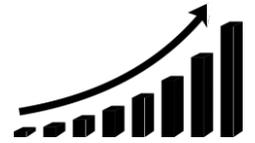


# CCAD VALUATIONS



Cherokee County Appraisal District, 107 East 6<sup>th</sup> Street, Rusk, Texas 75785  
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## Low Supply of Available Properties Drives Market Up

Predictions that the real estate market would fall to all-time lows during the COVID outbreak were proven unfounded.

As reported in the 2020 edition of this publication, many experts, politicians and chief appraisers pressured Gov. Abbott to limit tax appraisals in 2020.

The Governor's refusal to accommodate those requests seems to have been the correct response as Texas experienced a huge change in supply and demand for real estate.

April housing reports from the Greater Tyler Association of Realtors (GTAR) show a 38% increase in median housing price for **Cherokee County** as compared to the previous year. This spike is largely driven by the limited availability of housing for sale in the face of strong buyer demand.

According to GTAR, the supply of property for sale in April of last year was just under 6 months of inventory. That metric dropped dramatically to 1.8 months in April of this year.

"Months of inventory" is a metric that estimates the time it would take to sell all listed properties, provided there are no new listings and assuming a rate of sale that is the same as it has been during the previous period. This is an important measurement in the industry because it describes the relationship between buyers and sellers.

On average, 6 months of inventory indicates a balanced market where buyers and sellers are on equal ground. As months of inventory drop below 6 months, sellers will have more advantage over buyers. That means it becomes a "Seller's Market", where prices tend to go up. As months of inventory increase over 6 months, the opposite is true: Buyers will have

more advantage over sellers in that instance, resulting in a "Buyer's Market" where prices tend to go down.

Contributing to this trend has been the rising cost of construction. Increases in construction cost have been largely fueled by shortages in milled lumber and available labor. According to a recent article in CNN Business, random length lumber futures are seven times higher than April 2020. As a result, this has put a burden on new housing construction and has contributed to the decline in available homes for sale.

Rural land has also increased in value. The Texas A&M Real Estate Center shows a 9.2% increase in land price per acre during calendar years 2018 to 2019, followed by another increase of 8.61% during calendar years 2019 to 2020 in the Piney Woods North region.

The take-a-way from all of this is increased pressure on local appraisal districts in their attempts to follow local markets. It also supports the recent trend to pressure local taxing authorities to lower their tax rates as tax values drive up the amount of overall taxable value in each jurisdiction.

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## CCAD Compliant on State Audits

The State Comptroller's Office performs two different reviews of local appraisal districts in alternating years.

One review examines procedures and statutory adherence while the other examines local values set by the appraisal district. Both reviews have a direct bearing on state funding provided to local school districts.

### The Back Story...

In 2018, CCAD failed to successfully answer one question on the procedures audit. That audit, known as the "M.A.P." review, set the stage for a loss of state funding in two local school districts.

Following the 2018 M.A.P. audit, the State Comptroller's 2019 Property Value Study (PVS) determined that values set by CCAD were too low in Rusk and Jacksonville schools.

CCAD subsequently appealed the 2019 PVS. While that appeal did not restore full funding to the schools, it did mitigate the funding loss.

### CCAD now in Compliance...

Meanwhile, CCAD has once again become compliant on both state reviews. In 2020, the State Comptroller's Office again performed both reviews on CCAD.

## Social Media and Taxpayer Assistance

CCAD has a YouTube Channel and Facebook page where you can find information and videos to assist you with productive lands. Also, our website has other resources such as online brochures explaining several facets of property tax exemptions and processes.

The State Comptroller's website contains a vast amount of information, including videos on presenting your case at the Appraisal Review Board!!

The 2020 M.A.P. review was successfully passed by the appraisal district.

Additionally, following a year marked by value increases across many categories of local property, CCAD passed the State Comptroller's 2020 Property Value Study in both Rusk and Jacksonville schools.

The passage of these two reviews restores full funding to both schools for the review years.

### Moving Forward...

The failure of the 2018 & 2019 reviews marred an otherwise clear record of compliance for CCAD over its four decades of service.

It also illustrates the difficult position each appraisal district faces as it goes about setting values every year.

As values continue to increase across Texas, local chief appraisers are caught between upset local taxpayers and state government.

If the chief appraiser fails to adequately keep up with the local real estate market, state government can and will penalize local school districts.

Ultimately, this creates a no-win situation at the local level for taxpayers and appraisal districts.

## Protest Notices and Deadlines

Over 36,000 Notices of Value have been sent out for 2021 properties. These notices were generated for properties with a change in value of +/- \$1,000.

In addition, new owners since Jan. 1 of last year should also receive a Notice of Value.

Finally, if you have submitted a rendition or requested a notice, you should be receiving a notice on those properties as well.

The deadline to file a protest is July 1, 2021. Contact CCAD for more details.

