

DATE: FEBRUARY 12, 2013
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: RASHAD M. YOUNG, CITY MANAGER

DOCKET TITLE:

..TITLE

Calendar Year 2013 Real Property Assessment

..BODY

ISSUE: (1) 2013 Notices of Assessment will be mailed to property owners on February 8; and (2) DREA staff will present the new real estate values at the February 12 City Council legislative meeting.

RECOMMENDATION: That City Council receive the report.

BACKGROUND: Included in the attached report are the annual changes in real property assessments from CY 2012 to CY 2013 and historical statistics related to assessment appreciation/depreciation, new construction, and residential sales activities. For valuation purposes, annual assessments have an effective date of January 1.

DISCUSSION:

OVERALL CHANGE IN CY 2013 REAL PROPERTY TAX BASE

This year, the City's overall real property tax base increased 2.79% from the original January 1, 2012 assessment to January 1, 2013, or \$973.52 million from \$33.78 billion in CY 2012 to \$34.72 billion¹ in CY 2013 (Attachment 1, Page 2, Line 74, Column 5).

The equalized assessment represents the year ending 2012 assessments (as of December 31, 2012), and reflects changes that occurred throughout 2012, including administrative reviews, appeals, decisions of the Board of Equalization, supplemental assessments, subdivisions, consolidations and demolitions. Attachment 2 shows the change in the tax base from a starting point of the equalized assessments. The increase in the tax base from the equalized 2012 assessments at year-end to January 1, 2013, is 3.03% from \$33.7 billion in 2012 to \$34.72 billion in 2013 (Attachment 2, Page 3, Line 66, Column 5). This increase marks the third year of slight increases (2012 increase of 4.05%, the 2011 increase of 3.1%) and signifies a reversal from the previous two years (CY 2009 and CY 2010) when the tax base decreased 6.32% and 2.10%, respectively. This increase also reflects a general improvement in most sectors of the real estate market, particularly in residential and rental apartment properties. The assessment value has not yet recovered to the 2008 value of \$35.1 billion.

¹ The 2013 valuation includes the 2012 value of state-assessed public service corporation property. This value was certified by the State Corporation Commission and Virginia Department of Taxation in September 2012.

Points of Interest Relating to CY 2013 Assessment Changes:

- **Locally assessed real property** assessments increased 3.7% (which consists of both new construction and appreciation in value of existing property), or \$1.22 billion, from \$32.87 billion in 2012 to \$34.09 billion in 2013 (Attachment 2, Page 2, Line 42, Column 5).
- **Residential property** increased 3.06%, or \$572.82 million, from \$18.81 billion in 2012 to \$19.38 billion in 2013 (Attachment 2, Page 1, Line 18, Column 5). Residential property was at its highest level of \$20.3 billion in 2006.
- The **commercial property** tax base increased by 4.55%, or \$640.75 million, from \$14.06 billion in 2012 to \$14.71 billion in 2013 (Attachment 2, Page 2, Line 40, Column 5).
- **State-assessed public service corporation property** assessments decreased 23.43%, or \$194.13 million, from \$828.41 million in 2012 to \$634.29 million in 2013 (Attachment 2, Page 3, Line 64, Column 5). The majority of the decrease (76.27%) was attributable to the October 2012 shutdown of GenOn which resulted in an assessment loss of \$148.06 million. The property is currently assessed as land only.

The 2013 state-assessed P.S.C. assessment is the value effective January 1, 2012. These values are certified by the State Corporation Commission (SCC) and the Virginia Department of Taxation (VDoT) in late September of the effective year of the valuation. The City bills all non-locally assessed properties on a fiscal year basis in order to accurately reflect these assessment changes.

- **Tax exempt real property** assessments decreased 7.41%, or \$422.98 million, from \$5.71 billion in 2012 to \$5.28 billion in 2013 (Attachment 2, Page 4, Line 85, Column 5). The property value decrease of \$430.14 million was partially offset by \$7.16 million of new growth, driven by new ARHA construction in Old Town Commons. Decreases were primarily associated with the standard revaluation of land parcels zoned for public open space uses, which have very limited development potential.
- **Taxable new construction** activity added \$121.3 million for CY 2013. Residential construction accounted for \$63.71 million of the new growth, while the commercial sector which includes multifamily rental, accounted for \$57.58 million. In CY 2012, \$160.71 million in new residential and commercial growth was added to the City's tax base. Overall, \$408.05 million in new construction has been added to the tax base over the last three years. This equates to approximately 1.18% of the CY 2013 total taxable base.

On-going new construction and redevelopment projects include: the continued build-out of conventional townhouses and urban loft condominiums within Land Bays H and I of Potomac Yard; the continued build-out of conventional townhouses, urban loft condominiums and ARHA multifamily apartment rental units in Old Town Commons; and the mixed-use Printer's Row which is 22-unit residential townhouse condominium development. Safeway at 3526 King Street will redevelop the property with a new 61,949 square-foot Lifestyle Grocery store. In Old Town a developer is redeveloping the

Sheet Metal Workers Building into a high-end residential multifamily condominium project (The Oronoco) containing 60 units. Another redevelopment project is the Calvert Apartments which will consist of 332 multifamily rental apartments and a large first floor retail component. Assessment growth at Potomac Yard will be set aside to fund the Potomac Yard Metro Station.

New construction includes a number of multifamily projects throughout the City that that developers put on hold until market conditions improve including: Braddock Metro (164 multifamily units); Braddock Gateway I – Phase 1 (270 multi-family units); Landmark Gateway (492 multifamily units); and several mid-rise projects in Potomac Yard. Refer to Attachment 3 for a complete list of the more substantial developments, proposed and on-going, within the City of Alexandria.

Distribution of Real Property Assessments

- Real property classified as residential for assessment purposes for CY 2013 represents 55.82% of the total real property taxable base, while property classified as commercial and public service corporations represents 44.18% of the base. If multifamily housing is excluded, commercial comprises 27.69% of the base. A historical distribution of the City’s real property tax base allocated between classifications of real property for assessment purposes is detailed in Attachment 4.
- Attachment 5 shows the distribution of the 2013 assessments in terms of actual dollars and percentages by land use. Land uses include: residential single-family; residential condominium; residential vacant land; commercial multifamily rental; commercial office, retail and service; commercial and industrial vacant land; and public service corporations.

Land Values

- Unimproved land remains a scarce commodity in the City of Alexandria. There has been some activity in apartment land with several significant land sales recently. Of particular interest are a number of multifamily land transfers this year, and a few in-fill residential lot sales (Attachment 6).

Specific details regarding residential assessment changes for CY 2013 can be found in Attachment 7, detailed analysis of the commercial market can be found in Attachment 8, and an overview of the assessment process is presented in Attachment 9.

ATTACHMENTS:

- Attachment 1: CY 2013 Real Property Assessment Land Book
- Attachment 2: CY 2013 Real Property Assessment Summary Including Appreciation and Growth
- Attachment 3: New Construction Activity
- Attachment 4: Real Estate Tax Base Distribution (CY 2001 to CY 2013)
- Attachment 5: Distribution of 2012 Assessments by Land Use
- Attachment 6: Residential Infill Lot Sales

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes
Attachment 8: Analysis of the Commercial Market
Attachment 9: Overview of the Assessment Process

STAFF: Department of Real Estate Assessments

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City of Alexandria, Virginia
CY 2013 REAL PROPERTY ASSESSMENT SUMMARY
Land Book
Comparison of January 1, 2012 to January 1, 2013
Includes Appreciation and Growth

Real Property Classification	Number of 2013 Parcels	2012 Assessments	2013 Assessments	Amount of Change	% Change
(1)	(2)	(3)	(4)	(5)	(6)
Locally Assessed Taxable Real Property					
Residential Real Property					
1 Residential Single Family					
2 Detached	9,141	\$6,771,549,403	6,953,453,113	\$181,903,710	2.69
3 Semi-Detached	5,722	3,145,575,565	3,276,913,497	131,337,932	4.18
4 Row House	6,448	3,484,506,632	3,653,078,129	168,571,497	4.84
5					
6 Total Single Family	21,311	\$13,401,631,600	\$13,883,444,739	\$481,813,139	3.60
7					
8 Residential Condominium					
9 Garden	10,529	\$2,781,625,988	\$2,841,731,404	\$60,105,416	2.16
10 High-Rise	7,931	1,862,896,557	1,933,750,341	70,853,784	3.80
11 Cooperative	18	22,977,688	24,154,919	1,177,231	5.12
12 Townhouse	1,081	483,225,920	552,952,493	69,726,573	14.43
13					
14 Total Residential Condominium	19,559	\$5,150,726,153	\$5,352,589,157	\$201,863,004	3.92
15					
16 Other Residential Property					
17 Vacant Residential Land	659	\$163,350,452	\$148,617,720	(\$14,732,732)	(9.02)
18					
19 Total Other Residential Property	659	\$163,350,452	\$148,617,720	(\$14,732,732)	(9.02)
20					
21 Total Residential Real Property	41,529	\$18,715,708,205	\$19,384,651,616	\$668,943,411	3.57
22					
23 Commercial Real Property					
24					
25 Commercial Multi-Family Rental					
26 Garden	208	\$2,137,780,265	\$2,268,191,875	\$130,411,610	6.10
27 Mid-Rise	29	1,206,664,247	1,353,134,793	146,470,546	12.14
28 High-Rise	34	1,932,551,547	2,104,694,247	172,142,700	8.91
29					
30 Total Multi-Family Rental	271	\$5,276,996,059	\$5,726,020,915	\$449,024,856	8.51
31					
32 Commercial Office, Retail, and Service					
33 General Commercial	673	\$1,328,889,653	\$1,357,529,317	\$28,639,664	2.16
34 Office	549	4,651,065,802	4,644,194,073	(6,871,729)	(0.15)
35 Office or Retail Condominium	572	473,507,256	482,812,702	9,305,446	1.97
36 Shopping Center	26	569,239,530	565,155,409	(4,084,121)	(0.72)
37 Warehouse	157	691,441,048	697,513,898	6,072,850	0.88
38 Hotel/Motel and Extended Stay	30	830,845,058	831,891,653	1,046,595	0.13
39					
40 Total Commercial Office, Retail, and Service	2,007	\$8,544,988,347	\$8,579,097,052	\$34,108,705	0.40
41					
42 Other Commercial Property					
43 Vacant Commercial and Industrial Land	349	\$416,596,567	\$401,022,143	(\$15,574,424)	(3.74)
44					
45 Total Other Commercial Property	349	\$416,596,567	\$401,022,143	(\$15,574,424)	(3.74)
46					
47 Total Commercial Real Property	2,627	\$14,238,580,973	\$14,706,140,110	\$467,559,137	3.28
48					
49 Total Locally Assessed Taxable Real Property	44,156	\$32,954,289,178	\$34,090,791,726	\$1,136,502,548	3.45

