

DURHAM COUNTY TAX ADMINISTRATION

Understanding Durham County's Property Tax Reappraisal Process

Frequently Asked Questions (FAQ)

2025 General Reappraisal · Effective Date: January 1, 2025

The Reappraisal Process

1. What is a reappraisal, and why does Durham County do it?

A reappraisal (or revaluation) is a countywide update of property values to reflect current market value, as required by North Carolina law. The effective date for the current reappraisal is January 1, 2025, and a notice of value change is mailed to taxpayers before the Board of Equalization and Review convenes.

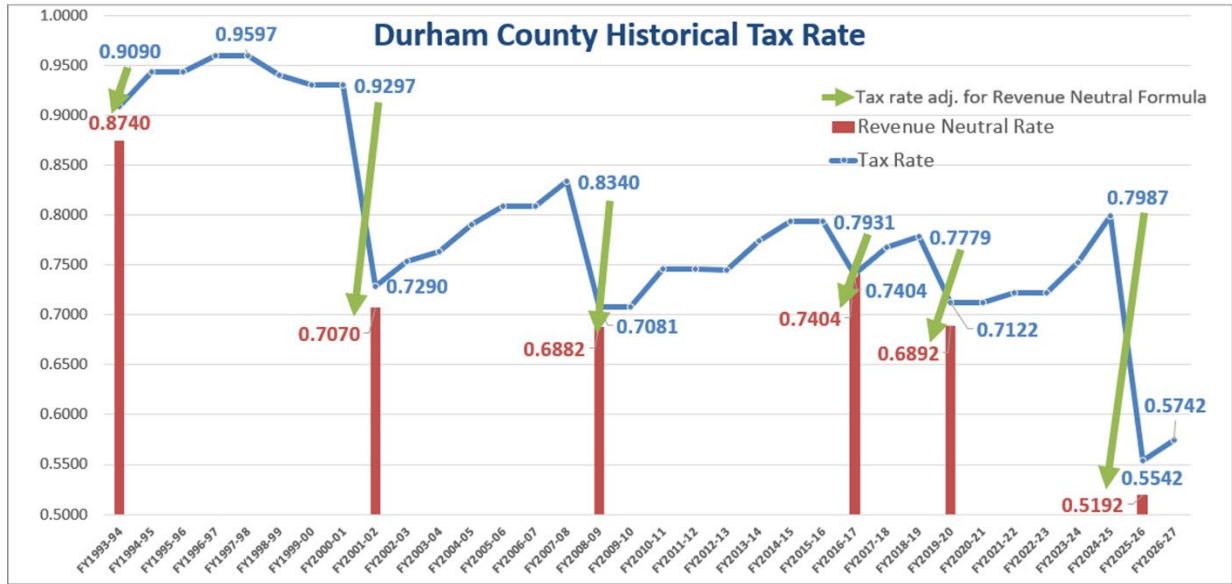
2. Why did my property value go up so much?

Property values are based on actual market sales activity, not on what an owner paid for the property or invested in improvements. Tax-assessed value reflects 100% of market value as of the last general reappraisal, effective January 1, 2025. Durham experienced unusually strong real estate appreciation between 2019 and 2025, which is why many owners saw large increases.

3. How much valuation growth occurred from the last valuation period? How does that growth impact my tax bill?

For Durham County, the overall taxable value grew from \$43 billion in 2019 to more than \$70 billion during the reappraisal period in 2025. This level of growth has been experienced in many communities throughout the state. Although values increased, North Carolina law requires jurisdictions to calculate and publish a revenue-neutral tax rate alongside the new values the rate that would generate the same total revenue as the prior year, before any policy decision to raise or lower revenue.

For Durham County, the tax rate went from **0.7987** to **0.5192** based on the revenue-neutral calculation in FY 2025-26. A tax rate was required in FY 2025-26 to support operating budget priorities, which increased the revenue neutral rate from **0.5192** to **0.5542**. For FY 2026-27, the tax rate is **0.5742**. The following table gives additional details.



This chart shows Durham County's property tax rate history from FY1993-94 through FY2026-27, and how it interacts with periodic property revaluations.

