

2013 Property Tax Base Projections

12/13/12

To: Mayor & City
Council Members

From Assessor D. Glen Lennon,
for presentation at City
Council's 12/17 meeting.



Inflation Rate Multiplier History

Initial year 1995	+2.5%
IRM Average over 19 years	+2.47%
Years above Average	10 Years
Highest IRM	+4.4% (2009)
Lowest IRM	-0.03% (2010)
2012 Statewide IRM	+2.7%
2013 Statewide IRM	+2.4%

RESIDENTIAL SALES STUDIES

**12 Month
Vs
24 Month**

12 Month Residential Sales Study

In periods of declining values, this study is preferred because it is a snapshot of the current market and favors the taxpayer.

For 2013 the study period is October 1, 2011 to September 30, 2012

24 Month Residential Sales Study

In periods of appreciating values, this study is preferred because It considers older sales that tend to buffer the increase that would be present in a 12 month study and favors the taxpayer.

For 2013, the study period is October 1, 2010 to September 30, 2012 ✓

Oakland County equalizes 52 communities

A 12 month study and a 24 month study were performed for each community. The study that favors the taxpayer has been recommended to the State Tax Commission.

Due to appreciating values, the City of Novi will be one of **39** Oakland County communities using a 24 month residential sales study.

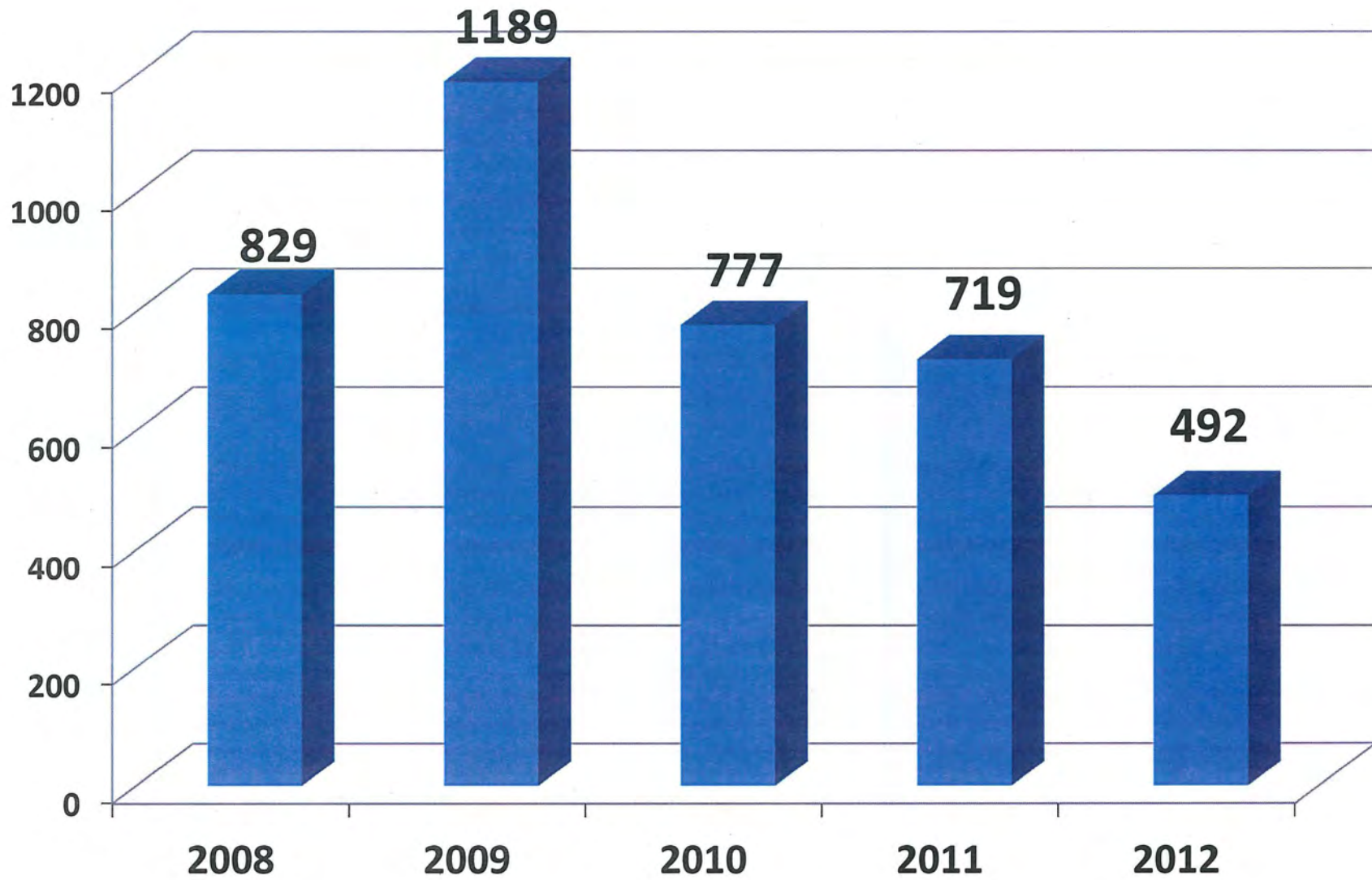
Under the 12 month study, the residential move would have been +6.09%^{*}

Under the 24 month study, the 2013 residential move is +3.86% ✓

For 2012, Novi was one of 18 communities using the 24 month study. The moves were projected as 2.79% (12 mo.) and 1.20% (24 mo.)