## 2021 Timber Values

Productivity value estimates for timberland released by the State Comptroller’s Property Tax Assistance Division show a mix of value changes in 2021 Timber. The Statutory Cap rate for timber declined from 7.28% to 6.96% due to a continuation of low interest rates. A decline in cap rate increases value. However, that increase was offset in Pine classes by a decline in the 5–year price average that drove price per acre down for pine timber classes. Conversely, the 5–year price average for mixed and hardwood classes continue a moderate upward trend that has moved price per acre up for those classes of timber.

	2020 \$/Ac	2021 \$/Ac
Pine I	\$500	\$460
Pine II	\$316	\$284
Pine III	\$235	\$216
Mixed I	\$283	\$303
Mixed II	\$170	\$183
Mixed III	\$97	\$104
Hard Wood I	\$164	\$182
Hard Wood II	\$75	\$87
Hard Wood III	\$46	\$51

## Protesting Your Valuation...

We are open to the public with full services. We will remain so provided there are no changes in safety concerns during this protest period.

We encourage you to visit with one of our staff appraisers if you have questions or concerns about your valuation. Often, we are unaware of things about your property that cannot be seen from our exterior inspections. This time period allows you to bring those things to our attention.

If you do however desire to appeal formally to the ARB, you may do so in person, by affidavit or by telephone conference. If you appear by telephone, you must submit a notarized affidavit **10 days prior** to your hearing with all of the evidence you intend to present in defense of your case.

If you have any questions about this process, please contact us during business hours.

## Where to file Complaints about Non-Valuation Issues

The Texas Department of Licensing and Regulation (TDLR) is the oversight agency for staff appraisers.

Complaints about a licensed District appraiser can be registered with the TDLR. These complaints generally should regard illegal or unethical behavior. Complaints may be filed by mail to:

**Texas Department of Licensing and Regulation, Attn: Enforcement-Intake, P.O. Box 12157, Austin, TX 78711.** There is also an online option to file complaints at their website:

<https://www.license.state.tx.us/Complaints/>  
Follow the options on the page to initiate the complaint process.

Complaints concerning CCAD staff should be directed to the Chief Appraiser. However, if the complaint is about the Chief Appraiser, you may request a meeting with the CCAD Board of Directors. Persons requesting to appear before the Board of Directors should submit their request to the District’s mailing address to the attention of the Chairman of the Board of Directors. You will have the opportunity to appear at the next Director’s meeting.

Complaints about tax rates should be directed to the appropriate governing body such as the County Commissioner’s Court, City Council or School Board of Trustees.

