



## City of Independence, Ohio

"THE HEART OF CUYAHOGA COUNTY"

6800 BRECKSVILLE ROAD

INDEPENDENCE, OHIO 44131

(216) 524-4131

# MEMORANDUM

To: Mayor Gregory P. Kurtz  
Members of Council

From: Finance Director Vernon Blaze

Date: Friday, September 17, 2021

Re: Finance Department Updates

### Property Taxes

The hot housing market across the country the last few years has been great news for sellers – up to the point that they have to turn around and either purchase or rent another housing unit to replace the one that was just sold – at likely a fairly rich price.

Sellers of housing units that just sold and other purchasers of residential housing units have had to pay prices the last few years that are almost across-the-board, higher than they were prior to the housing market taking off like it has.

The downside to residential real estate prices escalating so much like they have is that property tax assessors all over the country are fully aware of this trend, and the housing sales data they have from the last few years clearly shows the upward trend in housing prices, and therefore, values.

In Ohio, each county is required to go out and physically view and then value every property within in it every six years. In Cuyahoga County, this was last completed in 2018.

Then, in the third year between the six years, each county in Ohio is required to update the value of each property within it, but it doesn't have to come out and physically inspect each property. The bad news for residential homeowners in Cuyahoga County is that the year for this Triennial Update is 2021 – this year.

Since most properties will not be physically viewed for this 2021 Update, a statistical analysis of sales from 2018, 2019, 2020 and the first four months of 2021 was performed by Cuyahoga County's Fiscal Office. No bank sales, Sheriff sales or property transfers facilitated by quit claim deeds was used in the 2021 Update.

Based on the preliminary analysis completed by Cuyahoga County, it is estimating that residential property values have increased "on average" of 16.0% across the county since 2018.



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## **Property Taxes Continued**

Taken either positively (from a property tax payer's perspective) or negatively (from a community appeal perspective), while residential property values across Cuyahoga County have increased 16.0% overall since 2018, Cuyahoga County is estimating that Independence's residential property values have "only" increased 8.7% since 2018.

Cuyahoga County has scheduled a series of open Community Meetings across the County during the month of October for property owners to attend and hear more information about how the 2021 Update works and how values were calculated.

One of those Community Meetings is scheduled in Independence on Wednesday, October 6 from 7:00 – 8:30 PM at a location in Independence to be determined.

After that meeting, or even if a property owner does not attend that meeting, if a property owner does not agree with the proposed new residential property value, the Complaint Period for filing an appeal with the Cuyahoga County Board of Revision (BOR) remains the first three months of the year following the update. So in this case, property owners who wish to file an appeal of the new proposed property value must do so with the BOR between January 1, 2022 and March 31, 2022. Complaints can now be filed online - <https://bor.cuyahogacounty.us/en-US/Complaint-Form.aspx>.

It is interesting to note that since Independence has a high concentration of hotels and office buildings, both markets which were hit quite hard in 2020 and the first part of 2021, it is one of only six (6) municipalities in Cuyahoga County where the County is estimating that property values in these property classifications actually went down. In Independence, Cuyahoga County is estimating that commercial properties in Independence decreased by 3.0% overall since 2018.

Industrial properties, fueled by the over-arching trend of online purchasing and the need for storage space to allow for quick deliveries, fared better. In Independence, Cuyahoga County is estimating that industrial properties increased in value by 9.0% overall since 2018.

All of these changes to estimated property values has resulted in Independence's initial Assessed Valuation (35% of estimated Market Value) of all of the property in Independence to increase from \$496 million in Tax Year 2020/Calendar Year 2021 to \$515 million in Tax Year 2021/Calendar Year 2022.

Cuyahoga County is initially estimating that this increase in Total Assessed Value will result in approximately \$120,000/year in additional property tax revenue for the Independence Local School District.