



2023 KEY DATES

The enclosed notice is the appraisal of the fair market value of your property in Alexandria; it is not a bill. Your real estate tax bill will be issued in early May after the Fiscal Year (FY) 2024 budget is adopted by the City Council and the tax rate is set.

January 1: Effective date of assessments.

February 14: 2023 Real Property Assessment information presented to City Council.

February 15: Assessment notices mailed to property owners.

February 28: City Manager presents FY 2024 Proposed Budget to City Council.

March 13: Budget Public Hearing.

March 15: Deadline to request administrative review of January assessment.

April 15: **Deadline to request tax relief for the elderly and disabled.**

April 15: Public Hearing on tax rates.

May 1: Deadline for filing 2022 Income and Expense Surveys.

May 3: City Council adopts FY 2024 Budget and sets real estate tax rate.

May 15: Real estate tax bills mailed to owners.

June 1: Deadline to request appeal of January assessment.

June 15: Deadline to pay first half of real estate tax due, regardless of review or appeal.

November 15: Deadline to pay second half of real estate tax due.

DEPARTMENT OF FINANCE
OFFICE OF REAL ESTATE ASSESSMENTS
301 King St., Room 2600
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Monday – Friday, 8 a.m. to 5 p.m.
alexandriava.gov/RealEstate
703.746.4646
email: realestate@alexandriava.gov

RESIDENTIAL APPRECIATION SLOWS WHILE COMMERCIAL OFFICE CONTINUES TO FLOUNDER

Sustained demand for existing single-family units, condominiums, and multi-family rental apartments resulted in an overall year-over-year locally and non-locally assessed tax base increase of 3.81%. Except for the commercial office most sectors of the market experienced modest increases. Overall, the residential market increased 5.02%, while the commercial market increased 1.97% with continued strength in the multi-family sector which increased 6.19%, and by hospitality uses which increased 9.81%. These changes increased the total locally assessed taxable real property tax base by 3.82%. This marks the twelfth consecutive year that the City's overall assessed values have reported a net increase.

Residential Market Conditions

Despite actions by the Federal Reserve to curb rampant inflation through incremental hikes of the overnight lending rate between member banks, the residential market was resilient throughout 2022 which saw mortgage interest rates double. Predictions that the residential real property market would plummet never materialized. Job growth remained strong and the available supply of for sale housing remained low. Average days on the market increased and bidding wars waned. Those homes that did sell typically transferred with assessment to value (sales price) ratios below 100%, which provided the justification for the increases reported as of January 1, 2023. Homes were still increasing value, but at rates lower than those witnessed the previous two years. The City of Alexandria continues to be a desirable place to live and work with low unemployment, a significant number of high paying jobs, and its prime location inside the Capital Beltway with four Metro stations and a fifth expected to open in May 2023 at National Landing.

- For CY 2023, 80% of residential properties increased, 3.5% decreased, and 16.5% were unchanged. Most properties increased 0 to 10.00%.
- As of January 1, 2023, the average equalized value of existing residential property, including single-family and condominium was \$674,914, an increase of **4.26%** from the average equalized value of \$652,130 in CY 2022.
- The average single-family house for CY 2023 is assessed at \$940,375, an increase of **4.58%** from the average equalized single-family value of \$899,205 the previous year.
- The average CY 2023 residential condominium is assessed at \$407,616, an increase of **3.48%** from the average equalized condominium value of \$393,891 the previous year.

The Commercial Market

Construction of multi-family rental properties and two new hotels combined to account for 95.04% of new

growth in the commercial sector and 52.93% of all new growth citywide. The hospitality sector saw increases in both the average daily room rates and occupancy which produced higher income, but recovery in the business travel sector remained elusive, and higher operating costs due to inflation have impacted net operating profits. Nevertheless, hospitality accounted for \$9,567,320 in appreciation. Multifamily values have previously been discussed, but new growth accounted for 60.0% of the multifamily value increase. Rent increases are slowing and operating expenses are increasing. Overall vacancy remains low on average and capitalization rates in 2022 failed to increase as expected, either anecdotally or from actual sales. Industrial and self-storage properties increased 4.34% year-over-year. Office property values declined by 10.01% plagued by weak demand, average vacancy in excess of 25%, and concessions that included substantial free rent and liberal tenant fit-up costs. Teleworking in one form or another is here to stay which acts to suppresses demand. The long-term prognosis for the office market, particularly older Class B & C inventory, is uncertain. Capitalization rates were stable for most commercial property types. The top tier investments remain multifamily rental projects, and commercial/industrial assets which provide essential everyday goods and services and are typically leased on a net basis.

Income and Expense Survey Filing

The Office of Real Estate Assessments (OREA) encourages commercial property owners to file an annual Income and Expense Survey for CY 2022, which can be filed in writing or electronically. Instructions for completing the survey are available at alexandriava.gov/realestate. Surveys will be mailed in early March and have a filing deadline of **May 1**. In 2023, the OREA will continue its effort to streamline the assessment notice, review, appeal, and billing process for properties comprised of multiple parcels but functioning as one economic unit. In these cases, one parcel reflects the total property value of all ancillary parcels. The ancillary accounts are maintained as active in the system, but have no value associated with them. This eliminates multiple bills and reduces the cost of postage. No property rights are lost by the owner.

