



**DENVER**  
THE MILE HIGH CITY

# **2025 Revaluation**

## **Denver County Apartments**

April 23, 2025

Presented by Keith Erffmeyer

## Property Valuation and Taxation Cycle

### Property Valuation

*Occurs in the spring of every odd year.*



### Assessment Rate

*According to state statutes*



### Tax Rate

*Set by the various taxing authorities by Dec. 15 every year*

### Property Tax Bills

*Mailed in January and collected by the summer every year*



Much of the Assessment process is governed by the Colorado Revised Statutes (Title 39)

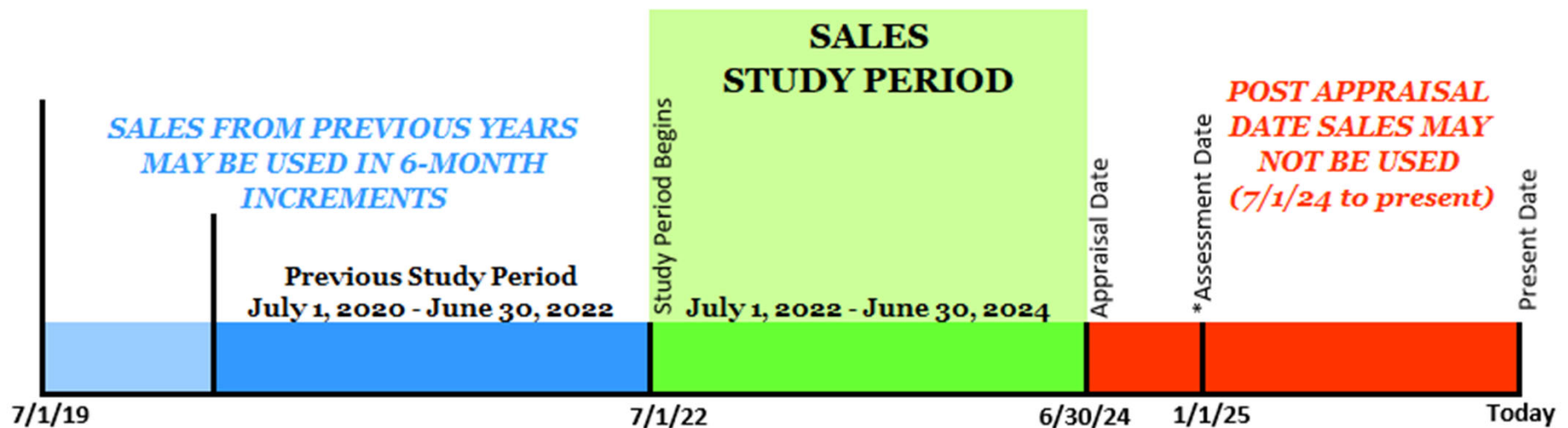
## Base Year Concept

- Under Colorado law, the Assessor must reappraise all real property every two years.
- For 2025, the property value, which the Assessor determines as the "Actual Value", must reflect the valuation date of June 30, 2024.
- The "base period" is the 24-month period from July 1, 2022 to June 30, 2024: sales and other information will be collected from the "base period" to estimate values. (Note – technically the base period is 18 months, but most use the 24-month timeframe to eliminate the “gap”).
- The specific "Assessment Date" is January 1 each year, which considers the property characteristics as of January 1.

The Colorado Constitution requires all residential property be valued exclusively by the market approach.

## **JUNE 30, 2024!!!**

## 2025 / 2026 Valuation Study Period Appraisal Date June 30, 2024



\*Values are based on condition and physical status as of the January 1 Assessment Date

## IAAO Definition:

The process of valuing a group of properties as of a given date, using standard methodology, employing common data and allowing for statistical testing.

Out of necessity (volume vs. resources), most values are set via mass appraisal and subsequent appeals are analyzed using site-specific appraisal techniques.

Requires collaboration from the property owner or authorized representative to “let us know what we don’t know” to arrive at a fair and accurate valuation.