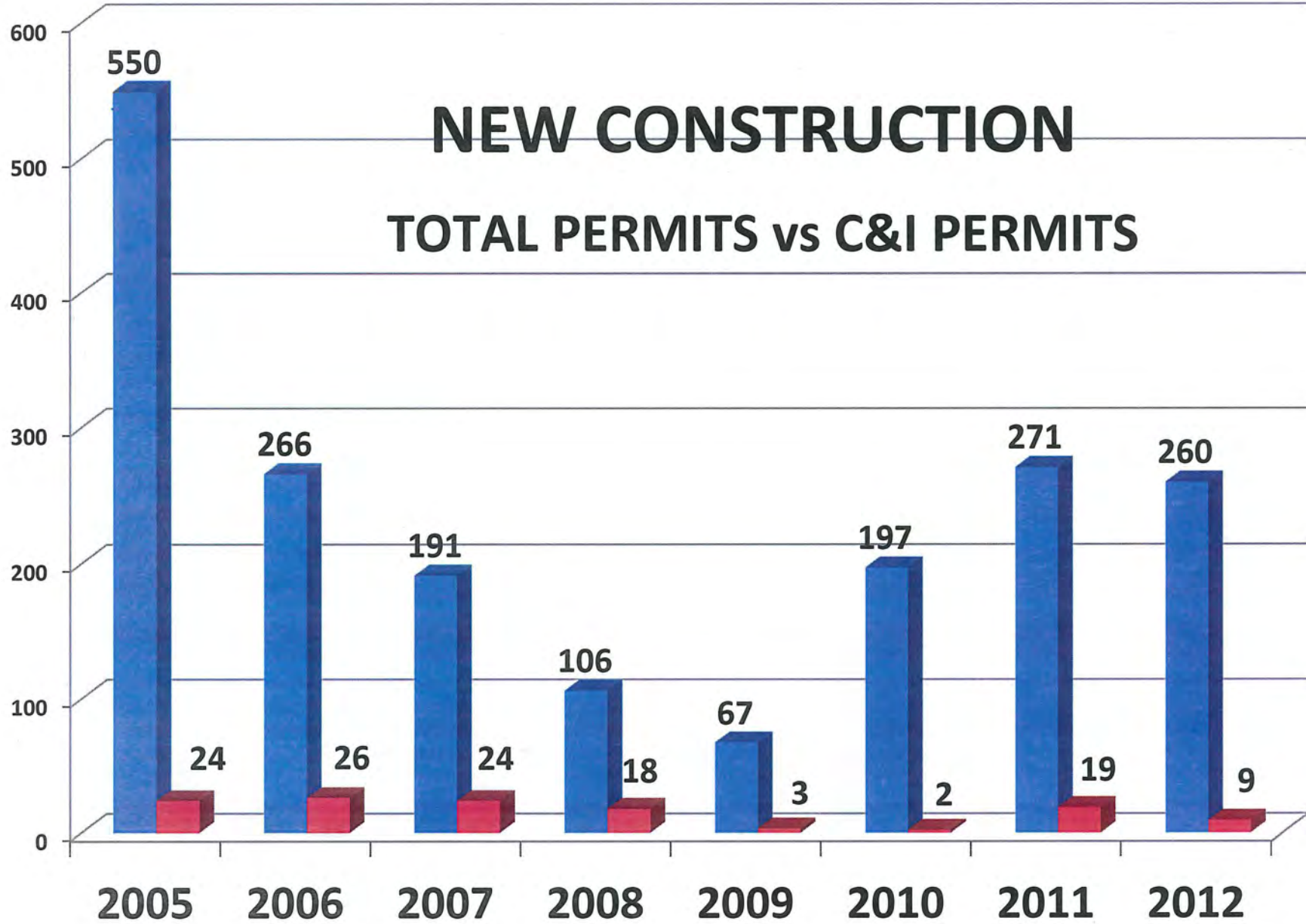
ECONOMIC INDICATORS

March BOR Petitions

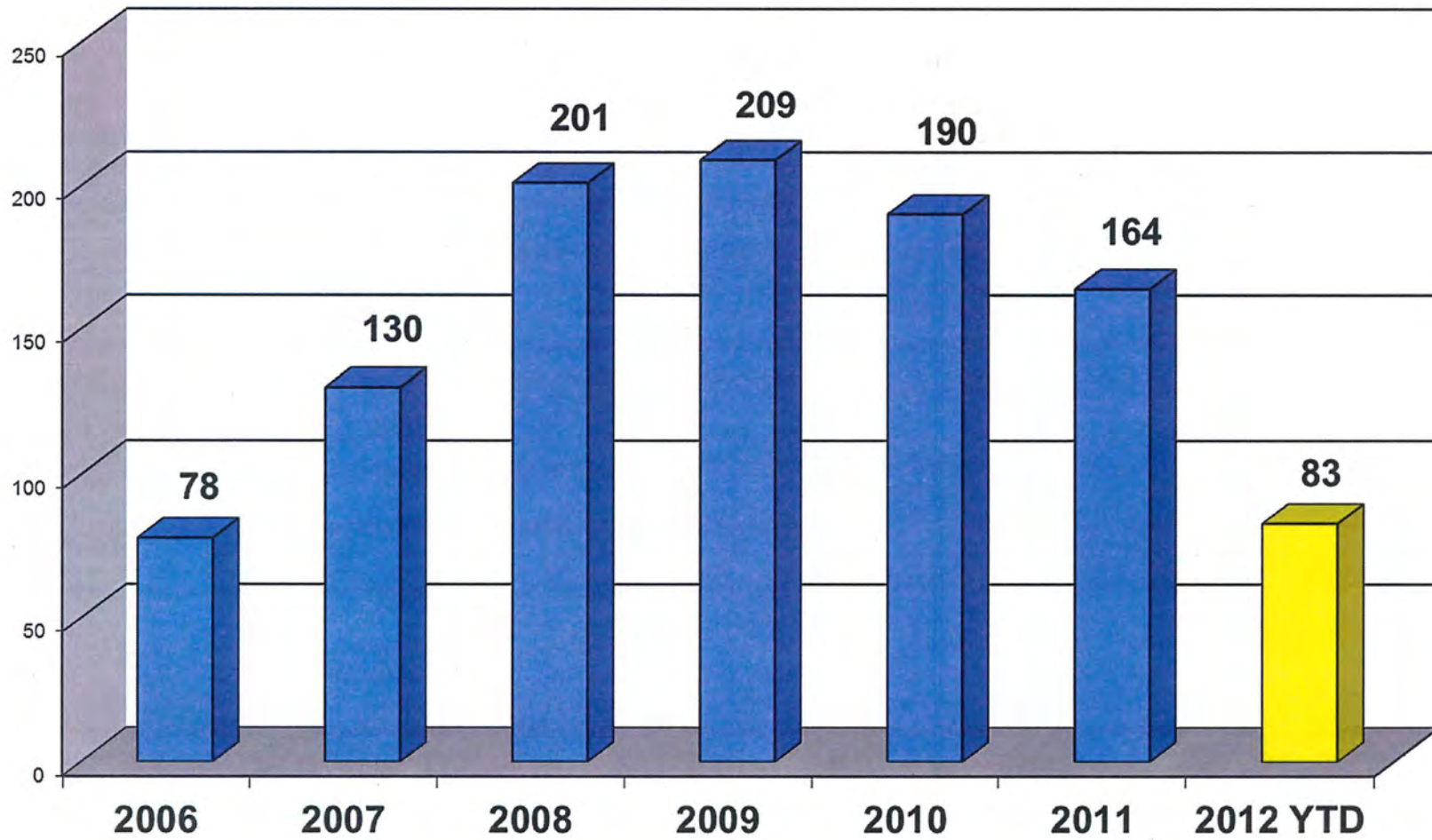


NEW CONSTRUCTION

TOTAL PERMITS vs C&I PERMITS



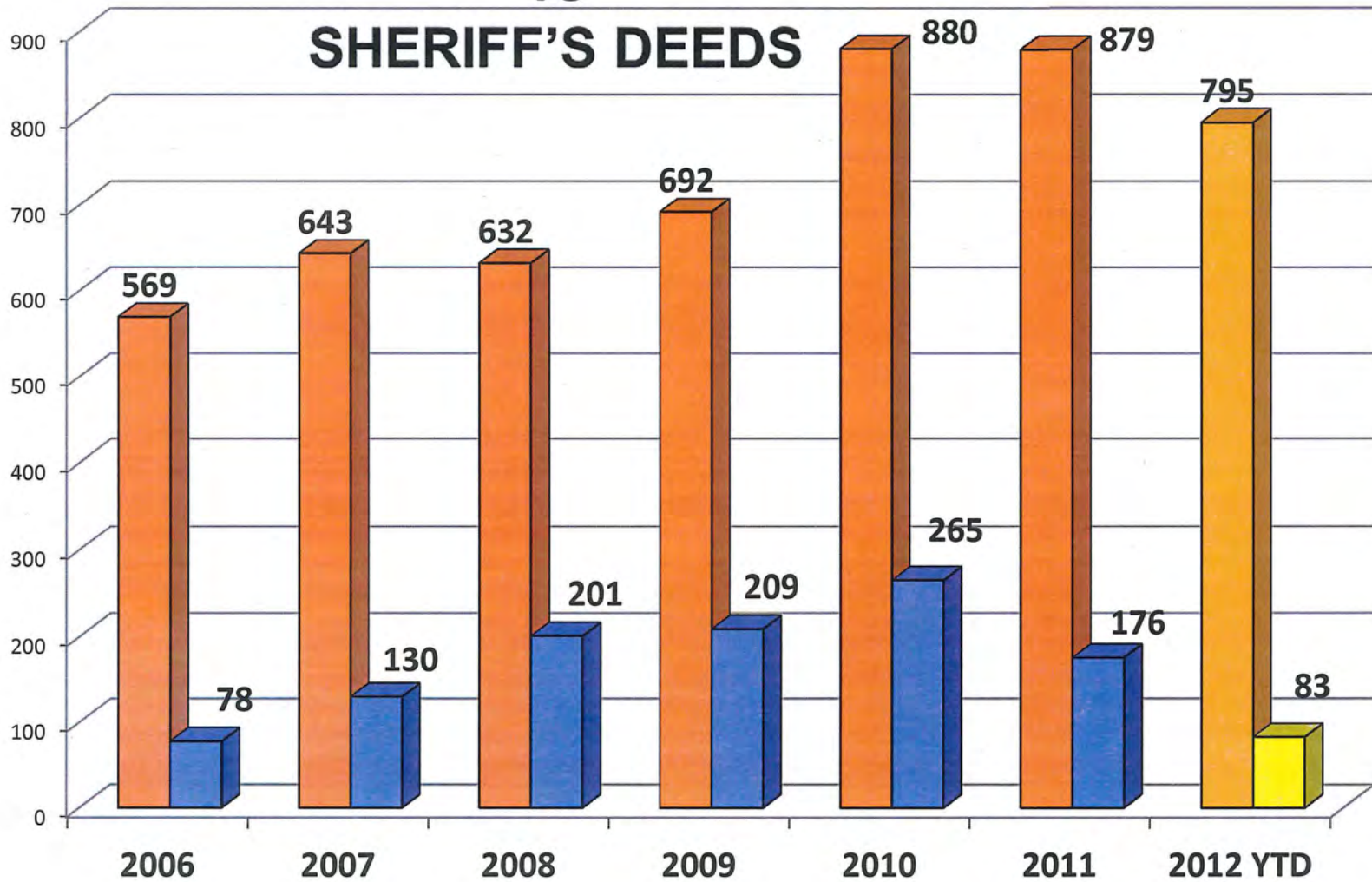
SHERIFF'S DEEDS



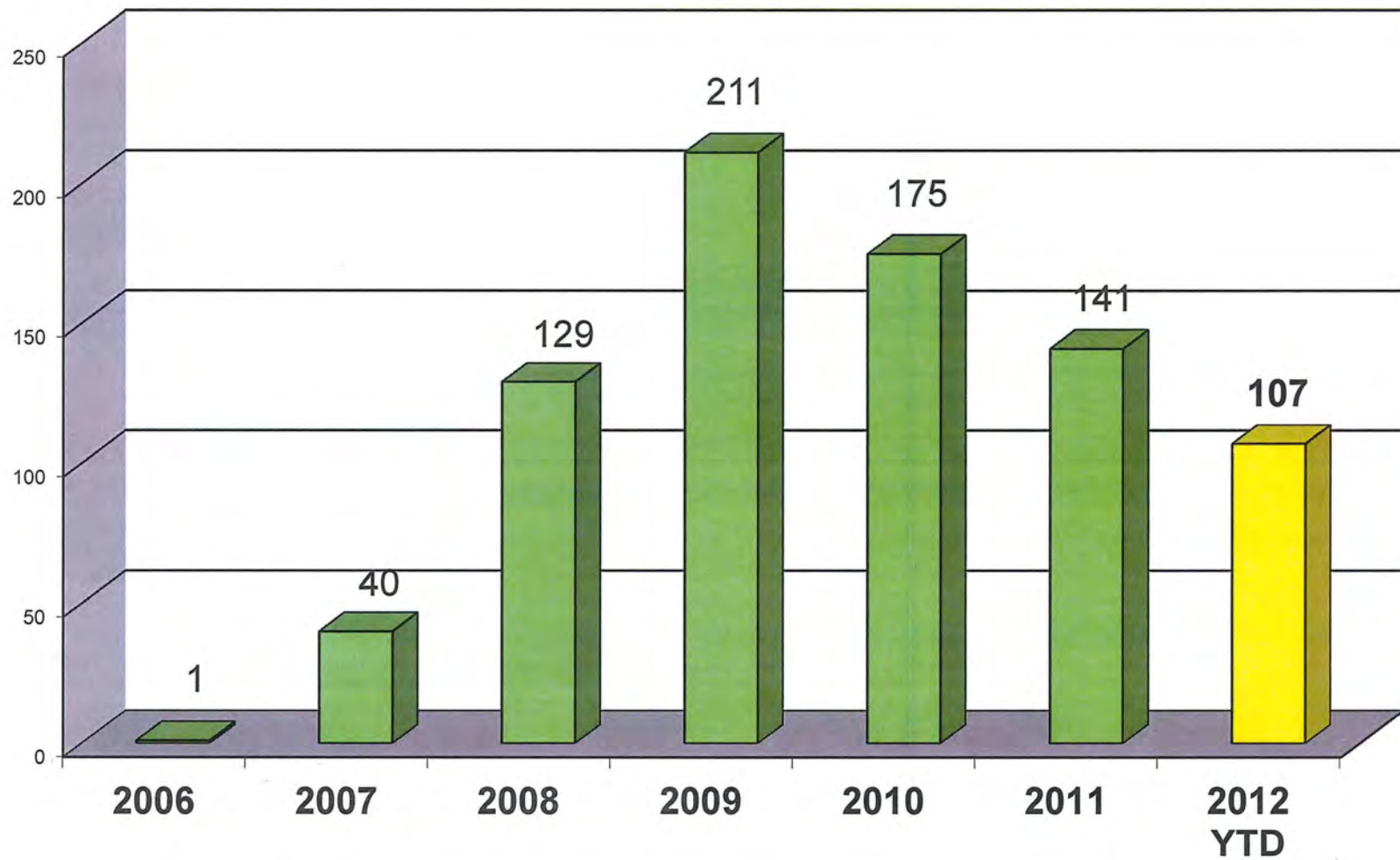
TOTAL RESIDENTIAL TRANSFERS

VS

SHERIFF'S DEEDS



SALES FROM FORECLOSURE



2013

THE NUMBERS

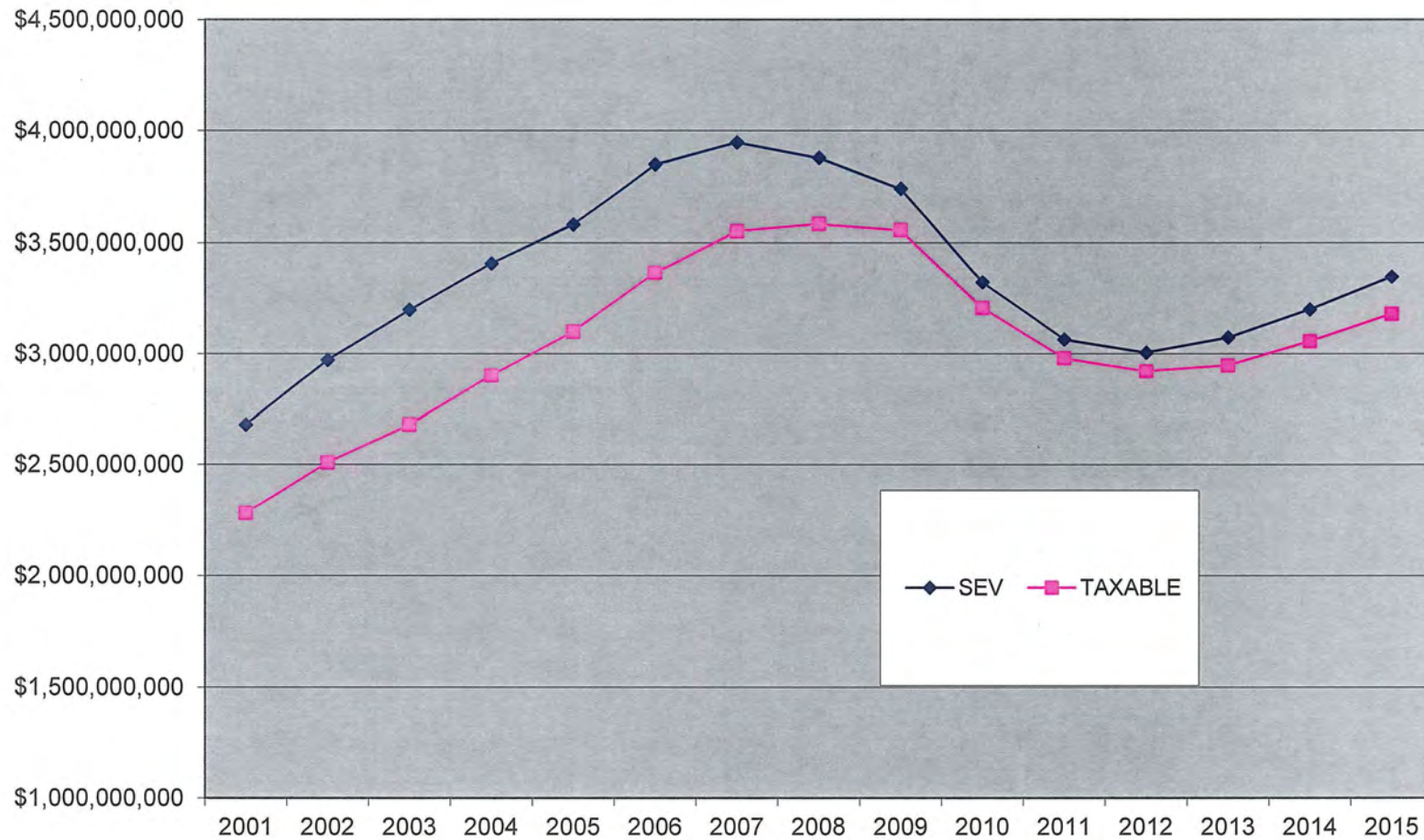
MAJOR DILEMMA:

Economically We're in Recovery;

Mentally We're Stuck in Recession

**Are We Stuck In a Moment In Time When
We Expect the Worse?**

SEV & TAXABLE VALUES 2001 - 2015



↑

ASSESSED AND TAXABLE VALUE - POST MBOR FOR 2012

RESIDENTIAL PROPERTIES 17,093 PARCELS	2011 POST MBOR	NEW/ADDNS	LOSS/LOSSES	2012 ACTUAL	2012 w/o NEW/ADDNS
SEV	\$1,820,618,900	\$38,254,144	\$13,541,537	\$1,855,175,200	\$1,816,921,056
TAXABLE	\$1,781,997,870	\$34,809,444	\$1,031,597	\$1,809,105,200	\$1,774,295,756
% CHANGE TO ASSESSED				1.90%	-0.20%
% CHANGE TO TAXABLE				1.52%	-0.43%