City of Alexandria, Virginia
CY 2013 REAL PROPERTY ASSESSMENT SUMMARY
Land Book
Comparison of January 1, 2012 to January 1, 2013
Includes Appreciation and Growth

Real Property Classification	Number of 2013 Parcels	2012 Assessments	2013 Assessments	Amount of Change	% Change
50					
51 Non-Locally Assessed Taxable Real Property					
52					
53 Assessed by State Corporation Commission (SCC)					
54 Gas & Pipeline Distribution Corporation		\$32,229,457	\$32,340,107	\$110,650	0.34
55 Light & Power Corporation		510,668,350	316,222,162	(194,446,188)	(38.08)
56 Telecommunication Company		95,569,047	92,664,974	(2,904,073)	(3.04)
57 Water Corporation		48,842,512	49,309,136	466,624	0.96
58		-----	-----	-----	
59 Total SCC Assessed Property		\$687,309,366	\$490,536,379	(\$196,772,987)	(28.63)
60					
61 Assessed by Virginia Department of Taxation (VDT)					
62 Interstate Pipeline Transmission		\$283,174	\$317,898	\$34,724	12.26
63 Operating Railroad					
64 Richmond, Fredericksburg & Potomac Railway Co.		\$68,209,768	\$70,404,062	\$2,194,294	3.22
65 Norfolk Southern Railway Co.		72,562,608	72,975,389	\$412,781	0.57
66 CSX Transportation, Inc.		43,891	44,623	\$732	1.67
67		-----	-----	-----	
68 Total Operating Railroads		\$140,816,267	\$143,424,074	\$2,607,807	1.85
69					
70 Total VDT Assessed Property		\$141,099,441	\$143,741,972	\$2,642,531	1.87
71					
72 Total Non-Locally Assessed Taxable Real Property		\$828,408,807	\$634,278,351	(\$194,130,456)	(23.43)
73					
74 Grand Total Taxable Real Property Assessments		\$33,782,697,985	\$34,725,070,077	\$942,372,092	2.79
75					
76 Locally Assessed Tax Exempt Property					
77					
78 Governmental					
79 Federal	18	\$1,154,362,042	\$1,140,494,089	(\$13,867,953)	(1.20)
80 WMATA	53	308,130,605	307,068,359	(1,062,246)	(0.34)
81 State of Virginia	35	346,674,046	358,935,864	12,261,818	3.54
82 Regional	4	38,358,560	38,736,471	377,911	0.99
83					
84 Local					
85 Public Schools	22	\$559,624,189	\$513,812,949	(\$45,811,240)	(8.19)
86 City Park	213	870,847,092	550,542,659	(320,304,433)	(36.78)
87 City Buildings	104	476,041,148	464,330,579	(11,710,569)	(2.46)
88 City-Owned Vacant Land	18	11,047,559	5,409,411	(5,638,148)	(51.04)
89 City Parking	16	14,841,560	14,841,560	0	0.00
90 Sanitation Authority	6	305,942,712	260,520,646	(45,422,066)	(14.85)
91 Hospitals	2	206,040,290	206,040,290	0	0.00
92 ARHA	211	252,156,659	264,241,212	12,084,553	4.79
93		-----	-----	-----	
94 Total Governmental	702	\$4,544,066,462	\$4,124,974,089	(\$419,092,373)	(9.22)
95					
96 Non-Governmental					
97 Religious					
98 Cemeteries Private	24	\$95,344,598	\$95,344,598	\$0	0.00
99 Cemetery Public	1	2,128,555	2,128,555	0	0.00
100 Churches	153	360,152,620	364,297,378	4,144,758	1.15
101 Residences	22	19,860,408	20,141,625	281,217	1.42
102 Charitable	62	264,647,680	272,088,168	7,440,488	2.81
103 Private Schools	75	350,218,199	350,706,950	488,751	0.14
104 Faculty Housing	66	55,547,633	55,551,985	4,352	0.01
105		-----	-----	-----	
106 Total Non-Governmental	403	\$1,147,899,693	\$1,160,259,259	\$12,359,566	1.08
107					
108 Total Tax Exempt Property	1,105	\$5,691,966,155	\$5,285,233,348	(\$406,732,807)	(7.15)
109					
110 Grand Total Real Property Assessments (Taxable and Non-Taxable)	45,261	\$39,474,664,140	\$40,010,303,425	\$535,639,285	1.36

General Notes:

General Commercial LUC 400: includes the values for LUC 400, 445, 450, 451, 460, 474, 481, 492, 493, and 495
Residential Condominium LUC 140 (high-rise): includes the value for LUC 140 and 801 (parking spaces)
The number of 2013 parcels (column 2) does not include LUC's 600's, 801, 802, 980 and 983.

Department of Real Estate Assessments, as of January 11, 2013

Source: REA's LUC Summary Report (Current Value), LUC Summary Reports for CY 2013 and original 2012 Assessments

City of Alexandria, Virginia
CY 2013 REAL PROPERTY ASSESSMENT SUMMARY
Land Book
Comparison of January 1, 2012 to January 1, 2013
Includes Appreciation and Growth

Real Property Classification	Number of 2013 Parcels	2012 Assessments	2013 Assessments	Amount of Change	% Change
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City of Alexandria, Virginia
CY 2013 REAL PROPERTY ASSESSMENT SUMMARY INCLUDING APPRECIATION AND GROWTH
Comparison of 2012 Equalized Assessments (December 31, 2012) to January 1, 2013

Real Property Classification & (Parcel Count)	2012 Equalized Assessments	2013 Assessments	(\$) Amount of Change	% Change	New Growth (\$)	% New Growth	(\$) Amount of Appreciation	% Appreciation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Locally Assessed Taxable Real Property								
Residential Real Property								
1 Residential Single Family								
2 Detached (9,141)	\$6,776,976,769	\$6,953,453,113	\$176,476,344	2.60%	\$4,763,898	0.07%	171,712,446	2.53%
3 Semi-Detached (5,722)	3,156,823,621	3,276,913,497	120,089,876	3.80%	12,136,097	0.38%	107,953,779	3.42%
4 Row House (6,448)	3,515,512,367	3,653,078,129	137,565,762	3.91%	17,519,405	0.50%	120,046,357	3.41%
5	-----	-----	-----		-----		-----	
6 Total Single Family (21,311)	\$13,449,312,757	\$13,883,444,739	\$434,131,982	3.23%	\$34,419,400	0.26%	\$399,712,582	2.97%
7								
8 Residential Condominium								
9 Garden (10,529)	\$2,785,534,787	\$2,841,731,404	\$56,196,617	2.02%	\$7,920,230	0.28%	\$48,276,387	1.73%
10 High-Rise (7,931)	1,883,935,492	1,933,750,341	49,814,849	2.64%	2,000,000	0.11%	47,814,849	2.54%
11 Residential Cooperative (18)	22,977,688	24,154,919	1,177,231	5.12%	0	0.00%	1,177,231	5.12%
12 Townhouse (1,081)	521,342,306	552,952,493	31,610,187	6.06%	13,094,465	2.51%	18,515,722	3.55%
13	-----	-----	-----		-----		-----	
14 Total Residential Condominium (19,559)	\$5,213,790,273	\$5,352,589,157	\$138,798,884	2.66%	\$23,014,695	0.44%	\$115,784,189	2.22%
15								
16 Total Vacant Residential Land (659)	\$145,725,025	\$148,617,720	\$2,892,695	1.99%	\$6,280,018	4.31%	-\$3,387,323	-2.32%
17	-----	-----	-----		-----		-----	
18 Total Residential Real Property (41,529)	\$18,808,828,055	\$19,384,651,616	\$575,823,561	3.06%	\$63,714,113	0.34%	\$512,109,448	2.72%

City of Alexandria, Virginia
CY 2013 REAL PROPERTY ASSESSMENT SUMMARY INCLUDING APPRECIATION AND GROWTH
Comparison of 2012 Equalized Assessments (December 31, 2012) to January 1, 2013