The three elements:

1. **Blue dotted line (Tax Rate):** The actual tax rate set each fiscal year, tracked year to year.
2. **Red bars (Revenue Neutral Rate):** Appears only in reassessment years (e.g., FY2001-02, FY2008-09, FY2016-17, FY2020-21, FY2025-26). This is the rate that would generate the same total revenue as the prior year, adjusted for the new (typically higher) property values after revaluation — not a rate increase, just a recalibration.
3. **Green arrows (Tax rate adj. for Revenue Neutral Formula):** Show the jump from the prior year's tax rate down to the revenue neutral rate in the reassessment year, illustrating how much the rate had to drop simply because property values rose.

For the most recent cycle (FY2024-25 to FY2026-27):

- FY2024-25 tax rate: 0.7987 (highest recent point)
- FY2025-26 revenue neutral rate: 0.5192, with the final rate set at 0.5542. This was the steepest drop in the dataset, reflecting a major increase in countywide property values during that revaluation, which pushed the revenue neutral rate dramatically lower than the prior year's rate.
- FY2026-27 tax rate: 0.5742

4. Why is my home's assessed value different from its recent sale price?

The tax-assessed value is based on 100% of market value as of the last general reappraisal, January 1, 2025, so a more recent sale price can differ from that fixed valuation date.

5. If a building permit is pulled, or I sell my house, does that trigger a new appraisal before the next reappraisal cycle?

Outside of a reappraisal year, an appraiser may visit a property because of a building permit for new construction, additions, or demolition; a land modification such as a parcel split or recombination; verification of physical characteristics ahead of a Board appeal; or a transfer or sale of the property.

When new construction or a zoning change occurs, the property's market value is adjusted using the rates developed for the most recent reappraisal year. For example, a house built in 2026 on a lot that was vacant in 2025 is appraised using January 1, 2025, market values.

6. How do appraisers determine market value, and why do different methods sometimes produce different results?

Appraisers look at market value using three well-established approaches. First, they must determine the highest and best use of the property. They then compare your property to recent sales of similar homes in the area. Next, they look at how much it would cost to rebuild the property today, minus depreciation. Finally, for properties that generate rent, they evaluate what an investor would pay based on the property's income.

These methods do not always point to the exact same number because each one relies on different kinds of data. For example, there may be lots of recent sales but limited cost information or rental income may be affected by vacancies or unusual expenses. When the market is changing quickly, these differences become more noticeable.

In the end, after establishing the highest and best use, the appraisers weigh all of the available information to arrive at the most reasonable, justified estimate of a property's value as of the reappraisal date.

7. Why did commercial property values change so much compared to prior years?

Commercial property values shifted more than usual because the commercial real estate market changed significantly in recent years. Some property types such as office buildings and some multifamily complexes experienced higher vacancies, changing rents, and increased operating costs. These factors, along with others, affected the "income approach" to valuation, which reflects what an investor would pay based on a property's ability to generate income (return on investment).

It is important to note that at the same time, construction costs and sales prices for many properties were still high, which pushed values upward under the cost and sales comparison approaches. When these different markets move in different directions, the valuation methods may not always align creating gaps between the methods. This can lead to larger than usual adjustments for certain types of commercial property.

8. Why did commercial property values behave so differently from residential property values?

Commercial and residential properties are influenced by very different market forces. In recent years, many commercial properties experienced higher vacancies, shifting rents, and rising operating costs. These changes affected how much income those properties could generate, which is a major factor in commercial valuation.

However, residential properties continued to see strong demand and steady sales activity. As the residential market remained more stable, residential values generally rose more consistently. Commercial values moved in a wider range due changing business and economic conditions.

9. Why were there so many appeals this year?

There were far more appeals than usual because property values increased sharply across Durham between 2019 and 2025. When values rise this quickly, more property owners want to take a closer look at their new assessment and submit information for review. There was also a deliberate community outreach effort to inform property owners that the right to appeal should be exercised if there were concerns realized after receiving new value notifications. Additionally, some commercial properties experienced changing marking conditions such as higher vacancies or shifting rents. This led to more complex valuations and more appeals. Consequently, these factors created an unusually high volume of appeals during the 2025 cycle.

Filing an Appeal

10. If I disagree with my new value, what can I do?

Every property owner has the right to appeal. Owners who believe the 2025 appraised value of their property is not a reasonable estimate of what it could sell for on January 1 have the right to appeal the value, and the county recommends first reviewing the property online before filing. Higher than usual increases in value during this cycle resulted in many more appeals than in past reappraisal years.

