



September 11, 2024

Trends Affecting Property Value and Property Taxes

Presented to the St Paul City Council



Presenters

Tracy West

Ramsey County Auditor/ Treasurer

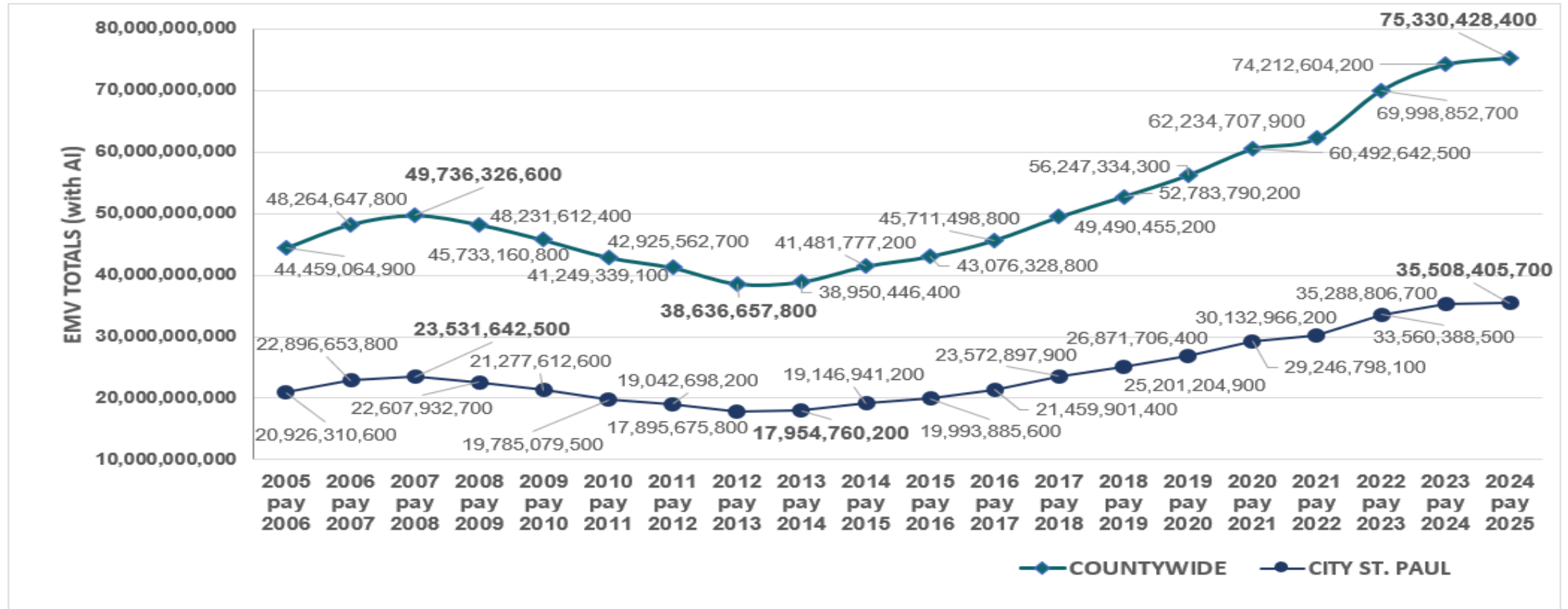
Patrick Chapman, SAMA

Ramsey County Assessor

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Ramsey County Historical Total Assessed Values



*Estimated market values as of the spring of each assessment year.