## Appraisal staff “verifies” property transactions:

### “Qualify” Arms-Length Transactions (“Disqualify” others)

- Transaction between unrelated parties and under no duress

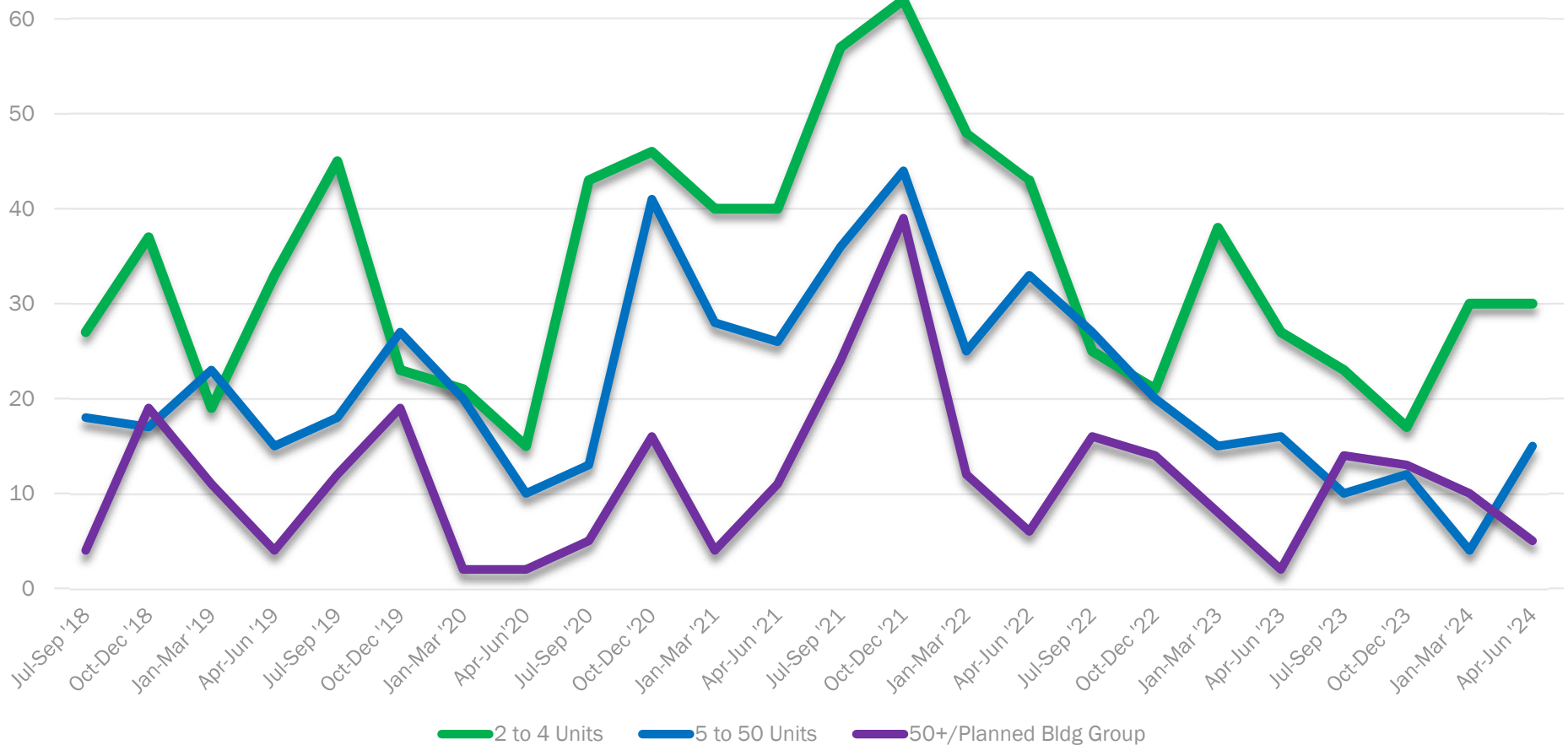
### Verify Property Characteristics vs. Database

- Square Footage, Remodeling, Basement Finish, Bedroom/Bath Counts, Distressed Properties, Negative external factors, Grade/Amenities, etc.

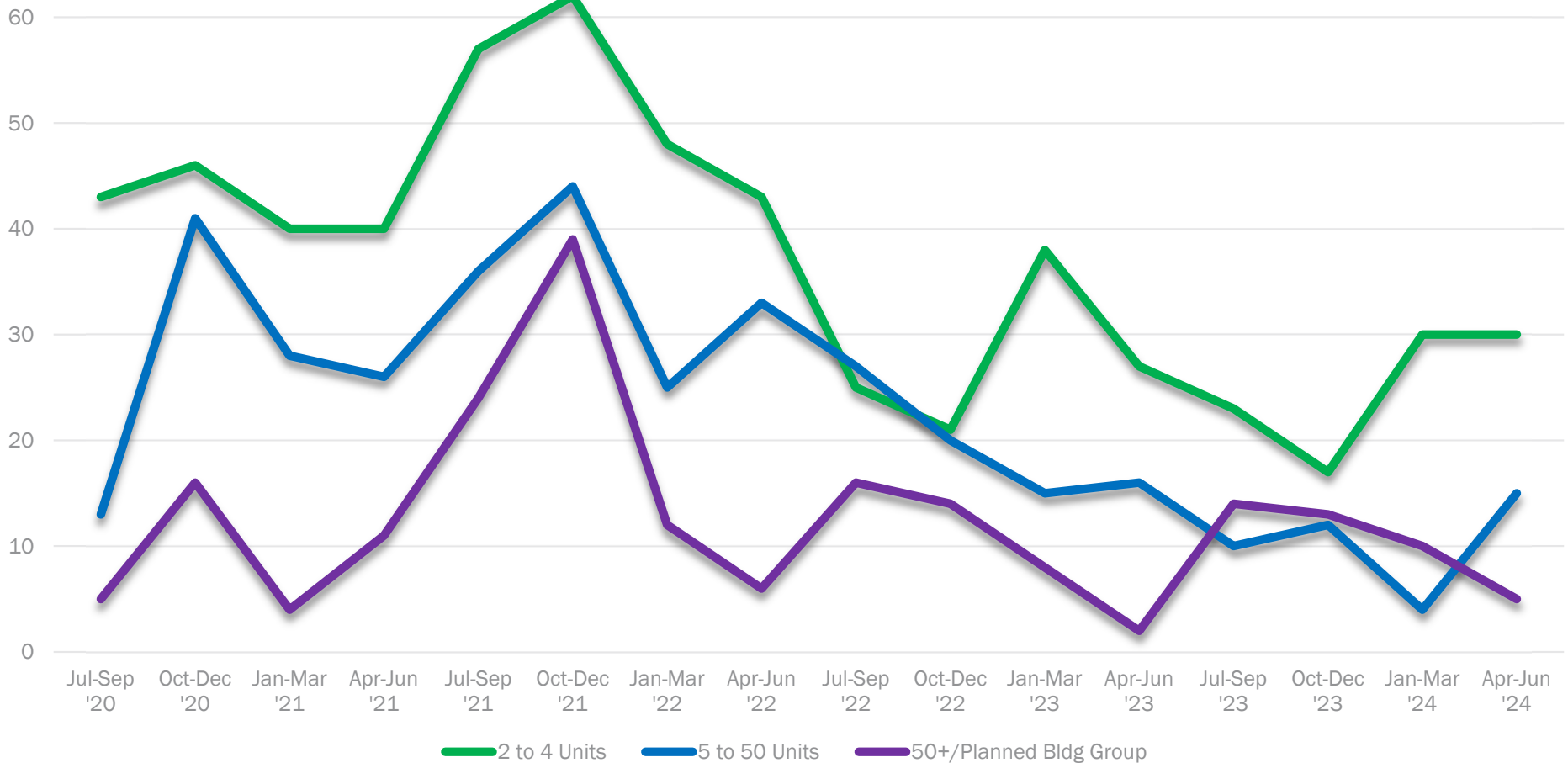
### Information Gathered From:

- REColorado (MLS)
- Transfer Declarations
- CoStar
- Apartment Insights
- Personal Interviews
- Sale Verification Letters
- Historical Records/Permits

Count of Denver County Apartment Sales by Quarter  
July 2018 - June 2024



Count of Denver County Apartment Sales by Quarter  
July 2020 - June 2024



Mathematical models that are intended to mirror the motivations of buyers and sellers, i.e. to represent the “market”.

Utilize quantitative and qualitative property characteristics:

Quantitative: Square footage, # baths, # bedrooms, basement area, etc.

Qualitative: Grade, obsolescence factors, neighborhood assignment, etc.

## Model Stratification

- 34 Single Family models
- 9 Townhome models
- 12 Condo models
- 3 Apartment models

Time trend sales to date of valuation (June 30, 2024)

Perform multiple regression analysis

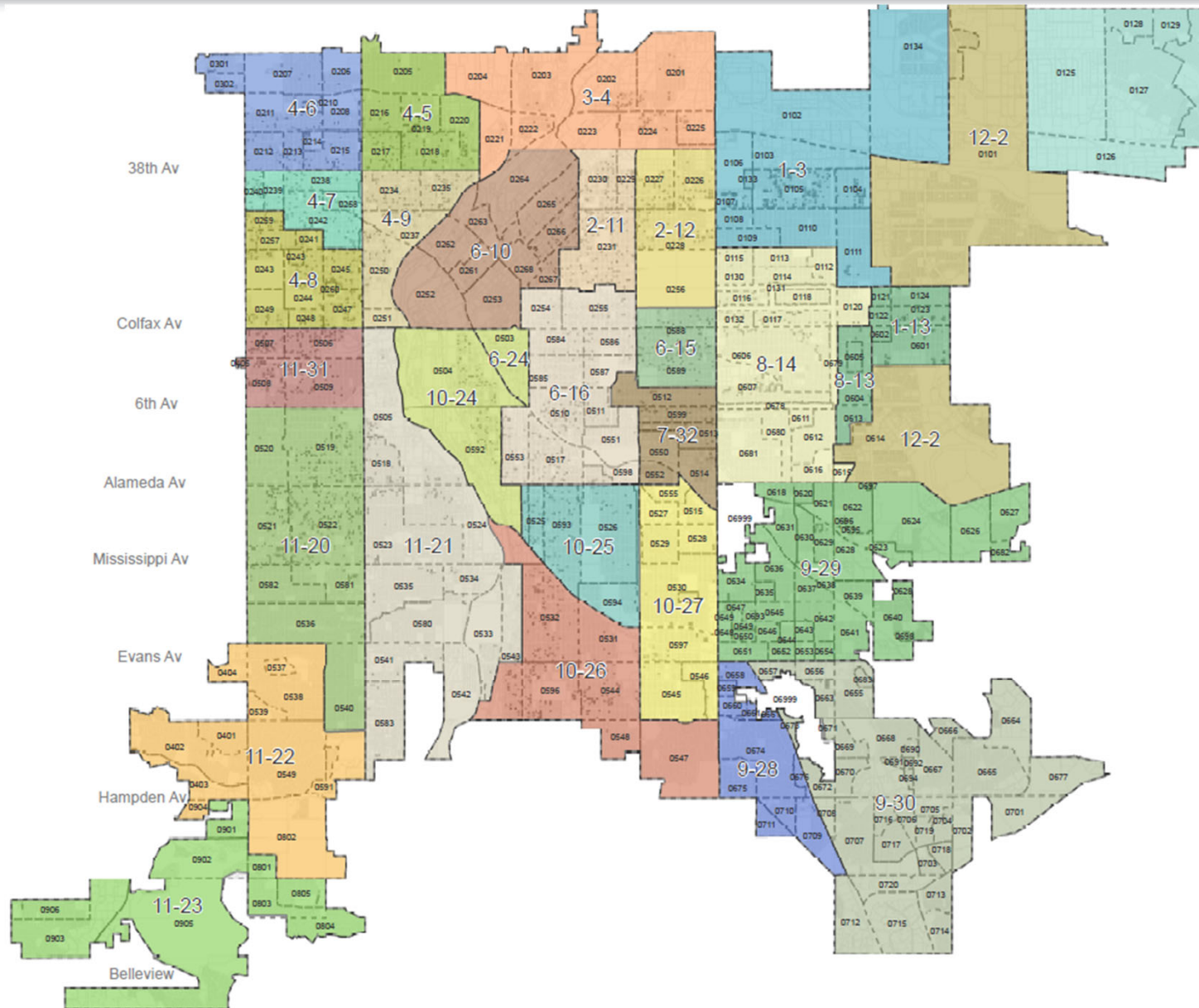
Review of coefficients and “outliers”