% OF PARCELS WHERE SEV = TAXABLE				84.31%	
% OF VALUE WHERE SEV = TAXABLE				97.52%	
COMMERCIAL & INDUSTRIAL PROPERTIES 1,096 PARCELS	2011 POST MBOR	NEW/ADDNS	LOSS/LOSSES	2012 ACTUAL	2012 w/o NEW/ADDNS
SEV	\$1,022,625,150	\$22,604,450	\$16,558,050	\$928,809,850	\$906,205,400
TAXABLE	\$976,935,070	\$9,319,000	\$2,769,681	\$890,883,160	\$881,564,160
% CHANGE TO ASSESSED				-9.17%	-11.38%
% CHANGE TO TAXABLE				-8.81%	-9.76%
% OF PARCELS WHERE SEV = TAXABLE				79.89%	
% OF VALUE WHERE SEV = TAXABLE				95.92%	
PERSONAL PROPERTY - ESTIMATED 2,557 PARCELS	2011 POST MBOR	NEW/ADDNS	LOSS/LOSSES	2012 ACTUAL	2012 w/o NEW/ADDNS
SEV & TAXABLE	\$220,678,540	\$20,909,830	\$21,242,810	\$220,345,290	\$199,435,460
ALL PROPERTIES 20,583 PARCELS	2011 POST MBOR	NEW/ADDNS	LOSS/LOSSES	2012 ACTUAL	2012 w/o NEW/ADDNS
SEV	\$3,063,922,590	\$81,768,424	\$51,342,397	\$3,004,330,340	\$2,922,561,916
TAXABLE	\$2,979,611,480	\$65,038,274	\$25,044,088	\$2,920,333,650	\$2,855,295,376
% CHANGE TO ASSESSED				-1.94%	-4.61%
% CHANGE TO TAXABLE				-1.99%	-4.17%