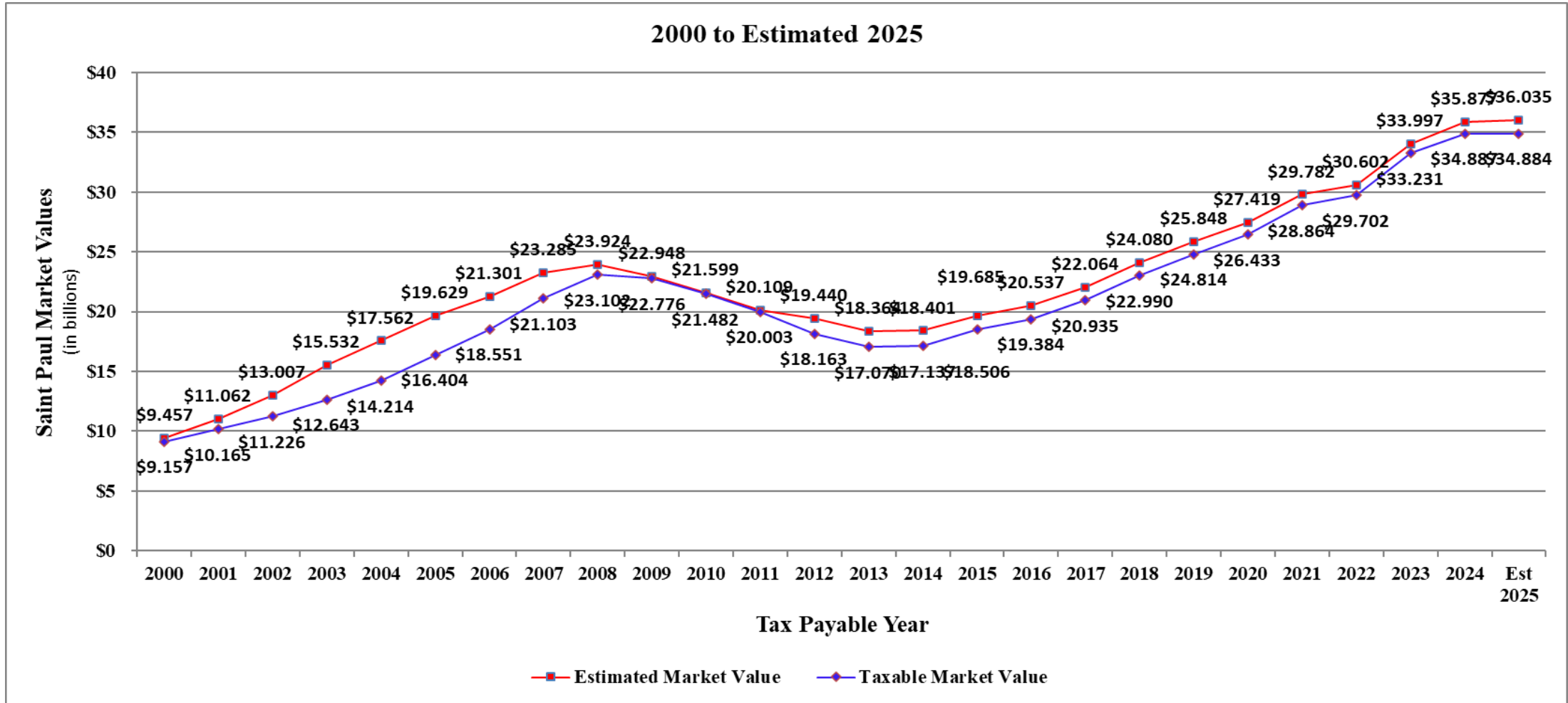
*Reported values exclude Exempt property, Leased Public Property, Manufactured Homes, and State Assessed Utility & Railroad property)