## Three Apartment Models:

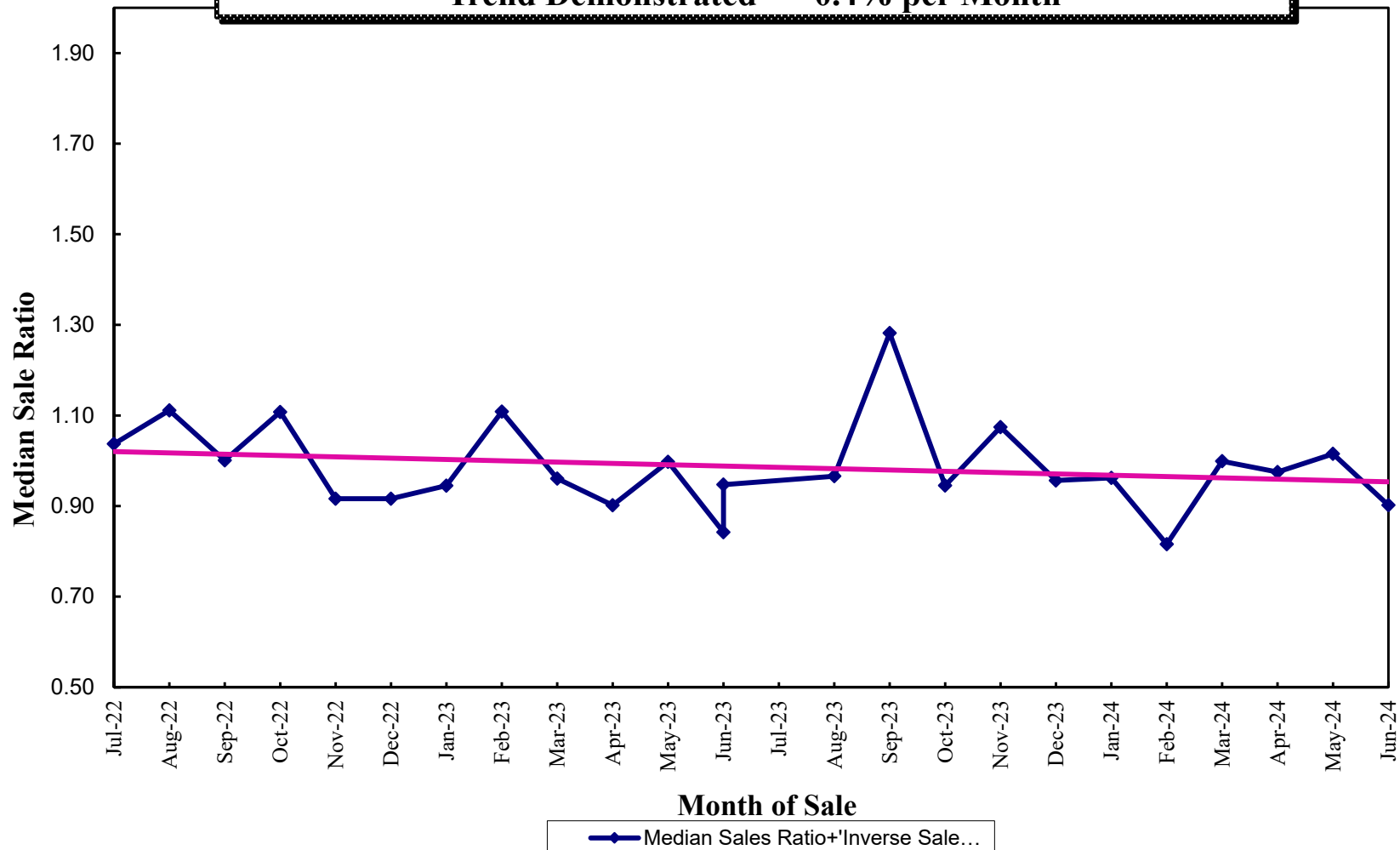
Model 1 = 2-4 units

Model 2 = Generally 5-50 units

Model 3 = 50+ units, PBGs and newer downtown properties



**Apartment Model 2**  
**Weighted Regression of Median Sale Ratios , July 2022 thru June, 2024**  
**Trend Demonstrated = - 0.4% per Month**



## Residential market modeling via multiple regression analysis

- A particular statistical technique used to analyze data in order to predict the value of one variable, such as market value, from the known value of other variables.
- Coefficients are developed by allowing regression to determine “best fit” based on the data introduced.
- Coefficients can be constrained if the result isn’t logical.
- Review (outliers), run again, review, run again, review, run again....