See the Attachment for a full visual walkthrough of the reappraisal and appeal process, from receiving your notice through informal review, the Board of Equalization and Review, and the NC Property Tax Commission.

11. What's the deadline to appeal?

Real property appeals must be filed before the Board of Equalization and Review adjourns from taking appeals for the year for the 2025 cycle, that date was June 17, 2026, at 5:00 p.m. *Deadlines vary by year, always confirm the current year's date with the Tax Office using the following link:* <https://dconc.gov/Tax-Administration>.

12. Can I still appeal if I miss the deadline?

The Board of Equalization and Review has authority to allow a late application until December 31, and owners who miss the deadline should also consider applying for future years.

13. What kind of evidence helps an appeal?

Acceptable documentation may include an independent appraisal based on comparable sales near the reappraisal date, deed and related appraisal information, a list of comparable sales from the same time period, surveys or plat maps, and photographs — especially important if there are interior or exterior property issues.

14. Will a recent private appraisal, HUD statement, or refinance appraisal automatically lower my assessment?

Not automatically, but it can be considered. Appraisals need to provide an opinion of value for a date reasonably close to January 1, 2025, and an individual sale price may not be reflective of the

typical expected market sale price. However, appraisals with an effective date of January 1, 2025 and immediately prior are a better comparison to our tax appraised value.

15. Who has the burden of proof in an appeal?

Under North Carolina law, the burden of proof rests on the taxpayer, who must submit documentation supporting their claim along with the signed request for appeal.

16. Can the BoER lower my value just because of routine landscaping or upkeep?

Generally, no. State law specifies the Board shall not adjust an assessment to recognize a change in value caused by certain betterments, such as repainting, terracing, landscaping, fire protection measures, or impounding water on marshland for wildlife habitat.

17. Do I have to show up in person to get a hearing?

No. Owners can appear in person before the Board, but it is not required. If an owner cannot attend on the scheduled date and time, the case will still be heard, and the Board will review all submitted documentation and mail a decision.

18. What is the difference between the 30-120 day informal review and the BER hearing stage?

The informal review (Stage 1) is a staff-level conversation between the taxpayer and a Tax Administration appraiser, typically resolved within 30–120 days depending on appeal volume and property complexity. Staff cannot unilaterally change the assessed value — any agreed-upon value is only a recommendation. The Board of Equalization and Review (Stage 2) is the only body authorized to make that value final, whether it was agreed upon informally or remains in dispute.

See the Attachment for a full visual walkthrough of the reappraisal and appeal process.

The Board of Equalization and Review (BoER)

19. What is the BoER, and who serves on it?

The BoER is a committee of Durham County citizens who meet to hear from property owners who disagree with their property’s appraisal, covering both real estate and personal property. It is a special board made up of citizens appointed by the Board of County Commissioners to serve in the County’s stead, with each commissioner appointing one member.

20. What power does the BoER actually have?

The Board can examine and review the county’s tax lists, make changes to ensure property is properly listed and assessed, correct errors, and increase or decrease the appraised value of any property the Board determines is below or above market value. Once an appeal is filed at the county level, the BoER is the only body authorized to change the assessed value while it is in session.

21. What happens if I disagree with the BoER's decision?

The next step is to appeal to the North Carolina Property Tax Commission in Raleigh, but an appeal must first be heard by the Board of Equalization and Review before it can go to the state commission.

22. How long do I have to appeal a BoER decision to the NC Property Tax Commission, and is that deadline different from the BoER filing deadline?

Yes — these are two separate deadlines. The BoER’s own filing deadline (Q9) is set when the Board adjourns for the year (with late filings allowed at the Board’s discretion through December 31, per Q10). Once the BoER issues its written decision, a property owner who disagrees has only **30 days from that decision** to petition the NC Property Tax Commission for a de novo (full, independent) review. This 30-day window does not have the same late-filing flexibility as the BoER deadline, so owners should act promptly after receiving a BER decision letter.

See Attachment for the statutory citation (G.S. § 105-290) and full description of NC Property Tax Commission review.

23. Why do businesses seem to win their appeals more often?

The legal standard applied to every appeal is the same, regardless of whether the property is commercial or residential. What differs is the amount and type of evidence typically submitted.

Commercial property owners often have detailed financial records, rent rolls, operating statements, vacancy data, that are part of normal business recordkeeping and can be readily provided to support an appeal. This gives the Board of Equalization and Review more concrete data to evaluate, which can support a larger adjustment when the evidence warrants it.