Saint Paul Residential Single Family Median Values

Percent Change Single-Family Homes 2020 - 2024

Jurisdiction	MUNI #	'19 p '20 Median Value	'20 p '21 Median Value	'21 p '22 Median Value	'22 p '23 Median Value	'23 p '24 Median Value	'24 p '25 Median Value	'20p21 to '21p'22 % Chg	'21p22 to '22p'23 % Chg	'22p23 to '23p'24 % Chg	'23p24 to '24p'25 % Chg	'20p'21 vs '24p'25 % Chg
Sunray-Battlecreek	1	196,500	214,700	229,500	271,100	273,300	285,700	6.9%	18.1%	0.8%	4.5%	33.1%
Greater East Side	2	172,900	191,800	206,800	249,100	242,450	246,000	7.8%	20.5%	-2.7%	1.5%	28.3%
West Side	3	170,100	184,100	193,600	213,700	230,600	240,900	5.2%	10.4%	7.9%	4.5%	30.9%
Dayton's Bluff	4	148,400	152,400	177,400	214,600	220,650	224,300	16.5%	21.0%	2.8%	1.7%	47.2%
Payne-Phalen	5	163,850	178,500	194,700	237,700	226,300	229,100	9.1%	22.1%	-4.8%	1.2%	28.3%
North End	6	152,300	163,600	174,600	203,200	210,350	221,200	6.7%	16.4%	3.5%	5.2%	35.2%
Thomas Dale	7	154,900	163,300	173,000	202,750	208,900	217,700	5.9%	17.2%	3.0%	4.2%	33.3%
Summit-University	8	229,700	242,200	250,500	293,700	308,300	314,400	3.4%	17.2%	5.0%	2.0%	29.8%
West Seventh	9	190,700	203,400	204,700	221,200	237,600	251,500	0.6%	8.1%	7.4%	5.9%	23.6%
Como	10	237,250	256,900	260,000	296,800	305,200	314,300	1.2%	14.2%	2.8%	3.0%	22.3%
Hamline-Midway	11	186,100	197,800	207,500	242,050	245,600	258,500	4.9%	16.7%	1.5%	5.3%	30.7%
St Anthony Park	12	378,300	390,800	389,800	451,800	451,850	482,700	-0.3%	15.9%	0.0%	6.8%	23.5%
Merriam	13	325,050	335,100	338,700	381,500	399,450	414,300	1.1%	12.6%	4.7%	3.7%	23.6%
Macalester-Groveland	14	355,400	360,600	361,450	407,300	417,100	437,800	0.3%	12.7%	2.4%	5.0%	21.4%
Highland	15	350,000	353,900	359,900	397,800	412,500	435,100	1.7%	10.5%	3.7%	5.5%	22.9%
Summit Hill	16	462,500	474,550	490,750	542,100	569,650	607,750	3.4%	10.5%	5.1%	6.7%	28.1%
Downtown	17	459,600	459,800	460,000	554,900	590,000	618,500	0.0%	20.6%	6.3%	4.8%	34.5%
Airport	20											
Suburbs		272,000	283,700	294,600	340,800	354,200	366,200	3.8%	15.8%	3.9%	3.4%	29.1%
City of St. Paul		200,600	215,700	228,700	266,300	267,300	275,300	6.0%	16.4%	0.4%	3.0%	27.6%
Countywide		244,700	256,700	266,400	306,400	317,500	329,700	3.8%	15.1%	3.6%	3.8%	28.4%

Comparison of St Paul Estimated & Taxable Market Values



2024 Assessment

Aggregate changes in 2024 assessed value by property class

	Overall	Residential	Commercial	Industrial	Apartments
City of Saint Paul	+1.27%	+3.86%	-1.52%	-2.37%	-4.46%
Suburban Ramsey	+2.79%	+4.45%	+1.26%	-0.72%	-3.38%
Countywide	+2.06%	+4.18%	-0.00%	-1.39%	-4.03%

New development sets the stage for continued growth



The Heights:

- Road and utility work underway, will ultimately include 1,000 housing units, and many light industrial projects to employ several hundred people.

Highland Bridge:

- Several projects completed including the Marvella, the Collection, the Lumin, medical office and many rowhomes.

Other Future Redevelopment:

- The Park at Riversedge

2024 Market Summary

- Ramsey County aggregate estimated market value at an all-time high at \$75 billion.
- **Steady growth in the residential market continues** due to low supply and strong demand. However, housing affordability continues to be problematic.
- Development continues, driven by several large projects in the county.
- **Local economic outlook** remains solid for most real estate segments:
 - **Industrial** market remains strong, helped by strong consumer demand, and low unemployment.
 - **Apartment** market continues to show signs of stabilizing, after many years of record growth.
 - **Retail** market exhibits surprising strength, despite popularity of e-commerce. Locally and nationally, this market has benefitted from limited new construction.
 - **Office** market continues to adjust to the hybrid work model. Conversions to residential could play a role in stabilizing this market. Especially in the CBD.

