

**How do I know my assessment reflects fair market value?
(as referenced in the blue flyer enclosed with the 2008 Assessment Notices)**

Assessing property is not an exact science and typically is a mass estimating process, not individual property appraisals. Assessments are considered to be a good estimation of fair market value if they are reasonably close to the sale prices within any given neighborhood. The acceptability of values is measured by the Assessment-to-Sales Ratio (ASR). The ASR is derived by dividing the assessed value by the selling price.

Given the size, complexity and diversity of properties within Fairfax County, fair market value is deemed to be reasonably estimated if assessments at the neighborhood level generally average in the low 90's percent range when compared to sales prices. If the relationship between assessments and sales prices for a given neighborhood falls below this range, assessments normally need to be raised. If the assessment-to-sales ratio is above this range, assessments may need to be lowered.

Hypothetically, the average ASR for a given area may have been around 94% as of January 1, 2007 (comparing 2006 sales to the 1/1/07 assessment). In the example below the 2007 sale prices indicate a falling market and the gap between the 2007 sales price and the 1/1/07 assessment is shrinking as the year progresses. Accordingly the neighborhood's average ASR has increased to 1.01, suggesting a reappraisal may be necessary.

Example of Assessment-to-Sales Ratio (ASR) prior to reassessment:

	1/1/07 Assmt	Sale Date	Sales Price	A/S Ratio
Sale 1	\$444,500	01/06/07	\$473,000	0.94
Sale 2	\$446,500	03/01/07	\$455,600	0.98
Sale 3	\$450,000	05/15/07	\$441,200	1.02
Sale 4	\$452,100	07/16/07	\$434,700	1.04
Sale 5	\$444,500	09/15/07	\$423,000	1.05

Neighborhood Average prior to reassessment: 1.01

Looking at comparable sales and in looking at cost data, DTA appraisers estimate fair market value as of January 1, 2008. The reasonableness of these estimates is then tested by again calculating the ASR, this time using the new assessed values.

Example of Assessment-to-Sales Ratio (ASR) after reassessment:

	1/1/08 Assmt	Sale Date	Sales Price	A/S Ratio
Sale 1	\$425,700	01/06/07	\$473,000	0.90
Sale 2	\$419,200	03/01/07	\$455,600	0.92
Sale 3	\$410,300	05/15/07	\$441,200	0.93
Sale 4	\$413,000	07/16/07	\$434,700	0.95
Sale 5	\$414,500	09/15/07	\$423,000	0.98

Neighborhood Average after reassessment: 0.94