

GRANNYFLATS

CASE STUDIES

PRESENTED TO:

FLORIDA CHAPTER IAAO

2009 FALL CONFERENCE

BY

MARK B. JOHNS

VALUATIONS AND FIELD

OPERATIONS ADMINISTRATOR

BREVARD COUNTY PROPERTY APPRAISER

CASE 1

ASSUMPTIONS

2009 MARKET VALUE BEFORE CONSTRUCTION \$300,000

ASSESSED VALUE IS \$250,000 FOR 2009 AFTER SOH INCREASE FROM 2008

\$25,000 HOMESTEAD EXEMPTION AND \$25,000 SECOND EXEMPTION

3% SOH CAP FOR 2010

10% INCREASE IN MARKET VALUE FROM 2009 TO 2010

	<u>PRE-CONST.</u> <u>2009</u>	<u>AFTER CONST.</u> <u>2009</u>	<u>GRANNY FLAT</u> <u>ADJUSTMENT</u>	<u>PROJECTED</u> <u>2010</u>
MARKET VALUE	\$ 300,000	\$ 350,000	\$ 350,000	\$ 385,000
ASSESSED VALUE	\$ 250,000	\$ 300,000	\$ 300,000	\$ 309,000
LESS GRANNY FLAT			\$ 50,000	\$ 50,000
LESS EXEMPTIONS	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TAXABLE VALUE NSB	\$ 200,000	\$ 250,000	\$ 200,000	\$ 209,000
TAXABLE VALUE SB	\$ 225,000	\$ 275,000	\$ 225,000	\$ 234,000

NEW CONSTRUCTION AMOUNT OF GRANNY FLAT = \$50,000

20% OF ASSESSED VALUE = \$300,000 X .20 = \$60,000

LESSER OF NEW CONSTRUCTION AND 20% OF ASSESSED = \$50,000

APPLY \$50,000 REDUCTION TO ASSESSED VALUE FOR GRANNY FLATS

CASE 2

ASSUMPTIONS

2009 MARKET VALUE BEFORE CONSTRUCTION \$300,000

ASSESSED VALUE IS \$250,000 FOR 2009 AFTER SOH INCREASE FROM 2008

\$25,000 HOMESTEAD EXEMPTION AND \$25,000 SECOND EXEMPTION

3% SOH CAP FOR 2010

10% INCREASE IN MARKET VALUE FROM 2009 TO 2010

	PRE-CONST. <u>2009</u>	AFTER CONST. <u>2009</u>	GRANNY FLAT <u>ADJUSTMENT</u>	PROJECTED <u>2010</u>
MARKET VALUE	\$ 300,000	\$ 375,000	\$ 375,000	\$ 412,500
ASSESSED VALUE	\$ 250,000	\$ 325,000	\$ 325,000	\$ 334,750
LESS GRANNY FLAT			\$ 65,000	\$ 65,000
LESS EXEMPTIONS	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TAXABLE VALUE NSB	\$ 200,000	\$ 275,000	\$ 210,000	\$ 219,750
TAXABLE VALUE SB	\$ 225,000	\$ 300,000	\$ 235,000	\$ 244,750

NEW CONSTRUCTION AMOUNT OF GRANNY FLAT = \$75,000

20% OF ASSESSED VALUE = \$325,000 X .20 = \$65,000

LESSER OF NEW CONSTRUCTION AND 20% OF ASSESSED = \$65,000

APPLY \$65,000 REDUCTION TO ASSESSED VALUE FOR GRANNY FLATS

CASE 3

ASSUMPTIONS

2009 MARKET VALUE BEFORE CONSTRUCTION \$350,000

ASSESSED VALUE IS \$280,000 FOR 2009 AFTER SOH INCREASE FROM 2008

\$25,000 HOMESTEAD EXEMPTION AND \$25,000 SECOND EXEMPTION

3% SOH CAP FOR 2010

10% INCREASE IN MARKET VALUE FROM 2009 TO 2010

	<u>PRE-CONST.</u> <u>2009</u>	<u>AFTER CONST.</u> <u>2009</u>	<u>GRANNY FLAT</u> <u>ADJUSTMENT</u>	<u>PROJECTED</u> <u>2010</u>
MARKET VALUE	\$ 350,000	\$ 450,000	\$ 450,000	\$ 495,000
ASSESSED VALUE	\$ 280,000	\$ 380,000	\$ 380,000	\$ 391,400
LESS GRANNY FLAT			\$ 75,000	\$ 75,000
LESS EXEMPTIONS	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TAXABLE VALUE NSB	\$ 230,000	\$ 330,000	\$ 255,000	\$ 266,400
TAXABLE VALUE SB	\$ 255,000	\$ 355,000	\$ 280,000	\$ 291,400