Review and Appeal Deadlines

The deadline for requesting a **Review of Assessment is March 15, 2023**, and the deadline to file an Appeal of Assessment with the Board of Equalization is **June 1, 2023. No exceptions will be made.** Questions about property assessments can be answered over the phone or by making an appointment with a member of our appraisal team. In addition, office representatives are available to meet with homeowners and community associations to explain the appraisal process, procedures and any market variables used to compile CY 2023 assessments.

For reasonable disability accommodation,
contact realestate@alexandriava.gov or call 703.746.4168, Virginia Relay 711.

REAL PROPERTY ASSESSMENT INFORMATION

Notices of Assessment are sent annually to all property owners in the City of Alexandria. The enclosed notice is our appraisal of the fair market value of your property as of January 1, 2023. Please review this assessment carefully to ensure your property data is correct and the assessed value is representative of comparable property sales in your neighborhood. In those neighborhoods with few sales, our appraisers relied on sales from similar neighborhoods. Only sales occurring prior to January 1, 2023 may be considered in arriving at the assessed value. To view the information used to assess your property, including the property sales in your market area, visit alexandriava.gov/RealEstate and select “**Search Property & Sales Data.**”

As required by state law, the City annually reassesses real property at 100% of fair market value. The enclosed Notice of Assessment is not a tax bill. The real property tax rate will be set by City Council on May 3, 2023, as part of the City’s FY 2024 budget process.

For additional information regarding review and appeal deadlines, please refer to the front of this page or to the information detailed within the 2023 Notice of Assessment.

CITY TAX RELIEF PROGRAM INFORMATION

2023 Real Estate Tax Relief Program for Elderly and Disabled Persons

Residents who are either 65 years of age or older or permanently and totally disabled, or who become such during the current calendar year, may be eligible for the City’s Real Estate Tax Relief Program for Elderly and Disabled Persons. The applicant must own and occupy the property as their sole residence. The following limits are currently in effect:

- For a full tax exemption, a household’s gross combine income may not have exceeded \$40,000 in 2022.
- For an exemption of 50 percent of taxes, a household’s gross combined income may not have exceeded \$55,000 in 2022.
- For an exemption of 25 percent of taxes, a household’s gross combined income may not have exceeded \$72,000 in 2022.
- Taxes over the maximum exemption may be deferred for qualifying applicants, subject to repayment with interest upon conveyance or demise of the owner.
- Qualifying elderly and disabled applicants with gross income over \$72,000 but not in excess of \$100,000 may defer their taxes, also subject to repayment with interest. An exemption does not apply for this category.
- For all qualifying applicants, the assets of the household may not exceed \$430,000 (excluding the house and one acre of land).

2023 Real Property Tax Exemption for Veterans with 100% Service-Connected Disability, and Surviving Spouse

The City offers a full real estate tax exemption to veterans with total and permanent service-connected disability and their surviving spouses, subject to the terms in Virginia Code § 58.1-3219.5:

For veterans:

- The veteran must have been rated by the U.S. Department of Veterans Affairs or its successor agency pursuant to federal law as having a service-connected 100 percent permanent and total disability.
 - The residence for which the veteran is seeking tax exemption must be his or her primary residence.
 - The property must be deeded in the name of the veteran or the veteran and his or her spouse (to include applicable title in trust).
 - The veteran’s spouse, if applicable, must also be identified.
- For surviving spouses of disabled veterans:
- The surviving spouse must be able to meet the standards above for the deceased veteran’s disability certification.

- The residence must be deeded in the name of the veteran and surviving spouse, or the surviving spouse has ownership rights by virtue of a will or trust agreement.
- The residence for which the surviving spouse is seeking tax exemption must be his or her principal place of residence, however, the exemption applies without any restriction on the spouse’s moving to a different principal place of residence.
- The veteran must have died on or after January 1, 2011.
- The surviving spouse must not be remarried.

2023 Real Property Tax Exemption for Spouse of Veteran Killed in Action

The City offers a full real estate tax exemption to the spouse of any veteran killed in action, subject to the terms in Virginia Code § 58.1-3219.9:

- Effective for tax years 2015 and beyond.
- Eligible to the surviving spouse (i) of any member of the armed forces of the United States who was killed in action as determined by the U.S. Department of Defense and (ii) who occupies the real property as their principal place of residence.
- Per state code, the spouse is eligible “so long as the surviving spouse does not remarry and continues to occupy the real property as their principal place of residence.” The exemption applies without any restriction on the spouse’s moving to a different principal place of residence.
- “Killed in action” includes a determination by the U.S. Department of Defense of “died of wounds received in action.”
- If the surviving spouse acquires the property after January 1, 2015, then the exemption shall begin on the date of acquisition.
- If the value of the applicant’s dwelling is in excess of the average assessed residential value in the City, then only that portion of the assessed value that is not in excess of the average value shall be exempt from real property taxes.
- In most cases, exemption applies to the qualifying dwelling and the land, not exceeding one acre upon which it is situated.

Applications for these programs may be obtained on the web at alexandriava.gov/TaxRelief or by contacting the Revenue Division at taxrelief@alexandriava.gov or 703.746.4800. Completed applications should be filed with the Department of Finance by April 15, 2023.