Real Property Classification & (Parcel Count)	2012 Equalized Assessments	2013 Assessments	(\$) Amount of Change	% Change	New Growth (\$)	% New Growth	(\$) Amount of Appreciation	% Appreciation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Locally Assessed Taxable Real Property								
19 Commercial Real Property								
20								
21 Commercial Multi-Family Rental								
22 Garden (208)	\$2,117,025,299	\$2,268,191,875	\$151,166,576	7.14%	\$1,500,000	0.07%	\$149,666,576	7.07%
23 Mid-rise (29)	1,250,511,975	1,353,134,793	102,622,818	8.21%	47,324,022	3.78%	55,298,796	4.42%
24 High-rise (34)	1,981,227,756	2,104,694,247	123,466,491	6.23%	13,050,291	0.66%	110,416,200	5.57%
25	-----	-----	-----		-----		-----	
26 Total Multi-Family Rental (271)	\$5,348,765,030	\$5,726,020,915	\$377,255,885	7.05%	\$61,874,313	1.16%	\$315,381,572	5.90%
27								
28 Commercial Office, Retail, and Service								
29 General Commercial (673)	\$1,319,335,913	\$1,357,529,317	\$38,193,404	2.89%	\$2,042,396	0.15%	\$36,151,008	2.74%
30 Office (549)	4,540,045,139	4,644,194,073	104,148,934	2.29%	1,158,829	0.03%	102,990,105	2.27%
31 Office or Retail Condominium (572)	466,105,779	482,812,702	16,706,923	3.58%	448,972	0.10%	16,257,951	3.49%
32 Shopping Center (26)	564,477,430	565,155,409	677,979	0.12%	0	0.00%	677,979	0.12%
33 Warehouse (157)	678,810,056	697,513,898	18,703,842	2.76%	240,047	0.04%	18,463,795	2.72%
34 Hotel/Motel and Extended Stay (30)	784,367,375	831,891,653	47,524,278	6.06%	607,860	0.08%	46,916,418	5.98%
35	-----	-----	-----		-----		-----	
36 Total Commercial Office, Retail and Service (2,007)	\$8,353,141,692	\$8,579,097,052	\$225,955,360	2.71%	\$4,498,104	0.05%	\$221,457,256	2.65%
37								
38 Total Vacant Commercial and Industrial Land (349)	363,557,648	401,022,143	37,464,495	10.30%	-8,784,275	-2.42%	46,248,770	12.72%
39	-----	-----	-----		-----		-----	
40 Total Commercial Real Property (2,627)	\$14,065,464,370	\$14,706,140,110	\$640,675,740	4.55%	\$57,588,142	0.41%	\$583,087,598	4.15%
41	-----	-----	-----		-----		-----	
42 Total Locally Assessed Taxable Real Property (44,156)	\$32,874,292,425	\$34,090,791,726	\$1,216,499,301	3.70%	\$121,302,255	0.37%	\$1,095,197,046	3.33%

City of Alexandria, Virginia
CY 2013 REAL PROPERTY ASSESSMENT SUMMARY INCLUDING APPRECIATION AND GROWTH
Comparison of 2012 Equalized Assessments (December 31, 2012) to January 1, 2013

Real Property Classification & (Parcel Count)	2012 Equalized Assessments	2013 Assessments	(\$) Amount of Change	% Change	New Growth (\$)	% New Growth	(\$) Amount of Appreciation	% Appreciation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
43 Non-Locally Assessed Taxable Real Property								
44								
45 Assessed by State Corporation Commission (SCC)								
46 Gas & Pipeline Distribution Corporation	\$32,229,457	\$32,340,107	\$110,650	0.34%	\$0	0.00%	\$110,650	0.34%
47 Light & Power Corporation*	510,668,350	316,222,162	-194,446,188	-38.08%	0	0.00%	-194,446,188	-38.08%
48 Telecommunication Company	95,569,047	92,664,974	-2,904,073	-3.04%	0	0.00%	-2,904,073	-3.04%
49 Water Corporation	48,842,512	49,309,136	466,624	0.96%	0	0.00%	466,624	0.96%
50	-----	-----	-----	-----	-----	-----	-----	-----
51 Total SCC Assessed Property	\$687,309,366	\$490,536,379	-\$196,772,987	-28.63%	\$0	0.00%	-\$196,772,987	-28.63%
52								
53 Assessed by Virginia Department of Taxation (VDT)								
54 Interstate Pipeline Transmission	\$283,174	\$317,898	\$34,724	12.26%	\$0	0.00%	\$34,724	12.26%
55 Operating Railroad								
56 Richmond, Fredericksburg & Potomac Railway Co.	\$68,209,768	\$70,404,062	\$2,194,294	3.22%	\$0	0.00%	\$2,194,294	3.22%
57 Norfolk Southern Railway Co.	72,562,608	72,975,389	412,781	0.57%	0	0.00%	412,781	0.57%
58 CSX Transportation, Inc.	43,891	44,623	732	1.67%	0	0.00%	732	1.67%
59	-----	-----	-----	-----	-----	-----	-----	-----
60 Total Operating Railroads	\$140,816,267	\$143,424,074	\$2,607,807	1.85%	\$0	0.00%	\$2,607,807	1.85%
61	-----	-----	-----	-----	-----	-----	-----	-----
62 Total VDT Assessed Property	\$141,099,441	\$143,741,972	\$2,642,531	1.87%	\$0	0.00%	\$2,642,531	1.87%
63	-----	-----	-----	-----	-----	-----	-----	-----
64 Total Non-Locally Assessed Taxable Real Property	\$828,408,807	\$634,278,351	-\$194,130,456	-23.43%	\$0	0.00%	-\$194,130,456	-23.43%
65	-----	-----	-----	-----	-----	-----	-----	-----
66 Grand Total Taxable Real Property Assessments	\$33,702,701,232	\$34,725,070,077	\$1,022,368,845	3.03%	\$121,302,255	0.36%	\$901,066,590	2.67%
	=====	=====	=====	=====	=====	=====	=====	=====

* Reflects GenOn Land Only Assessment
Department of Real Estate Assessments, January 11, 2013

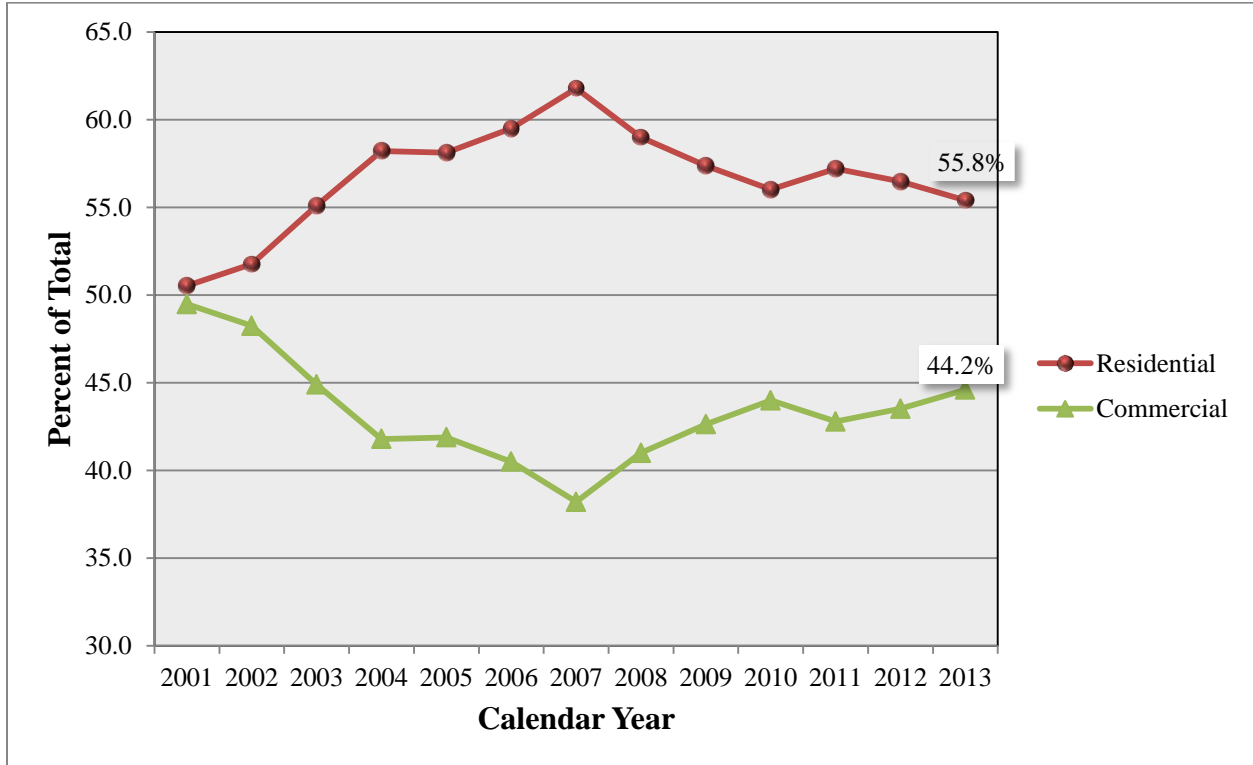
City of Alexandria, Virginia
CY 2013 TAX EXEMPT REAL PROPERTY ASSESSMENT SUMMARY INCLUDING APPRECIATION AND GROWTH
Comparison of 2012 Equalized Assessments (December 31, 2012) to January 1, 2013

Real Property Classification & (Parcel Count)	2012 Equalized Assessments	2013 Assessments	(\$) Amount of Change	% Change	New Growth (\$)	% New Growth	(\$) Amount of Appreciation	% Appreciation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
67 Tax Exempt Real Property								
68								
69 Governmental								
70 Federal (18)	\$1,154,362,042	\$1,140,494,089	-\$13,867,953	-1.20%	\$0	0.00%	-\$13,867,953	-1.20%
71 State (35)	354,268,915	358,935,864	4,666,949	1.32%	150,000	0.04%	\$4,516,949	1.28%
72 Regional (4)	38,358,560	38,736,471	377,911	0.99%	0	0.00%	377,911	0.99%
73 Local (592)	2,699,969,313	2,279,739,306	-420,230,007	-15.56%	6,142,233	0.23%	-426,372,240	-15.79%
74 WMATA (53)	308,130,605	307,068,359	-1,062,246	-0.34%	0	0.00%	-1,062,246	-0.34%
75	-----	-----	-----	-----	-----	-----	-----	-----
76 Total Governmental (702)	\$4,555,089,435	\$4,124,974,089	-\$430,115,346	-9.44%	\$6,292,233	0.14%	-\$436,407,579	-9.58%
77								
78 Non-Governmental								
79 Religious (200)	\$477,486,181	\$481,912,156	\$4,425,975	0.93%	\$483,386	0.10%	\$3,942,589	0.83%
80 Charitable (62)	269,873,658	272,088,168	2,214,510	0.82%	0	0.00%	2,214,510	0.82%
81 Educational (141)	405,765,832	406,258,935	493,103	0.12%	381,880	0.09%	111,223	0.03%
82	-----	-----	-----	-----	-----	-----	-----	-----
83 Total Non-Governmental (403)	\$1,153,125,671	\$1,160,259,259	\$7,133,588	0.62%	\$865,266	0.08%	\$6,268,322	0.54%
84	-----	-----	-----	-----	-----	-----	-----	-----
85 Total Tax-Exempt Real Property (1,105)	\$5,708,215,106	\$5,285,233,348	-\$422,981,758	-7.41%	\$7,157,499	0.13%	-\$430,139,257	-7.54%