TOTAL NEW CONSTRUCTION = \$100,000

NEW CONSTRUCTION AMOUNT OF GRANNY FLAT = \$75,000

20% OF ASSESSED VALUE = \$380,000 X .20 = \$76,000

LESSER OF NEW CONSTRUCTION AND 20% OF ASSESSED = \$75,000

APPLY \$75,000 REDUCTION TO ASSESSED VALUE FOR GRANNY FLATS

CASE 4

ASSUMPTIONS

2009 MARKET VALUE BEFORE CONSTRUCTION \$350,000

ASSESSED VALUE IS \$280,000 FOR 2009 AFTER SOH INCREASE FROM 2008

\$25,000 HOMESTEAD EXEMPTION AND \$25,000 SECOND EXEMPTION

3% SOH CAP FOR 2010

10% INCREASE IN MARKET VALUE FROM 2009 TO 2010

GRANNY FLAT REMOVED FOR 2010

	PRE-CONST. <u>2009</u>	AFTER CONST. <u>2009</u>	GRANNY FLAT <u>ADJUSTMENT</u>	PROJECTED <u>2010</u>
MARKET VALUE	\$ 350,000	\$ 450,000	\$ 450,000	\$ 495,000
ASSESSED VALUE	\$ 280,000	\$ 380,000	\$ 380,000	\$ 391,400
LESS GRANNY FLAT			\$ 75,000	
LESS EXEMPTIONS	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TAXABLE VALUE NSB	\$ 230,000	\$ 330,000	\$ 255,000	\$ 341,400
TAXABLE VALUE SB	\$ 255,000	\$ 355,000	\$ 280,000	\$ 366,400

TOTAL NEW CONSTRUCTION = \$100,000

NEW CONSTRUCTION AMOUNT OF GRANNY FLAT = \$75,000

20% OF ASSESSED VALUE = \$380,000 X .20 = \$76,000

LESSER OF NEW CONSTRUCTION AND 20% OF ASSESSED = \$75,000

APPLY \$75,000 REDUCTION TO ASSESSED VALUE FOR GRANNY FLATS

CASE 5

ASSUMPTIONS

2008 MARKET VALUE \$200,000

2008 ASSESSED VALUE IS \$175,000

2009 MARKET VALUE BEFORE CONSTRUCTION \$160,000

2009 ASSESSED VALUE BEFORE CONSTRUCTION \$160,000

\$25,000 HOMESTEAD EXEMPTION AND \$25,000 SECOND EXEMPTION

\$10,000 MARKET VALUE INCREASE FROM 2009 TO 2010

3% SOH CAP FOR 2010

	<u>PRE-CONST.</u> <u>2009</u>	<u>AFTER CONST.</u> <u>2009</u>	<u>GRANNY FLAT</u> <u>ADJUSTMENT</u>	<u>PROJECTED</u> <u>2010</u>
MARKET VALUE	\$ 160,000	\$ 190,000	\$ 190,000	\$ 200,000
ASSESSED VALUE	\$ 160,000	\$ 190,000	\$ 190,000	\$ 195,700
LESS GRANNY FLAT			\$ 30,000	\$ 30,000
LESS EXEMPTIONS	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TAXABLE VALUE NSB	\$ 110,000	\$ 140,000	\$ 110,000	\$ 115,700
TAXABLE VALUE SB	\$ 135,000	\$ 165,000	\$ 135,000	\$ 140,700