Seven Myths About Property Taxes

1. **Property taxes always go up**
2. **Market value increases generate more revenue**
3. **Property taxes paid are directly tied to services received**
4. **Property taxes are based on ability to pay**
5. **There is a limit on how much property taxes on a given property can go up in a year**
6. **Local taxing authorities have more than a marginal ability to change property taxes**
7. **Property taxes for homes are high in Minnesota relative to other states**

Legislative Changes

Payable 2025 and Thereafter

- **Change to Low Income Rate**
 - Class 4d becomes 4d(1) – The classification is changed from a two-tiered formula to a single tier at a classification rate of 0.25%. Effective for taxes payable in 2025 and thereafter. Laws of MN 2023, Chapter 64, Article 3, Section 15 and Section 18. Previously the 1st tier had a class rate of 0.75% and the 2nd tier had a class rate of 0.25% - now all at 0.25% starting in Pay 2025.
- **Change in Homestead Market Value Exclusion Calculation – Minnesota Statute 273.13**
 - The exclusion is equal to 40% of the 1st \$95,000 (was \$76,000) minus 9% of the value between \$95,000 to \$517,200 (was \$76,000 to \$413,800). For a homestead valued at \$517,200 or more (was \$413,800), there is no valuation exclusion.

Fiscal Disparity Contribution

COUNTY	PAYABLE 2024 INITIAL CONTRIBUTION	PAYABLE 2025 INITIAL CONTRIBUTION	DIFFERENCE	% CHG
ANOKA	\$45,132,162	\$54,487,872	\$9,355,710	20.730%
CARVER	\$14,349,642	\$15,673,128	\$1,323,486	9.223%
DAKOTA	\$68,008,357	\$76,715,576	\$8,707,219	12.803%
HENNEPIN	\$290,813,719	\$308,976,370	\$18,162,651	6.245%
RAMSEY	\$82,561,873	\$89,876,867	\$7,314,994	8.860%
SCOTT	\$26,133,886	\$31,619,594	\$5,485,708	20.991%
WASHINGTON	\$36,834,054	\$43,551,229	\$6,717,175	18.236%
TOTAL	\$563,833,693	\$620,900,636	\$57,066,943	10.121%

Fiscal Disparity Program shares the taxes on a portion of commercial-industrial value growth throughout the seven-county metro area.

Fiscal Disparity Distribution Levy

Taxing Authority	Payable 2024 FD Distribution Dollars	Payable 2025 FD Distribution Dollars	\$ Change from Payable 2024	% Change from Payable 2024
RAMSEY COUNTY	50,862,194	56,892,378	6,030,184	11.9%
CITY of ST. PAUL	38,494,072	40,573,652	2,079,580	5.4%
ST. PAUL SCHOOL DIST.	37,292,253	39,859,252	2,566,999	6.9%

Fiscal Disparity Program shares the taxes on a portion of commercial-industrial value growth throughout the seven-county metro area.

Estimated % Change in 2025 Property Taxes: by St. Paul Planning District on a Residential Property

Assessment Year: For Taxes Payable In:	Median Estimated Home Market Values		
	2023 2024	2024 2025	% Change From '24 - '25
Planning District			
1. Sunray/Battlecreek/Highwood	271,500	283,800	4.5%
2. Greater East Side	242,600	246,400	1.6%
3. West Side	233,750	245,000	4.8%
4. Dayton's Bluff	220,200	224,600	2.0%
5. Payne/Phalen	226,400	229,800	1.5%
6. North End	207,700	219,350	5.6%
7. Thomas Dale	207,800	217,300	4.6%
8. Summit/University	293,700	298,250	1.5%
9. West Seventh	250,150	261,100	4.4%
10. Como	303,550	311,900	2.8%
11. Hamline/Midway	251,400	264,450	5.2%
12. St. Anthony Park	377,600	396,500	5.0%
13. Union Park	400,550	416,600	4.0%
14. Macalester/Groveland	413,100	432,700	4.7%
15. Highland	399,000	420,300	5.3%
16. Summit Hill	489,200	502,500	2.7%
17. Downtown	183,350	181,800	-0.8%

Final Payable 2024 Rate	Estimated Payable 2025 Rate	Tax Change		
P2024 Final Taxes	P2025 Estimated Taxes	\$ Change From '24 - '25	% Change From '24 - '25	Special Property Tax Refund
134.440%	142.259%			
0.16094%	0.15906%			
\$3,910	\$4,190	\$280	7.2%	\$ -
3,440	3,550	110	3.2%	\$ -
3,296	3,526	230	7.0%	\$ -
3,077	3,178	101	3.3%	\$ -
3,177	3,266	89	2.8%	\$ -
2,874	3,087	213	7.4%	\$ -
2,875	3,053	178	6.2%	\$ -
4,270	4,436	166	3.9%	\$ -
3,563	3,801	238	6.7%	\$ -
4,430	4,670	240	5.4%	\$ -
3,583	3,859	276	7.7%	\$ -
5,633	6,116	483	8.6%	\$ -
6,007	6,460	453	7.5%	\$ -
6,209	6,736	527	8.5%	\$ -
5,981	6,524	543	9.1%	\$ -
7,355	7,934	579	7.9%	\$ -
2,478	2,446	-32	-1.3%	\$ -

*Notes: Tax rates and taxes will be slightly higher for the small portion of the City located in the Ramsey/Washington Metro Watershed District.

