for 2021, with homes typically selling above the listing price. The average sale price through REIN increased to \$295,000 by July 1, 2022, which indicates sales prices of homes in Norfolk continued to escalate after assessment notices were mailed in March 2022. However, with high inflation and rising interest rates, sales prices have been slowly falling since this peak in July. The average sale price dropped to \$281,450 in August, per statistics obtained through REIN. We would anticipate a continued decrease in sales prices from September through December 2022 if the national economy does not improve.

2022 Homes Built Pre-1950 City of Norfolk Real Estate Assessor's Office



2022 Homes Built Between 2021-2022 City of Norfolk Real Estate Assessor's Office



Commercial/Industrial Property

Commercial and Industrial property has been traditionally reported in a combined form in the Annual Report. The taxable assessed value of 3,080 commercial/industrial properties is \$5,229,837,600 as of July 1, 2021. This figure represents an increase of \$257,016,600 or 5.17% from the 2021 total.

Commercial/Manufacturing		
	Number of Parcels	Value
2022	3,080	5,229,837,600
2021	3,093	4,972,821,000
Difference	-13	257,016,600
% Difference	-0.42%	5.17%

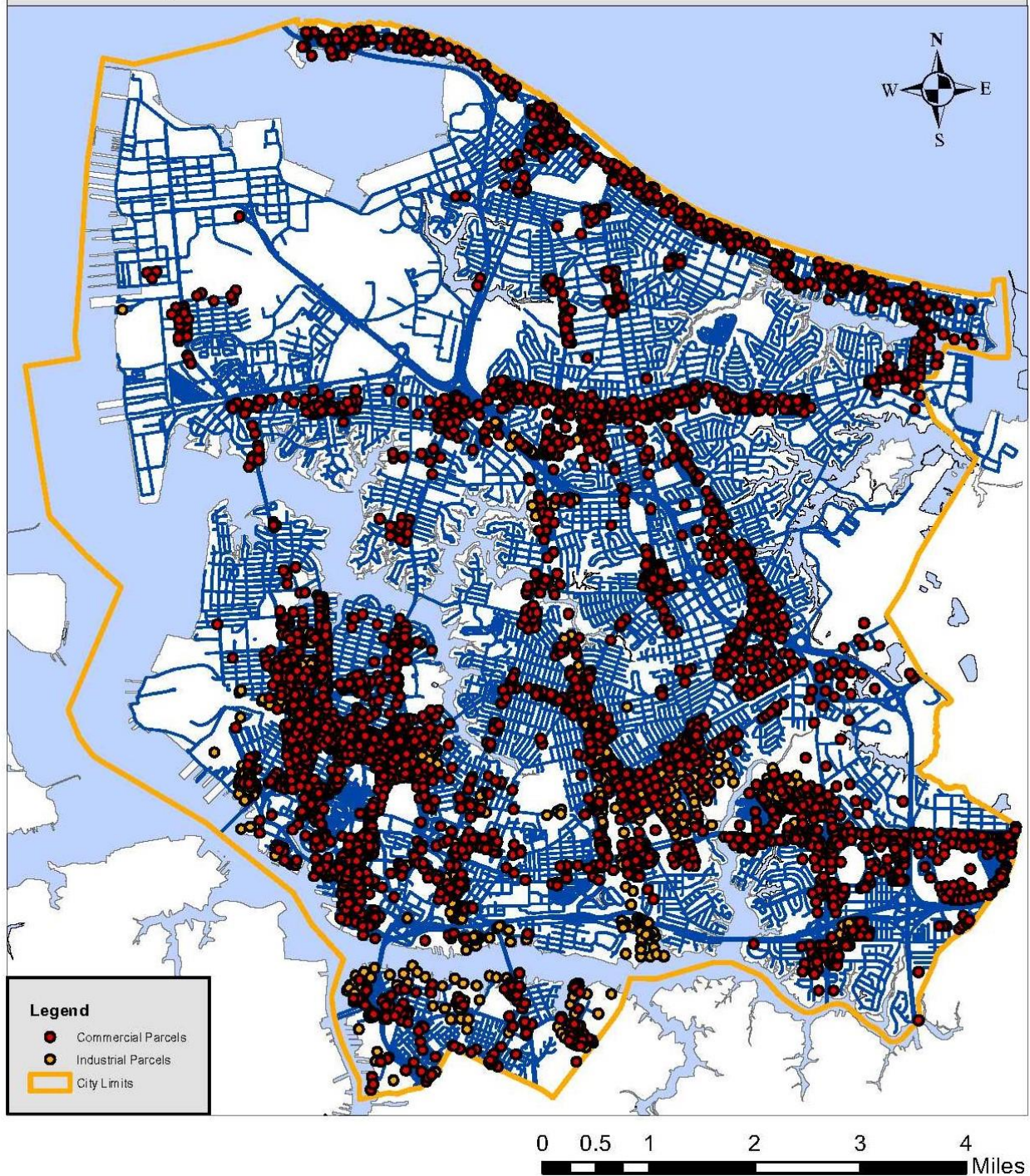
Twenty-one new commercial/industrial buildings were completed over the past year. Alterations and additions were partially completed on six existing properties. Nineteen structures were demolished and there were no recorded instances of fire or catastrophic damage.

	<u>Parcels</u>	<u>Value</u>
New Improvement	8	\$78,624,900
New Construction	13	\$6,867,200
Demolition	19	\$2,690,100
Fire Damage	0	\$0
Catastrophic Damage	0	\$0
Partial NI	6	\$19,302,900
Partial NC	0	\$0
Net Growth		\$102,104,900
Reassessment Increase		\$154,911,700
Total Increase		\$257,016,600

New construction activities contributed 39.73% of the overall growth in this sector, with 60.27% coming from reassessment growth.

Overall, a 5.17% increase in the commercial/industrial sector is welcome news for Norfolk. Some residual effects from the COVID pandemic remain in the hotel/motel and retail components, but it seems we have largely turned the corner. The MacArthur Center is a particularly soft spot in the local economy as are several other retail properties. At one time there were seven regional malls in the area, six of which were within ten miles of each other! This would indicate at least part of the problem in retail locally was being overbuilt.

2022 Commercial & Industrial Parcels City of Norfolk Real Estate Assessor's Office



Apartments

The assessed value of 988 apartment properties (greater than 4 units) is \$3,027,042,100 as of July 1, 2021. This figure represents an increase of \$378,459,500 or 14.29% over the 2021 total.

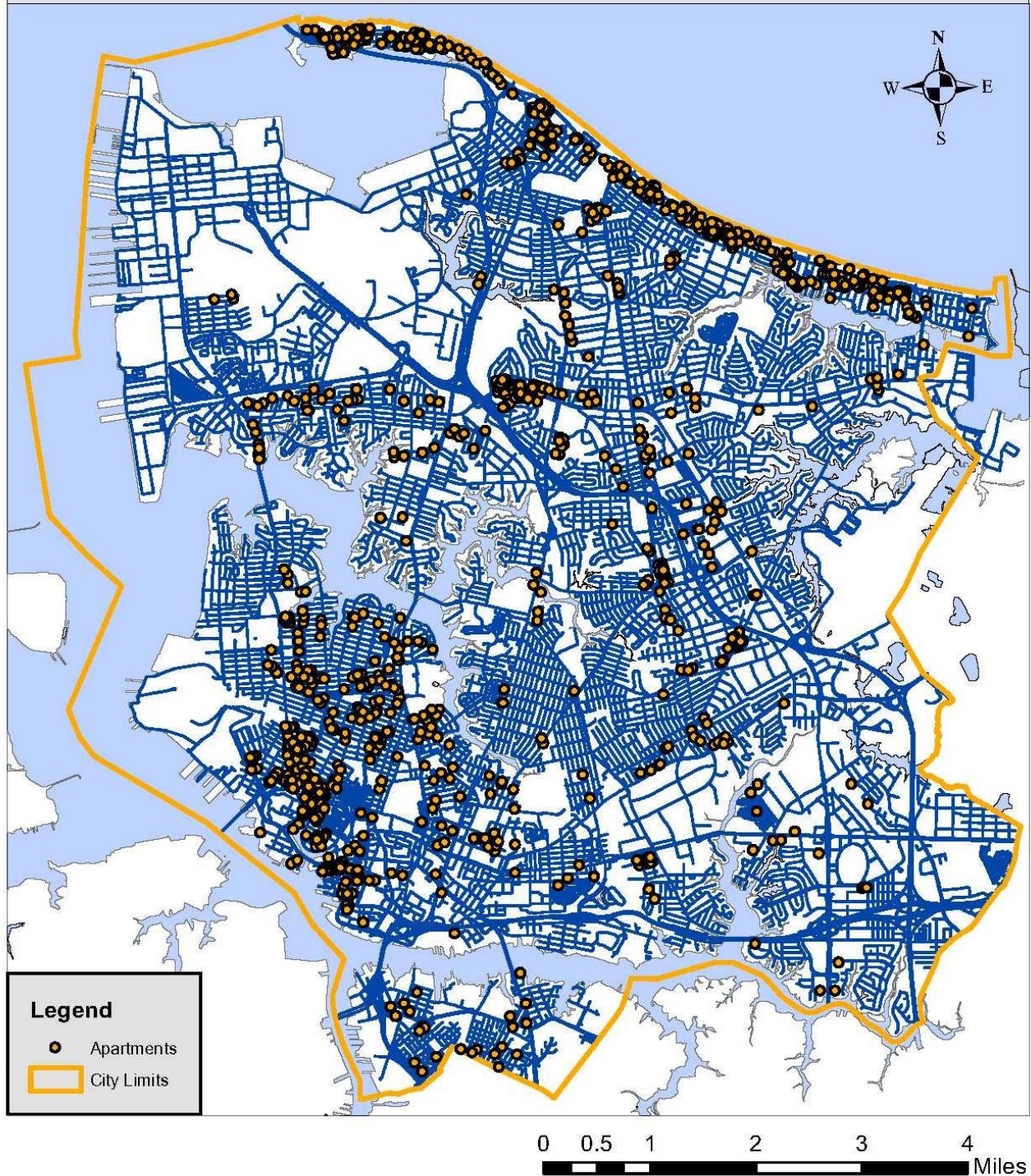
Apartments		
	Nbr Parcels	Value
2022	988	3,027,042,100
2021	981	2,648,582,600
Difference	7	378,459,500
% Difference	0.71%	14.29%

