

What To Expect – 2023 Appraisal Notices

Alvin Lankford – Chief Appraiser of Williamson Central Appraisal District

When you're looking at the appraisal notice, at your market value, and you're trying to make a determination of whether or not you should protest that market value, the first thing you're going to look at is that sales information we've provided. If you feel that you have additional evidence such as other sales, or you feel the value that we've determined is too high, that's when you start making a decision to protest. The ways you can do that is going out and getting additional sales information that I talked about. There's other things you can look at on the home itself.

As you go onto our website, you look up your property, there'll be additional information about your home. You can look at the size of your home. You can look at the attributes that we have on your home. That sort of thing. If you feel the size of your home is wrong, and we've got too much square footage on the property, that is another way of protesting your value. You'll need to bring in evidence that shows the size of your home is inaccurate, such as plans, or builder square footage, that sort of thing. Keep in mind when you're determining whether or not our size is wrong in comparison with the builders, or what a realtor may use, is that the builders will actually use interior measurements of the home, and so they're only going to look at living areas square footage from the interior walls. We cannot access every home, so we measure everything from the exterior, so keep in mind that most homes have anywhere from 8 to 10 inches of wall space all the way around the home, which can add up to a couple of hundred square foot difference. We have to measure them all the same, as long as we're doing it all the same, then that means your market value will be correct based on that square footage. Just bringing in Builders plans won't necessarily reduce the square footage because we're more than likely have measured it from the outside, and there will be a discrepancy in that.

One exception to that is second floors. Sometimes second floors, we cannot access the interior of the home as I mentioned, and so there may be maybe areas of your home where there is no second floor above say your living area or something like that. If you see on our website that we have more square footage in your second floor than you actually have, that's really good evidence that you can actually bring in to show us where that discretion is, and we will re-measure your home based on those Builders plans, and insert the correct square footage on your second floor. That can actually have an impact on the value of your property.

Larry Gaddes – Williamson County Tax Assessor/Collector

I have read a lot of Articles recently that have said that values have decreased 30% over last year. Is that what we can expect to see when we get the appraisal notice in a couple of weeks or so, that that values have decreased 20 – 30%?

Alvin Lankford

Great question. If you looked at the media articles you would think so, but keep in mind we are looking at the valuation on January 1st. It's a snapshot in time, and when you have a volatile market like we've had the last couple of years, there is a lot of change that happens in a year. I usually like to draw this out on a whiteboard, I don't have that for me, but if you'll just bear with me and follow my hands, I'll describe what happened in 2021. The market value just took off pretty much all year. There was a small flattened spot in the middle and just kept going. In January 1 of 2022 that was nearly a 50% increase from January 1 of 2021. That's what you saw on your appraisal notice. This year, however, when I say this year, the sale prices that occurred in 2022 actually were going up at the beginning of the year and then started to taper back down through remainder of the Year.

Keep in mind that we're looking at January 1 to January 1. If your value was going up at the beginning of the year and you bought a home in May, that the value started tapering at the end of the year. That reduction that you're seeing in the media is from the very peak of the market in that May or June time frame to today, and that is not what you're going to look at on your appraisal notice. You're going to look at the difference between January 1 of the prior year and January 1 of this year. What we're going to look at is not at that Peak but the value we had on the property last year to where the market was on that property this year as of January 1. In most cases this year it was about an average of about a 12% decrease from January 1 of last year to January 1 of this year. You won't see the 30% plus decrease from the peak of the market, but you will more than likely see a decrease from January 1 of the prior year, about 12%.

Now I say that, and I get quoted in this all the time. That is an average decrease of 12%. There are going to be areas that did not decrease at all. There are going to be areas that went further down than that, but keep in mind across the county that's about a 12% average decrease.

Larry Gaddes

I would imagine that would apply to the different sales prices of homes too. You may see in the Leander area very expensive homes may have decreased significantly, but entry-

level starter homes have not decreased at all even though they're in the same area. Just a variety of different circumstances going on.

Alvin Lankford

You know for years we've always had a bad rap, if you will. People thought we would only go up in value. I like seeing years like this because it does show that we follow the market no matter what happens. If the market is going down we will follow it, but Larry's right. It depends on the level of home you're looking at. There are certain home sizes that did not decrease in the same manner, and your neighborhood may not have decreased like other areas of the county. But again, we're more transparent than any Appraisal District out there. We will show you the sales that we utilized in valuing that home. Not only that, you will see a time adjustment line item on that sales comparison grid where we're time adjusting that sale price to January 1 of this year. Last year it was a large time adjustment upwards. We went up in value quite a bit from if it sold middle of the year, you may see a 20 or 25% adjustment to January 1 of 2022. This year it may be the opposite. It's not going to be quite as drastic, but it is going to time adjusted downwards to January 1. You'll see sale prices that are no longer valid. In fact, if you bought your home middle of the year last year I would anticipate that our appraisal notice is going to come out with a value that's less than what you purchased the home for.