## How to Contact Us

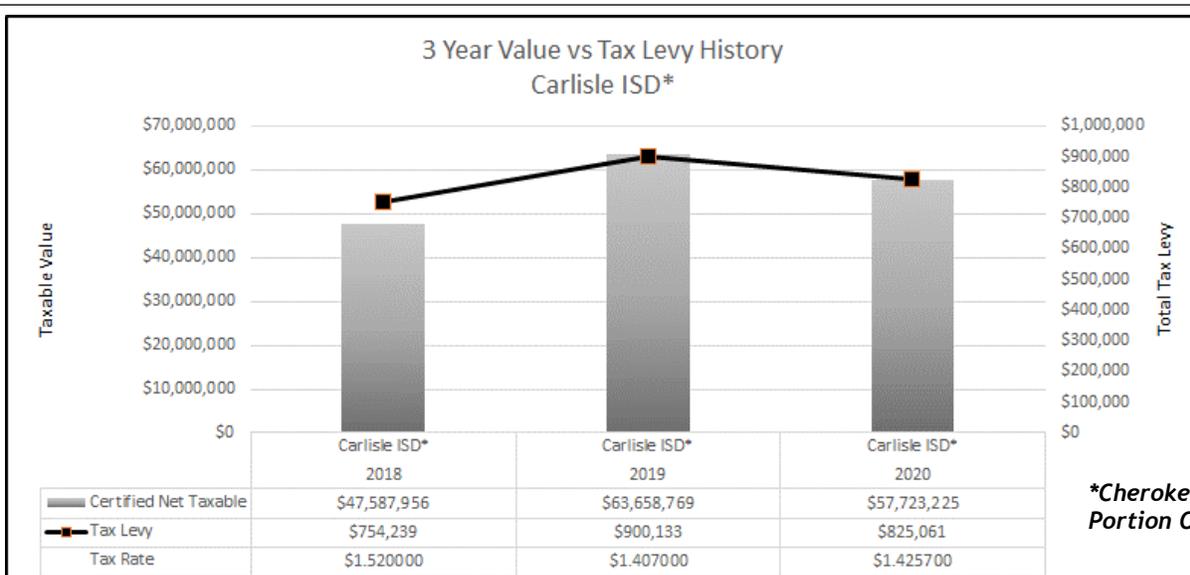
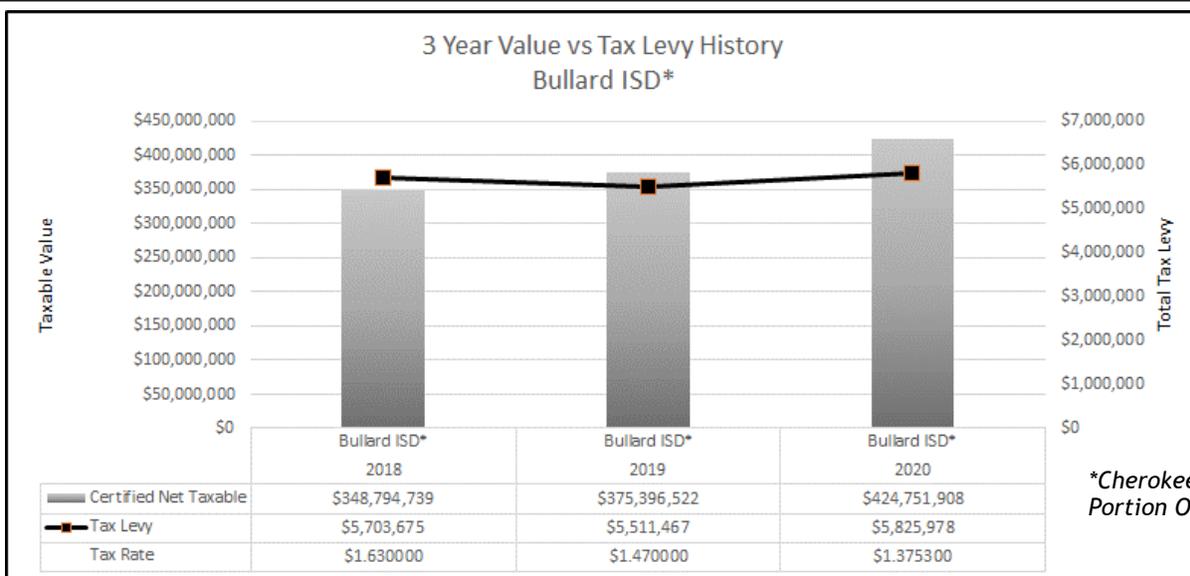
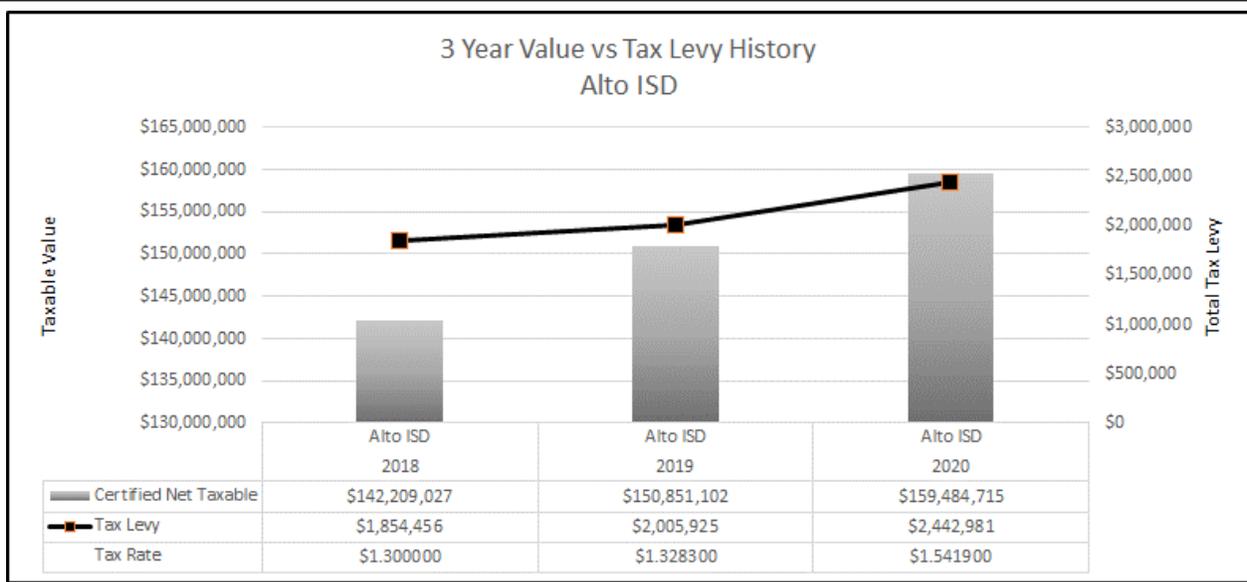
Our lobby is open **8 a.m. to 4:30 p.m.** Monday–Friday. Help is also available by phone until 5 p.m. We are located at 107 East 6<sup>th</sup> Street in Rusk.

Our mailing address is Post Office Box 494, Rusk, Texas, 75785.