% OF PARCELS WHERE SEV = TAXABLE				86.21%	
% OF VALUE WHERE SEV = TAXABLE				97.20%	

ASSESSED AND TAXABLE VALUE PROJECTION FOR 2013

RESIDENTIAL PROPERTIES 17,111 PARCELS	2012 POST MBOR	NEW/ADDNS	LOSS/LOSSES	2013 ESTIMATED	2013 w/o NEW/ADDNS
SEV	\$1,855,175,200	\$42,635,250	\$1,979,050	\$1,960,511,100	\$1,917,875,850
TAXABLE	\$1,809,105,200	\$40,000,000	\$455,189	\$1,882,882,390	\$1,842,882,390
% CHANGE TO ASSESSED				5.68%	3.38%
% CHANGE TO TAXABLE				4.08%	1.87%
% OF PARCELS WHERE SEV = TAXABLE				42.48%	
% OF VALUE WHERE SEV = TAXABLE				96.04%	

COMMERCIAL & INDUSTRIAL PROPERTIES 1,082 PARCELS	2012 POST MBOR	NEW/ADDNS	LOSS/LOSSES	2013 ESTIMATED	2013 w/o NEW/ADDNS
SEV	\$928,809,850	\$19,078,900	\$16,510,600	\$893,042,250	\$873,963,350
TAXABLE	\$890,883,160	\$10,168,334	\$4,287,368	\$854,297,010	\$844,128,676
% CHANGE TO ASSESSED				-3.85%	-5.91%
% CHANGE TO TAXABLE				-4.11%	-5.25%
% OF PARCELS WHERE SEV = TAXABLE				80.50%	
% OF VALUE WHERE SEV = TAXABLE				95.66%	