During this time, eleven new apartment properties were completed while six others were under construction as of July 1, 2021. There was one demolition in 2021 and no properties suffered fire damage.

	<u>Parcels</u>	<u>Value</u>
New Improvement	6	\$10,983,200
New Construction	5	\$1,467,900
Demolition	1	\$259,200
Fire Damage	0	\$0
Catastrophic Damage	0	\$0
Partial NI	4	\$15,126,800
Partial NC	2	\$7,579,500
Net Growth		\$34,898,200
Reassessment		
Increase		\$343,561,300
Total Increase		\$378,459,500

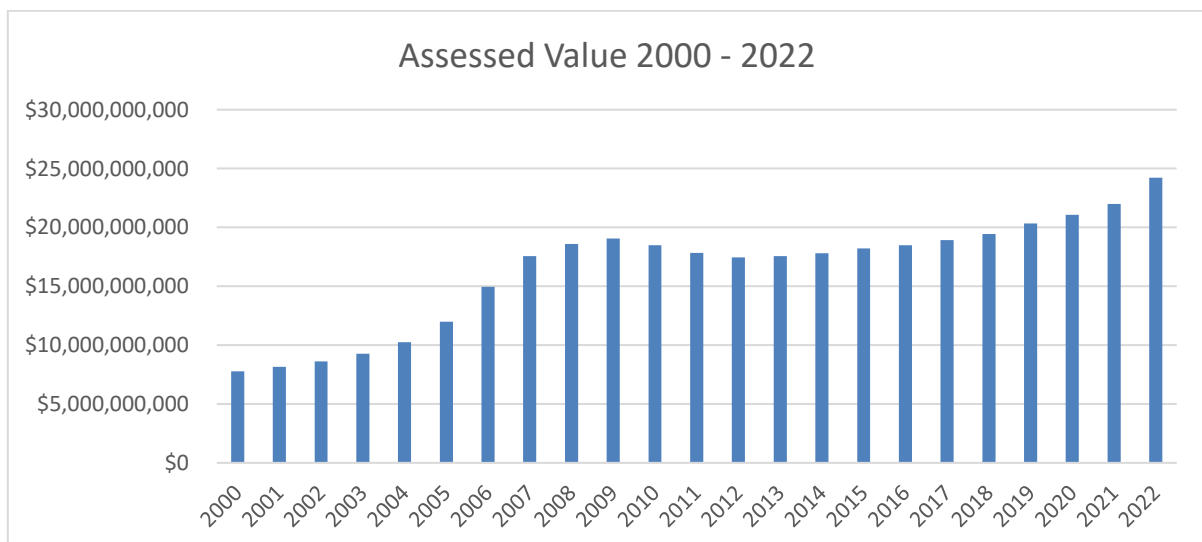
New construction made up 9.22% of the total increase in value while the general reassessment produced 90.78% of the total value increase. Occupancies and rents continued a multi-year climb for 2022. Several additional large apartment projects are under construction or planned to start shortly.

2022 Apartments City of Norfolk Real Estate Assessor's Office



Change in Taxable Assessments by Year

Tax Year	Assessed Value	\$ Change	% Change
2000	\$7,785,683,420	\$301,552,370	3.87%
2001	\$8,148,617,600	\$362,934,180	4.66%
2002	\$8,629,372,980	\$480,755,380	5.90%
2003	\$9,278,524,800	\$649,151,820	7.52%
2004	\$10,255,685,100	\$977,160,300	10.53%
2005	\$11,976,038,230	\$1,720,353,130	16.77%
2006	\$14,953,815,900	\$2,977,777,670	24.86%
2007	\$17,568,811,900	\$2,614,996,000	17.49%
2008	\$18,583,731,469	\$1,014,919,569	5.78%
2009	\$19,066,505,100	\$482,773,631	2.60%
2010	\$18,474,654,400	\$591,850,700	3.10%
2011	\$17,837,073,600	\$637,580,800	3.45%
2012	\$17,461,122,000	\$375,951,600	2.11%
2013	\$17,557,199,200	\$96,077,200	0.55%
2014	\$17,806,235,050	\$249,035,850	1.42%
2015	\$18,214,301,000	\$408,065,950	2.29%
2016	\$18,479,183,800	\$264,882,800	1.45%
2017	\$18,926,923,100	\$447,739,300	2.42%
2018	\$19,437,728,600	\$510,805,500	2.70%
2019	\$20,319,871,900	\$882,143,300	4.54%
2020	\$21,076,783,700	\$756,911,800	3.72%
2021	\$21,977,674,100	\$900,890,400	4.27%
2022	\$24,228,514,300	\$2,250,840,200	10.24%

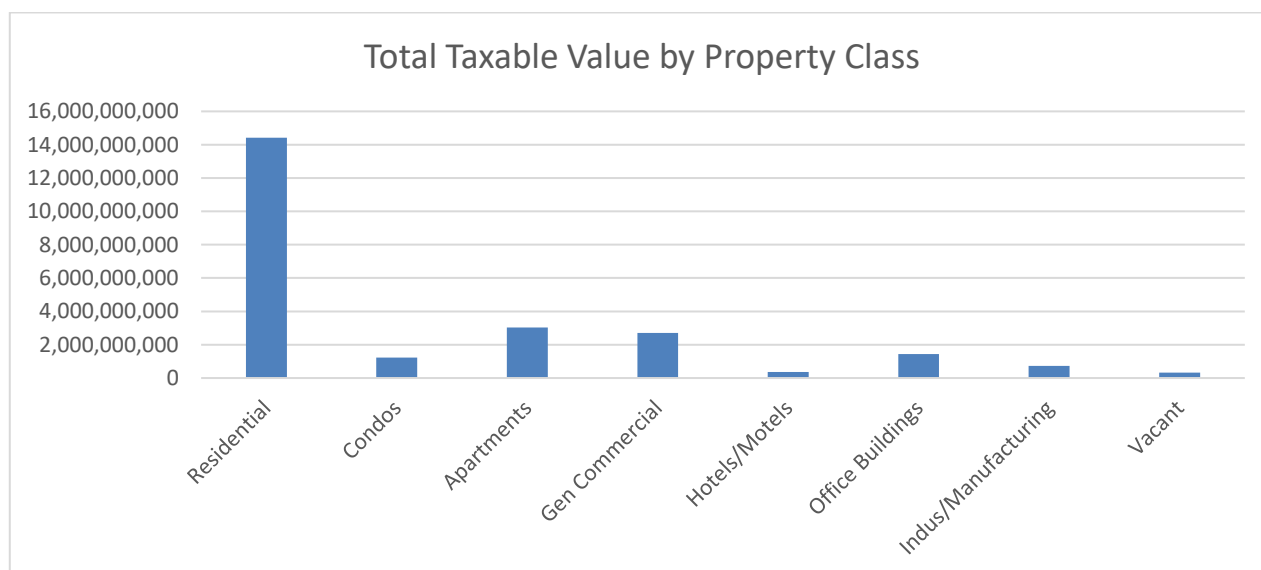


The charts shown on the previous page closely mirrors the national experience of rapidly accelerating values from 2003 through 2009, losses in value realized due to the recession in 2010 through 2012, followed by a slow climb back to pre-recession values in 2018. In 2009, the city enjoyed a total taxable assessment of \$19,066,505,100 but experienced a decline of 9.19% to \$17,461,122,000 for 2012. The city tax base recovered to pre-recession levels in 2018.