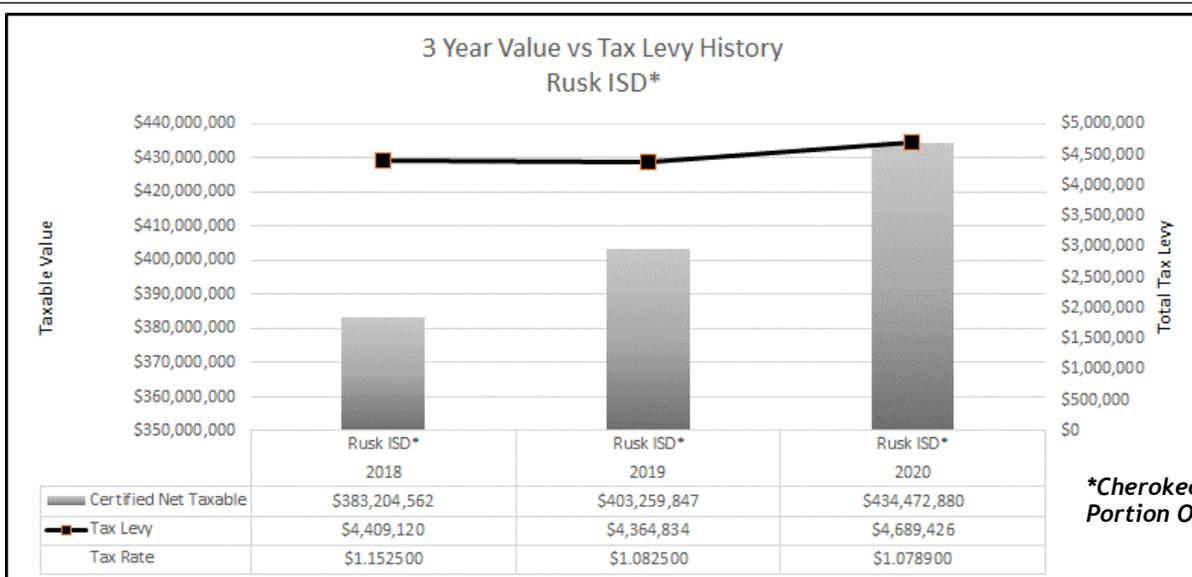
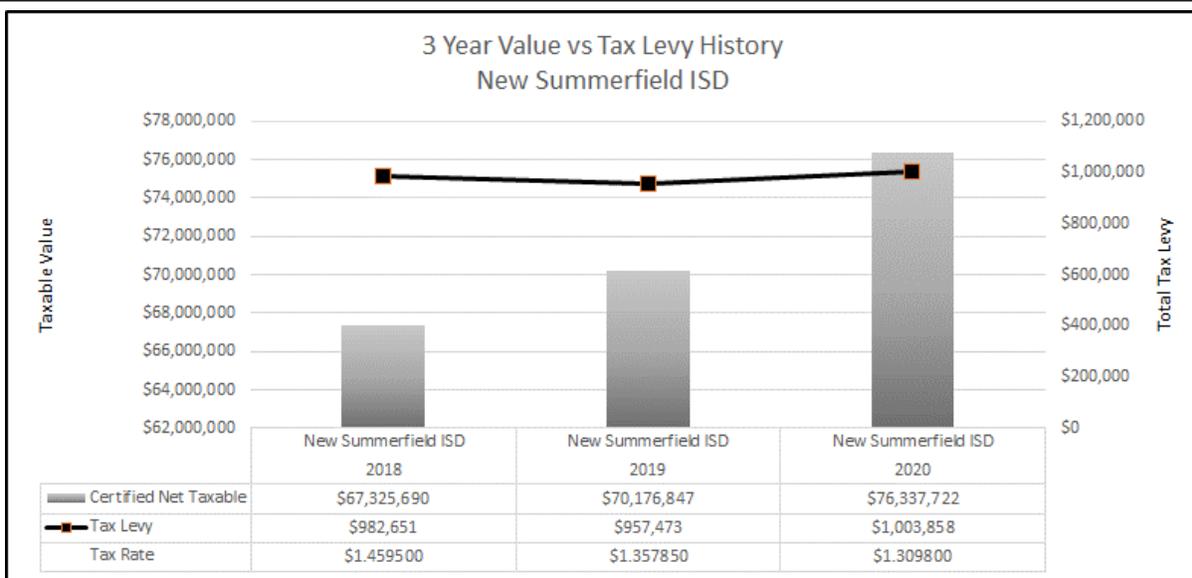
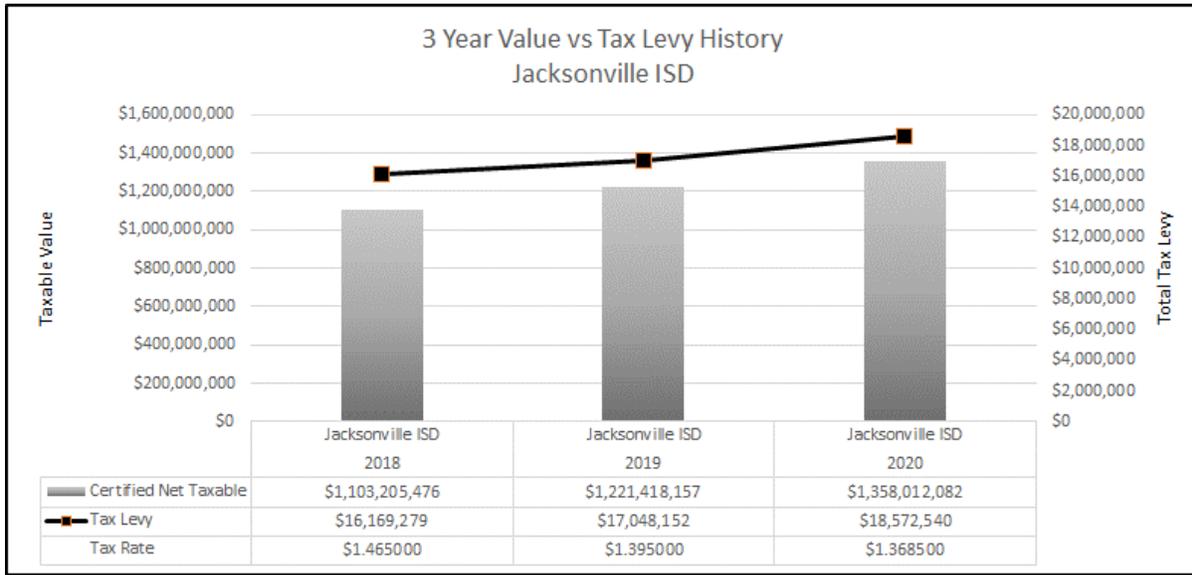
If you wish to call us, we may be reached during business hours at 903–683–2296. Facsimiles may be sent to 903–683–6271.