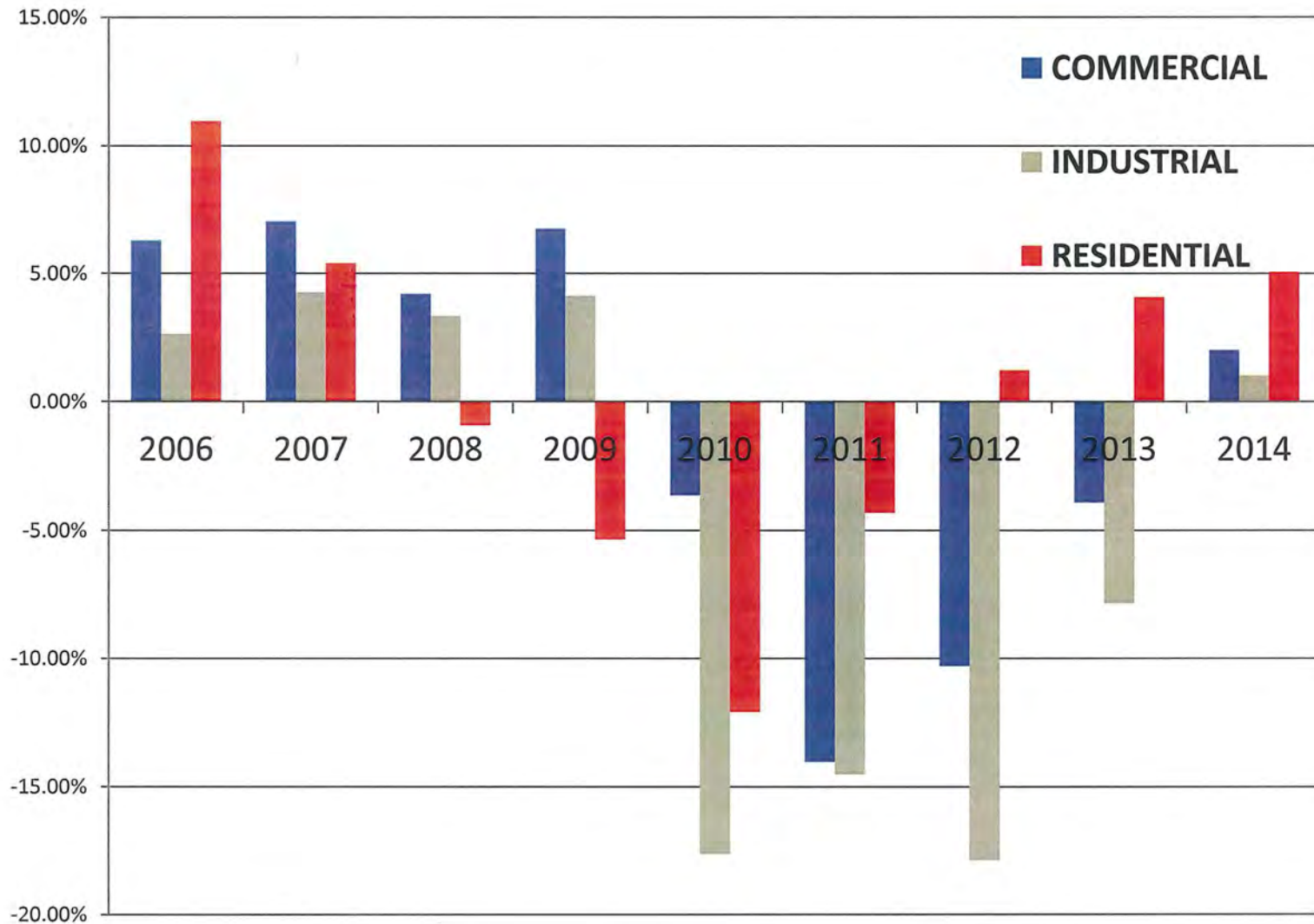
PERSONAL PROPERTY - ESTIMATED 2,432 PARCELS	2012 POST MBOR	NEW/ADDNS	LOSS/LOSSES	2013 ESTIMATED	2013 w/o NEW/ADDNS
SEV & TAXABLE	\$220,345,290	\$0	\$0	\$210,000,000	\$210,000,000

ALL PROPERTIES 20,625 PARCELS	2012 POST MBOR	NEW/ADDNS	LOSS/LOSSES	2013 ESTIMATED	2013 w/o NEW/ADDNS
SEV	\$3,004,330,340	\$61,714,150	\$18,489,650	\$3,063,553,350	\$3,001,839,200
TAXABLE	\$2,920,333,650	\$50,168,334	\$4,742,557	\$2,947,179,400	\$2,897,011,066
% CHANGE TO ASSESSED				1.97%	-0.08%
% CHANGE TO TAXABLE				0.92%	-0.80%
% OF PARCELS WHERE SEV = TAXABLE				86.21%	
% OF VALUE WHERE SEV = TAXABLE				96.20%	