Assumptions:	2024 Levy	2025 Levy	Levy Change	% Change
County Levy	\$ 378,034,547	\$ 395,960,717	\$ 17,926,170	4.7%
City Levy	208,497,445	224,968,743	16,471,298	7.9%
ISD 625 Levy	204,632,457	204,632,457	-	0.0%
Regional Rail Authority Levy	34,167,111	36,219,703	2,052,592	6.0%
St. Paul HRA	6,294,694	6,294,694	-	0.0%
County HRA Levy	\$ 12,819,564	\$ 13,585,104	\$ 765,540	6.0%

Factors Affecting Payable 2025 St. Paul Property Taxes: Median Value Single Family Home

Factors	Amount	
Final Payable 2024 Total Tax (\$267,400 EMV Home)	\$ 3,848	
Gain of Fiscal Disparity	\$ (83)	Change that will appear on Proposed Notice
Change in Homestead Exclusion Benefit	(116)	
Other Shifts	204	
Total Increase Due to Tax Shifts	\$ 5	
County Levy	\$ 59	\$ 44
Regional Rail Levy	7	4
School District Levy	-	13
City Levy	122	133
Other Special Taxing Districts Levy	3	2
Total Increase Due To Changes in Levy	\$ 191	\$ 196
		Perc Change
Estimated Payable 2025 Total Tax (\$275,300 EMV Home)	\$ 4,044	5.1%

Assumptions:	2024 Levy	2025 Levy	Levy Change	% Change
County Levy	\$ 378,034,546	\$ 395,960,717	\$ 17,926,171	4.7%
St Paul Levy	208,497,445	224,968,743	16,471,298	7.9%
ISD 625 Levy	204,632,457	204,632,457	-	0.0%
Regional Rail Authority Levy	34,167,111	36,219,703	2,052,592	6.0%
County HRA Levy	12,819,564	13,585,104	765,540	6.0%
St. Paul HRA Levy	\$ 6,294,694	\$ 6,294,694	\$ -	0.0%

Factors Affecting Payable 2025 St. Paul Property Taxes: Median Value Apartment

Factors	Amount
Final Payable 2024 Total Tax (\$1,144,800 EMV Apartment)	\$ 21,081
Gain of Fiscal Disparity	\$ (411)
Other Shifts	(1,543)
Total Decrease Due to Tax Shifts	\$ (1,954)
County Levy	\$ 307
Regional Rail Levy	36
School District Levy	-
City Levy	623
Other Special Taxing Districts Levy	13
Total Increase Due To Changes in Levy	\$ 979
Estimated Payable 2025 Total Tax (\$1,037,800 EMV Apartment)	\$ 20,106

Change that will appear on Proposed Notice
\$ (315)
(29)
(574)
49
(106)
\$ (975)
Perc Change
-4.6%

<u>Assumptions:</u>	2024 Levy	2025 Levy	Levy Change	% Change
County Levy	\$ 378,034,546	\$ 395,960,717	\$ 17,926,171	4.7%
St Paul Levy	208,497,445	224,968,743	16,471,298	7.9%
ISD 625 Levy	204,632,457	204,632,457	-	0.0%
Regional Rail Authority Levy	34,167,111	36,219,703	2,052,592	6.0%
County HRA Levy	12,819,564	13,585,104	765,540	6.0%
St. Paul HRA Levy	6,294,694	6,294,694	-	0.0%