# MULTIPLE REGRESSION ANALYSIS

Version	Set #	Model	Variable Name	Variable No.	Constr. T	Low Limit	Hi Limit	Coefficient	B Hold	Standard Error	Conf 95 Lc	Conf 95 Hi	T Value	F Test
2025	3	2	AVGBATH>1	163	1	2500	25000	25000	30254.44646	0	0	0	0	0
2025	3	2	CONSTANT	999				167906.8593						
2025	3	2	CONVSF	201	1	-35	-9	-25.77803793	0	15.443	-56.66	5.1	-1.66	2.786
2025	3	2	CPKG/U	98	1	20000	25000	20000	17567.4807	0	0	0	0	0
2025	3	2	CRPT/U	176	1	12000	20000	20000	46246.66964	0	0	0	0	0
2025	3	2	ELVTSF	116	0	8	25	0	12.74472394	0	0	0	0	0
2025	3	2	FB%*SFU	92	1	-35	0	-35	-36.34390449	0	0	0	0	0
2025	3	2	GRDASF	172	0	50	150	104.4240895	0	18.48	67.46	141.38	5.65	31.927
2025	3	2	GRDBSF	173	1	37	80	37	24.91944176	0	0	0	0	0
2025	3	2	GRDDSF	175	1	-45	-35	-35	-18.3053214	0	0	0	0	0
2025	3	2	GRDXSF	171	0	225	225	0	0	0	0	0	0	0
2025	3	2	NBCL01	99	1	-130	-10	-130	-150.3697677	0	0	0	0	0
2025	3	2	NBCL02	100	1	-30	0	-30	-39.30454001	0	0	0	0	0
2025	3	2	NBCL03	101	0	-25	-25	0	0	0	0	0	0	0
2025	3	2	NBCL04	102	1	20	40	40	59.28200733	0	0	0	0	0
2025	3	2	NBCL05	103	1	0	25	25	61.35807742	0	0	0	0	0
2025	3	2	NBCL07	105	1	30	50	30	28.65993452	0	0	0	0	0
2025	3	2	NBCL08	106	1	-30	0	-30	-37.22900999	0	0	0	0	0
2025	3	2	NBCL09	107	1	-75	-50	-50	0.70901418	0	0	0	0	0
2025	3	2	NBCL10	108	0	-10	10	-28.22958705	0	16.462	-61.15	4.69	-1.71	2.94
2025	3	2	NBCL11	109	1	-100	0	-76.07203779	0	20.009	-116.09	-36.05	-3.8	14.453
2025	3	2	NBCL12	186	0	10	10	0	0	0	0	0	0	0
2025	3	2	NF1200	198	1	115	300	151.4713497	0	8.926	133.61	169.32	16.96	287.93
2025	3	2	NF700	200	1	115	120	120	125.2331777	0	0	0	0	0
2025	3	2	NF9999	199	1	115	300	189.987618	0	15.9	158.18	221.78	11.94	142.76
2025	3	2	ROWUNT	183	1	-10	0	-10	-10.34470734	0	0	0	0	0
2025	3	2	SB%*SF	93	1	-30	0	-30	-53.02799087	0	0	0	0	0
2025	3	2	SQNAFU	118	1	-10	-3	-3	5.19663731	0	0	0	0	0
2025	3	2	TLV/UT	95	1	0	0	0	-0.12159805	0	0	0	0	0

Perform statistical testing to evaluate model performance and accuracy.

Analyze measures of central tendency which are focus of State Audit:

- Median sale ratio
- Coefficient of dispersion

## 2025 Apartments By Model

Model	Sale Counts	Median Sale Price	Median Sale Ratio	COD	Parcel Count	Median Actual Value	Median Value Per Unit
1 - 2 to 4 Units	137	788,800	100.9	5.08	3841	749,600	318,700
2 - 5+ Units	95	2,521,400	101.0	7.43	1832	2,802,350	220,100
3 - Campus Style	22	53,857,800	103.5	7.61	608	35,876,250	272,100
<b>Overall</b>	<b>254</b>	<b>1,119,950</b>	<b>101.2</b>	<b>8.43</b>	<b>6281</b>	<b>983,200</b>	<b>278,800</b>