NEW CONSTRUCTION AMOUNT OF GRANNY FLAT = \$30,000

20% OF ASSESSED VALUE = \$190,000 X .20 = \$38,000

LESSER OF NEW CONSTRUCTION AND 20% OF ASSESSED = \$30,000

APPLY \$30,000 REDUCTION TO ASSESSED VALUE FOR GRANNY FLATS

CASE 6

ASSUMPTIONS

2009 MARKET VALUE BEFORE CONSTRUCTION \$160,000

2009 MARKET VALUE AFTER CONSTRUCTION \$190,000

2010 MARKET VALUE DECREASES TO \$140,000

2010 ASSESSED VALUE \$140,000

\$25,000 HOMESTEAD EXEMPTION AND \$25,000 SECOND EXEMPTION

	<u>PRE-CONST.</u> <u>2009</u>	<u>AFTER CONST.</u> <u>2009</u>	<u>GRANNY FLAT</u> <u>ADJUSTMENT</u>	<u>PROJECTED</u> <u>2010</u>
MARKET VALUE	\$ 160,000	\$ 190,000	\$ 190,000	\$ 140,000
ASSESSED VALUE	\$ 160,000	\$ 190,000	\$ 190,000	\$ 140,000
LESS GRANNY FLAT			\$ 30,000	\$ 28,000
LESS EXEMPTIONS	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TAXABLE VALUE NSB	\$ 110,000	\$ 140,000	\$ 110,000	\$ 62,000
TAXABLE VALUE SB	\$ 135,000	\$ 165,000	\$ 135,000	\$ 87,000

NEW CONSTRUCTION AMOUNT OF GRANNY FLAT = \$30,000

20% OF ASSESSED VALUE FOR 2010 = \$140,000 X .20 = \$28,000

LESSER OF NEW CONSTRUCTION AND 20% OF ASSESSED = \$28,000

APPLY \$28,000 REDUCTION TO ASSESSED VALUE FOR GRANNY FLATS

CASE 7

ASSUMPTIONS

PROPERTY IS 2000 SF DUPLEX. 1000 SF OF HEX PRIOR TO NEW CONSTRUCTION

MARKET VALUE FOR 2009 \$250,000

ASSESSED VALUE OF HEX SIDE IS \$100,000, NON-HEX SIDE IS \$125,000

\$25,000 HOMESTEAD EXEMPTION AND \$25,000 SECOND EXEMPTION

3% SOH CAP FOR 2010

20% INCREASE IN MARKET VALUE FROM 2009 TO 2010

	PRE-CONST. <u>2009</u>	AFTER CONST. <u>2009</u>	GRANNY FLAT <u>ADJUSTMENT</u>	PROJECTED <u>2010</u>
MARKET VALUE	\$ 250,000	\$ 280,000	\$ 280,000	\$ 336,000
ASSESSED VALUE NSB	\$ 225,000	\$ 255,000	\$ 255,000	\$ 271,400
ASSESSED VALUE SB	\$ 225,000	\$ 255,000	\$ 255,000	\$ 288,900
LESS GRANNY FLAT			\$ 26,000	\$ 26,780
LESS EXEMPTIONS	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TAXABLE VALUE NSB	\$ 175,000	\$ 250,000	\$ 179,000	\$ 194,620
TAXABLE VALUE SB	\$ 200,000	\$ 275,000	\$ 204,000	\$ 237,120

NEW CONSTRUCTION AMOUNT OF GRANNY FLAT = \$30,000

20% OF ASSESSED VALUE = $(\$100,000 + \$30,000) * .20 = \$26,000$

LESSER OF NEW CONSTRUCTION AND 20% OF ASSESSED = \$26,000

APPLY \$26,000 REDUCTION TO ASSESSED VALUE FOR GRANNY FLATS

PROJECTED 2010

20% INCREASE TO HEX AND NON-HEX PORTIONS OF PROPERTY

ASSESSED NSB = $(\$130,000 \times 1.03 = \$133,900) + (125,000 \times 1.10 = \$137,500) = \$271,400$

ASSESSED SB = $(\$130,000 \times 1.03 = \$133,900) + \$150,000$ (NON HEX SIDE) = \$288,900

20% OF HEX ASSESSED VALUE = $\$133,900 \times .20 = \$26,780$