



How much will residential property values be decreasing this year?

By Brad Hughes, County Assessor

This is a question that has recently been asked by many Montrose County property owners. The majority of the 11,000+ single family residential properties in Montrose County will be declining in value between eight and eleven percent for 2011. However, based on a specific property's location, construction quality, and several other factors, the decrease in value can range between zero and 25%.

Under Colorado law, county assessor's offices throughout the state conduct a complete revaluation of all properties in their county every two years. The Colorado Legislature sets the appraisal date, the market sales data collection period, and the annual calendar for the assessment process.

The previous revaluation was completed in 2009 and was based on a June 30, 2008 level of value. These valuations were established using market sales data from January 1, 2007 through June 30, 2008 and were used for tax years 2009 and 2010 (payable in 2010 and 2011 respectively). As a result of the assessment calendar, property tax assessment valuations will always lag behind current market conditions.

The new revaluation will be based on a June 30, 2010 level of value. These valuations will be established using market sales data from January 1, 2009 through June 30, 2010 and will be used for tax years 2011 and 2012 (payable in 2012 and 2013 respectively). Therefore, the initial decline in home values occurring prior to June 30, 2010 will be reflected in the new valuations, however, any continued downward market conditions that have occurred between June 30, 2010 and today cannot be considered at this time.

Another important factor to understand regarding the new valuations is the difference between a decrease in the volume of sales activity versus a decrease in selling prices. Over the past several years there has been a definite decrease in the overall number of sales transactions, however, the sale prices of these transactions have not declined by the same magnitude. (See graph)

After receiving your new Notice of Valuation in May 2011, please review the change in value. If you disagree with this revised valuation, there are detailed appeal procedures on the back of the notice. If you have any additional questions, concerns, or comments please call the Montrose County Assessor's Office at (970) 249-3753 or email us at assessor@montrosecounty.net