Attachment 3: New Construction Activity

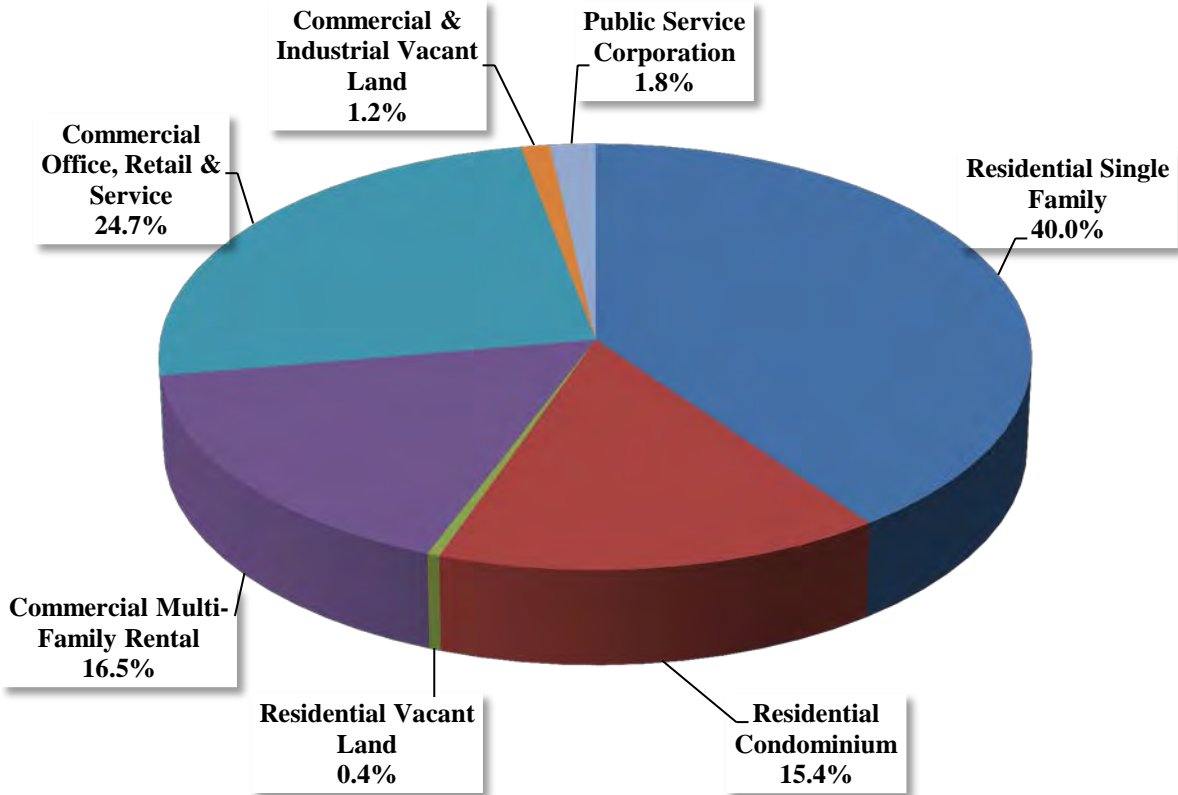
	Land Use Code	% Complete -Est.	Project Name Address
Yates Corner 405 E Braddock	Mixed Use Retail, Office, Auto Repairs	0%	Project includes, Auto Repair, Strip Retail, 2 nd floor Office and Free-standing 7-11 Breaking ground 2013
The Madison 800 N Henry St	Mid-Rise Apartment	33%	360 Mid-Rise Apartment
Old Town Commons Madison and Alfred	Residential Mixed- Use	75%	Mixed Use Development with five phases including: Townhouses, ARHA rentals, condo flats.
The Calvert Apartments 3110 Mt Vernon Ave	Mixed-Use Retail and High-Rise Apartments	33%	332 Unit Mid/High-Rise Apartments with 1 st floor retail component.
Safeway 3526 King Street	Life-Style Grocer	0%	Proposed redevelopment of site including: a 61,949 SF Grocer with 3,042 SF stand-alone retail component – Spring 2013
Potomac Yard- Pulte Homes Potomac Avenue	Townhouses Urban Lofts Multi-Family	33%	96 Townhouses 102 Stacked Urban Lofts On-going build –out
Gateway Holdings I 520 S Van Dorn	Mixed- Use Apartments/Retail	0%	492 Apartments with small retail component Breaking ground in 2013
The Oronoco 600 Fairfax St	Luxury Condo	20%	Proposed 60 units
Alexandria Old Town North LLC 735 N St. Asaph St	Mixed- Use Apartment/Retail	5%	Proposed mixed use development including: 57,722 SF of 1 st floor retail (Harris Teeter) and Mid-Rise Apartments (175 units)
Braddock Gateway Phase I – WRIT 1219 First Street	High- Rise Apartments	0%	14 Story Apartment Building – 270 Units Breaking ground in 2013
Braddock Gateway PhaseII- 1050 N Fayette St	Mixed Use Plan	0%	Project includes 185 unit high-rise apartment. Phases II-V include additional apartments and office space. Breaking ground 2013
Braddock Metro- 1261 Madison St	High –Rise Apartments	0%	10 Story Apartment building -164 units Breaking ground in 2013
Printer's Row 1125 N Royal St	Condo Townhouses	75%	22 Condo Townhouse and Retail Shop

Attachment 4: Real Estate Tax Base Distribution (CY 2001 to CY 2013)



Attachment 5: Distribution of 2012 Assessments by Land Use

Property Classification	Percentage	CY 2013 Assessments
Residential Single Family	39.98%	\$ 13,883,444,739
Residential Condominium	15.41%	\$ 5,352,589,157
Residential Vacant Land	0.43%	\$ 148,617,720
Commercial Multi-Family Rental	16.49%	\$ 5,726,020,915
Commercial Office, Retail & Service	24.71%	\$ 8,579,097,052
Commercial & Industrial Vacant Land	1.15%	\$ 401,022,143
Public Service Corporation	1.83%	\$ 634,278,351
Total	100%	\$ 34,725,070,077



Attachment 6: Residential Infill Lot Sales

Property Location	Sale Date	Sale Price	Project Disc.	SP/Unit
500 Madison St	6/27/2012	\$ 27,200,000	175 MF/Retail Grocer	\$ 154,545
1400A Main Line Blvd	11/9/2012	\$ 23,460,000	276 Units/ Retail	\$ 85,000
333 N Royal St and 316 Princess Street	05/2012-08/2012	\$ 1,649,900	(4) Unfinished Townhouse Lots	\$ 412,475

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes

- The average assessed value for an existing residential property (consisting of single-family homes and residential condominiums) increased 2.76%, from \$458,023 in 2012 to \$470,664 in 2013 (Attachment 2, Page 1, Lines 6, and 14, Column 9).
- The average assessed value for a residential single-family home as of January 1, 2013 increased 2.97%, from \$632,677 in CY 2012 to \$651,468 in CY 2013 (Attachment 2, Page 1, Line 6, Column 9).
- The average assessed value for a residential condominium as of January 1, 2013 increased 2.22%, from \$267,721 in CY 2012 to \$273,664 in CY 2013 (Attachment 2, Page 1, Line 14, Column 9).
- The median assessment and number of parcels by range of assessed value are detailed in the charts beginning on page 3 of this attachment. The number of properties valued under \$250,000 declined from 26,031 in CY 2012 to 25,257 in CY 2013, reflecting a 2.97% decrease. In turn, the number of properties assessed for \$500,000 and greater grew from 14,384 in CY 2012 to 15,349 in CY 2013, an increase of 6.71%. For CY 2013, 62.21% of all residential properties in the City are valued for less than \$500,000.
- The assessment/sales ratio for residential property (including single-family homes and condominium units) for CY 2011 was 95.79%, and for this same period the previous year the assessment/sales ratio was 94.10%. This statistic is a measure of CY 2011 assessments (as of January 1, 2011) against CY 2011 sales. Only validated arm's-length transactions are used for assessment/sales ratio study purposes.
- The number of recorded foreclosures in the City totaled 127 during CY 2012, a decrease of 29.05% from the previous year's total of 179, and a decrease 65% from CY 2008 when 365 foreclosures occurred. Over three-quarters of the City's 2012 foreclosures were of condominium properties. Recorded foreclosure activity in the City is segmented into single-family, condominium, commercial and vacant land. The map below shows the concentration of foreclosures in the City in 2012.

