BURKE COUNTY, NORTH CAROLINA

Real Property Revaluation & Schedule of Values

How the county's 4-year reappraisal cycle produces a new Schedule of Values

Prepared with reference to North Carolina General Statutes, Chapter 105 (Taxation)

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MEET THE TASK FORCE

A 7-Member Citizen Revaluation Task Force

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Former County Commissioner

Has served through several previous county property revaluations, bringing firsthand experience with the process.

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Director of Soil & Water, Lincoln County

Serves on Burke County's Agricultural Advisory Board, along with several other county committees.

3

Insurance Company Owner

50 years of industry experience; serves on Burke County's Board of Equalization and Review.

4

Commercial Real Estate Developer

Brings 39+ years of experience in commercial real estate development.

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Real Estate Developer

Brings over 50 years of experience in real estate development.

6

General Contractor & Home Builder

Brings over 24 years of experience in construction and home building.

7

Real Estate Agent

Brings 40 years of experience as a real estate agent.

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THE BASICS

What Is a Property Revaluation?

Revaluation (or "reappraisal") is the process of restating every parcel of real property in the county — land and structures — at its true market value as of a set date, so the tax base reflects what properties would actually sell for.

WHY IT MATTERS

Periodic revaluation keeps the tax burden fair as some properties appreciate faster than others — without it, some owners would pay more than their fair share of tax, and others less.

- Applies only to real property — land and buildings
- Personal property (vehicles, boats, business equipment) is valued separately, on an annual cycle
- Purpose is equalization: keeping the tax burden fair as some properties appreciate faster than others

Revaluation changes VALUES.

It does not, by itself, change how much revenue the county needs or how services are funded.

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THE PROCESS

How the Tax Office Gets to a New Value

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Neighborhooding

Parcels are grouped into market areas that behave similarly — same subdivision, age, style, and quality of construction.

2

Land & Building Pricing

Recent sales are analyzed to set land values, building grades, and the influence of each property characteristic.

3

Field & Office Review

Appraisers verify data in the field and in the office; the schedule of values is drafted and applied countywide.

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Notice & Appeal

Owners receive a notice of new assessed value and have the right to appeal if they believe it's incorrect.

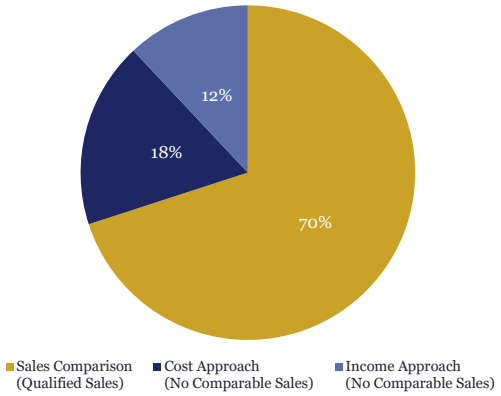
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MASS APPRAISAL METHODOLOGY

Qualified Sales: The Backbone of the Model

Qualified (arms-length) sales are the primary driver of value across most parcels. When a property has no reliable comparable sales, appraisers fall back to the cost or income approach instead.



Illustrative mix — the actual share for any market area depends on how much qualified sales activity exists there.

WHAT COUNTS AS A QUALIFIED SALE

An arms-length transaction between a willing, unrelated buyer and seller, with neither under unusual pressure. It excludes foreclosures, distress or estate sales, family transfers, and other non-market transactions.

WHEN COST OR INCOME STEPS IN

- New construction or unique, special-purpose properties with no comparable sales — cost approach
- Income-producing commercial or rental property with too few comparable sales — income approach
- Rural or low-sales-volume areas where qualified sales are scarce — all three approaches are blended

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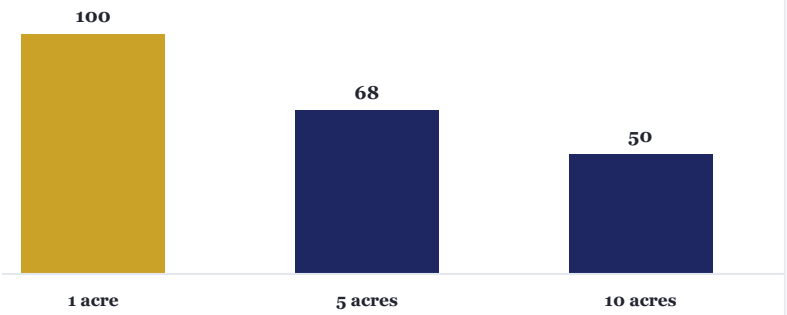
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MASS APPRAISAL METHODOLOGY

Vacant Land: Economies of Scale by Tract Size

Land value schedules don't apply a flat rate per acre. As tract size goes up, the price per acre typically goes down — a smaller 1-acre parcel is priced higher per acre than a 20-acre tract.