Our website is [www.cherokeecad.com](http://www.cherokeecad.com) where you can find a great deal of information to assist you in understanding this process.

### 3 Year History of Property Taxes

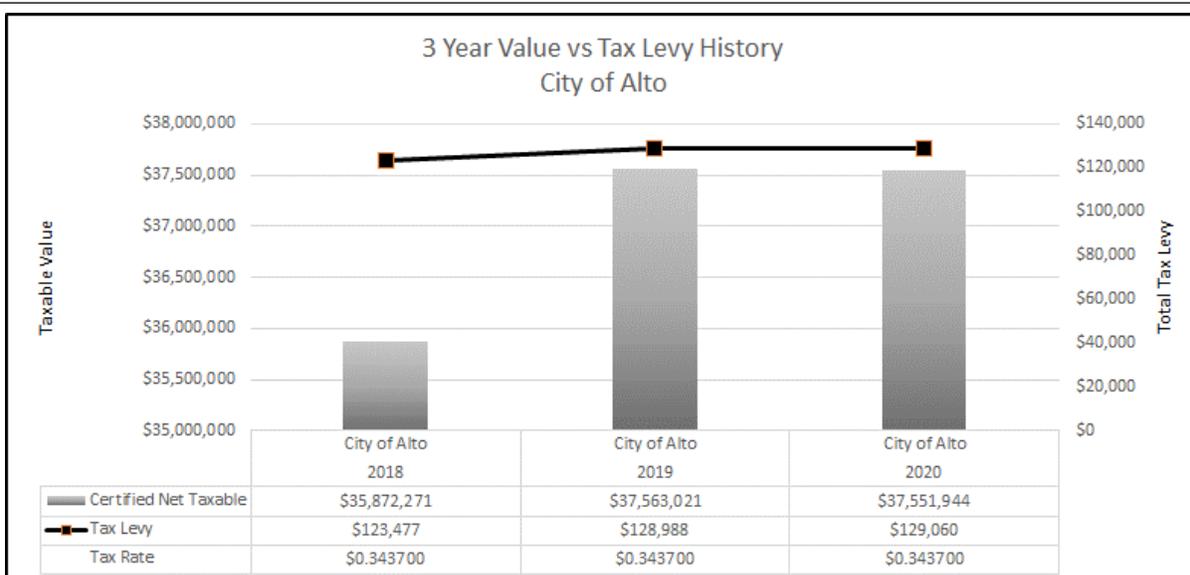
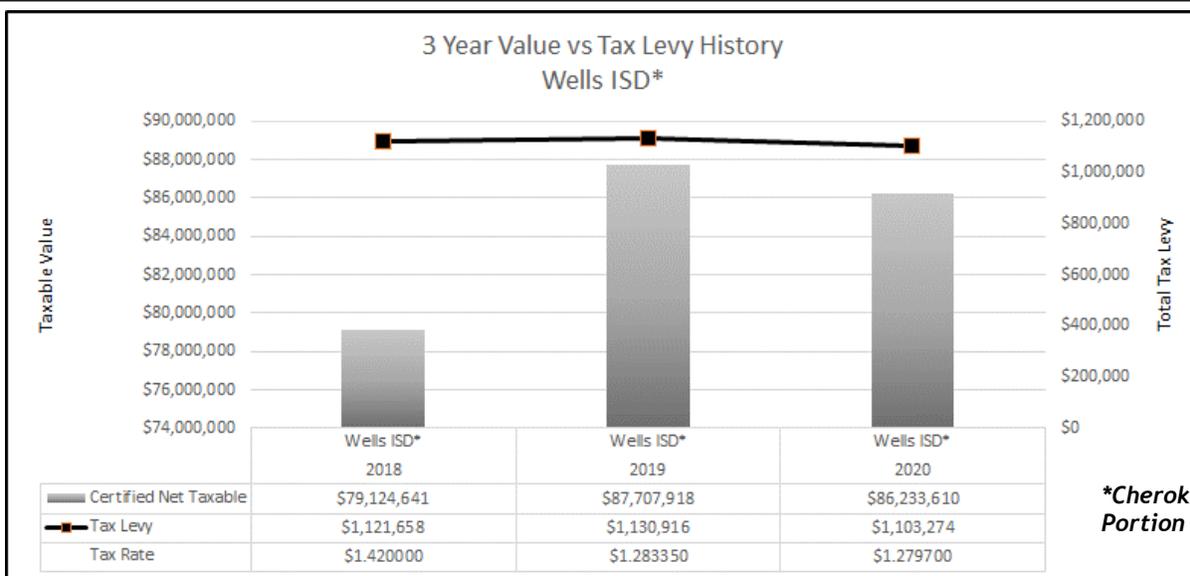
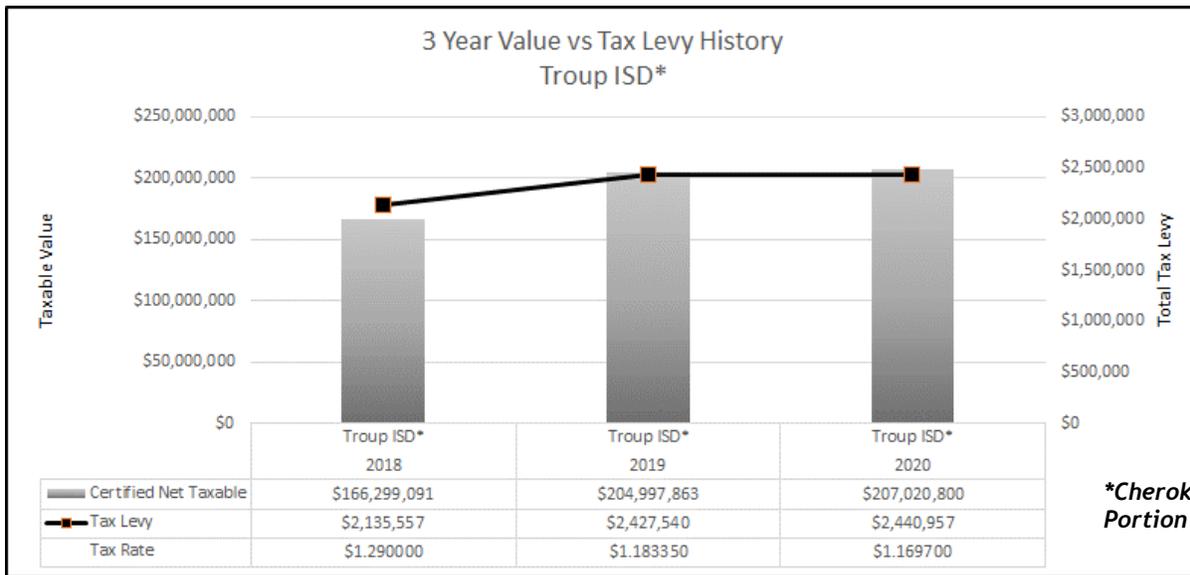