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes



**2013 CY Median All Residential Assessments
By Small Area**

City-Wide			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	425	\$37,362,057	92,383
2 - \$100,000 - \$249,000	10,349	\$1,876,623,881	185,348
3 - \$250,000 - \$499,999	14,493	\$5,417,632,248	375,727
4 - \$500,000 - \$749,999	9,425	\$5,741,445,328	601,693
5 - \$750,000 - \$999,999	3,980	\$3,373,111,308	834,132
6 - \$1,000,000 - \$1,999,999	1,753	\$2,238,684,219	1,204,134
7 - \$2,000,000+	191	\$548,725,486	2,395,663
Grand Totals:	40,616	\$19,233,584,527	

01 Alexandria West			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	268	\$23,232,897	\$92,383
2 - \$100,000 - \$249,000	2,278	\$359,478,545	\$149,471
3 - \$250,000 - \$499,999	1,552	\$587,206,525	\$380,426
4 - \$500,000 - \$749,999	512	\$286,638,685	\$546,758
5 - \$750,000 - \$999,999	10	\$8,448,995	\$840,140
6 - \$1,000,000 - \$1,999,999	2	\$2,200,112	\$1,100,056
7 - \$2,000,000+	0	0	0
Totals:	4,622	\$1,267,205,759	

02 Braddock Road Metro Station			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	22	\$3,681,907	\$177,609
3 - \$250,000 - \$499,999	886	\$351,403,292	\$385,318
4 - \$500,000 - \$749,999	766	\$456,099,263	\$573,358
5 - \$750,000 - \$999,999	240	\$199,662,730	\$817,484
6 - \$1,000,000 - \$1,999,999	37	\$43,758,864	\$1,144,839
7 - \$2,000,000+	1	\$8,800,000	\$8,800,000
Totals:	1,952	\$1,063,406,056	

03 Fairlington/Bradlee			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	0	0	0
3 - \$250,000 - \$499,999	115	\$40,655,583	\$354,750
4 - \$500,000 - \$749,999	10	\$5,255,190	\$509,340
5 - \$750,000 - \$999,999	0	0	0
6 - \$1,000,000 - \$1,999,999	0	0	0

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes

7 - \$2,000,000+	0	0	0
Totals:	125	\$45,910,773	

04 King St./Eisenhower Ave. Metro Station			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	0	0	0
3 - \$250,000 - \$499,999	108	\$40,604,499	\$322,250
4 - \$500,000 - \$749,999	49	\$28,794,071	\$574,590
5 - \$750,000 - \$999,999	2	\$1,803,750	\$901,875
6 - \$1,000,000 - \$1,999,999	1	\$1,286,798	\$1,286,798
7 - \$2,000,000+	0	0	0
Totals:	160	\$72,489,118	

05 Landmark/Van Dorn			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	61	\$5,262,719	\$81,482
2 - \$100,000 - \$249,000	4,517	\$813,164,368	\$183,621
3 - \$250,000 - \$499,999	1,985	\$701,321,933	\$359,309
4 - \$500,000 - \$749,999	897	\$544,168,433	\$595,608
5 - \$750,000 - \$999,999	128	\$103,978,345	\$791,515
6 - \$1,000,000 - \$1,999,999	12	\$12,484,042	\$1,051,371
7 - \$2,000,000+	0	0	0
Totals:	7,600	\$2,180,379,840	

06 Northeast			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	220	\$48,203,259	\$217,988
3 - \$250,000 - \$499,999	416	\$171,797,978	\$442,396
4 - \$500,000 - \$749,999	366	\$208,916,917	\$559,893
5 - \$750,000 - \$999,999	24	\$19,168,107	\$765,137
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	1,026	\$448,086,261	

07 Northridge/Rosemont			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	904	\$198,306,563	\$233,820
3 - \$250,000 - \$499,999	1,393	\$444,849,386	\$295,566

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes

4 - \$500,000 - \$749,999	1,430	\$929,556,172	\$655,141
5 - \$750,000 - \$999,999	831	\$707,037,369	\$843,786
6 - \$1,000,000 - \$1,999,999	374	\$482,293,219	\$1,200,386
7 - \$2,000,000+	43	\$108,603,163	\$2,363,183
Totals:	4,975	\$2,870,645,872	

08 Old Town			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	134	\$27,210,427	\$213,167
3 - \$250,000 - \$499,999	457	\$178,885,489	\$387,848
4 - \$500,000 - \$749,999	828	\$525,288,843	\$636,085
5 - \$750,000 - \$999,999	790	\$686,622,398	\$864,250
6 - \$1,000,000 - \$1,999,999	710	\$928,587,291	\$1,240,001
7 - \$2,000,000+	102	\$285,612,775	\$2,463,500
Totals:	3,021	\$2,632,207,223	

09 Old Town North			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	4	\$208,962	\$52,241
2 - \$100,000 - \$249,000	411	\$81,145,592	\$213,391
3 - \$250,000 - \$499,999	684	\$242,646,256	\$341,823
4 - \$500,000 - \$749,999	403	\$243,995,017	\$599,165
5 - \$750,000 - \$999,999	177	\$142,791,497	\$802,566
6 - \$1,000,000 - \$1,999,999	55	\$65,431,249	\$1,174,497
7 - \$2,000,000+	2	\$36,891,048	\$18,445,524
Totals:	1,736	\$813,109,621	

10 Potomac West			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	469	\$89,028,779	\$176,508
3 - \$250,000 - \$499,999	2,431	\$986,397,599	\$426,136
4 - \$500,000 - \$749,999	2,219	\$1,338,160,096	\$591,619
5 - \$750,000 - \$999,999	686	\$579,431,440	\$831,148
6 - \$1,000,000 - \$1,999,999	143	\$162,991,799	\$1,093,289
7 - \$2,000,000+	2	\$6,195,922	\$3,097,961
Totals:	5,950	\$3,162,205,635	

11 Potomac Yard/Potomac Greens			
Assessment Range	Number of Units	Total Assessments	Median Assessment

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes

1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	129	\$25,953,600	\$200,000
3 - \$250,000 - \$499,999	138	\$57,153,560	\$438,065
4 - \$500,000 - \$749,999	220	\$137,326,693	\$637,681
5 - \$750,000 - \$999,999	282	\$233,800,033	\$804,675
6 - \$1,000,000 - \$1,999,999	14	\$18,600,000	\$1,400,000
7 - \$2,000,000+	2	\$10,272,750	\$5,136,375
Totals:	785	\$483,106,636	

12 Seminary Hill/Strawberry Hill			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	92	\$8,657,479	\$94,915
2 - \$100,000 - \$249,000	1,053	\$182,700,968	\$159,698
3 - \$250,000 - \$499,999	2,577	\$940,388,076	\$355,229
4 - \$500,000 - \$749,999	630	\$373,125,065	\$570,723
5 - \$750,000 - \$999,999	401	\$341,701,119	\$843,026
6 - \$1,000,000 - \$1,999,999	171	\$221,990,912	\$1,233,969
7 - \$2,000,000+	14	\$33,461,550	\$2,164,821
Totals:	4,938	\$2,102,025,169	

13 Southwest Quadrant			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	87	\$17,567,730	\$204,865
3 - \$250,000 - \$499,999	432	\$186,770,119	\$448,364
4 - \$500,000 - \$749,999	324	\$192,432,766	\$583,143
5 - \$750,000 - \$999,999	94	\$79,457,583	\$833,148
6 - \$1,000,000 - \$1,999,999	39	\$43,040,214	\$1,090,361
7 - \$2,000,000+	0	0	0
Totals:	976	\$519,268,412	

14 Taylor Run/Duke Street			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	119	\$28,927,302	\$245,340
3 - \$250,000 - \$499,999	627	\$220,060,659	\$323,121
4 - \$500,000 - \$749,999	599	\$365,730,259	\$605,525
5 - \$750,000 - \$999,999	277	\$238,710,645	\$856,401
6 - \$1,000,000 - \$1,999,999	195	\$256,019,719	\$1,273,061
7 - \$2,000,000+	25	\$58,888,278	\$2,208,416
Totals:	1,842	\$1,168,336,862	

15 Eisenhower East			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	6	\$1,254,841	\$193,961
3 - \$250,000 - \$499,999	692	\$267,491,294	\$391,895
4 - \$500,000 - \$749,999	172	\$105,957,858	\$601,654
5 - \$750,000 - \$999,999	38	\$30,497,297	\$802,723
6 - \$1,000,000 - \$1,999,999	0	0	
7 - \$2,000,000+	0	0	0
Totals:	908	\$405,201,290	

**2013 CY Median Single Family Assessments
By Small Area**

City Wide			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	4	\$208,962	\$52,241
2 - \$100,000 - \$249,000	253	\$53,292,739	\$200,000
3 - \$250,000 - \$499,999	6,952	\$2,832,541,112	\$421,842
4 - \$500,000 - \$749,999	8,433	\$5,166,049,220	\$607,320
5 - \$750,000 - \$999,999	3,831	\$3,247,346,571	\$834,120
6 - \$1,000,000 - \$1,999,999	1,667	\$2,129,105,430	\$1,205,639
7 - \$2,000,000+	171	\$454,900,705	42,346,803
Grand Totals:	21,311	\$13,883,444,739	

01 Alexandria West			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	1	\$247,734	\$247,734
3 - \$250,000 - \$499,999	681	\$296,247,655	\$433,051
4 - \$500,000 - \$749,999	477	\$267,334,273	\$546,813
5 - \$750,000 - \$999,999	10	\$8,448,995	\$840,140
6 - \$1,000,000 - \$1,999,999	2	\$2,200,112	\$1,100,056
7 - \$2,000,000+	0	0	0
Totals:	1,171	\$574,478,769	

02 Braddock Road Metro Station			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	10	\$1,341,284	\$124,000
3 - \$250,000 - \$499,999	404	\$173,886,494	\$437,832
4 - \$500,000 - \$749,999	691	\$415,593,057	\$583,911
5 - \$750,000 - \$999,999	240	\$199,662,730	\$817,484
6 - \$1,000,000 - \$1,999,999	34	\$40,232,511	\$1,142,237
7 - \$2,000,000+	0	0	0
Totals:	1,379	\$830,716,076	