RELATIVE VALUE PER ACRE (ILLUSTRATIVE)



Index only, not actual appraised values — real size breaks and factors are set in the county's land value schedule.

WHY LARGER TRACTS PRICE LOWER PER ACRE

- Fewer buyers are able to purchase and carry large acreage, narrowing demand
- Small, ready-to-build parcels see the strongest demand and command a premium
- Fixed costs — surveys, perc tests, access — spread over fewer acres on small tracts
- Bulk land purchases behave like any bulk purchase: buyers expect a per-unit discount

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MASS APPRAISAL METHODOLOGY

When Local Data Is Thin

Rural and lower sales-volume counties don't always have enough verified transactions to fully support all three approaches — appraisers turn to outside data sources to fill the gaps.

COMMON DATA CHALLENGES

- Too few verified sales in a market area to build a reliable sales comparison model — especially for commercial, industrial, or unique properties
- Limited local cost data to calibrate replacement cost tables to current construction pricing
- Thin income and expense data for the income approach — few comparable rental transactions, and owners don't always disclose actual rents and expenses
- Long gaps between qualifying sales for a given property type or neighborhood in smaller counties

OUTSIDE DATA SOURCES USED TO FILL GAPS

CoStar
Commercial real estate database used for market rents, comparable sales, and cap rates by property type and submarket — Burke's tax office uses CoStar to help support cap rate selection for the income approach.

- National cost manuals (e.g., Marshall & Swift, CoreLogic) — replacement cost tables calibrated to local multipliers when local cost data is thin
- Regional MLS / Realtor association data — widens the residential sales pool beyond the county's own closings
- NC Dept. of Revenue regional and comparable-county sales studies — benchmarking against demographically similar counties
- Industry expense surveys (IREM, BOMA) — operating expense and income benchmarks by commercial property type

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MASS APPRAISAL METHODOLOGY

Testing the Model: Statistical Review

Before a Schedule of Values is finalized, appraisers run ratio studies comparing appraised values to verified sale prices — checking both overall accuracy and fairness between properties.

Sales Ratio

Appraised value divided by verified sale price for each qualifying sale — the building block of every ratio study.

Median Ratio

The preferred measure of overall appraisal level; the widely used industry benchmark range is 90%–110% of market value.

Coefficient of Dispersion (COD)

Measures uniformity among similar properties; the typical industry range for single-family homes is 5–15, tighter for newer, more homogeneous areas.

Price-Related Differential (PRD)

Checks for bias between low- and high-value properties; the widely used acceptable range is 0.98–1.03, with no systematic over- or under-valuation.

These measures test the sales comparison model against actual market sales; cost and income indicators are reviewed separately for the property types they apply to.

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THE SCHEDULE OF VALUES

What Is a Schedule of Values (SOV)?

A standardized technical manual, created by the County Tax Assessor, that governs how the county appraises real property at market value. The SOV is one tool used in determining a property's assessed value — market sales data and other factors are also considered.

PROVIDES A STANDARD WAY TO VALUE

- Building types and construction quality
- Square footage and property improvements
- Depreciation factors (age and condition)
- Land value schedules and neighborhood adjustments

KEEP IN MIND

The Schedule of Values sets the methodology for consistent, defensible appraisals countywide — it standardizes how features are valued so that similar properties are treated alike.

It is updated as part of each general reappraisal, so it reflects current construction costs and market conditions at the time of adoption.

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THE SCHEDULE OF VALUES

How the Schedule of Values Is Developed & Adopted

1. **Market Analysis** — County appraisers analyze recent arms-length market sales, construction costs, and income/expense data to determine fair market value.
2. **Drafting the Manual** — These metrics establish a baseline for residential, commercial, and industrial property, with adjustments for location, materials, and market conditions.
3. **Public Review** — The completed SOV is submitted to the Board of Commissioners and made available for public inspection; a public hearing allows citizen feedback.
4. **Adoption** — The Board of Commissioners officially adopts the Schedule of Values.
5. **Appeal Period** — Once approved, citizens have a 30-day window to appeal the validity of the schedule to the Property Tax Commission.

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LOOKING AHEAD

Preparing for the 2027 Revaluation

Task Force at Work

A 7-member citizen Revaluation Task Force meets monthly to oversee the property tax department's progress and ensure fair, equitable standards are applied.

Transparency Goal

County leadership has framed the process around public trust — explaining the mechanics before notices go out, not after.

Schedule of Values Adoption

The 2027 Schedule of Values follows the standard path: analysis, drafting, public review, adoption by the Board, and a 30-day appeal window.

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Questions?

Thank you

Sources: NC General Statutes Chapter 105 • NC Department of Revenue, County & Municipal Property Tax Rates and Reappraisal Schedules • UNC School of Government, Coates' Canons • Burke County, NC Tax Office

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