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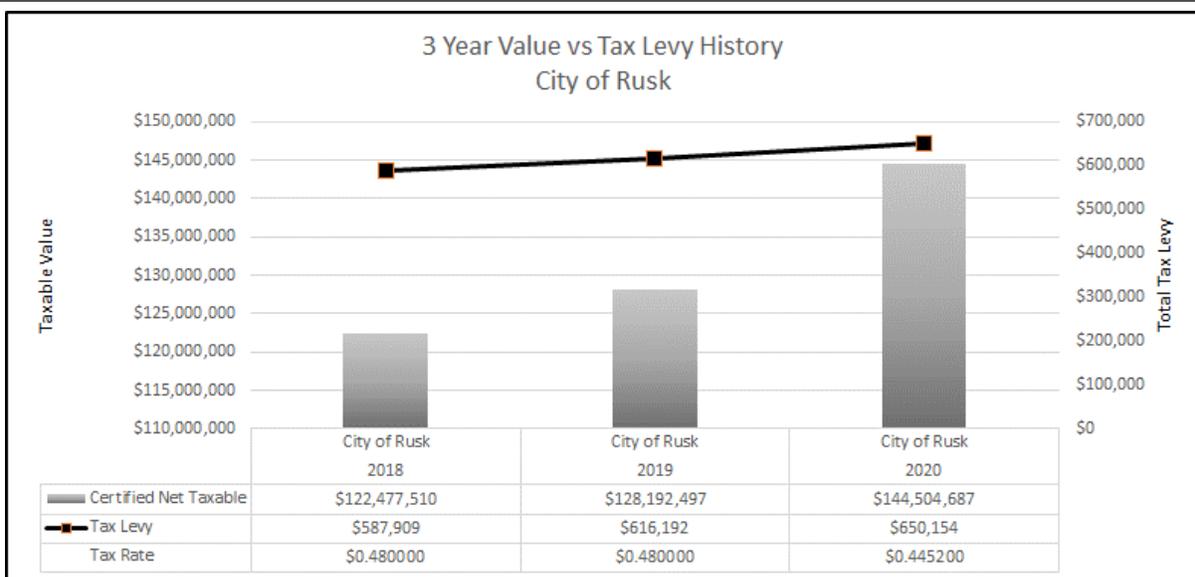
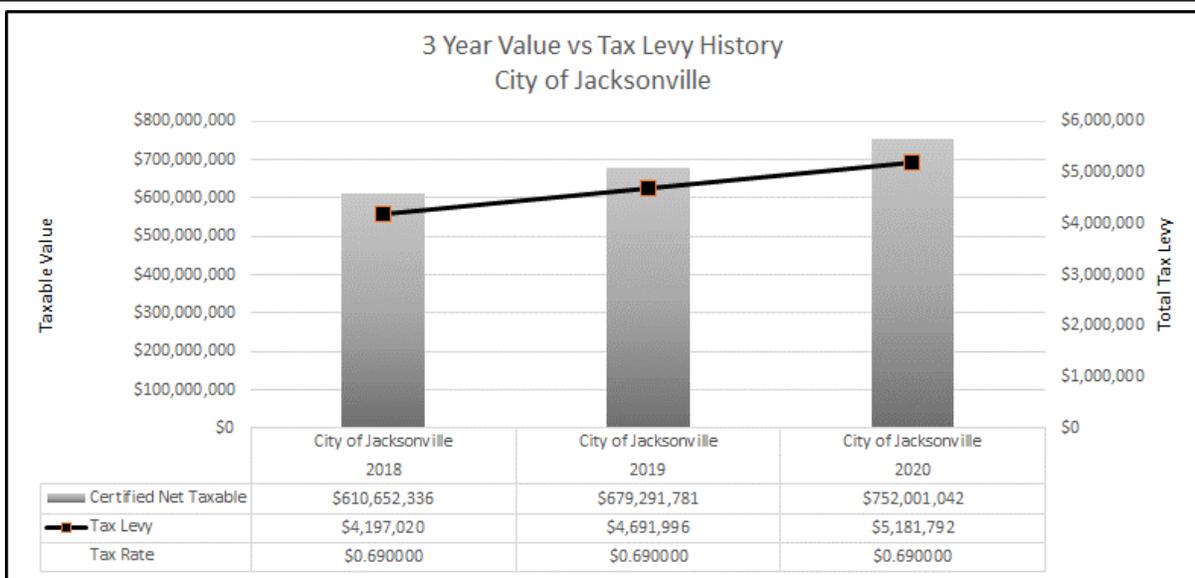
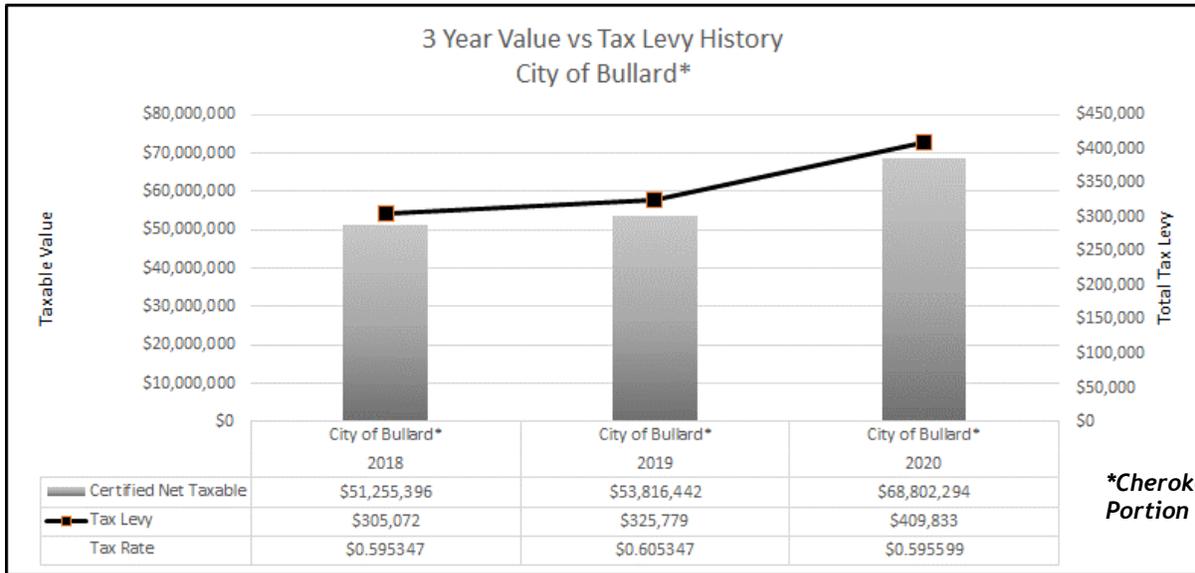