The city has enjoyed a steady growth in taxable assessments for 2019 – 2022. This has been fueled in part with historically low mortgage interest rates and the availability of capital for investments. The pandemic seemed to fuel a strong desire for home ownership; however, the recent downturn in our economy – high inflation and fuel costs, coupled with a sharp increase in interest rates have slowed this desire. Indications are that the city will not experience as large a growth factor in the tax base for 2023.

2022 Taxable Assessments by Property Class

Property Use	Parcel Count	% of Parcels	Land Value	Building Value	Total Value	% of Value
Residential	53,646	78.56%	4,430,053,900	9,990,825,900	14,420,879,800	59.52%
Condos	4,848	7.10%	220,400,800	1,012,235,700	1,232,636,500	5.09%
Apartments	988	1.45%	499,958,100	2,527,084,000	3,027,042,100	12.49%
Gen Commercial	2,110	3.09%	965,866,900	1,735,841,100	2,701,708,000	11.15%
Hotels/Motels	38	0.06%	60,571,400	299,164,900	359,736,300	1.48%
Office Buildings	358	0.52%	245,290,900	1,202,869,000	1,448,159,900	5.98%
Ind/Manufacturing	574	0.84%	308,549,600	411,683,800	720,233,400	2.97%
Vacant	5,723	8.38%	318,118,300	0	318,118,300	1.31%
Total	68,285		7,048,809,900	17,179,704,400	24,228,514,300	



Building Permits and Mobile Assessor

The City Assessor's Office uses permitting information from the Planning Department to maintain our improvements data. Permits are issued through the BasicGov permitting system and downloaded to our ProVal database nightly. It is not unusual for a new home to require 8 to 10 or more permits throughout the construction phase; additionally, the construction phase may take anywhere from 4 to 12 months. In some cases, permits are issued and the property owner does not complete or never starts the project.

The acquisition of the Mobile Assessor field data collection tool has proven to be instrumental in automating the management of building permits. Mobile Assessor is updated (synced) daily, so the chances of our appraisers missing a building permit are extremely low. The data is organized by appraiser into market areas (neighborhoods) to maximize our field time. The assignment and organization of permits is fully automated, which has significantly increased our productivity and accuracy.

During the past year our appraisers completed an average of 650 new appraisals each quarter. This includes appraisals for construction that occurred without the benefit of a building permit. At the time of this writing, we processed 7,937 building permits within our Mobile Assessor/ProVal systems (keeping in mind new homes may require 8 to 10 permits). Mobile Assessor has made the permitting process much easier for our staff to administer and promotes our ability to work remotely on a regular basis.

Property Transfers

The basis for our assessment process is the measurement of the behavior of participants in the local real estate marketplace. Market behavior is not always as consistent as we prefer; however, this office attempts to apply what we learn from our marketplace as consistently and as equitably as possible. This office goes through an extensive sales verification process, utilizing deed records, sales verification questionnaires, the multiple listing service, and physical inspections to determine which of our sales are truly arm's-length transactions

A total of 8,945 property transfers occurred in FY 2021-22, up 7.15% over last year. The total consideration for the 8,945 transfers is \$2,473,643,290, which translates to an average value per transaction of \$276,540 (rounded) **This is an increase in the average value per transfer of 16.7%!**

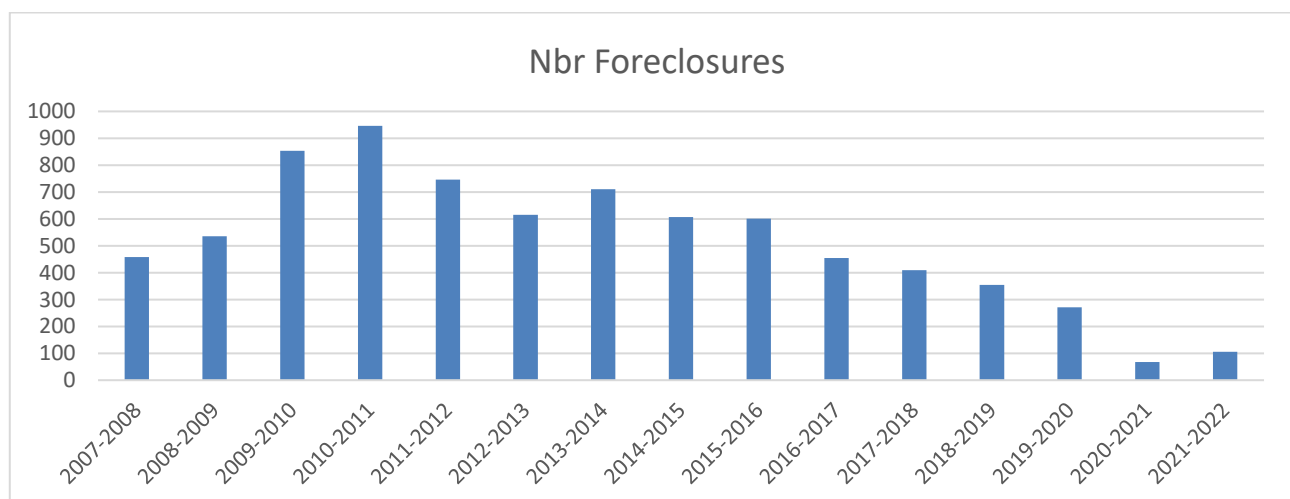
Property Type	Count	Consideration	Avg Value per Transaction
Apartments	104	493,713,495	\$4,747,245
Commercial	197	285,172,991	\$1,447,579
Manufacturing	36	62,334,730	\$1,731,520
Residential	7,895	1,604,421,996	\$203,220
Vacant	611	20,202,597	\$33,065
Non-Tax	102	7,797,478	\$76,446
TOTALS	8,945	2,473,643,287	\$276,539

The increase in the number of transfers and the average value of transfers point to a healthy real estate market leading into the 2022 reassessment. As shown below, the lack of foreclosure sales echoes this point.

Foreclosures

Year	Nbr Foreclosures	Aggregate Sale Price	Aggregate Assessment	Ratio
2021-2022	106	\$23,995,815	\$33,776,700	1.41
2020-2021	68	\$10,070,310	\$12,401,000	1.23
2019-2020	271	\$39,481,739	\$54,631,100	1.38
2018-2019	354	\$55,037,588	\$73,259,700	1.33
2017-2018	409	\$60,379,269	\$77,178,600	1.28
2016-2017	454	\$103,070,785	\$113,375,200	1.10
2015-2016	601	\$158,240,034	\$206,524,700	1.30
2014-2015	607	\$93,857,564	\$109,588,500	1.17
2013-2014	710	\$135,127,979	\$156,948,600	1.16
2012-2013	615	\$113,458,046	\$111,749,300	0.99
2011-2012	746	\$129,411,079	\$121,958,000	0.94
2010-2011	946	\$169,805,525	\$197,818,200	1.17
2009-2010	853	\$136,059,796	\$146,247,900	1.08
2008-2009	536	\$97,803,951	\$103,599,200	1.06
2007-2008	458	\$77,352,000	\$84,907,400	1.10