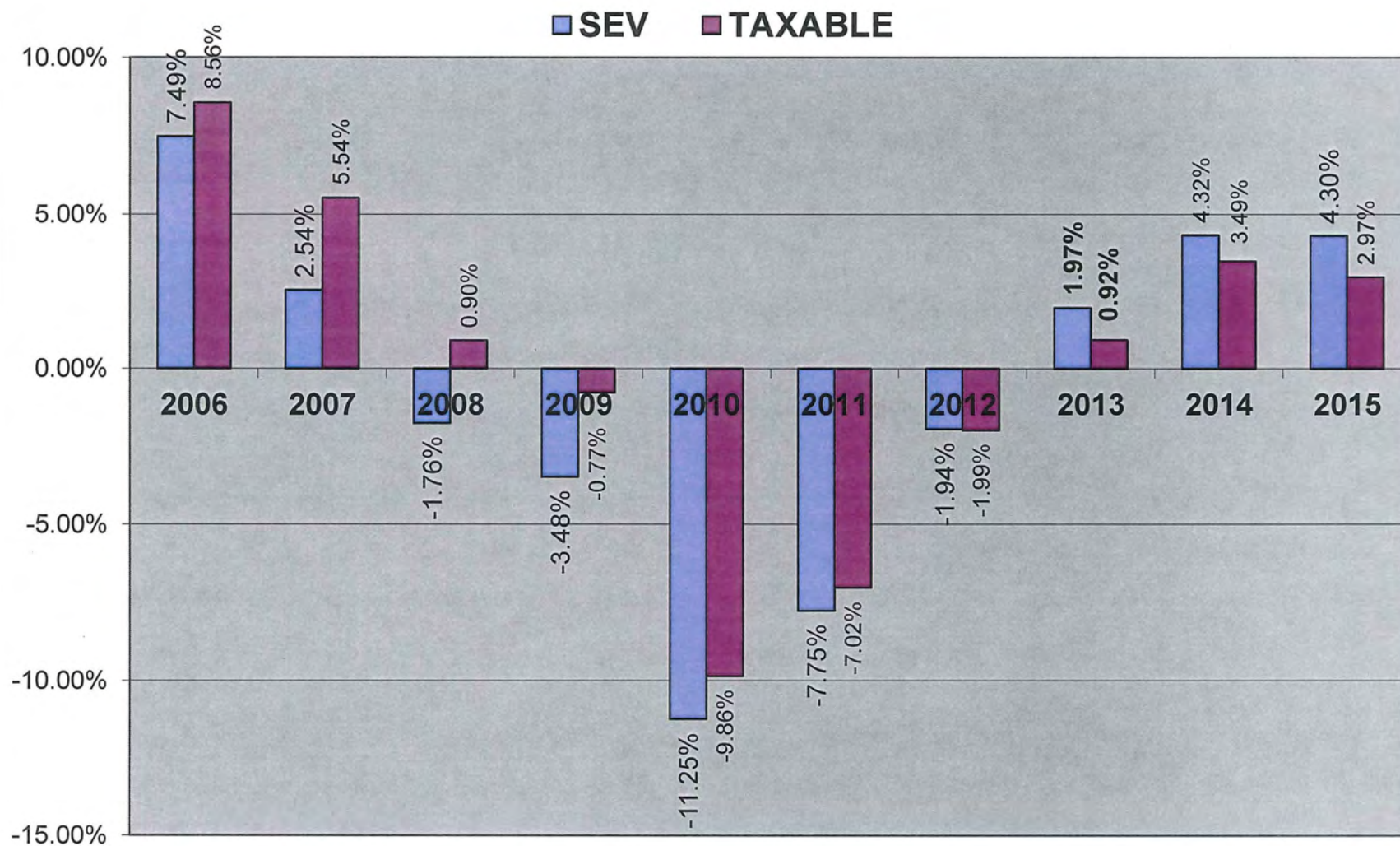
ADDITIONS FROM NEW CONSTRUCTION



TAXABLE VALUE CHANGE BY CLASS



VALUE CHANGE 2006 - 2015

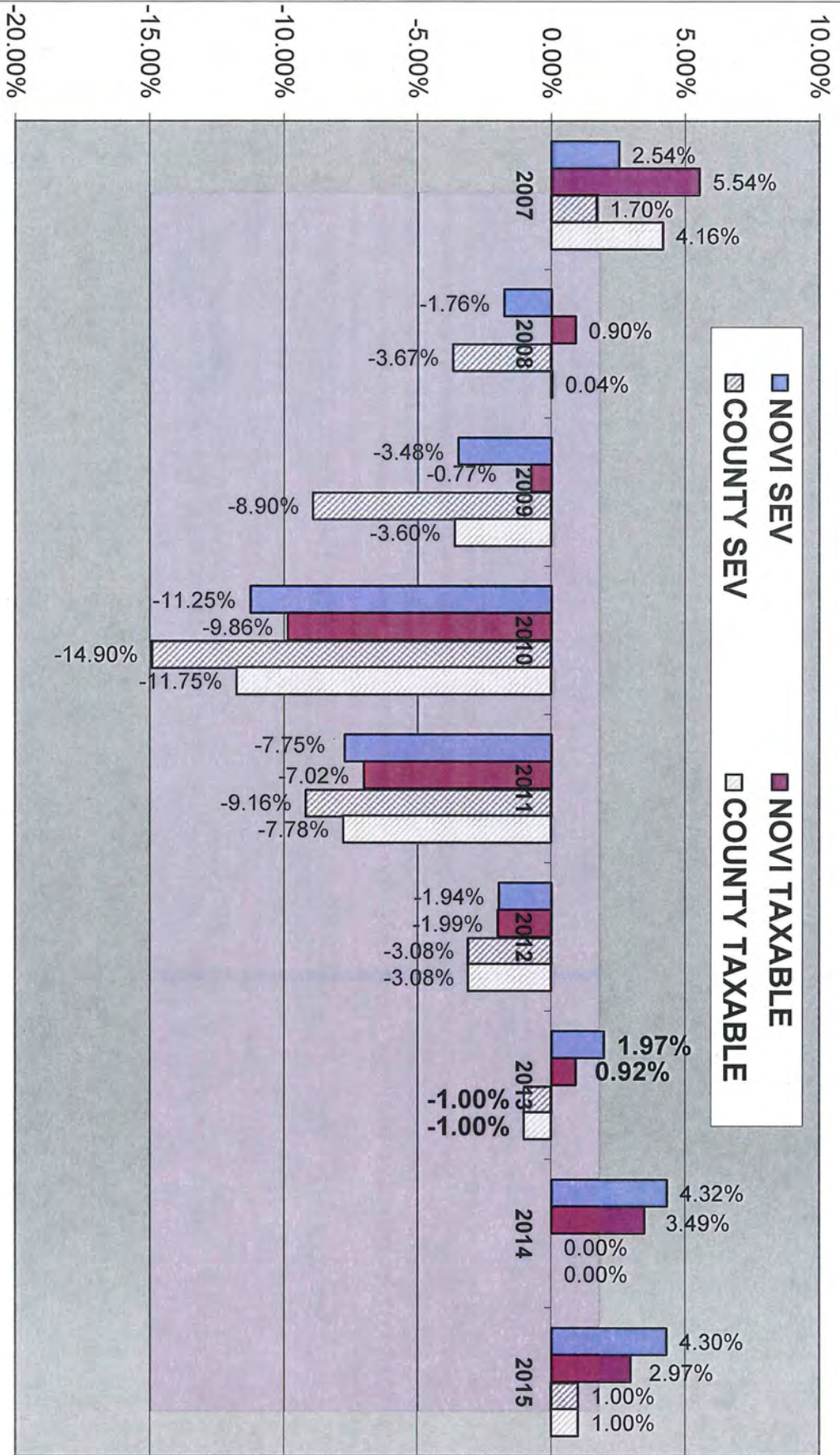


COMPARATIVE CHANGE FROM 2007

OAKLAND COUNTY		CITY OF NOVI	
2007 Countywide True Cash Value \$154.6 Billion	2007 Countywide Taxable Value \$64.7 Billion	2007 Novi True Cash Value \$7.89 Billion	2007 Novi Taxable Value \$3.55 Billion
2009 Countywide True Cash Value \$135.7 Billion Change from 2007 -12.2%	2009 Countywide Taxable Value \$62.4 Billion Change from 2007 -3.6%	2009 Novi True Cash Value \$7.48 Billion Change from 2007 -5.3%	2009 Novi Taxable Value \$3.55 Billion Change from 2007 0%
2010 Countywide True Cash Value \$115.5 Billion Change from 2007 -25.3%	2010 Countywide Taxable Value \$55.1 Billion Change from 2007 -14.8%	2010 Novi True Cash Value \$6.64 Billion Change from 2007 -16.0%	2010 Novi Taxable Value \$3.20 Billion Change from 2007 -9.86%
2011 Countywide True Cash Value \$104.9 Billion Change from 2007 -32.1%	2011 Countywide Taxable Value \$50.8 Billion Change from 2007 -21.53%	2011 Novi True Cash Value \$6.13 Billion Change from 2007 -22.5%	2011 Novi Taxable Value \$2.98 Billion Change from 2007 -16.1%
2012 Countywide True Cash Value 101.7 Billion Change from 2007 -34.2%	2012 Countywide Taxable Value \$49.2 Billion Change from 2007 -24.0%	2012 Novi True Cash Value \$5.84 Billion Change from 2007 -24.3%	2012 Novi Taxable Value \$2.93 Billion Change from 2007 -17.7%
2013 Countywide True Cash Value Estimated \$100.7 Billion Change from 2007 -34.9%	2013 Countywide Taxable Value Estimated \$48.7 Billion Change from 2007 -24.7%	2013 Novi True Cash Value Estimated \$6.13 Billion Change from 2007 -22.3%	2013 Novi Taxable Value Estimated \$2.95 Billion Change from 2007 -13.5%

VALUE CHANGE 2007 - 2015

Novi v Oakland County



Five-Year State Equalized Valuation (SEV) HISTORY

12/12/2012

SEV is 50% of True Cash Value (Market Value)

