

Real estate value increases on property assessments

Property valuations

The state of Minnesota requires us to value properties at their market value, as of January 2 each year. Our purpose is to determine the amount the property would sell for. This means your assessed value may be different than what you paid for your property.

The 2022 valuation notice you received in the mail included an estimated property value as of January 2, 2022. That value is used in the calculation for taxes billed in 2023.

Increase in value

The real estate market influences the assessed value of all types of property.

Residential property prices are increasing at a historically high rate. Prices have gone up due to market conditions, such as low bank rates, low supply and high demand.

Commercial, industrial and apartment property prices are affected by a more complex set of factors than residential property.

Mass appraisal isn't based on an individual sale

It's also true that people purchase property based, at least in part, on their own preferences. Mass appraisal techniques seek to value all properties based on the sale of similar properties.


The assessed value is not based on an individual sale, but rather a consideration of many sales, resulting in an indicated value, or "most likely" price.




Impact on a \$300,000 home

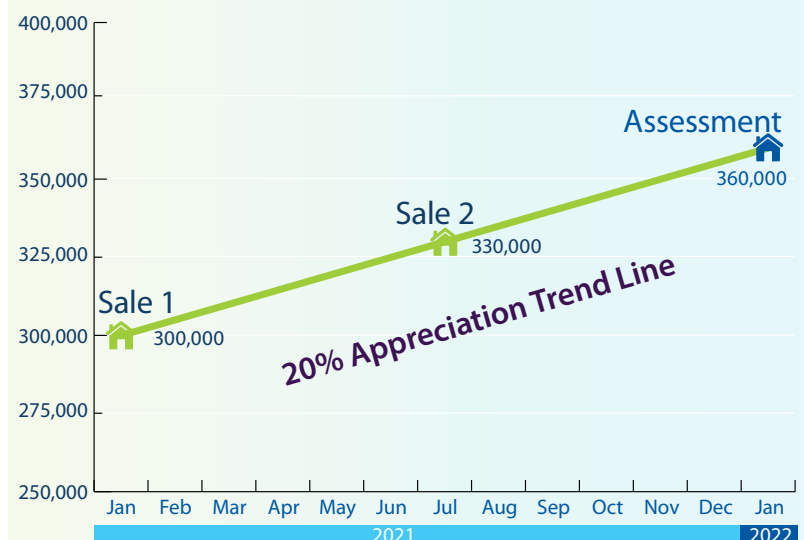
The assessment date is January 2 of each year.

If the market appreciated, say 20% in your area:

 A purchase price of **\$300,000** in January 2021 would indicate a value closer to **\$360,000** as of January 2022.

 A purchase price of **\$330,000** in July 2021 would also indicate a value closer to **\$360,000** as of January 2022.

Market appreciation trend for \$300,000 home



Hennepin County Assessor's Office
hennepin.us/assessment