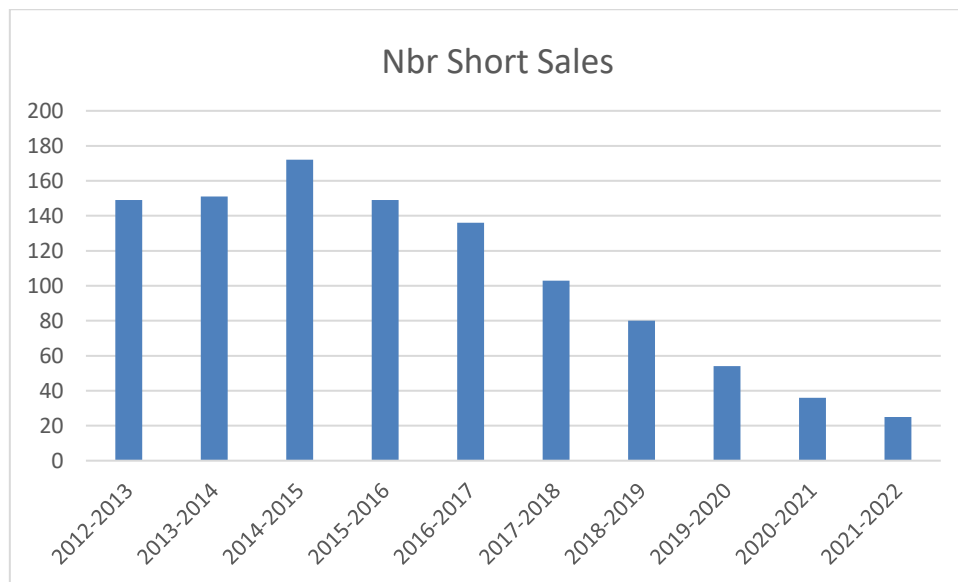
The ratio column is displayed to illustrate that foreclosure sales are typically conveyed for a “below market” sale price. By extension, these sale prices also tend to be well below the assessed value of the affected properties. That said, the number of foreclosures in the Norfolk real estate market remains at historically low levels.



In addition to foreclosures, there were also 25 recorded short sales and 26 bank sales after a foreclosure. The total number of distressed sales for 2021-22 was 157, which is a positive sign for the local real estate market.

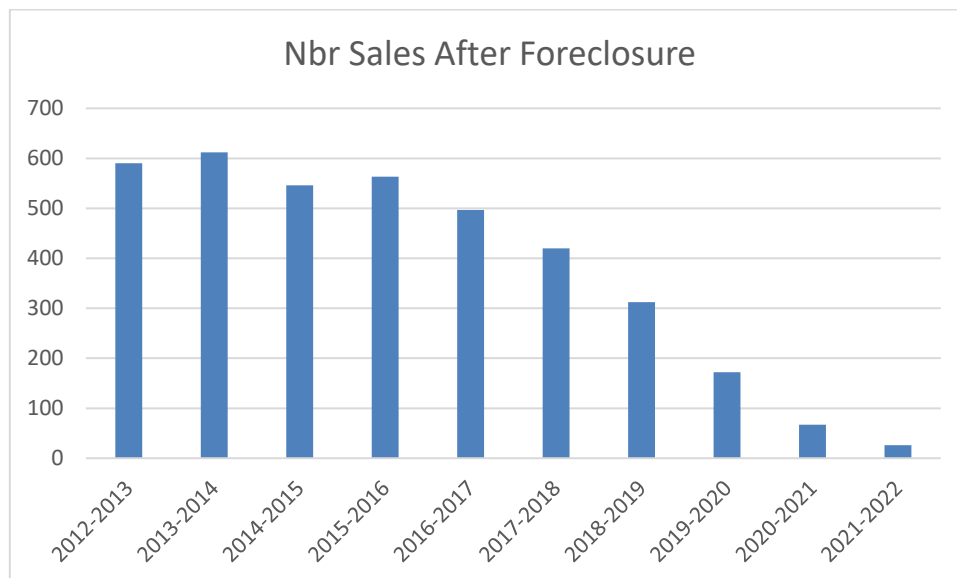
Short Sales

Year	Nbr Sales	Aggregate Sale Price	Aggregate Assessment	Ratio
2012-2013	149	\$20,318,477	\$29,302,900	1.44
2013-2014	151	\$19,645,772	\$26,878,200	1.37
2014-2015	172	\$23,498,095	\$32,250,100	1.37
2015-2016	149	\$33,754,900	\$25,514,842	0.76
2016-2017	136	\$21,274,894	\$26,910,200	1.27
2017-2018	103	\$13,039,049	\$17,520,700	1.34
2018-2019	80	\$12,627,594	\$16,198,000	1.28
2019-2020	54	\$9,374,556	\$12,254,900	1.31
2020-2021	36	\$5,866,075	\$7,666,400	1.31
2021-2022	25	4826250	6443700	1.34



Sales After Foreclosure

Year	Nbr Sales	Aggregate Sale Price	Aggregate Assessment	Ratio
2021-2022	26	\$4,698,217	\$6,035,600	1.28
2020-2021	67	\$9,697,141	\$13,040,900	1.34
2019-2020	172	\$28,135,936	\$38,289,400	1.36
2018-2019	312	\$54,302,535	\$73,259,700	1.35
2017-2018	420	\$58,406,153	\$75,732,400	1.3
2016-2017	497	\$79,666,005	\$91,843,500	1.15
2015-2016	563	\$73,425,242	\$144,442,000	1.56
2014-2015	546	\$62,633,149	\$99,168,200	1.58
2013-2014	612	\$65,347,945	\$109,550,300	1.68
2012-2013	590	\$63,650,563	\$107,737,300	1.69



Appeals Process

The right to appeal an assessment is an essential component of taxation. The first step in the appeal process is for the property owner to discuss the new value with the staff appraiser responsible for the neighborhood in question. Requests for a review can be made in person by visiting the office or by contacting the office through mail, e-mail, or telephone. It is not unusual that the property owner might provide new or corrected information that could result in a value change. However, if the property owner is not satisfied with the results of the informal review, the owner has the right to appeal to the Real Estate Board of Review.

Appeals filed for the Board of Review are managed by both the Assessor's office and the Board of Review. Remarkably, only 28 appeals were filed for the 2022 reassessment, compared to 50 appeals filed in 2021, 84 appeals in 2020 and 107 appeals in 2019. Of the 28 appeals filed, 15 were withdrawn after further consultation with our staff.

Of the 13 appeals heard, 9 were sustained and 4 were awarded reductions. At the direction of the Board, no value changes were posted in the system until the conclusion of the hearings in late August. This resulted in a net reduction being made to the published Land Book in the amount of \$1,628,200.

Value Changes by Property Type

Property Type	# Parcels	Proposed Value	BOR Value	Value Change	% Change
Apartments	1	\$8,607,100	\$8,536,800	\$70,300	0.82%
Commercial	6	\$60,064,000	\$59,508,700	\$555,300	0.92%
Manufacturing	0	\$0	\$0	\$0	
Condos	3	\$1,253,000	\$1,182,000	\$71,000	5.67%
Residential	3	\$931,600	\$0	\$0	
	13	\$70,855,700	\$69,227,500	\$1,628,200	2.30%

Exempt Properties

The Virginia Constitution requires all property, except that specifically exempted, is subject to taxation. As shown in Section 58.1-3606 of the Virginia Code, exemptions by classification include properties owned by the federal, state, and local governments, property owned by churches and religious bodies and used for worship or for residence of a minister, non-profit private or public cemeteries as well as other similar entities.

Exemptions by designation, as listed in Section 58.1-3607 through 58.1-3650, include properties owned by organizations such as the American National Red Cross, Boy Scouts and Girl Scouts of America, etc. Virginia law allows the City Council to adopt an ordinance to designate certain properties of certain organizations as being exempt from local property taxes, and the procedure for considering such designation is set forth in section 24-212.5 of the Norfolk City Code. Among other things, in considering requests for the exemption by designation, the City Council is required to review various characteristics of the requesting organization and to consider any such request at a public hearing prior to adopting any such ordinance. On May 8, 2013, City Council adopted an ordinance placing a moratorium on the exemption of property by designation. Since that date, only applications by entities seeking exemption by classification have been processed.

For the 2022 reassessment year the city has 4,547 exempt parcels valued at \$13,278,090,500. When combined with taxable values this figure represents 35.42% of the city tax base. It should be noted property owned by the Federal Government located on Naval Station Norfolk is not included in this figure. It is also noteworthy that 56 parcels lost their tax-exempt status for 2022, adding \$104,133,300 to the tax base while 14 additional parcels qualified for exemption, removing \$3,844,000 for the tax base.