Residential appeals more often rely on comparable sales data, which can also support an adjustment, but the available evidence tends to be less detailed than a commercial income and expense statement. The difference in outcomes reflects the strength and depth of evidence submitted, not a different standard being applied to one group versus the other.

24. Did the County make mistakes on commercial properties?

No. Commercial real estate markets shifted rapidly and broadly during this period, not just in Durham, but nationally, and the original valuations reflected the best information available as of the January 1, 2025 assessment date. As appeals came in, many commercial property owners submitted updated income and vacancy data that had changed since that date. State law requires the County to consider this kind of evidence when it’s presented during an appeal, so updated figures led to adjusted valuations. That’s the appeals process functioning as intended, not an error in the County’s original work.

25. Why were commercial property values reduced while my home value increased?

Commercial values depend heavily on income. Many commercial buildings lost tenants or had higher expenses. Residential homes in Durham experienced strong demand and rising prices during the same time frame.

Residential values, by contrast, are driven primarily by buyer demand and comparable sales prices, and Durham’s housing market experienced strong demand and rising prices over the same period. Both outcomes reflect actual market conditions as of the assessment date, they’re not inconsistent, just two different markets moving differently.

26. Are corporations getting special treatment?

No. Every appeal, residential or commercial, is evaluated under the same statutory standard for fair market value, and the same appeals process applies to all property owners. What differs is the *method* used to support that valuation, because different property types are valued using different

approaches. Commercial and income-producing properties are often evaluated using income or cost approaches (based on rental income, operating expenses, or replacement cost), while residential properties are typically evaluated using a sales-comparison approach (based on comparable home sales). This isn't preferential treatment, it reflects standard appraisal practice, since the type of evidence that best establishes fair market value naturally differs between a single-family home and a commercial building or business.

27. There are several different approaches that can be used to evaluate commercial properties. Why was the income approach used? How do you decide which one to use and can't you change approaches when you see such a big difference in value?

There are three generally accepted approaches to valuing property: the sales comparison approach, the cost approach, and the income approach. Appraisal standards call for the appraiser to consider all three, then apply the approach (or combination of approaches) that produces the most reliable indicator of fair market value for that specific property type.

For income-producing commercial property, office buildings, apartment complexes, retail centers, and similar properties, the income approach is typically given the most weight, because the property's value to a buyer is primarily driven by the income it generates, not by what comparable buildings recently sold for or what it would cost to rebuild. This is standard appraisal practice used by tax jurisdictions and the private appraisal industry alike, not a method unique to Durham County.

The choice of approach isn't arbitrary, and it isn't changed simply because it produces a value an owner disagrees with. Switching approaches mid-appeal to reach a different number would undermine the consistency and defensibility of the County's valuations across all similar properties, it would mean two comparable buildings could be valued under different methods depending on which approach gave one owner a more favorable result. The appropriate approach is tied to the type of property, not the outcome of the valuation.

That said, appraisers can and do weigh multiple approaches together, and supplement or adjust the income approach analysis based on evidence the property owner provides (e.g., actual lease income, vacancy data, operating expenses) during the appeal process.

28. What was the impact of the recent appeals on the operating budget?

The large number of appeals meant that many property values were still being reviewed well into the budget process. As the BoER completed more cases, the final total assessed value for the county ended up lower than early estimates. Notably, this did not reduce the tax base overall. The overall tax base grew from the actual tax base in FY 2025-26 to the projected FY 2026-27 valuation base. However, the appeals lowered the projected base that the County planned on using. In that situation, the County has less revenue than anticipated. This can limit available funding or require adjustments during budget planning. For the County, the adjustments translated to a \$10 million reduction in revenue. For the City of Durham, the amount was slightly over \$9 million in lost revenue.

In a typical revaluation year, appeal volume is modest and has little effect on the County's overall valuation; final values are not actually locked in until the Board of Equalization and Review (BoER)

completes its work. This year, the volume of appeals was unusually high, and the resulting downward adjustments were larger than in past revaluations.

This adjustment affects two budget cycles, not just one:

- FY 2025-26 — actual collections will come in below the amount originally budgeted, since that budget assumed the pre-appeal valuation.
- FY 2026-27 — For the County, rather than building next year's budget from the originally projected \$409 million General Fund property tax base, the County now has to build from the corrected, lower base of \$399.7 million.