*\*Cherokee Co.  
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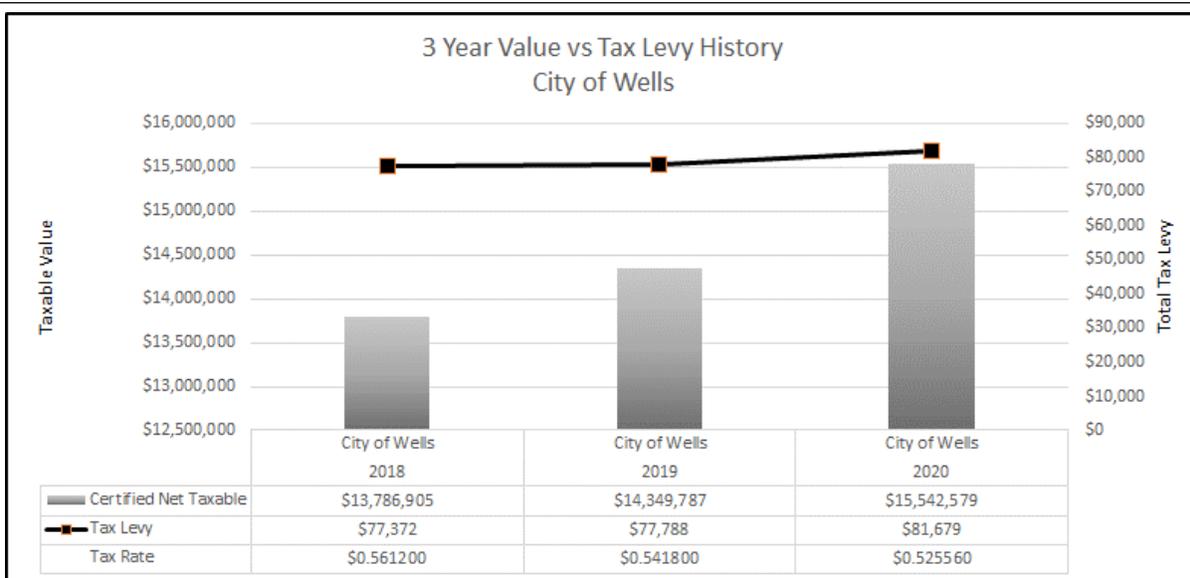
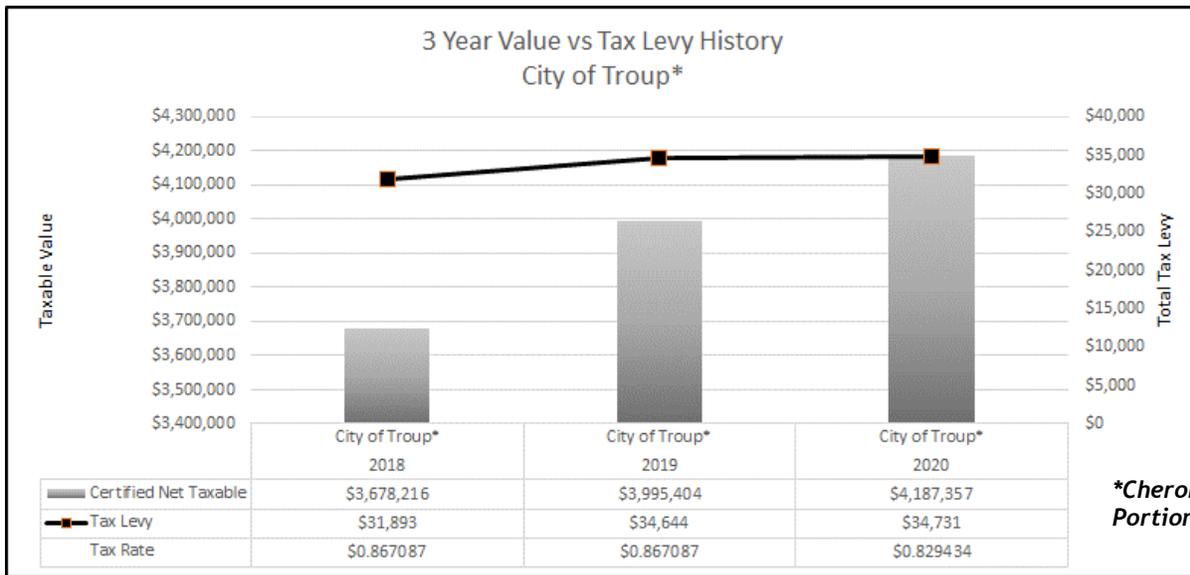
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