

# ESTIMATING VALUE OF HOME IS A TRICKY BUSINESS

## File Your Property Tax Return Now and Guess Low

by John Adams



**B**ecause of general declines in value in Georgia real estate over the past couple of years, it is likely that you are paying too much in property taxes. Your valuation is too high. So what can you do?

The answer: file a Georgia Taxpayers Return of Real Property and request a lower valuation.

Know first that owners of property in DeKalb, Hall, Gwinnett and Newton have only until March 1 to request a 2010 reduction in property value for tax purposes. Most other Georgia counties allow owners until April 1 to file a "Taxpayers Return of Real Property." The form you need is PT-50R, and it's free at money99.com. One of the blanks on that form requires you to estimate the value of your own property.

So what's my house really worth? The answer is, of course, exactly what someone is willing to pay for it. And in today's slow-as-molasses real estate market, it is particularly difficult to find evidence to support your estimate of value.

While there is no penalty for guessing low, you can save yourself time and aggravation by gathering evidence now to support your estimate.

They're called comps, a list of known as comparable sales.

These recent sales in your neighborhood of homes of similar age, size and condition to your home. Three recent comps should be your goal. If you live in a large subdivision of identical homes, your job is much easier. But if you live in a diverse

community of many different home sizes and ages, your job becomes much more difficult. The endless quest for meaningful comps is the

heart of appraisal's job, and they make use of many tools to assist them.

First, you might want to visit the website Realtor.com and obtain a free instant Home Value Report. When I searched my house, it only showed sales that were more than six months old, but at least it was a starting point. Next, you can visit Zillow.com for a more in-depth look

at sales in your community. Interestingly enough, this site rendered a very different set of comps for my house, although all were factual.

You may find that there are more comps than you can really handle, so try to stay close to your house geographically, in age and condition, and especially in size. A four bedroom two story is not comparable to a two bedroom ranch on a slab.

Finally, it may be wise to consult a real estate professional. Through their membership in the multiple listing service, agents have access to completed sales data maintained by the counties themselves, so you know it is accurate and complete. Agents call their evaluation a "competitive market analysis," or a CMA, and routinely provide them to potential sellers.

One final point - if you miss the filing deadline, you are stuck paying property taxes for another year at what is likely an unrealistic valuation of your house. My advice is this: If you think there is any chance that your home's current valuation is too high, file a property tax return as soon as possible. In doing so you lock in your rights to present your evidence later. ■

