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'B' as in billion: St. Louis County's 2021 property values soar

A new report from St. Louis County shows steady appreciation in residential and vacation homes — a major part of \$1 billion gained in the county's estimated market value.

Written By: **Brady Slater** | 1:33 pm, May 3, 2021

A new home is under construction at 3023 52nd Ave. E. seen Saturday, May 1, 2021, in Duluth. Property values in St. Louis County increased by \$1 billion in 2021 over the previous year. Residential and recreational properties drove the increase — an appreciation of housing stock throughout the county to go along with \$152 million in new construction. (Clint Austin / caustin@duluthnews.com)

One billion dollars, with a “B.” That's how much the estimated market value of taxable properties in St. Louis County rose in 2021.

Collective values soared to \$19.4 billion in 2021, up from \$18.4 billion in 2020 — driven by appreciation in residential and seasonal recreational properties, along with \$152 million in new construction.

“It is a large number, and the majority of it is residential,” said Mary Garness, St. Louis County director of public records and property valuation. “What I’m hearing from our appraisers is that the real estate market continues to be very busy, and prices continue to appreciate in terms of what we’re seeing in sales prices.”

The county has started mailing out annual valuation and classification notices to all property owners. The notices provide information on estimated market valuation for approximately 150,000 total taxable parcels in the county.

Since the notices are sent out in waves, some residents likely have theirs, while others will be receiving notices in the mail in the coming weeks.

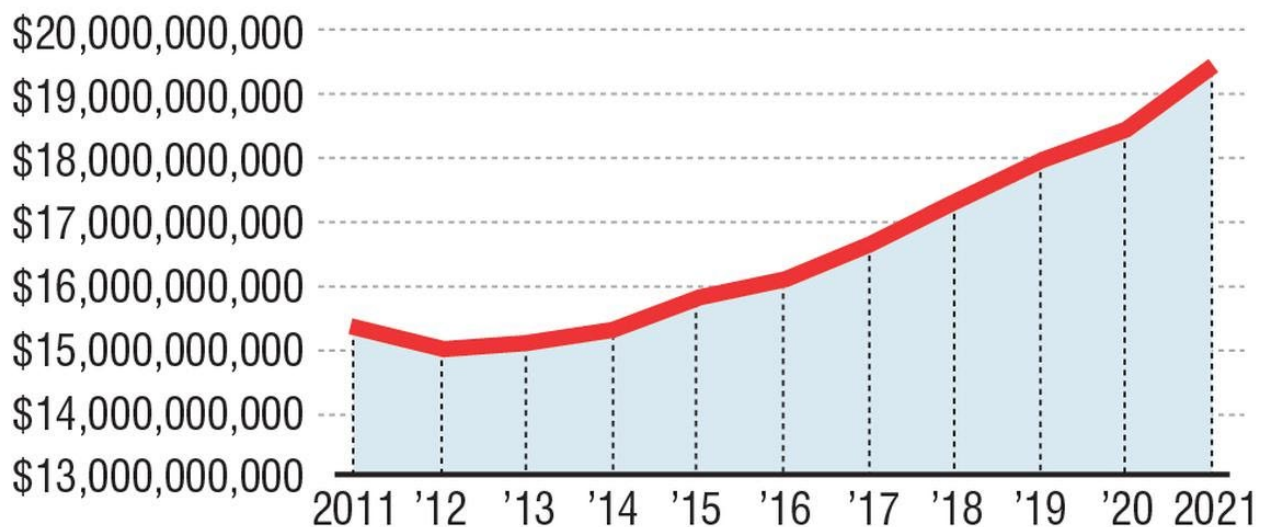
The estimated market value of \$19.4 billion is \$4.5 billion above the most recent low point in the real estate cycle in 2012, when the figure dipped below \$15 billion.

The city of Duluth's estimated market value came in at \$7.6 billion, a \$400 million increase over \$7.2 billion in 2020, according to the county's full 2021 assessment report.

The \$1 billion countywide increase features \$751 million in residential and seasonal housing increases, followed by \$95 million in commercial and industrial properties, to go with the aforementioned \$152 million in new construction.

“New construction is what you’d consider real growth, because it’s new value for the county,” Garness said. “There’s a lot of residential appreciation, and the new construction does help cushion any new tax impact and increase from taxing jurisdictions.”

Total estimated market value growth



SOURCE: St. Louis County 2021 Assessment Report

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It’s too soon to know how estimated market values translate when it comes to property taxes. Jurisdictions will use the values as the basis for calculating taxes payable in 2022. Budget and tax levies are set for the county, cities, school districts and any special taxing districts in the fall.

Residential housing appreciation in the county is well-supported, said Garness, who described over 2,700 home sales throughout the county in a one-year period, ending in September 2020 — all statistical data used as a basis for making the valuations.

“There’s really strong data to support the value changes,” she said. “We continue to see things go on that trend as we move into 2021.”

Many homeowners will see an increase in the estimated market value of their property. The estimated market value is the estimate of what the property would sell for if offered for sale.

A number of factors have led to the rising prices of the county’s homes, including low interest rates, soaring demand in a tight residential real estate market, and “possibly the fact that individuals were able to work from home (during the pandemic), people were able to move to northern Minnesota,” Garness said.

It makes for a double-edged sword: good for homeowners, but harder for some people to get into the market.

“At some point we’re going to hit the top of this, but we haven’t hit the top yet,” Garness said, describing a housing bubble. “If you’re hanging onto a property for awhile and don’t plan to sell, you’re in a good situation.”

The county encourages property owners to review their valuation notices closely and contact the County Assessor's Office directly with questions.

County-wide estimated market value, 2016-2021

	2016	2017	2018	2019	2020	2021
Total county EMV	\$16,028,591,512	\$16,606,063,162	\$17,315,658,000	17,934,559,340	\$18,449,168,400	\$19,449,254,300
\$ change in EMV	\$253,388,712	\$577,471,650	\$709,594,838	\$618,901,340	\$514,609,060	\$1,000,085,900
%change in total county EMV	1.61%	3.60%	4.27%	3.57%	2.87%	5.42%
Total county new construction	\$144,884,299	\$171,778,508	\$134,938,788	\$160,381,367	\$155,861,116	\$152,828,592

SOURCE: St. Louis County 2021 Assessment Report

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The office reviews concerns and can provide an explanation of how the valuation amount was determined based on parcel records, local sales activity and general market trends.

"We really want to help people through the process," Garness said. "And the appeals process is there for everybody if they're still not happy with their evaluation."

Due to ever-changing restrictions and precautions surrounding COVID-19, Local Board of Appeal and Equalization meetings may be held differently again this year. The schedule and latest information can be found on the county's website at stlouiscountymn.gov/assessor.

This story was updated at 1:33 p.m. May 3 to correct the September 2020 end date for home sales to be used in 2021 evaluations. It was originally posted at 4:10 p.m. May 2.