Total Value Including Exempt Property

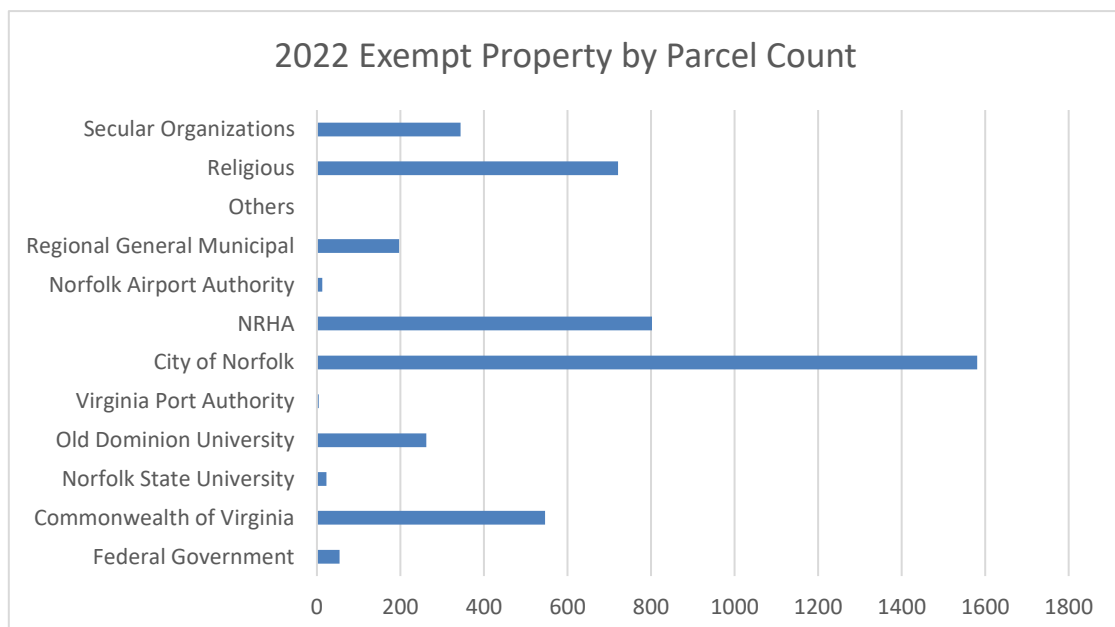
Property Use	Parcel Count	% of Parcels	Total Value	% of Value
Residential	53,646	78.56%	14,420,879,800	59.52%
Condos	4,848	7.10%	1,232,636,500	5.09%
Apartments	988	1.45%	3,027,042,100	12.49%
Gen Commercial	2,110	3.09%	2,701,708,000	11.15%
Hotels/Motels	38	0.06%	359,736,300	1.48%
Office Buildings	358	0.52%	1,448,159,900	5.98%
Ind/Manufacturing	574	0.84%	720,233,400	2.97%
Vacant	5,723	8.38%	318,118,300	1.31%
Exempt	4,547	6.24%	13,287,090,500	35.42%
Total	72,832		37,515,604,800	

Exempt Property Value by Ownership Group

Category	Parcels	Total Assessment
Federal Government	54	\$6,230,163,600
State Government	806	\$1,233,688,600
Local Government	2602	\$4,106,242,100
Private	1085	\$1,716,996,200
Total	4547	\$13,287,090,500

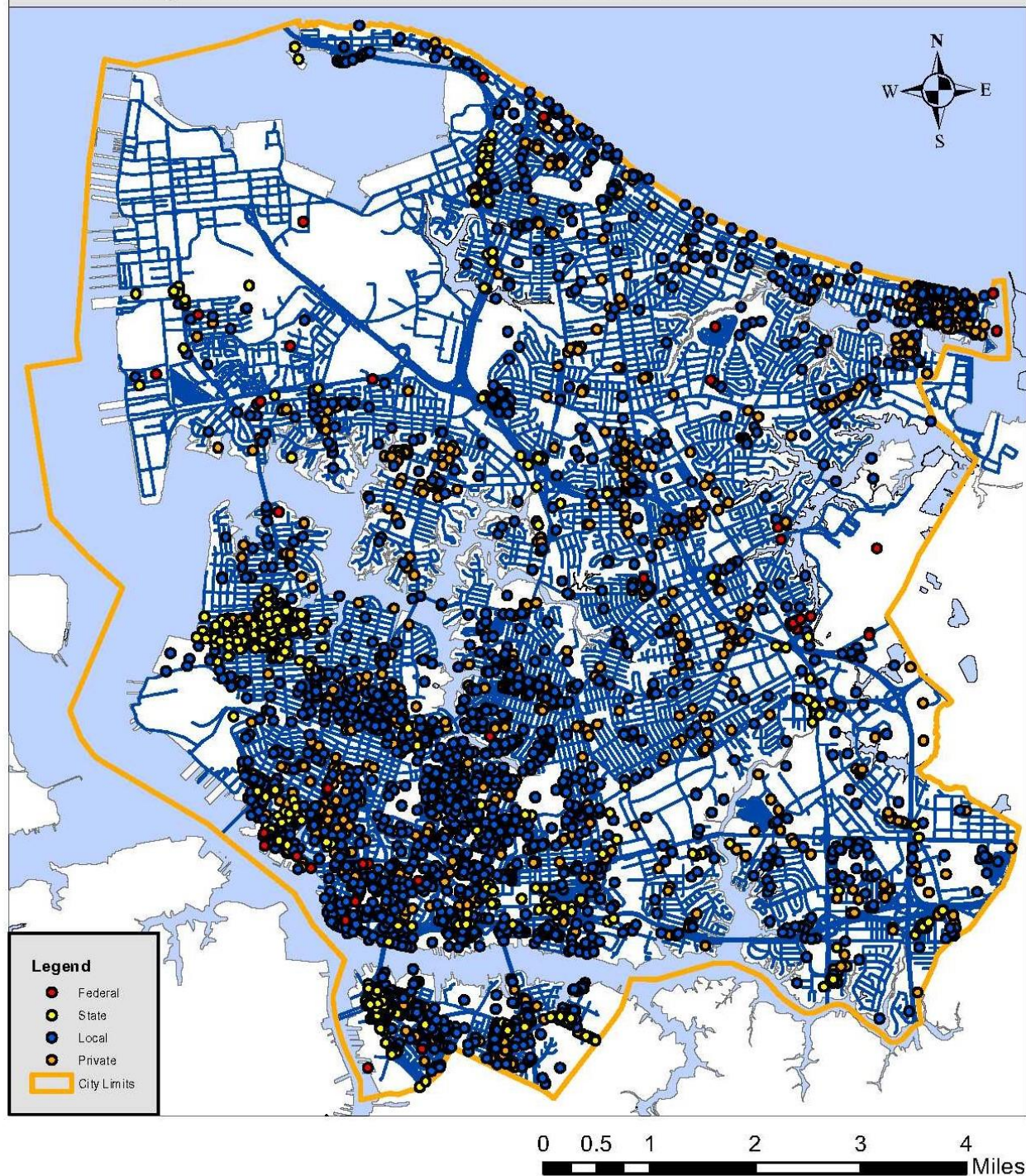
Exempt Property Value by Ownership

Subcategory	2021 Count	Change	2022 Count	2022 Total Assessed Value
Federal Government	63	-9	54	\$6,230,163,600
Commonwealth of Virginia	548	-2	546	\$388,852,900
Norfolk State University	23	0	23	\$231,143,400
Old Dominion University	280	-18	262	\$500,547,700
Virginia Port Authority	4	0	4	\$366,341,700
City of Norfolk	1585	-4	1581	\$2,753,516,500
NRHA	885	-83	802	\$665,299,200
Norfolk Airport Authority	13	0	13	\$443,612,000
Regional General Municipal	188	9	197	\$241,651,900
Others	0	0	0	0
Religious	728	-7	721	\$735,471,500
Secular Organizations	340	4	344	\$730,490,100
Total	4657	-110	4547	\$13,287,090,500



2022 Non-Taxable Parcels

City of Norfolk Real Estate Assessor's Office



Tax Abatement Program

This office administers the Tax Abatement Program for rehabilitated properties adopted in 1998. Entry to this program is gained by filing an application with the Real Estate Assessor *prior* to the start of renovation activities. Upon receipt of the application, the type and extent of work to be performed is analyzed and verified and the property is inspected to ensure that the records in the Assessor's database are correct, and the current assessment is accurate. The property is then evaluated, and a decision made as to eligibility for admission. Follow up field inspections, including the taking of photographs, are made periodically during the renovation period. Upon completion of the renovations, a final inspection is made, and a new value calculated. If all program guidelines are met, the real estate tax attributable to the increased assessment due to the renovations is fully abated for a period of ten (10) years and then phased out over the next four (4) years for a total abatement period of fourteen (14) years.