	ACTUAL				ESTIMATED	PROJECTED			
	2009 for FY 2009/2010	2010 for FY 2010/2011	2011 for FY 2011/2012	2012 for FY 2012/2013		2013 for FY 2013/2014	2014 for FY 2014/2015	2015 for FY 2015/2016	2016 for FY 2016/2017
Commercial & Industrial	1,313,896,100	1,197,856,300	1,022,625,150	928,809,850	893,042,250	917,117,050	936,000,000	955,000,000	
Personal Property	233,170,160	220,466,950	220,678,540	220,345,290	210,000,000	190,000,000	185,000,000	173,000,000	
Total Non-Residential Property	\$1,547,066,260	\$1,418,323,250	\$1,243,303,690	\$1,149,155,140	\$1,103,042,250	\$1,107,117,050	\$1,121,000,000	\$1,128,000,000	
Total Non-Residential as % of Total	41.3%	42.7%	40.6%	38.2%	36.0%	34.6%	33.6%	32.5%	
Non-Residential Real Change from Previous Year	4.4%	-8.3%	-12.3%	-7.6%	-4.0%	0.4%	1.3%	0.6%	
Residential	2,194,995,650	1,902,861,350	1,820,618,900	1,855,175,200	1,960,511,100	2,088,931,500	2,212,500,000	2,341,000,000	
TOTAL SEV	\$3,742,061,910	\$3,321,184,600	\$3,063,922,590	\$3,004,330,340	\$3,063,553,350	\$3,196,048,550	\$3,333,500,000	\$3,469,000,000	
Change from Previous Year	-3.5%	-11.2%	-7.7%	-1.9%	1.97%	4.3%	4.3%	4.1%	
% Change by Category	ACTUAL				ESTIMATED	PROJECTED			
	2009 for FY 2009/2010	2010 for FY 2010/2011	2011 for FY 2011/2012	2012 for FY 2012/2013		2013 for FY 2013/2014	2014 for FY 2014/2015	2015 for FY 2015/2016	2016 for FY 2016/2017
Commercial & Industrial	3.4%	-8.8%	-14.6%	-9.2%	-3.9%	2.7%	2.1%	2.0%	
Residential	-8.4%	-13.3%	-4.3%	1.9%	5.7%	6.6%	5.9%	5.8%	
Total Real Property	-4.3%	-11.6%	-8.3%	-2.1%	2.5%	5.3%	4.7%	4.7%	
Personal Property	10.8%	-5.4%	0.1%	-0.2%	-4.7%	-9.5%	-2.6%	-6.5%	
TOTAL SEV	-3.5%	-11.2%	-7.7%	-1.9%	1.97%	4.3%	4.3%	4.1%	

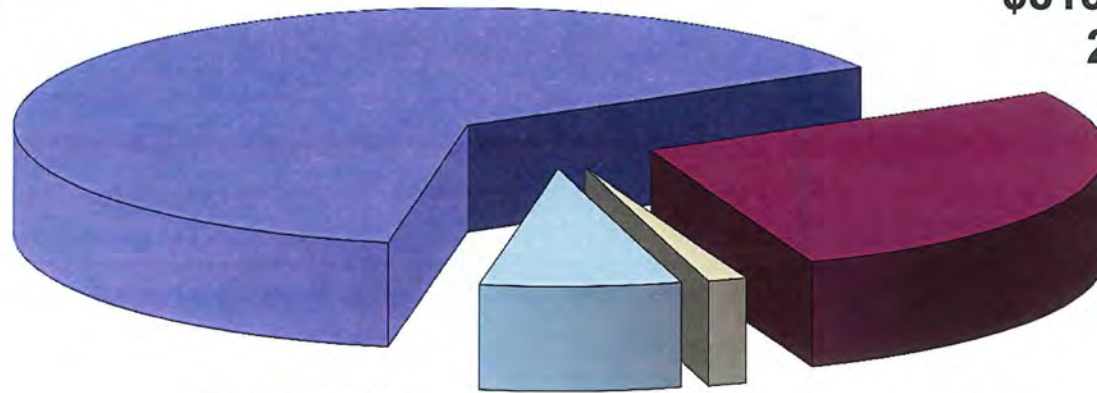
Five-Year Taxable Value HISTORY *

	ACTUAL				ESTIMATED	PROJECTED		
	2009 for FY 2009/2010	2010 for FY 2010/2011	2011 for FY 2011/2012	2012 for FY 2012/2013	2013 for FY 2013/2014	2014 for FY 2014/2015	2015 for FY 2015/2016	2016 for FY 2016/2017
Commercial & Industrial Personal Property	1,203,024,590 233,170,160	1,121,427,690 220,466,950	976,935,070 220,678,540	890,883,160 220,345,290	854,297,100 210,000,000	882,100,000 190,000,000	905,400,000 185,000,000	929,000,000 173,000,000
Total Non-Residential Property	\$1,436,194,750	\$1,341,894,640	\$1,197,613,610	\$1,111,228,450	\$1,064,297,100	\$1,072,100,000	\$1,090,400,000	\$1,102,000,000
Total Non-Residential as % of Total	40.4%	41.9%	40.2%	38.1%	36.1%	35.2%	34.7%	34.1%
Non-Residential Real Change from Previous Year	6.9%	-6.6%	-10.8%	-7.2%	-4.2%	0.7%	1.7%	1.1%
Residential	2,118,748,880	1,862,673,780	1,781,997,870	1,809,105,200	1,882,882,390	1,977,847,000	2,050,000,000	2,131,000,000
TOTAL Taxable Value	\$3,554,943,630	\$3,204,568,420	\$2,979,611,480	\$2,920,333,650	\$2,947,179,490	\$3,049,947,000	\$3,140,400,000	\$3,233,000,000
LOSS PROVISION FOR Board of Review, Michigan Tax Tribunal cases, etc.					\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
NET TAX BASE					\$2,897,179,490	\$2,999,947,000	\$3,090,400,000	\$3,183,000,000
Change from Previous Year	-0.8%	-9.9%	-7.0%	-2.0%	0.9%	3.5%	3.0%	3.0%
MI Consumer Price Index	4.4%	-0.3%	1.7%	2.7%	2.4%	2.5% Est	2.5% Est	2.5% Est
% Change by Category								
	2009 for FY 2009/2010	2010 for FY 2010/2011	2011 for FY 2011/2012	2012 for FY 2012/2013	2013 for FY 2013/2014	2014 for FY 2014/2015	2015 for FY 2015/2016	2016 for FY 2016/2017
Commercial & Industrial	6.2%	-6.8%	-12.9%	-8.8%	-4.1%	3.3%	2.6%	2.6%
Residential	-5.4%	-12.1%	-4.3%	1.5%	4.1%	5.0%	3.6%	4.0%
Total Real Property	-1.5%	-10.2%	-7.5%	-2.1%	1.4%	4.5%	3.3%	3.5%
Personal Property	10.8%	-5.4%	0.1%	-0.2%	-4.7%	-9.5%	-2.6%	-6.5%
TOTAL Taxable Value	-0.8%	-9.9%	-7.0%	-2.0%	0.92%	3.5%	3.0%	2.9%

