

## **Response to Questions on the FY 2007 Advertised Budget Plan**

**Request By:** Supervisor Kauffman

**Question:** Explain the differences between the assessment increases detailed in the FY 2007 Advertised Budget Plan and the latest market data for January 2006.

**Response:**

FY 2007 real estate assessments represent fair market value of property as of January 1, 2006. Based on home sales occurring throughout calendar year 2005, residential assessments of existing homes rose 20.57 percent in FY 2007.

The January 2006 data indicates that the market may be cooling, which may impact FY 2008 assessments. Homes that sold in January 2006 showed less price appreciation over the prior year than homes that sold in January 2005. The average price of homes sold in January 2005 was \$475,995, an increase of 21.4 percent over homes sold in January 2004. In January 2006, the average price of a home sold was \$512,201, an increase of 7.6 percent over January 2005. Home sales that occur throughout 2006 will be used to determine FY 2008 assessments.