

Value Review Examples

Example 1

- a) I purchased my home in the early 1990s.
- b) The total assessed value on my 2014-15 property tax bill is \$196,452.
- c) The market value of my property on January 1, 2014, was \$460,000.

Your property in the example above **does not qualify** for property tax relief. The assessed value of \$196,452 is lower than the \$460,000 market value as of January 1, 2014. This type of property tax relief generally applies to more recently purchased property.

Example 2

- a) I purchased my home in July 2005 for \$350,000.
- b) The total assessed value on my 2014-15 property tax bill is \$345,000.
- c) Sales of similar model homes in January through March 2014 were \$335,000.

Your property in the example above **may qualify** for property tax relief. The assessed value of \$345,000 is higher than the \$335,000 market value indicated by comparable sales of similar model homes that sold January through March 2014.

Example 3

- a) I purchased my home in September 2008 for \$500,000.
- b) The total assessed value on my 2014-15 property tax bill is \$500,000.
- c) Sales of similar model homes in October through December 2013 were \$500,000.
- d) Sales in **April and May of 2014** were \$485,000 and current listings for sales are even lower.

Your property in the example above **does not** qualify for property tax relief for the 2014-15 tax year. The assessed value of \$500,000 is not lower than the \$500,000 market value as of January 1, 2014. However, **you may qualify** for property tax relief for the next tax year if the market value on January 1, 2015, is lower than the assessed value as recent sales indicate.

Example 4

A property was purchased for \$500,000. During a four-year period, the real estate market declined and recovered. The property owner filed for a decline-in-value reassessment. The following table shows the trended base value of the property, the market value of the property, and the assessed value of the property. This assumes a 2% Annual Consumer Price Index (C.P.I.).

	Protected Proposition 13 Base Value	January 1 Market Value	Assessed Value
Year 1	\$500,000	\$500,000	\$500,000
Year 2	\$510,000	\$480,000	\$480,000
Year 3	\$520,200	\$510,000	\$510,000
Year 4	\$530,604	\$550,000	\$530,604
Year 5	\$541,216	\$610,000	\$541,216