# COMPARABLES

	SUBJECT PARCEL	COMPARISON-1	COMPARISON-2	COMPARISON-3	COMPARISON-4	COMPARISON-5
PARCEL ID	0235413018000	0503119008000	0501109002000	0502326004000	0501114017000	0502115015000
CARD 1						
	1721 N	1120 N	1468 N	758 N	1341 N	1335 N
	HUMBOLDT	LOGAN	ADAMS	CLARKSON	COOK	GAYLORD
	ST	ST	ST	ST	ST	ST
NBHD CLUSTER	6	6	6	6	6	6
NBHD GROUP	16	16	15	16	15	16
DENVER NBHD #	0255	0585	0588	0510	0588	0588
DENVER CLASS	202-RES APT	202-RES APT	202-RES APT	202-RES APT	202-RES APT	202-RES APT
SITE ZONING	C-MX-5	G-MU-5	U-MS-3	U-RH-2.5	U-RH-3A	G-MU-3
LAND SQFT	9,402	9,370	5,950	6,670	5,940	6,250
LAND VALUE \$	1,128,200	620,700	505,800	352,100	455,400	473,900
<u>DWELLING DESCRIPTION</u>						
BLDG NAME		ADAMSON APARTMENT			JAMES BRUCE APTS	DEBBIE LYNN APTS
# UNITS	20	18	17	17	17	17
NET APT SQFT	9,995	9,456	8,726	9,329	9,113	9,336
YEAR BUILT	1961	1960	1966	1966	1968	1968
YR REMODELED		2023	2022	2023	2023	
EFFECTIVE YR	1961	1960	1966	1966	1968	1968
QUALITY GRADE	C-AVERAGE	C-AVERAGE	C-AVERAGE	C-AVERAGE	C-AVERAGE	C-AVERAGE
CONFIGURATION	H-HALL	H-HALL	R-ROW	R-ROW	R-ROW	R-ROW
STRUCTURE	211-APT 2 TO 8 UNITS	211-APT 2 TO 8 UNITS	211-APT 2 TO 8 UNITS	211-APT 2 TO 8 UNITS	211-APT 2 TO 8 UNITS	211-APT 2 TO 8 UNITS
# FLOORS	2	2	3	3	3	3
AVG UNIT AREA	500	525	513	549	536	549
AVG BEDRMS/UT	.60	.67	1.06	1.00	1.29	.71
AVG BATHS/UT	1.00	1.00	1.00	1.00	1.00	1.00
# COVERD PKG/UNIT	.00	.00	.00	.00	.00	.00
# CARPORT/UNIT	.00	.00	.00	.00	.00	.00
# OPEN PKG/UNIT	.65	.72	.35	.24	.53	.24
BSMT APT SQFT	0	0	0	0	0	0
S-BSMT APT SQFT	3,332	3,496	2,738	0	0	0
SUPPORT SQFT	0	0	0	0	0	0
PHYSICAL %	.0	.0	.0	.0	.0	.0
FUNCTIONAL %	.0	.0	.0	.0	.0	.0
EXTERNAL %	.0	.0	.0	.0	.0	.0
NET ADJUSTMENT %	.0	.0	.0	.0	.0	.0
<u>PRICING DATA</u>						
SALE DATE		04/2024	06/2023	09/2023	09/2022	06/2024
RAW SALE AMOUNT \$	0	3,950,000	3,145,000	5,000,000	3,600,000	3,875,000
RAW SALE \$/UNIT	0	219,444	185,000	294,118	211,765	227,941
TIME ADJUSTD. SALE \$	0	3,910,500	2,956,300	4,750,000	3,222,000	3,875,000
ADJUSTED SALE AMT \$	0	3,910,500	2,956,300	4,750,000	3,222,000	3,875,000
ADJ SALE \$/UNIT	0	217,250	173,900	279,412	189,529	227,941
ADJ SALE \$/SQFT	.00	413.55	338.79	509.17	353.56	415.06
MRA EST \$/UNIT	210,978	212,512	207,810	215,733	214,839	215,987
<u>VALUATION</u>						
ADJ SALE \$/UNIT	0	217,250	173,900	279,412	189,529	227,941
CHAR ADJ SALE \$/UNIT		-1,534	3,169	-4,755	-3,860	-5,009
MKT EST. \$/UNIT		215,716	177,069	274,657	185,669	222,932
WGTD. EST. \$/UNIT	215,219					
NORMAL EST. \$/UNIT	213,971					
MARKET VALUE \$	4,280,000					
MKT VAL. \$/UNIT	214,000					
MKT VAL. \$/SF	428.21					



# 2025 REVALUATION

What do things look like for 2025?

Median changes in Actual Values from 2023 Reappraisal to 2025 Reappraisal:

Property Type	Median Change
Single Family Residences	-2%
Condominiums	-1%
Rowhouses	0%
CBD/LoDo/CPV – primarily offices	-10%
Hotels/Motels	+1%
Retail	+4%
Small Offices	0%
Warehouses	+9%
Apartments: 1-4 Units	-18%
Apartments: Model 2 (5+Units)	-8%
Apartments: Model 3 (PBG)	-15%

## **Gov. Jared Polis, lawmakers face growing calls for special session to stem property tax ballot measures**

Mayors of Denver, Aurora and Colorado Springs warn of “crippling cuts” if initiatives pass

## **Colorado Gov. Jared Polis calls special session on property taxes — the second in a year**

Rates affecting bills would be cut further if Initiatives 50, 108 are pulled from November ballot

## **Is an end to Colorado’s property tax wars in sight? Maybe — if distrust and frustrations don’t get in the way.**

Special session called by Gov. Jared Polis could produce more cuts — and avoid ballot fight

## **Tensions simmer as Colorado lawmakers gavel into second property tax special session**

Democrats, special district reps bristle at deal they feel left out from making

## **Property tax reform bill advances as special session's first day reveals tension**

Firefighters urge lawmakers to fight ballot measures outright, but lawmakers argue risk too high

## **Property tax deal clears key debate in Colorado House as progressives criticize backroom negotiations**

Lawmakers push through bill to cut state assessment rate and stop two ballot initiatives

## **Senate gives initial approval for property tax deal after House passes bill; new ballot measure to set local control stalls out**

Debate begins anew in Senate today as special session continues

## **Colorado legislature's property tax deal passes halfway point — with final vote possible Thursday**

House comfortably approves bill despite lengthy, critical speeches from Democrats