03 Fairlington/Bradlee			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	0	0	0
3 - \$250,000 - \$499,999	3	\$1,126,695	\$365,404
4 - \$500,000 - \$749,999	10	\$5,255,190	\$509,340
5 - \$750,000 - \$999,999	0	0	0
6 - \$1,000,000 - \$1,999,999	0	0	0

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes

7 - \$2,000,000+	0	0	0
Totals:	13	\$6,381,885	

04 King St./Eisenhower Ave. Metro Station			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	0	0	0
3 - \$250,000 - \$499,999	20	\$8,106,820	\$419,869
4 - \$500,000 - \$749,999	34	\$20,574,633	\$618,374
5 - \$750,000 - \$999,999	1	\$904,595	\$904,595
6 - \$1,000,000 - \$1,999,999	1	\$1,286,798	\$1,286,798
7 - \$2,000,000+	0	0	0
Totals:	56	\$30,872,846	

05 Landmark/Van Dorn			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	0	0	0
3 - \$250,000 - \$499,999	370	\$154,852,145	\$425,427
4 - \$500,000 - \$749,999	876	\$533,516,264	\$598,054
5 - \$750,000 - \$999,999	128	\$103,978,345	\$791,515
6 - \$1,000,000 - \$1,999,999	12	\$12,484,042	\$1,051,371
7 - \$2,000,000+	0	0	0
Totals:	1,386	\$804,830,796	

06 Northeast			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	1	\$243,800	\$243,800
3 - \$250,000 - \$499,999	305	\$136,362,054	\$455,583
4 - \$500,000 - \$749,999	319	\$182,992,322	\$567,938
5 - \$750,000 - \$999,999	12	\$9,129,641	\$761,457
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	637	\$328,727,817	

07 Northridge/Rosemont			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	1	\$134,842	\$134,842
3 - \$250,000 - \$499,999	287	\$115,854,047	\$412,954
4 - \$500,000 - \$749,999	1,430	\$929,556,172	\$655,141
5 - \$750,000 - \$999,999	831	\$707,037,369	\$843,786

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes

6 - \$1,000,000 - \$1,999,999	374	\$482,293,219	\$1,200,386
7 - \$2,000,000+	43	\$108,603,163	\$2,363,183
Totals:	2,966	\$2,343,478,812	

08 Old Town			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	2	\$376,850	\$188,425
3 - \$250,000 - \$499,999	73	\$32,317,302	\$467,818
4 - \$500,000 - \$749,999	653	\$418,894,742	\$645,643
5 - \$750,000 - \$999,999	729	\$634,190,734	\$866,652
6 - \$1,000,000 - \$1,999,999	658	\$863,203,030	\$1,246,482
7 - \$2,000,000+	89	\$253,947,714	\$2,526,549
Totals:	2,204	\$2,202,930,372	

09 Old Town North			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	4	\$208,962	\$52,241
2 - \$100,000 - \$249,000	0	0	0
3 - \$250,000 - \$499,999	6	\$2,618,568	\$422,578
4 - \$500,000 - \$749,999	146	\$94,006,678	\$655,766
5 - \$750,000 - \$999,999	139	\$110,869,931	\$799,121
6 - \$1,000,000 - \$1,999,999	51	\$59,969,852	\$1,169,955
7 - \$2,000,000+	0	0	0
Totals:	346	\$267,673,991	

10 Potomac West			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	75	\$16,750,622	\$227,118
3 - \$250,000 - \$499,999	2,276	\$930,833,107	\$427,965
4 - \$500,000 - \$749,999	2,200	\$1,327,680,033	\$592,327
5 - \$750,000 - \$999,999	680	\$574,118,480	\$830,419
6 - \$1,000,000 - \$1,999,999	130	\$146,385,021	\$1,087,915
7 - \$2,000,000+	0	0	0
Totals:	5,361	\$2,995,767,263	

11 Potomac Yard/Potomac Greens			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	128	\$25,753,600	\$200,000
3 - \$250,000 - \$499,999	40	\$13,033,671	\$298,000
4 - \$500,000 - \$749,999	142	\$95,076,606	\$658,774

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes

5 - \$750,000 - \$999,999	281	\$233,000,033	\$805,247
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	591	\$366,863,910	

12 Seminary Hill/Strawberry Hill			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	35	\$8,444,007	\$247,297
3 - \$250,000 - \$499,999	1,930	\$731,180,899	\$389,365
4 - \$500,000 - \$749,999	630	\$373,125,065	\$570,723
5 - \$750,000 - \$999,999	401	\$341,701,119	\$843,026
6 - \$1,000,000 - \$1,999,999	171	\$221,990,912	\$1,233,969
7 - \$2,000,000+	14	\$33,461,550	\$2,164,821
Totals:	3,181	\$1,709,903,552	

13 Southwest Quadrant			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	0	0	0
3 - \$250,000 - \$499,999	280	\$119,810,500	\$434,836
4 - \$500,000 - \$749,999	213	\$127,278,674	\$582,325
5 - \$750,000 - \$999,999	89	\$75,303,529	\$832,241
6 - \$1,000,000 - \$1,999,999	39	\$43,040,214	\$1,090,361
7 - \$2,000,000+	0	0	0
Totals:	621	\$365,432,917	

14 Taylor Run/Duke Street			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	0	0	0
3 - \$250,000 - \$499,999	277	\$116,311,155	\$408,114
4 - \$500,000 - \$749,999	599	\$365,730,259	\$605,525
5 - \$750,000 - \$999,999	277	\$238,710,645	\$856,401
6 - \$1,000,000 - \$1,999,999	195	\$256,019,719	\$1,273,061
7 - \$2,000,000+	25	\$58,888,278	\$2,208,416
Totals:	1,373	\$1,035,660,056	

15 Eisenhower East			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	0	0	0

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes

3 - \$250,000 - \$499,999	0	0	0
4 - \$500,000 - \$749,999	13	\$9,435,252	\$733,606
5 - \$750,000 - \$999,999	13	\$10,290,425	\$818,025
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	26	\$19,725,677	

**CY 2013 Median Residential Condominium Assessments
By Small Area**

City Wide			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	421	37,153,095	92,383
2 - \$100,000 - \$249,000	10,096	1,823,331,142	183,212
3 - \$250,000 - \$499,999	7,541	2,585,091,136	331,038
4 - \$500,000 - \$749,999	992	575,396,108	560,461
5 - \$750,000 - \$999,999	149	125,764,737	834,330
6 - \$1,000,000 - \$1,999,999	86	109,578,789	1,200,000
7 - \$2,000,000+	20	93,824,781	2,499,655
Totals:	19,305	5,350,139,788	

01 Alexandria West			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	268	\$23,232,897	\$92,383
2 - \$100,000 - \$249,000	2,277	\$359,230,811	\$149,471
3 - \$250,000 - \$499,999	871	\$290,958,870	\$346,406
4 - \$500,000 - \$749,999	35	\$19,304,412	\$542,097
5 - \$750,000 - \$999,999	0	0	0
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	3,451	\$692,726,990	

02 Braddock Road Metro Station			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	12	\$2,340,623	\$177,609
3 - \$250,000 - \$499,999	482	\$177,516,798	\$348,123
4 - \$500,000 - \$749,999	75	\$40,506,206	\$537,271
5 - \$750,000 - \$999,999	0	0	0
6 - \$1,000,000 - \$1,999,999	3	\$3,526,353	\$1,184,652
7 - \$2,000,000+	1	\$8,800,000	\$8,800,000
Totals:	573	\$232,689,980	

03 Fairlington/Bradlee			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	0	0	0
3 - \$250,000 - \$499,999	112	\$39,528,888	\$350,330
4 - \$500,000 - \$749,999	0	0	0
5 - \$750,000 - \$999,999	0	0	0
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	112	\$39,528,888	

04 King St./Eisenhower Ave. Metro Station			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	0	0	0
3 - \$250,000 - \$499,999	88	\$32,497,679	\$317,727
4 - \$500,000 - \$749,999	15	\$8,219,438	\$541,010
5 - \$750,000 - \$999,999	1	\$899,155	\$899,155
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	104	\$41,616,272	

05 Landmark/Van Dorn			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	61	\$5,262,719	\$81,482
2 - \$100,000 - \$249,000	4,517	\$813,164,368	\$183,621
3 - \$250,000 - \$499,999	1,615	\$546,469,788	\$314,052
4 - \$500,000 - \$749,999	21	\$10,652,169	\$508,121
5 - \$750,000 - \$999,999	0	0	0
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	6,214	\$1,375,549,044	

06 Northeast			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	219	\$47,959,459	\$217,988
3 - \$250,000 - \$499,999	111	\$35,435,924	\$258,184
4 - \$500,000 - \$749,999	47	\$25,924,595	\$525,531
5 - \$750,000 - \$999,999	12	\$10,038,466	\$821,953
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	389	\$119,358,444	

07 Northridge/Rosemont			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	903	\$198,171,721	\$233,820
3 - \$250,000 - \$499,999	1,106	\$328,995,339	\$284,740
4 - \$500,000 - \$749,999	0	0	0
5 - \$750,000 - \$999,999	0	0	0
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	2,009	\$527,167,060	

08 Old Town			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	132	\$26,833,577	\$213,167
3 - \$250,000 - \$499,999	384	\$146,568,187	\$365,524
4 - \$500,000 - \$749,999	175	\$106,394,101	\$589,983
5 - \$750,000 - \$999,999	61	\$52,431,664	\$849,124
6 - \$1,000,000 - \$1,999,999	52	\$65,384,261	\$1,139,910
7 - \$2,000,000+	13	\$31,665,061	\$2,453,663
Totals:	817	\$429,276,851	