2013 TAXABLE VALUE (EST)

RESIDENTIAL
\$1,882,882,390
63.9%

COMMERCIAL
\$813,514,810
27.6%

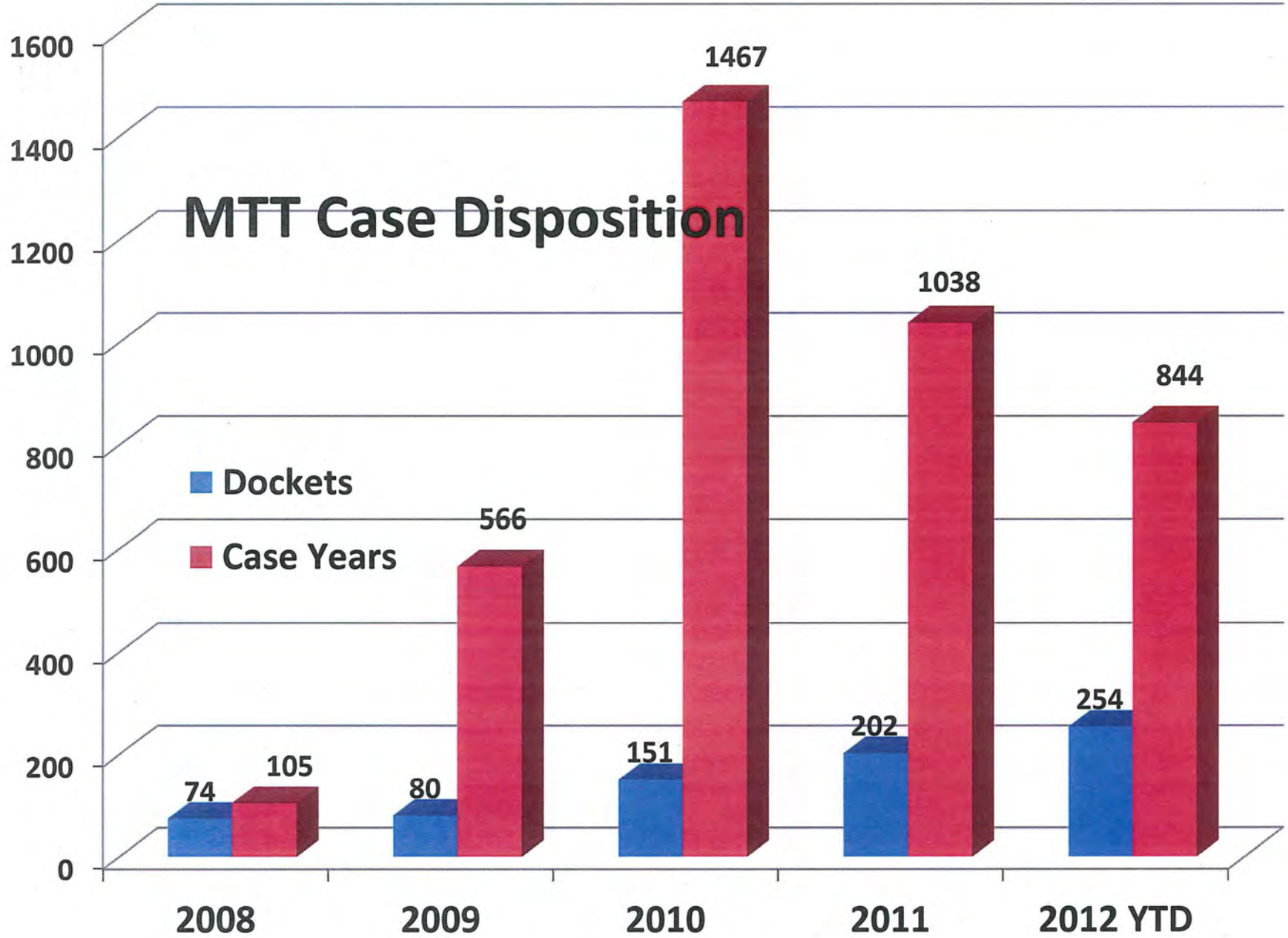


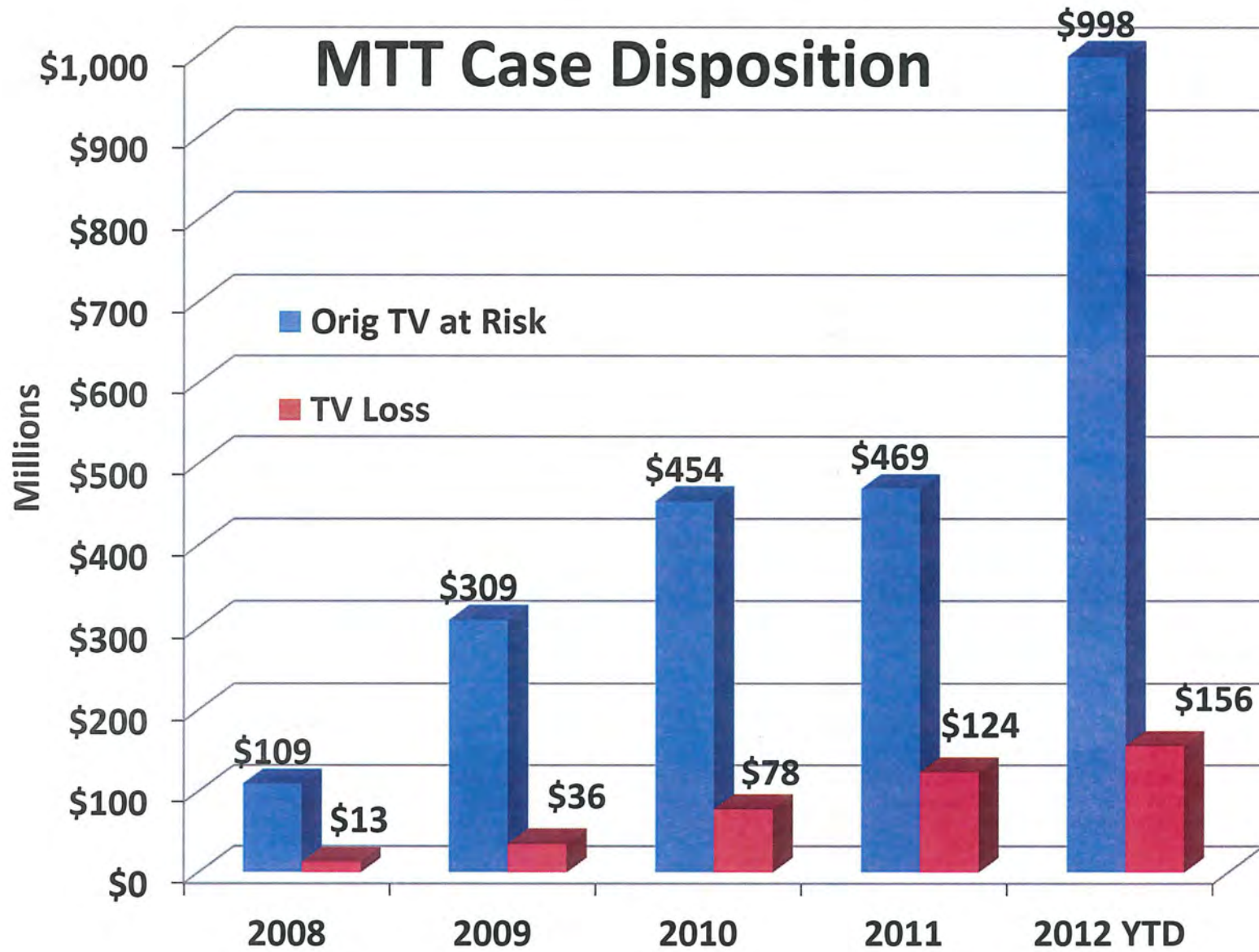
PERSONAL
\$210,000,000
7.1%

INDUSTRIAL
\$40,782,200
1.4%

Michigan Tax Tribunal

MTT Case Disposition





City Revenue Loss from MTT Dispositions