Going forward, the correction is captured: because FY 2026-27 (and future years) starts from the actual, post-appeal valuation, the budget numbers will be accurate going forward. The current shortfall isn't a recurring error, it's a one-time true-up to reflect what the appeals process determined the real tax base to be.

29. Why did the appeal hearings take longer than usual this year?

The appeal hearings took longer this year because the County received an unusually high number of appeals and many of them involved more complex property valuations than in past cycles. The BoER must review each case carefully and follow all legal requirements, which takes time. With so many appeals to process, the Board's schedule extended further into the year than normal to ensure that every property owner received a fair and complete review.

30. Why can't the County release all BoER documents or appraisal data?

Many BoER records contain statutorily protected confidential information. This can include income details, business records, or other protected data. The County is prohibited from releasing such information pursuant to state law. Prior to releasing any documents, staff must carefully review and remove all legally protected information. This process takes time and, in some cases, certain documents cannot be released at all. However, the County does provide all public, non-confidential records and follows North Carolina's public records laws when doing so.

Tax Relief and Assistance

31. Is there help available if I can't afford my new tax bill?

Durham County Tax Administration's Property Tax Relief Programs webpage and Property Tax Assistance Evaluator can help property owners understand what relief program may apply to them, and applications for the Durham County Department of Social Services' Low-Income Homeowners Relief (LIHR) program are also available. The following highlights information on the available relief programs. A link to all information follows: [dconc.gov – Property Tax Relief for Homeowners](https://dconc.gov/Property-Tax-Relief-for-Homeowners)

- **Elderly/Disabled Homestead Exclusion**
Excludes the greater of \$25,000 or 50% of home value from taxation. For NC residents 65+ or totally/permanently disabled, with 2025 income ≤ \$38,800. Apply via Form AV-9 by June 1.

- **Circuit Breaker Tax Deferment**
Caps property tax at 4–5% of income (2025 income tiers: ≤\$38,800 / \$38,801–\$58,250); excess is deferred as a lien, repaid at sale/transfer. Same age/disability rules, plus 5+ years of ownership/residency. Requires annual reapplication via Form AV-9.
- **Disabled Veteran Exclusion**
Excludes the first \$45,000 of home value for veterans with a total/permanent service-connected disability (or qualifying surviving spouses). No age or income limit. Apply via Form AV-9 + NCDVA-9.
- **Low-Income Homeowners Relief (LIHR) — Durham County program**
County/DSS assistance toward the current tax bill on a 3-tier income model for households ≤80% AMI who've owned/lived in the home 5+ years. Cannot combine with Homestead Exclusion. Apply through DSS (919-560-8000); applications open each September 1.

32. Where can I find the official contact information and forms for filing an appeal?

Durham County Tax Administration is located at 201 East Main St., Third Floor, Durham, NC 27701. Property owners can call (919) 560-0300, email Tax-Reval@dconc.gov, or file appeals online through the Tax Help portal at dconc.gov/Tax-Administration/Tax-Help. Paper appeal forms can also be downloaded from dconc.gov or requested by mail or in person.

ATTACHED REFERENCE DOCUMENT

“Appealing Your Property Value” — Official Guide with step-by-step flowchart, statutory citations, and Tax Administration contact information.

Appealing Your Property Value

EFFECTIVE DATE January 1, 2025

STATUTE G.S. §105 (NC Machinery Act)

CONTACT (919) 560-0300

EMAIL Tax-Reval@dconc.gov

A step-by-step guide to the real property appeal process for the 2025 General Reappraisal. Know your rights, your deadlines, and your options under the NC Machinery Act.

■ Appeals must be filed before the Board of Equalization and Review adjourns for the current tax year. Contact Tax Administration at (919) 560-0300 for the current filing deadline. No exceptions after adjournment.

Overview

Under North Carolina law, the only issue that may be addressed in an appeal is the **appraised value** of your property. If you believe your assessed value does not reflect what the property could have reasonably sold for on January 1, 2025, you have the right to appeal through up to three levels of review.

● Stage 1 — Informal Review

- All property types — residential, commercial, industrial, and other real property — follow this same pathway.
- File online (recommended) via the Tax Help portal at dconc.gov, or submit a paper form by mail or in person.
- Include supporting evidence: comparable sales, recent appraisals, photos of condition issues, or income/expense data for income-producing properties.
- Only the **appraised value** may be challenged — not tax rates, affordability, or service levels.