Currently, 427 properties are enjoying abated assessments in the amount of \$284,301,580. Since its inception this office has received 1,650 applications for participation in the Tax Abatement Program. Approximately \$3.9 million in taxes will be abated under this program for 2022.

The following charts indicate the abatement program has gained popularity in the commercial property segment while losing popularity in residential. This is best explained in that the value difference (and resulting difference in taxes levied) is far greater in commercial projects. While the tax savings for a homeowner are substantial, the savings may not be enough to offset a loan payment sufficiently to make an abatement project worthwhile from the homeowner's perspective. Conversely, in a multi-million-dollar commercial project the tax savings are significantly higher, making the abatement program more desirable in such projects.

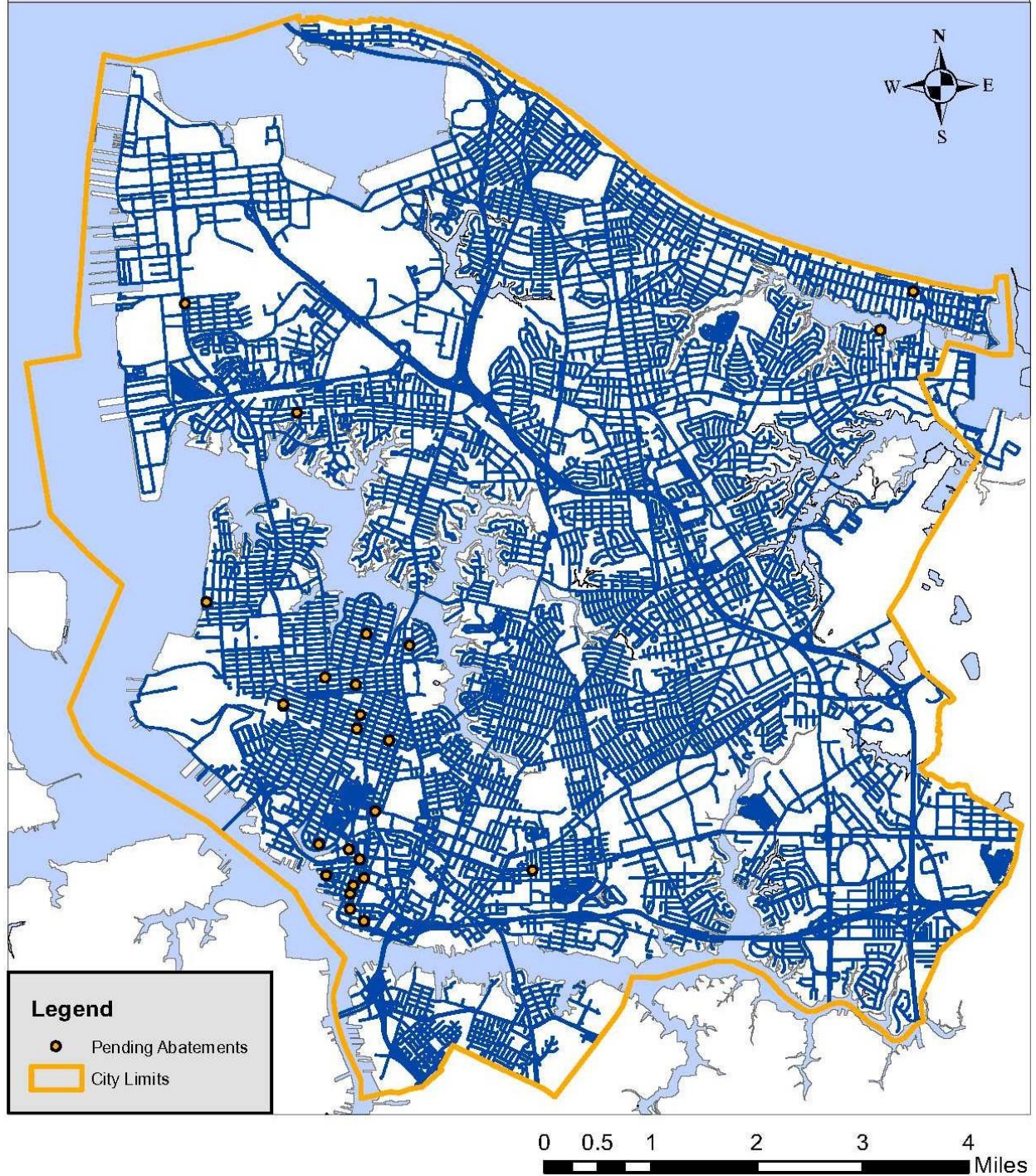
New Abatement Values by Year

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>TOTAL</u>
2014-15	\$8,246,400	\$19,629,700	\$27,876,100
2015-16	\$1,443,500	\$10,896,400	\$12,339,900
2016-17	\$618,600	\$7,633,400	\$8,252,000
2017-18	\$340,500	\$44,143,300	\$44,483,800
2018-19	\$505,300	\$25,752,500	\$26,257,800
2019-20	\$360,700	\$115,752,200	\$116,112,900
2020-21	\$952,100	\$43,042,400	\$43,994,500
2021-22	\$0	\$37,340,000	\$37,340,000

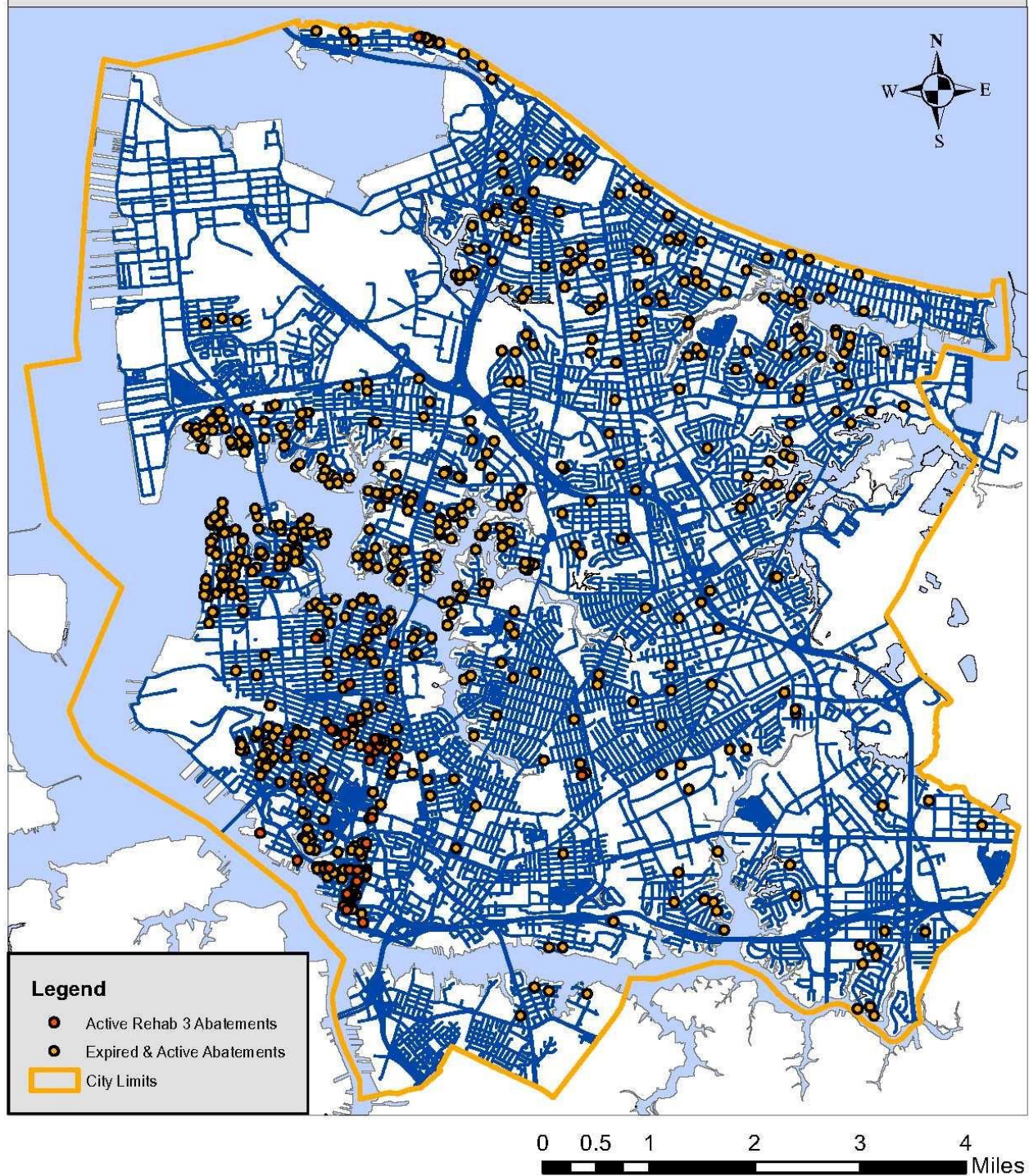
Total Abated Value by Year

<u>Year</u>	<u>Value</u>
2014-15	\$160,255,620
2015-16	\$169,034,300
2016-17	\$169,528,000
2017-18	\$208,605,600
2018-19	\$215,324,700
2019-20	\$288,622,440
2020-21	\$285,263,120
2021-22	\$284,301,590