09 Old Town North			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	411	\$81,145,592	\$213,391
3 - \$250,000 - \$499,999	678	\$240,027,688	\$341,247
4 - \$500,000 - \$749,999	257	\$149,988,339	\$561,156
5 - \$750,000 - \$999,999	38	\$31,921,566	\$827,603
6 - \$1,000,000 - \$1,999,999	4	\$5,461,397	\$1,315,727
7 - \$2,000,000+	2	\$36,891,048	\$18,445,524
Totals:	1,390	\$545,435,630	

10 Potomac West			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	394	\$72,278,157	\$176,508
3 - \$250,000 - \$499,999	155	\$55,564,492	\$354,828
4 - \$500,000 - \$749,999	19	\$10,480,063	\$531,337
5 - \$750,000 - \$999,999	6	\$5,312,960	\$884,349
6 - \$1,000,000 - \$1,999,999	13	\$16,606,778	\$1,262,411
7 - \$2,000,000+	2	\$6,195,922	\$3,097,961
Totals:	589	\$166,438,372	

11 Potomac Yard/Potomac Greens			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	1	\$200,000	\$200,000
3 - \$250,000 - \$499,999	98	\$44,119,889	\$455,171
4 - \$500,000 - \$749,999	78	\$42,250,087	\$520,116
5 - \$750,000 - \$999,999	1	\$800,000	\$800,000
6 - \$1,000,000 - \$1,999,999	14	\$18,600,000	\$1,400,000
7 - \$2,000,000+	2	\$10,272,750	\$5,136,375
Totals:	194	\$116,242,726	

12 Seminary Hill/Strawberry Hill			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	92	\$8,657,479	\$94,915
2 - \$100,000 - \$249,000	1,018	\$174,256,961	\$157,853
3 - \$250,000 - \$499,999	647	\$209,207,177	\$340,748
4 - \$500,000 - \$749,999	0	0	0
5 - \$750,000 - \$999,999	0	0	0
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	1,757	\$392,121,617	

13 Southwest Quadrant			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	87	\$17,567,730	\$204,865
3 - \$250,000 - \$499,999	152	\$66,959,619	\$467,655
4 - \$500,000 - \$749,999	111	\$65,154,092	\$590,000
5 - \$750,000 - \$999,999	5	\$4,154,054	\$834,054
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	355	\$153,835,495	

14 Taylor Run/Duke Street			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	119	\$28,927,302	\$245,340
3 - \$250,000 - \$499,999	350	\$103,749,504	\$292,076
4 - \$500,000 - \$749,999	0	0	0
5 - \$750,000 - \$999,999	0	0	0
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0
Totals:	469	\$132,676,806	

15 Eisenhower East			
Assessment Range	Number of Units	Total Assessments	Median Assessment
1 - Less than \$100,000	0	0	0
2 - \$100,000 - \$249,000	6	\$1,254,841	\$193,961
3 - \$250,000 - \$499,999	692	\$267,491,294	\$391,895
4 - \$500,000 - \$749,999	159	\$96,522,606	\$597,727
5 - \$750,000 - \$999,999	25	\$20,206,872	\$801,130
6 - \$1,000,000 - \$1,999,999	0	0	0
7 - \$2,000,000+	0	0	0

Attachment 7: Points of Interest – CY 2013 Residential Assessment Changes

Totals:	882	\$385,475,613	
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National Perspective Relative to CY 2013 Commercial Assessment Changes

Unlike stocks, bonds, and other paper assets, which tend to fluctuate rapidly and react swiftly to economic sentiment, commercial real estate is viewed as a more predictable investment asset. Commercial real estate performance is also sensitive to economic shifts. However, changes tend to happen more slowly with assets usually encumbered with long-term leases which allow commercial assets to better weather downside risk.

The volume of commercial acquisitions in the City involving other commercial property classes was nominal during the course of 2012, with owners of performing assets unwilling to sell, except at a premium. For the most part, purchasers have a clear preference for Class A “core” investment-grade properties which has acted to compress capitalization rates and increase values. In 2013, there will be opportunities in Class B properties, which are generally older but maintain good management and quality tenants, as billions of dollars remain on the sidelines in search of risk adjusted performing assets.

As of January 1, 2013 there were a total of 2,627 commercial properties in the City. Due in large part to the increase in the multi-family rental apartment market, the assessed value of all commercial properties in the City increased \$640.67 million, or 4.55%, from \$14.06 billion in 2012 to \$14.71 billion in 2013.

For the purpose of analysis, the City divides the commercial real estate market in the City into the following classes of property: conventional office buildings; multi-family rental apartments; hotels/motels; industrial warehouses; traditional shopping centers; and general commercial.

Unemployment

The City of Alexandria’s unemployment rate was 4.0% for November of 2012, just slightly higher than the previous year when it was 4.3% according to statistics compiled by the *U.S. Bureau of Labor Statistics*. The November 2012 unemployment rate for the Washington-Arlington-Alexandria Metropolitan Statistical Area was 5.3%. The Commonwealth of Virginia’s December 2012 unemployment rate was 5.5%. All of these rates are significantly lower than the national unemployment rate of 7.8%.

Office Market Overview

The commercial office market can best be described as uneven with values posting only modest gains. While rents were stable, overall vacancy rates generally increased resulting in lower net operating incomes. This phenomenon was, to some extent, reported across all classes of office with property owners offering concessions such as periods of free or reduced rent and substantial build-out allowances in order to attract or retain tenants. Washington D.C. continues to be one of the most attractive global real estate, and even with these lower incomes, the region’s ability to weather economic downturns better than other major office markets in the country is a primary reason for its appeal among investors.

Proximity to Washington D.C. partially insulates the City of Alexandria from large swings in demand and price levels. The diversified tenant base and demand from the Federal Government have historically provided an element of stability in the market. Sub-markets located inside the Capital Beltway (I-495) continue to outperform their counterparts outside the ring and have

maintained tighter dynamics. Despite its strengths, market conditions in Alexandria have remained soft as weak tenant demand kept vacancy elevated. Growth can be primarily attributed to escalated rental rates of in-place leases. Political uncertainty and tenant rightsizing limited leasing and sales activity during 2012.

This property class is segmented by size and includes both large and junior office buildings containing less than 12,000 square feet. The base for this property type in CY 2013 increased 2.29%, or approximately \$104.15 million, from \$4.54 billion in CY 2012 to \$4.64 billion (Attachment 2, Page 2, Line 30, Column 5). The net increase to the base was a result of \$1.1 million in new growth complemented by \$103 million in appreciation.

Three commercial office properties in the City transferred during 2012. These sales are summarized in the table below. In addition to the sales that occurred in the City, staff researched and relied on recent sales of office buildings that occurred in neighboring Arlington and Fairfax Counties.

Property Location	Sale Date	Bldg. Size in Sq. Ft. Net Leasable Area	Consideration	Price/Sq.Ft. of NLA
1940 & 2000 Duke Street	7/24/2012	368,224	\$191,000,000	\$518.71
3601 Eisenhower Avenue	6/28/2012	143,707	\$31,250,000	\$217.46
1920 Ballenger Avenue	4/11/2012	57,761	\$17,091,200	\$295.90

According to statistics compiled by the *CoStar Group*, as of January 1, 2013, the City of Alexandria contained an office inventory of approximately 20.8 million square feet with a direct vacancy rate of 15.3% including Victory Center. Net of the vacant 605,000 square feet that comprises Victory Center, the overall direct vacancy rate is reduced to 11.3%. Northern Virginia as a whole has a vacancy rate of approximately 14.9%. Full service office rents in the City averaged \$30.87 per square-foot in the 4th quarter of 2012, compared to \$31.23 in the 4th quarter of 2011.

Multifamily Apartment Market

Nationally and locally, the multifamily market showed continued growth throughout 2012. This growth has been based on increasing rental rates and declining vacancy rates, as well as capitalization rates that remained stable from the previous year. The *Apartment Research Market Report* for the Fourth Quarter of 2012 published by Marcus & Millichap states, “Vacancy remains tight and rents are advancing in the Washington D.C. metro despite slowing job growth and a spike in completions.”¹ The same report also states, “Led by a 4.0 percent rise in Virginia, asking rents in the metro will increase 3.5% this year to \$1,461 per month, surpassing the 2.4 percent rise in 2011. Leasing incentives will decline further as effective rents gain 4.4 percent to \$1,397 per month, an increase from a gain of 2.8 percent last year.”

¹ Merrey, Bryn. 2012. “Apartment Research Market Report: Washington D. C. Metro Area, Fourth Quarter 2012.” *Marcus & Millichap Real Estate Investment Services*.
<https://www.marcusmillichap.com/services/research/webreports/WashingtonDC/Apartment.aspx>.

The Multifamily Snapshot: DC Metro Third Quarter 2012 published by Cassidy Turley Commercial Real Estate Services states, “Job growth and increases in population in the Washington metropolitan area helped keep apartment fundamentals strong in the third quarter of 2012.”² The same report states that “Northern Virginia boasted the highest rental rate increase with a gain of 1.0% during the quarter.”

The City’s multi-family rental apartment market tax base increased 7.05% for CY 2013 (Attachment 2, Page 2, Line 26, Column 5) to \$5.7 billion. This represents a moderate increase from CY 2012 when this class increased \$760.2 million, or 16.83%, over the previous year. Overall, there is a \$377.3 million increase for CY 2013. New growth of \$61.9 million was complemented by \$315.4 million in appreciation.

Only one investment grade apartment, The Aventine of Alexandria, sold in the City in 2012. This property sold on November 27th for \$139 million or \$242,160 per unit. Several small apartment properties sold in the City, with sales prices ranging from \$208,000 to \$275,000 per unit.