Even if you and the appraiser reach agreement on a value during the informal process, that value is a **recommendation only** — it is not final until the Board of Equalization and Review approves it.

■ Appeals must be filed before the BoER adjourns for the current tax year.

● Stage 2 — Board of Equalization & Review

- The BoER is a third-party board appointed directly by the Durham County Board of County Commissioners — it is independent of the Tax Administration department.
- Established under G.S. §105-322; operates as a quasi-judicial body.
- Attendance is optional. The Board reviews all submitted materials and mails a written decision.
- The BoER approves, modifies, or overturns the appraiser's recommendation and issues the county's official final determination of assessed value.

● Stage 3 — NC Property Tax Commission

- Under G.S. §105-290, owners dissatisfied with the BoER decision may petition the NC Property Tax Commission (PTC) for a de novo hearing at the state level.
- The PTC is independent of Durham County and is not bound by county findings.
- Petition must be filed within 30 days of the BoER's final written decision.
- PTC decisions may be further appealed to the NC Court of Appeals and ultimately the NC Supreme Court.

■ Petition must be filed within 30 days of BoER final decision.

Durham County Tax Administration

201 East Main St., Third Floor, Durham NC 27701

Phone: (919) 560-0300

Email: Tax-Reval@dconc.gov

Online filing: dconc.gov/Tax-Administration/Tax-Help

Appeal Process Flowchart

Receive reappraisal notice → Review assessed value against Jan. 1, 2025 market value. Use the Tax Help portal to compare similar sales.

1 STAGE 1 · INFORMAL REVIEW — TAX ADMINISTRATION File your appeal

- Applies to all property types — residential, commercial, industrial, and other classifications.
- Online (recommended): Tax Help portal — real-time staff communication and status tracking.
- Paper form: download from dconc.gov or call (919) 560-0300.
- Include comparable sales, recent appraisals, condition photos, or income/expense statements for income-producing properties.
- Only the **appraised value** may be challenged — not tax rates, affordability, or service levels.

■ File before the BoER adjourns for the current tax year.

2 STAGE 1 · STAFF REVIEW & APPRAISER ANALYSIS — ALL PROPERTY TYPES Property data review with the taxpayer

- Appraiser reviews property record data, submitted evidence, and market sales — for all property types including residential, commercial, and industrial.
- Commercial and income-producing properties: income/expense statements and rent rolls are reviewed alongside comparable sales and cost data.
- Taxpayer and staff discuss and reach an agreed-upon value during this process.
- Timeline: 30–120 days depending on appeal volume and property complexity.

Note: Tax Administration staff cannot unilaterally change an assessed value. Any value agreed upon during the informal review is a recommendation to the BoER — it does not become final until the Board of Equalization and Review approves it.

If value agreed / adjusted
→ Forwarded to BoER for approval

If value not resolved
→ Scheduled for BoER hearing

3 STAGE 2 · BOARD OF EQUALIZATION & REVIEW (BoER) — G.S. §105-322 Independent board review or formal hearing

- The BoER is a third-party board appointed directly by the Durham County Board of County Commissioners — it is independent of the Tax Administration department.
- Quasi-judicial body; attendance is optional — Board reviews all submitted documents and mails a written decision.
- The BoER approves, modifies, or overturns the appraiser's recommendation — this is the county's official final determination.
- All informal-process agreed values are also subject to BoER approval before becoming final.

Independent of Tax Administration: the BoER is not affiliated with or supervised by the Tax Administration department. It reports directly to the Board of County Commissioners and provides an independent check on assessed values.

If satisfied with BoER decision
✓ Accept — official final value

If not satisfied
↓ Petition NC Property Tax Commission

4 STAGE 3 · NC PROPERTY TAX COMMISSION — G.S. §105-290 State-level de novo appeal

- Independent state agency — not bound by county findings; conducts its own full review.
- Petition must be filed within 30 days of the BoER's final written decision.
- Recommended for significant commercial and income-producing property disputes.

■ Must petition within 30 days of BoER decision.

5 FURTHER JUDICIAL REVIEW NC Court of Appeals → NC Supreme Court

- Reserved for significant disputes or matters of legal interpretation; legal counsel strongly recommended.