City of Norfolk Tax Abatement Program September 2022



City of Norfolk Tax Abatement Program September 2022



Residential Market Area Increase/Decrease

The following table shows the increase in value and the percentage change by residential market areas within the City. The values shown for each market area includes waterfront, waterview and off water properties as appropriate. This chart shows that real estate values change over time, but not necessarily at the same rate or pace.

In reassessment, our office utilizes sales exclusively within each market area for analysis. If there are not sufficient sales to provide an appropriate analysis, we expand to a *submarket*, which is a collection of similar market areas.

NBHD	Neighborhood (Market Area) Name	2021 Total	2022 Total	% Change
1101	WILLOUGHBY	293,088,400	320,071,300	9.21%
1102	OCEAN VIEW	104,948,200	117,817,200	12.26%
1103	PINEWELL	94,179,200	108,187,600	14.87%
1104	PINEWELL BY THE BAY	40,281,900	44,669,000	10.89%
1105	BAYVIEW	347,999,800	394,852,500	13.46%
1106	CAPEVIEW	319,125,200	360,486,500	12.96%
1107	SHORE DRIVE (WEST)	387,236,200	461,896,700	19.28%
1108	EAST OCEAN VIEW (NEW)	427,964,200	491,597,900	14.87%
1109	BAYBREEZE	74,781,300	96,052,900	28.45%
1201	RIDGEWELL (OCEAN VIEW)	104,010,900	120,145,900	15.51%
1202	PAMILCO	63,570,300	69,654,700	9.57%
1203	LENOX	102,507,600	112,746,200	9.99%
1204	COMMODORE PARK	101,741,200	108,439,600	6.58%
1205	HAMPTON GARDENS	23,380,600	25,230,000	7.91%
1206	ALBEMARLE	64,327,700	71,560,800	11.24%
1207	OCEANAIR	151,809,200	166,732,800	9.83%
1208	BAYVIEW PARK	49,506,000	57,839,200	16.83%
1209	WILLOUGHBY TERRACE	38,783,400	44,309,700	14.25%
1301	GLENWOOD PARK	87,870,100	95,141,400	8.28%
1303	LOCHHAVEN	145,557,700	154,987,300	6.48%
1304	NORTH MEADOWBROOK	20,312,400	22,458,300	10.56%
1305	MEADOWBROOK	83,642,800	88,021,700	5.24%
1306	RIVERFRONT	73,227,500	79,127,400	8.06%
1307	NORTH TITUSTOWN	36,586,900	41,219,100	12.66%
1308	NORTH SHORE POINT	99,430,300	109,998,000	10.63%
1309	ROSE GARDENS	68,090,100	78,111,900	14.72%
1310	PINEHURST	76,857,100	83,388,400	8.50%
1311	COLONY POINT	75,129,900	86,133,000	14.65%
1312	SOUTH TITUSTOWN	45,687,500	52,792,900	15.55%
1313	OAK GROVE	96,575,000	103,061,000	6.72%
1314	TALBOT PARK	45,765,100	51,213,700	11.91%
1315	RIVER POINT	132,707,900	139,561,100	5.16%
1401	EDGEWATER	280,454,500	306,520,500	9.29%
1402	WEST LARCHMONT	159,658,200	167,635,800	5.00%
1403	EAST LARCHMONT	279,707,900	299,988,500	7.25%
1404	EDGEMERE	54,336,500	56,673,000	4.30%

1405	LAMBERTS POINT	142,574,500	157,239,700	10.29%
1406	COLLEY AVENUE	89,016,500	101,417,600	13.93%
1407	NORTH COLONIAL PLACE	154,749,100	164,928,500	6.58%
1408	RIVERVIEW	75,783,100	79,057,700	4.32%
1409	SOUTH COLONIAL PLACE	147,481,600	155,814,200	5.65%
1410	VIRGINIA PLACE	184,596,800	207,375,700	12.34%
1411	VILLA HEIGHTS	31,274,300	35,404,100	13.21%
1412	PARK PLACE	97,646,000	113,744,800	16.49%
1413	GLEN HAVEN	23,543,100	25,683,400	9.09%
1414	CRUSER PLACE	8,100,400	9,276,500	14.52%
1415	NORTH LARCHMONT	42,675,300	44,578,800	4.46%
1416	RIVERSIDE PARK	18,019,300	19,225,800	6.70%
1501	WEST GHENT	309,995,500	336,127,000	8.43%
1502	MEDICAL CENTER - DOWNTOWN CONDOS	16,995,600	20,087,500	18.19%
1503	GHENT	363,099,100	386,966,800	6.57%
1504	BOTETOURT GARDENS	196,074,300	212,283,600	8.27%
1505	21ST STREET - VIRGINIA BEACH BOULEVARD	38,409,900	41,719,800	8.62%
1506	MOWBRAY ARCH	117,956,600	125,791,700	6.64%
1507	DOWNTOWN COLLEGE PLACE	116,894,400	130,604,200	11.73%
1508	GHENT COMMONS	61,069,800	65,352,400	7.01%
1509	NORTH OF BRAMBLETON - DOWNTOWN CONDOS	8,165,500	8,090,100	-0.92%
1510	HISTORIC DOWNTOWN CONDOS - WATERFRONT	166,321,500	179,455,100	7.90%
1511	FREEMASON CONDOS	35,829,200	37,957,400	5.94%
1601	WEST BERKLEY	11,627,300	14,458,600	24.35%
1602	EAST BERKLEY	112,858,900	127,852,400	13.29%
1603	CAMPOSTELLA	105,608,500	114,150,300	8.09%
1604	CAMPOSTELLA HEIGHTS	47,483,900	51,181,800	7.79%
1605	NEWTON PARK	1,481,100	1,597,500	7.86%
1701	MONTICELLO VILLAGE	62,254,300	67,138,500	7.85%
1702	OAKDALE	97,533,100	109,339,800	12.11%
1703	COLONIAL HEIGHTS	185,063,700	213,497,600	15.36%
1704	SNUG HARBOR	135,252,900	158,640,500	17.29%
1705	CHEROKEE HEIGHTS	88,781,400	99,615,600	12.20%
1706	FORREST PARK	68,885,700	74,899,000	8.73%
1707	SOUTH BAYVIEW	32,170,900	34,172,700	6.22%
1708	DENBY PARK	68,753,200	80,825,600	17.56%
1709	LINCOLN PARK	5,238,500	5,885,200	12.35%
1710	MILLER HEIGHTS	7,021,200	9,396,300	33.83%
1711	MAMIE PROPERTIES	76,955,200	89,334,200	16.09%
1712	WASHINGTON PARK	68,670,600	81,972,500	19.37%
1801	SUBURBAN PARK	19,735,100	20,926,500	6.04%
1802	SUBURBAN ACRES	82,707,500	92,363,000	11.67%
1803	GRANBY PARK	39,659,100	43,062,400	8.58%
1804	CROMWELL FARMS	68,725,600	76,552,600	11.39%
1805	ROLAND PARK	94,719,400	106,025,000	11.94%
1806	LAKEWOOD	107,874,900	119,620,800	10.89%
1807	BOLLING BROOK	9,514,600	11,732,300	23.31%
1808	ELLSWORTH	39,743,200	42,152,800	6.06%