## **Colorado Senate approves property tax deal that Gov. Polis calls better than “risky and divisive ballot initiatives”**

Vote ends four-day special session called in bid for withdrawal of outside ballot measures

## **Colorado’s latest property tax reform was shaped by power politics, outside leverage and risk aversion**

Despite assurances, legislators split on whether new legislation will end the tax battles at the Capitol

## **Gov. Jared Polis signs property tax compromise bill after conservative group pulls ballot initiatives**

Legislature approved tax cuts in special session aimed at averting bigger changes in election



# ASSESSMENT RATES 2023/2024

Classification	2023	2024
Multi-family Res	6.7%	6.7%
Other Res	6.7%	6.7%
Commercial	27.9%	27.9%
Ag & Renewable	26.4%	26.4%

Also:

- \$55k deduction for residential properties
- \$30k deduction for commercial improved properties

## RESIDENTIAL

### Tax Years

Statewide actual  
value growth > 5%

	<u>2025</u>	<u>2026</u>	<u>2027+</u>
Schools	6.95%	→	
Local Gov'ts	6.15%	6.70% **	→

Statewide actual  
value growth < 5%

Schools	7.05%	→	
Local Gov'ts	6.25%	6.80% **	→

\*\*\* - Also deduct 10% of the first \$700,000 of property value

## NONRESIDENTIAL

Commercial Improved	27%	25%	→
Industrial/Vacant Land/Personal Property	27%	26%	25%



# 2025 TAX YEAR EXAMPLE (Residential)

## 2025 (if >5% actual value growth)

<u>Actual (Market) Value</u>					
Land value		\$150,000			
Improvement value		\$350,000			
	Total Actual Value	\$500,000			
<u>Local Gov'ts (@ 6.15%)</u>			<u>Schools (@ 6.95%)</u>		
Assessed land		\$9,230	Assessed land		\$10,430
Assessed improvement		\$21,530	Assessed improvement		\$24,330
	Assessed Total	<b>\$30,760</b>	Assessed Total		<b>\$34,760</b>
					<b>Values for Certification</b>
No senior exemption					
Various levies		62.125	School levy		32.589
Taxes		\$1,910.97			\$1,132.79
	Total Taxes	<b>\$3,043.76</b>			



# 2026 TAX YEAR EXAMPLE (Residential)

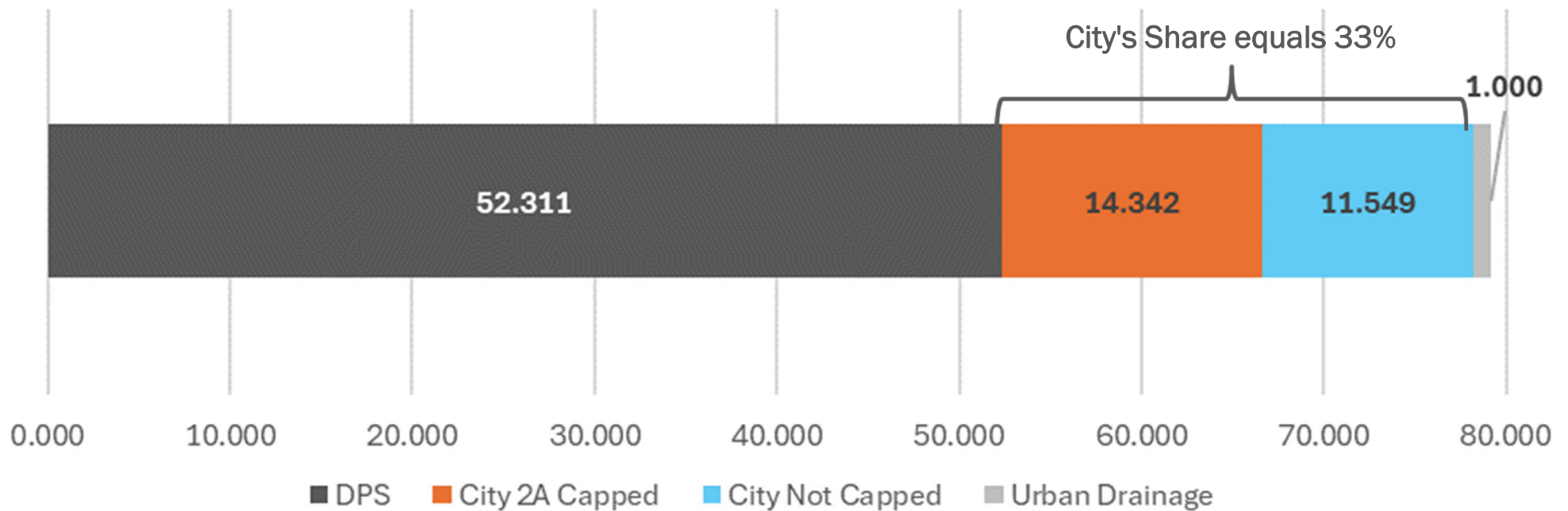
## 2026 (if >5% actual value growth)