Factors Affecting Payable 2025 St. Paul Property Taxes: Median Value Commercial

Factors	Amount	
Final Payable 2024 Total Tax (\$606,650 Commercial Property)	\$ 18,561	
Gain of Fiscal Disparity	\$ (232)	
Other Shifts	64	
Total Decrease Due to Tax Shifts	\$ (168)	
County Levy	\$ 174	\$ (133)
Regional Rail Levy	20	(12)
School District Levy	-	(203)
City Levy	351	79
Other Special Taxing Districts Levy	8	(50)
Fiscal Disparity Tax	-	676
State Business Tax	-	27
Total Increase Due To Changes in Levy	\$ 553	\$ 384
Estimated Payable 2025 Total Tax (\$600,400 Commercial)	\$ 18,946	Perc Change 2.1%

Assumptions:	2024 Levy		2025 Levy		Levy Change	% Change
County Levy	\$	378,034,546	\$	395,960,717	\$ 17,926,171	4.7%
St Paul Levy		208,497,445		224,968,743	16,471,298	7.9%
ISD 625 Levy		204,632,457		204,632,457	-	0.0%
Regional Rail Authority Levy		34,167,111		36,219,703	2,052,592	6.0%
County HRA Levy		12,819,564		13,585,104	765,540	6.0%
St. Paul HRA Levy	\$	6,294,694	\$	6,294,694	\$ -	0.0%

Ramsey County Important Dates

By September 30	City, County and School District certify proposed maximum tax levy.
By October 1	Joint Property Tax Advisory Committee recommends overall property tax levy level to City, County and School District.
After November 10 but on or before November 24	Truth in Taxation Notices mailed (Expected mail date on or about November 11)
After November 24 but before December 28	Separate public hearings for the County, Cities, Schools, and Met Council.
By December 30 (On or before 5 working days after December 20)	Final Levy Certification for upcoming year due from all Taxing Authorities.

**Additional information is available on
Ramsey County's website:**

ramseycounty.us/budget

ramseycounty.us/2024AssessorsReport



Appendix – Additional Information

Glossary

Added Improvements (AI) – This is the assessor's estimate of the value of new or recently identified improvements made to a property in the last year.

Assessment – The assessor's estimated market value as of January 2nd of the assessment year.

Estimated Market Value (EMV) – The value determined by the assessor as the price the property would likely sell for on the open market. State law requires assessors to value property at 100 percent of market value as of January 2nd of the current assessment year.

Median Value – Median value is the center value of an ordered set of data. For example, in a set of five properties valued at \$300,000, \$350,000, \$400,000, \$550,000, and \$600,000, the median value would be \$400,000, and the average value would be \$440,000. When reviewing a neighborhood's property values, the median value is usually a better reflection of a typical property value, since it is less affected by a few high value or low value properties in the sample set.

Property Classification – The statutory classification that has been assigned to your property based upon your use of the property. A change in classification of your property can have a significant impact on the real estate tax payable. (M.S. 273.13 - classification of property).

Glossary cont.

Residential property – Residential property as defined by the assessor's office includes: single-family, duplex, triplex, condo and townhome type dwellings.

Single-Family property – Single-family property as defined by the assessor's office includes: single unit and twin home type dwellings.

Estimated 2025 Property Tax Impact: Selected Saint Paul Homes

	Payable 2023 Tax Year	% Change '22 to '23	Payable 2024 Tax Year	% Change '23 to '24
Property: 1971 Hawthorne				
Estimated Market Value:	\$220,500	13.3%	\$240,700	9.2%
Taxable Market Value:	\$203,100	16.6%	\$225,100	10.8%
Total Net Tax	\$3,139	20.4%	\$3,412	8.7%

Estimated Payable 2025 Tax Year	Dollar Change '24 to Est '25	% Change '24 to Est '25
\$220,600	-\$20,100	-8.4%
\$193,900	-\$31,200	-13.9%
\$3,108	-\$304	-8.9%

Property: 1298 Sherburne				
Estimated Market Value:	\$209,800	1.9%	\$196,400	-6.4%
Taxable Market Value:	\$191,400	2.4%	\$176,800	-7.6%
Total Net Tax	\$2,963	2.8%	\$2,692	-9.1%

\$197,200	\$800	0.4%
\$168,400	-\$8,400	-4.8%
\$2,709	\$17	0.6%

Property: 1361 Highland				
Estimated Market Value:	\$328,100	5.3%	\$373,400	13.8%
Taxable Market Value:	\$320,400	6.0%	\$369,800	15.4%
Total Net Tax	\$4,924	10.0%	\$5,572	13.2%