1809	EAST BELVEDERE	50,941,100	53,442,500	4.91%
1901	BAECHER PT	7,609,400	8,460,000	11.18%
1902	NEW LAFAYETTE SHORES	98,520,600	106,259,600	7.86%
1903	KENT PARK	38,220,300	42,612,400	11.49%
1904	OLD LAFAYETTE SHORES	24,513,000	26,200,200	6.88%
1905	WINONA	58,454,300	65,057,500	11.30%
1906	WILLARD PARK	112,441,100	129,829,000	15.46%
1907	LAFAYETTE RESIDENCE PARK	98,354,200	106,639,600	8.42%
1908	GOWRIE PARK	31,112,600	36,023,700	15.78%
1909	LAFAYETTE TERRACE	31,258,700	37,648,500	20.44%
1910	LAFAYETTE PARK	98,084,200	110,193,200	12.35%
1911	LINDENWOOD	50,890,900	60,322,900	18.53%
1912	BELMONT PLACE	57,798,200	63,014,900	9.03%
1913	WEST BALLENTINE	86,096,700	96,359,000	11.92%
1914	EAST BALLENTINE	62,359,800	72,196,400	15.77%
1915	HOLLY POINT	2,660,700	2,939,200	10.47%
1916	SUNSHINE HOMES	8,200,100	9,170,900	11.84%
1917	BARRARD PARK	49,290,000	62,821,700	27.45%
2001	HUNTERSVILLE	109,269,100	128,612,600	17.70%
2002	ST JULIAN - PRINCESS ANNE ROAD	28,994,800	32,279,100	11.33%
2003	HAYNES TRACT	120,295,900	133,257,600	10.77%
2004	NORTH BRAMBLETON	51,061,200	57,933,400	13.46%
2005	MIDDLETOWNE ARCH	43,669,500	48,136,800	10.23%
2006	SOUTH BRAMBLETON	1,905,300	2,093,000	9.85%
2007	CHESTERFIELD	71,633,300	77,741,200	8.53%
2008	STONEBRIDGE	35,097,900	38,433,400	9.50%
2009	BROAD CREEK	24,798,400	27,639,100	11.46%
2010	ATTUCKS SQUARE	14,292,500	16,351,200	14.40%
2011	NEW HUNTERSVILLE	6,570,500	7,457,500	13.50%
2012	SPARTAN VILLAGE	11,281,100	12,110,100	7.35%
2013	THE VILLAGE OF BROADCREEK	10,420,800	11,057,400	6.11%
2101	BELAIRE	50,256,000	55,601,000	10.64%
2102	WEDGEWOOD	89,207,700	100,205,200	12.33%
2103	TARRALLTON	195,505,000	214,776,700	9.86%
2104	NORTH CAMELLIA ACRES	130,662,700	142,107,800	8.76%
2105	CAMELLIA GARDENS	33,905,400	35,886,500	5.84%
2106	E O V LCR Condominiums - WF	126,844,400	148,346,400	16.95%
2201	EAST LITTLE CREEK ROAD	2,108,000	2,618,300	24.21%
2202	LARRYMORE	112,993,300	123,513,800	9.31%
2203	HUNTERS CHASE	31,752,300	33,942,300	6.90%
2204	SARATOGA	24,993,400	26,808,300	7.26%
2205	SOUTH CAMELLIA ACRES	36,750,600	41,517,900	12.97%
2206	CAMELIA SHORES	61,883,900	70,854,700	14.50%
2207	EAST LYNN	34,059,000	35,146,500	3.19%
2208	MEADOWBROOK FORREST	109,946,400	125,569,100	14.21%
2209	LAKELAND/BROMLEY	86,510,500	96,707,000	11.79%
2210	GLENGARIFF	33,122,500	36,192,800	9.27%
2211	AZALEA ACRES	75,171,000	80,613,500	7.24%

2212	IDLEWOOD/LOAM STREET	13,601,300	17,149,900	26.09%
2213	SOUTH AZALEA ACRES	12,477,400	13,467,900	7.94%
2215	WILBURN FARMS	19,856,200	21,467,600	8.12%
2216	THE GARDENS	40,839,700	46,453,600	13.75%
2301	OAKWOOD TERRACE	9,306,400	11,284,400	21.25%
2302	OAKMONT - SAINT ANDREWS PLACE	37,254,800	41,719,800	11.99%
2303	CORONADO	87,252,300	95,715,100	9.70%
2304	NORVIEW/TOWNHOUSES	22,690,200	31,033,700	36.77%
2305	ROSEMONT	27,102,800	30,858,700	13.86%
2306	GREENHILL FARMS	43,474,000	51,817,900	19.19%
2307	SEWELLS GARDENS	73,656,600	85,241,100	15.73%
2308	NORFOLK GARDENS	47,981,000	52,596,700	9.62%
2309	EAST NORVIEW	62,489,200	75,025,800	20.06%
2310	NORVIEW	106,462,600	118,644,600	11.44%
2401	ESTABROOK	62,084,700	70,236,700	13.13%
2402	GREENWOOD	109,775,900	124,915,500	13.79%
2403	BRANDON PLACE	88,931,400	100,610,700	13.13%
2404	NORVELLA HEIGHTS	62,502,300	66,600,700	6.56%
2405	ELMHURST	68,469,000	79,006,200	15.39%
2406	OVERBROOK	96,659,200	112,120,900	16.00%
2407	PENNSYTOWN	149,973,700	169,591,400	13.08%
2408	NORTH FOX HALL	61,413,500	70,605,600	14.97%
2409	COLEMAN PLACE	106,952,900	122,695,500	14.72%
2410	FOX HALL	73,093,600	82,377,400	12.70%
2411	NORVELLA HEIGHTS SOUTH	10,178,100	11,351,900	11.53%
2412	WEST ESTABROOK	33,083,200	35,139,300	6.21%
2413	SOUTH COLEMAN PLACE	40,842,900	43,219,600	5.82%
2414	ESTABROOK PARK	16,427,200	19,446,700	18.38%
2501	LANSDALE	21,890,200	25,234,400	15.28%
2502	LANSDALE EAST	14,530,100	16,958,600	16.71%
2504	FOX HALL/NORCOVA	32,652,200	35,729,600	9.42%
2505	RIVER OAKS	53,619,600	59,217,000	10.44%
2506	RABY ROAD	1,562,800	1,668,900	6.79%
2507	TUCKER PLACE	15,015,200	17,418,800	16.01%
2509	BROAD CREEK SHORES-ANNA STREET	11,792,400	12,421,100	5.33%
2510	POPLAR HALLS	167,375,900	178,965,900	6.92%
2511	INGLESIDE TERRACE	40,365,800	44,537,400	10.33%
2512	WAVERLY- STUART CIRCLE	13,151,600	13,896,200	5.66%
2513	SANDY BAY - HALTER LANE	8,216,800	9,276,800	12.90%
2514	INGLESIDE	124,684,200	139,274,400	11.70%
2515	ELIZABETH PARK	56,460,200	60,314,300	6.83%
2516	WAYSIDE MANOR	22,597,100	26,988,700	19.43%
2517	SOUTH EASTON PLACE	22,304,600	25,036,200	12.25%
2518	NORTH EASTON PLACE	18,510,500	20,399,300	10.20%
2519	WOODBINE	22,983,800	26,086,500	13.50%
2520	RIVER FOREST SHORES	87,196,400	90,710,300	4.03%
2521	PLEASANT POINT	44,491,900	47,896,500	7.65%
2522	ARCH COVE COURT	11,264,500	12,811,800	13.74%

2523	SOUTH INGLESIDE	22,844,600	24,147,600	5.70%
2524	LANSDALE NORTH	10,262,500	11,435,700	11.43%
2525	RIVERS EDGE - WATERFRONT	2,470,200	2,636,700	6.74%
2601	JANAF PLACE	19,621,600	22,455,400	14.44%
2602	ADMIRALTY ACRES	16,956,300	19,413,300	14.49%
2603	LAKE TERRACE	15,808,200	18,032,600	14.07%
2605	FAIRLAWN ESTATES	23,102,200	27,457,300	18.85%
2606	MAPLE HALL - HOLLYWOOD	116,639,100	137,418,400	17.82%
2608	STONEY POINT	37,043,200	41,602,900	12.31%
2609	NORTH GLENROCK	60,262,200	70,720,000	17.35%
2610	SOUTH GLENROCK	25,816,600	31,784,900	23.12%
		14,193,522,800	15,817,943,200	11.44%