<u>Actual (Market) Value</u>					
Land value	\$150,000				
Improvement value	\$350,000				
Total Actual Value	\$500,000				
<u>Value reduction for LG's only (-10% of first \$700k)</u>					
	-\$50,000				
Land value	\$150,000				
Improvement value	\$300,000	(reduction applied here as example)			
Total Actual Value	\$450,000				
<u>Local Gov'ts (@ 6.70%)</u>			<u>Schools (@ 6.95%)</u>		
Assessed land	\$10,050	Assessed land	\$10,430		
Assessed improvement	\$20,100	Assessed improvement	\$24,330		
Assessed Total	<b>\$30,150</b>	Assessed Total	<b>\$34,760</b>	<b>Values for Certification</b>	
No senior exemption					
Various levies	62.125	School levy	32.589		
Taxes	\$1,873.07		\$1,132.79		
Total Taxes	<b>\$3,005.86</b>				

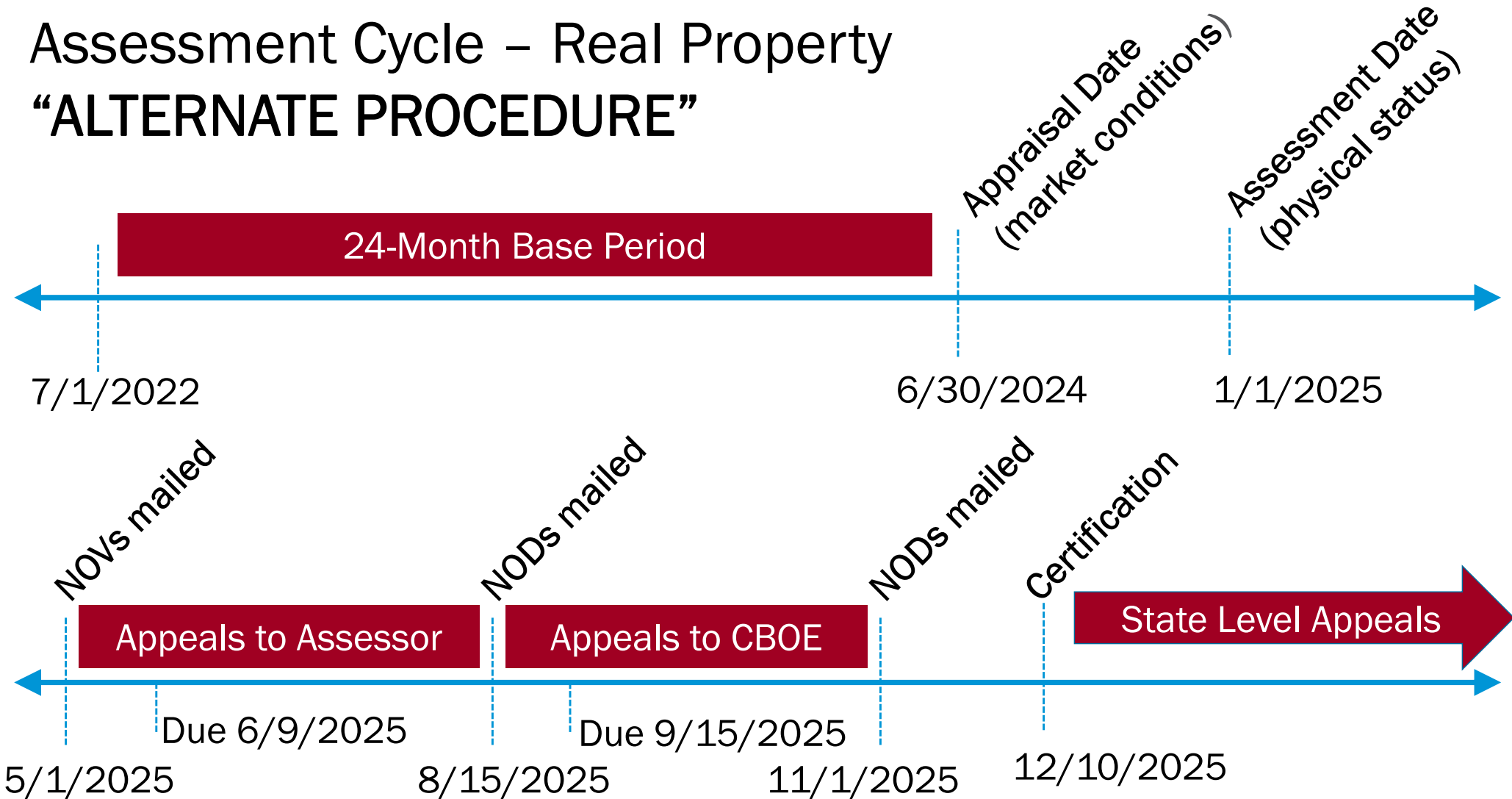
Also imposed “revenue caps” for both schools (local share) and local governments:

- Schools = 12% limit per 2-year revaluation cycle (6% per year)
- Local Governments = 10.5% limit per 2-year revaluation cycle (5.25% per year)

## Total 2024 Mill Levy Distribution (79.202 Mills)



## Assessment Cycle – Real Property “ALTERNATE PROCEDURE”



- Don't consider the current market
- Do remember the date of value (June 30, 2024) and the assessment date (January 1, 2025)
- Don't protest the taxes
- Do consider the value

- Don't consider the rate of increase/decrease
- Do consider market value
- Do review the property characteristics
  
- Don't simply say "The value is too high"
- Do provide evidence: sales, photos, descriptions of issues negative to property, estimates of cost to cure, rent rolls, etc.



Thank you for the opportunity!

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