\$384,000	\$10,600	2.8%
\$372,000	\$2,200	0.6%
\$5,903	\$331	5.9%

Property: 2194 Princeton				
Estimated Market Value:	\$640,900	-2.0%	\$695,400	8.5%
Taxable Market Value:	\$640,900	-2.0%	\$695,400	8.5%
Total Net Tax	\$10,306	1.3%	\$11,126	8.0%

\$685,400	-\$10,000	-1.4%
\$685,400	-\$10,000	-1.4%
\$11,501	\$375	3.4%

Property: 768 Summit				
Estimated Market Value:	\$927,500	-1.7%	\$946,100	2.0%
Taxable Market Value:	\$927,500	-1.7%	\$946,100	2.0%
Total Net Tax	\$15,682	1.8%	\$15,740	0.4%

\$970,000	\$23,900	2.5%
\$970,000	\$23,900	2.5%
\$17,013	\$1,273	8.1%

Assumptions:	2024 Levy	Proposed 2025 Levy	Levy Change	% Change
County Levy	\$ 378,034,547	\$ 395,960,717	\$ 17,926,170	4.7%
City Levy	208,497,445	224,968,743	16,471,298	7.9%
ISD 625 Levy	204,632,457	204,632,457	-	0.0%
Regional Rail Authority Levy	34,167,111	36,219,703	2,052,592	6.0%
County HRA	12,819,564	13,585,104	765,540	6.0%
St. Paul HRA	6,294,694	6,294,694	-	0.0%

Estimated 2025 Property Tax Impact: Selected Commercial Properties

	Payable 2023 Tax Year	% Change '22 to '23	Payable 2024 Tax Year	% Change '23 to '24	Estimated Payable 2025 Tax Year	Dollar Change '24 to Est '25	% Change '24 to Est '25
<u>Property: Mama's Pizza, Rice Street</u>							
Estimated Market Value:	\$335,200	7.1%	\$419,000	25.0%	\$416,200	-\$2,800	-0.7%
Taxable Market Value:	\$335,200	7.1%	\$419,000	25.0%	\$416,200	-\$2,800	-0.7%
Total Net Tax	\$6,493	1.5%	\$8,347	28.6%	\$8,614	\$267	3.2%
<u>Property: St. Patrick's Guild, Randolph Ave.</u>							
Estimated Market Value:	\$486,400	3.0%	\$486,400	0.0%	\$492,600	\$6,200	1.3%
Taxable Market Value:	\$486,400	3.0%	\$486,400	0.0%	\$492,600	\$6,200	1.3%
Total Net Tax	\$15,211	-1.9%	\$14,516	-4.6%	\$15,224	\$708	4.9%
<u>Property: Hoa Bien Restaurant, University</u>							
Estimated Market Value:	\$1,668,300	-1.7%	\$1,573,400	-5.7%	\$1,556,000	-\$17,400	-1.1%
Taxable Market Value:	\$1,668,300	-1.7%	\$1,573,400	-5.7%	\$1,556,000	-\$17,400	-1.1%
Total Net Tax	\$57,056	-5.7%	\$51,113	-10.4%	\$52,236	\$1,123	2.2%
<u>Property: US Bank Place, 5th St</u>							
Estimated Market Value:	\$21,702,800	-8.9%	\$21,702,800	0.0%	\$19,967,000	-\$1,735,800	-8.0%
Taxable Market Value:	\$21,702,800	-8.9%	\$21,702,800	0.0%	\$19,967,000	-\$1,735,800	-8.0%
Total Net Tax	\$766,361	-12.3%	\$728,844	-4.9%	\$693,032	-\$35,812	-4.9%

Assumptions:	Proposed 2025			
	2024 Levy	Levy	Levy Change	% Change
County Levy	\$ 378,034,547	\$ 395,960,717	\$ 17,926,170	4.7%
City Levy	208,497,445	224,968,743	16,471,298	7.9%
ISD 625 Levy	204,632,457	204,632,457	-	0.0%
Regional Rail Authority Levy	34,167,111	36,219,703	2,052,592	6.0%
County HRA	12,819,564	13,585,104	765,540	6.0%
St. Paul HRA	6,294,694	6,294,694	-	0.0%