

HOUSTON COUNTY MESSAGE FROM THE HOUSTON COUNTY ASSESSOR

LAND VALUE CHANGES FOR 2025

Many areas in Houston County will see changes in land values for 2025. With the record high sale prices of property over the last few years, the value of properties have changed significantly. This has resulted in property values increasing rapidly to keep up with the market.

The job of the Houston County Assessor's Office is to track and monitor the sales of properties in the county and then adjust values to represent what properties are selling for. The amount the property values need to be adjusted is determined by what buyers and sellers are asking and paying for properties. The regulations for adjusting values are enforced by the Minnesota Department of Revenue. Not only does Houston County monitor sales, but the Minnesota Department of Revenue does as well. They require that all county assessors adjust values to be within a percentage of what properties are selling for. The range the state allows is 90% to 105%. This percentage is calculated by dividing the assessor's estimated market value of a property that sold by the actual sale price of that property. This is called a sales ratio. The assessor's office separates most sales by cities and townships, except commercial sales that are analyzed county wide, due to a lack of annual sales data. Using the sales from each area a sales ratio is calculated. The state requires that the median sales ratio be used for each area. If this ratio does not fall within the states required 90% to 105% an adjustment to value must be made.

The assessor's office does not calculate or determine taxes or tax amounts. Only the value and classification of properties are calculated by the assessor, following the Minnesota Department of Revenue's rules and regulations. Most people think raising or lowering property values will increase or decrease revenue for the county. The only way to increase or decrease revenue for the county is to increase or decrease levy amounts. The value of a property is only used to determine the percentage each property pays for those levies. Minnesota's valuation system is designed with the goal that each property be valued at its estimated market value, based on sales in the market, resulting in a fair assessment and taxation of each property.

This year the assessor's office discovered, while going through sales in the county, that land values for both cities and rural home sites were causing ratios to fall below the mandated 90% minimum ratio. Because of this, land value adjustments needed to be made. Some land in cities and for rural home sites had not been adjusted for many years, causing that land to be significantly undervalued. Most cities will notice that the majority of lot values are increasing for the 2025 valuation. In the rural areas, home site values will increase from \$40,000 in 2024 to \$50,000 for 2025. Values for additional building site acreage also will increase from \$3,000 per acre in 2024 to \$7,000 per acre for 2025.

Additional land and building changes were also needed to meet the minimum ratio requirements in certain areas, listed below:

Land Decreases

Tillable Land -3% to -5%

Land Increases

Woods +\$400/ acre

Pasture+\$500/acre

RIM Land +\$200/ acre

Perpetual Easement Land +\$200/

acre

Native Prairie Land +\$2,000/ acre

Wetlands +\$1,200/ acre

Quarry Site +\$15,000/ site

Quarry Acres +\$3,500/ acre

Commercial Site +\$10,000/ site

Commercial Excess Site +\$2000/

acre

Commercial HWY44 Front Foot,

(Caledonia) +\$400/ Front Foot

Average Additional Building &

House Increases Due to Sales

La Crescent Township +20%

Spring Grove Commercial +20%

Mound Prairie Township, (not Valley

High) +30%

Mound Prairie Valley High +10%

Hokah City +30%

Most Other Townships +5% to

15%

Most Cities+\$5% to 15%

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