Warehouse Market Overview

The warehouse market in the City generally conforms to national and regional data. A decrease in capitalization rates, which generally correlates to an increase in values, was reported by both *PWC Real Estate Investor Survey* and *RERC Real Estate Report*. The *RERC Real Estate Report* shows a decrease or no change in capitalization rates for the first three quarters of 2012, and the *PWC Real Estate Investor Survey* reports year-over-year decreases in capitalization rates for all four quarters of 2012. The reported changes in capitalization rates were relatively minor, averaging approximately 21 basis points.

The industrial warehouse property tax base increased \$18.7 million, or 2.76%, for CY 2013 (Attachment 2, Page 2, Line 33, and Column 5) to \$697.5 million. This increase, though less than the increase for 2012, reflects the third year of moderate increases in assessed values for this property type. The number of properties classified as warehouse for assessment purposes has decreased for several years due to continued redevelopment.

Sales of warehouse properties are typically based on redevelopment potential, which would support that the warehouse supply will continue to decrease. Vacancy is concentrated in a few isolated areas, and shows little change from previous years. Redevelopment pressure may be influencing whether space is leased, or at least the length of the lease that the landlord is willing to sign.

Hotel, Motel and Extended Stay Market Overview

During 2012, recovery in the City’s hotel market was uneven. The taxable base for this property type increased by 6.06%, or \$47.52 million (Attachment 2, Page 2, Line 34, Column 5), from

² Brannigan, Philip. 2012. “Multifamily Snapshot: DC Metro, Third Quarter.” *Cassidy Turley Commercial Real Estate Services*.

http://www.cassidyturley.com/Research/MarketReports/Report.aspx?topic=Washington_DC_Region_Multifamily_Snapshot_3rd_Quarter_2012&action=download.

\$784.37 million in CY 2012 to \$831.89 million for CY 2013. There are a total of 28 hotels in the City with an inventory of 4,922 rooms.

The Washington area was less affected than the national hospitality market due to the presence of the Federal Government and Alexandria’s convenient location inside the Beltway. This effectively tempered the decline in hotel room demand during the last three years. Local hotel operators estimate that the Federal government makes up about 30% of demand in the City.

Hotels are considered to be leading economic indicators as they are generally operated on a day-to-day basis and respond quickly to changes in the national economy. Although several hotels in the City performed very well, the data summarized above indicates that CY 2012 overall was not a year of recovery for Alexandria hotels. While occupancy improved slightly, the other two indices fell from the prior years’ data.

Income and Expense data received by the City for CY 2011 indicate that well located hotels, particularly near the King Street Metro station, in Old Town and North Old Town operate successfully for the most part. Hotels in less desirable locations, particularly in the West End of the City, have not fared as well.

While occupancy in CY 2012 increased approximately 1% from the previous year, revenue per available room (RevPAR) decreased 0.21% to \$102.95 on the whole.

Measure	2010	2011	2012
% Occupancy	72.6%	70.3%	71.0%
ADR	\$149.01	\$146.68	\$144.98
RevPAR	\$108.16	\$103.17	\$102.95
Source: Smith Travel Research - November 2012			

Hotel Class	Percent of Change – CY 2011 to CY 2012		
	Occupancy	Average Daily Rate	RevPAR
Upper Upscale	-2.3	-1.5	-3.7
Upscale/Upper-Mid	4.2	-1.7	2.4
Mid Sale/Economy	-1.3	-1.2	-2.5
Source: Smith Travel Research - November 2012			

The *Smith Travel Research* (STR) report summarizes the hotels in three categories: Upper Upscale; Upscale and Upper Midscale; and Midscale, Economy and Independent.

There was one sale of a hotel in the City in 2012. On December 7, 2012, the 49-room Best Western/Old Colony Hotel sold for \$6.5 million or \$132,653 per room. A representative of the buyers reported that the site has redevelopment potential as it is not developed to its maximum potential, and that redevelopment options will be studied, but for the immediate future it will continue to operate as-is.

The future outlook for the Alexandria hotel market remains mixed. On the positive side, the federal per diem allowance was increased for fiscal year October 2011 to September 2012, and it was widely reported that capitalization rates for hotel properties have compressed, particularly as compared to rates of return available from other investments. Negative factors include the continued uncertainty in the market concerning the Federal government's continuing budget/debt discussions.

Shopping Center Market Overview

The CY 2013 taxable base for shopping center properties is virtually flat increasing 0.12% (Attachment 2, Page 2, Line 32, Column 5) from \$564.48 million in CY 2012 to \$565.15 million. The 2013 increase was entirely attributable to property appreciation of \$0.7 million. There was no new growth as of January 1, 2013 for this land use.

The City has 26 properties classified as shopping centers, the majority of which are considered neighborhood centers that are built around a supermarket as the principal tenant. Neighborhood centers range in size from 30,000 to 100,000 square feet.

Although Landmark Mall has continued challenges, the City's 25 other centers, including the 0.6 million square-foot Potomac Yard Center, have continued to perform well with high levels of occupancy and stable operating positions. It should be noted that the owners of the highly successful Potomac Yard Center are planning for the future redevelopment of the property with up to 7.5 million square feet of mixed-use space including office, retail, multi-family rental and hotel.

Income and Expense surveys supplied to the City indicate that the vast majority of vacancy and collection losses in the City's neighborhood shopping centers are attributable to smaller, in-line space, most suitable to smaller, local, non-credit tenancies. According to analysts at *Delta Associates*, the region's low vacancy is attributable to steady population growth, high incomes, and the fact that fewer people have lost jobs when compared to other metro areas.

The demand for grocery stores is constant at all points of the economic cycle. Therefore, it is not unusual that grocery-anchored shopping centers are more stable investments when compared to other retail property types. Despite the superior performance reported by the core submarkets, landlords are still coping with retaining tenants by renegotiating existing leases and offering concessions in the form of free rent and above standard fit-up allowances.

There were no shopping center sales in the City during 2012. However, there were two sales of a shopping center in 2011. On July 5, 2011 the 146,825 square foot Alexandria Commons shopping center sold for \$64.7 million, or \$450.00 per square foot. This is a one- and two-story center with both retail and office tenancies. The anchor tenants are a Giant supermarket and a

Staples office supply outlet. Occupancy at the time of sale was reported to be in excess of 96%. On December 28, 2011, the non-anchored Pickett Street Plaza transferred for \$6.1 million or \$280.00/SF. This center contains 21,800 square feet of in-line space leased to a variety of local tenants, and was fully leased at the time of sale.

It should also be noted that on December 17, 2011, the owners of the Arlandria Shopping Center on Mount Vernon Avenue received City Council approval for a Development Special Use Permit (DSUP) for a densely developed mixed-use retail and multi-family apartment project. The shopping center currently consists of a 54,265 square foot, strip center with a grocery store and a CVS as anchors tenants. Under the terms of the DSUP, the existing center will be demolished, and a new development consisting of approximately 53,254 square feet of retail space and 478 residential apartments located in two mid-rise buildings would be constructed in its place.

General Commercial Overview

General Commercial properties typically contain uses such as small retailers, repair and service establishments, restaurants, and financial institutions. This property type is broadly defined as commercial properties that contain less than 12,000 square feet of space. The volume of sales in 2012 for this property type was modest, and provided a mixed message regarding the general trends. All property types were primarily valued for CY 2013 based on comparable sales in the City of Alexandria and in neighboring Metro area jurisdictions.

The base for this property type increased 2.89%, or approximately \$38.19 million, from \$1.32 billion in CY 2012 to \$1.36 billion in CY 2013 (Attachment 2, Page 2, Line 29, Column 5). These figures include junior office buildings containing less than 12,000 square feet which are considered part of the general commercial property class.

The American Community Survey 2007-2011 indicated 3% population growth for the City of Alexandria from 2007 to 2011. The region, including the City, experienced above average population growth and below average unemployment when compared to the nation as a whole (4.0% November 2012). This, in addition to high income levels (\$82,748 Median Household Income) contribute to a strong local economy that is essential for the strength of this property type.

Attachment 9: Overview of the Assessment Process

The legislation enabling and requiring the City to annually assess real property for local taxation is found in the Virginia Constitution, Code of Virginia, the Charter of the City of Alexandria, and Alexandria City Code. The Department of Real Estate Assessments (DREA) annually assesses all parcels of real estate in the City at 100% of fair market value. In establishing annual real property assessments, DREA uses mass appraisal methods to estimate the fair market value. Mass appraisals replicate the market for one or more land uses across a wide geographic area, while single-property appraisals represent the market for one kind of land use in a limited area. Notwithstanding the relative difference, mass appraisal builds on the same principles as single-property appraisal. The CY 2013 real property assessments are the result of measuring market indicators from arm's length transactions, property income and expense information, comparable sales data, and relevant construction cost data. Staff also employs numerous data services and our Computer Assisted Mass Appraisal (CAMA) System to produce equitable values for all properties in the City.

For CY 2013, 44,156 local taxable properties were assessed. Also assessed on an annual basis were 1,105 tax exempt parcels. Assessment notices were mailed to property owners on February 8, 2013. Real estate assessment information is available on the City's web site in conjunction with the City Council presentation, which includes the information about the forms needed for the review and appeal process, the 2013 assessments for all locally assessed properties, general assessment information, and our data search capability on the real estate portion of the City's web site enabling residents to view recent sales data, as well as the sales used to determine their assessment.

The 2013 assessment notices include information about requesting a review of assessment with DREA by March 15, and information about filing an appeal of the assessment with the Board of Equalization and Assessment Review by June 1. Typically less than 2% of owners or real property challenge the assessed value of their property through the annual assessment review and appeal process. The Board of Equalization and Assessment Review is required to have heard and acted upon an Appeal of Assessment before a property owner has the right to file an appeal to the Circuit Court. Even with an improving market, it is anticipated that property owners will continue to file appeals to protect their right to file suit in the future for the current and three prior tax years.