2021 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) 2022 budget is adopted by the City Council and the tax rate is set.

January 1: Effective date of assessments.

February 9: 2021 Real Property Assessment Information presented to City Council.

February 10: Assessment notices mailed to property owners.

February 16: City Manager presents FY 2022 Proposed Budget to City Council.

March 8: 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 2020 Income and Expense Surveys.

May 1: City Council adopts FY 2022 Budget and sets real estate tax rate.

Early May: Real estate tax bills mailed to owners.

June 1: Deadline to request appeal of January assessment.

June 17: 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
Alexandria, VA 22314

Monday – Friday, 8 a.m. to 5 p.m.
alexandriava.gov/RealEstate
703.746.4646
703.706.3979 (Fax)
email: realestate@alexandriava.gov

A TALE OF TWO MARKETS

Like most Northern Virginia jurisdictions, the 2021 assessment changes were mixed with housing experiencing strong demand after a brief lull attributable to the COVID-19 pandemic. Year-over-year, average residential values increased 6.02%, while commercial assessments decreased 1.96%. Overall, locally assessed taxable real property increased 2.70%. This marks the eleventh consecutive year that the City’s overall assessed value has increased.

The Residential Market

Residential market conditions are strong with demand far exceeding the available supply due to low unemployment, and low interest rates. Market support is provided by a significant number of high paying jobs and the prime location inside the Capital Beltway with four Metro stations and a fifth at National Landing planned to be operational in 2022. Simply stated, the City of Alexandria is considered a desirable place to live and work.

- As of January 1, 2021, the average assessed value of existing residential property, including single-family and condominium was $615,858, an increase of 4.38% from the average equalized value of $582,636 in 2020.

- The average single-family house for 2021 is assessed at $839,961, an increase of 4.54% from the average equalized single-family value of $800,025 the previous year.

- The average 2021 residential condominium is assessed at $375,070, an increase of 3.98% from the average equalized condominium value of $348,234 the previous year.

- For 2021, 94% of residential properties increased, 5% decreased, and 1% were unchanged.

The Commercial Market

On a year-over-year basis, the commercial property tax base decreased by 1.96%. However, much of the decline was offset by an increase of 3.53% in the multi-family rental sector which included $110.1 million dollars in new growth. Class A projects were stable with moderating rental rates and vacancy issues. Concessions remain in place and provide an incentive to potential tenants. The industrial tax base also increased in 2021 supported by continued demand by owner-occupants, smaller e-commerce operations and endpoint distribution facilities. Pandemic conditions resulted in substantial decreases in the hospitality and retail market sectors with declines of 29.64% and 10.72%, respectively. The pandemic has also exacerbated the malaise within the office market with the increase in telework. This has negatively impacted demand, increased vacancy and tenant concessions, and lowered effective rents. Overall, office assessments decreased 6.52% from the previous year. Despite the pandemic, capitalization rates tended to trend upward, but not at levels which would suggest panic. For Class A core assets, capitalization rates increased by 50 to 100 basis points, while lesser quality assets were priced at levels 125 to 200 basis points higher than those used in 2020. With few exceptions, the analogy that the market has been placed on pause during the pandemic is supported the continuing gap between bid and asking prices for income producing assets with the ability to perform under normal conditions.

The Office of Real Estate Assessments (OREA) encourages commercial property owners to file an annual Income and Expense Survey. These can be filed in writing or electronically. Instructions for completing the survey are available on the Office’s website at alexandriava.gov/RealEstate. The surveys will be mailed in early March and have a filing deadline of May 1. Continuing in 2021, the OREA has streamlined the billing process for properties comprised of multiple parcels but functioning as one economic unit. Here, the parent parcel reflects the total property value (including ancillary parcels). This eliminates multiple bills and reduces the cost of postage. Previously existing accounts are maintained in the system, but have no value associated with them. No property rights are lost by the owner. Property owners will be notified by the Office of Real Estate Assessments as new group accounts are created.

Review and Appeal Deadlines

The deadline for requesting a Review of Assessment is March 15, 2021, and the deadline to file an Appeal of Assessment with the Board of Equalization is June 1, 2021. No exceptions will be made. If you have a question about your property’s assessment, please make an appointment a member of our appraisal team or schedule a virtual meeting using Zoom or Microsoft Teams. 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 the annual assessments.

For reasonable disability accommodation, contact realestate@alexandriava.gov or 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, 2021. 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, 2021 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 5, 2021, as part of the City’s FY 2022 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 2021 Notice of Assessment.

CITY TAX RELIEF PROGRAM INFORMATION

2021 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 combined income may not have exceeded $40,000 in 2020.
- For an exemption of 50 percent of taxes, a household’s gross combined income may not have exceeded $55,000 in 2020.
- For an exemption of 25 percent of taxes, a household’s gross combined income may not have exceeded $72,000 in 2020.
- 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).

2021 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.

2021 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, 2021.