

May 6, 2021

To: St. Louis County Assessor  
100 N 5th Ave. W - #212  
Duluth MN 55802-1291

[www.stlouiscountymn.gov](http://www.stlouiscountymn.gov)

Attn: Steve Birman

Attached are the photos you requested for the kitchen, 2.5 baths, main living room (which we use as our dining room), family room (which we use as our living room) and basement/lower level.

Please know that you are invited to walk the property and make an on site visit. Both of us have been vaccinated for Covid. However we understand that you have chosen not to and prefer we send you the photos.

**Description and use of property and condition:** We purchased the property at 921 Timberline Lane, Duluth, MN 55811 in September 2017 and moved in on February 8, 2018, the date we homesteaded. The lot measures 100 x 170 ft. and by our understanding includes 20 foot utility easements on both the north and west sides of the property. The house was built in 1987. The last known improvements or renovations were done in 2012. There is an 10 x 12 ft. shed in the back yard that shows its age. There is a tuck-under two car garage within the footprint of the house.

Since Vince Seaman toured the inside and walked and measured the property two years ago, we removed trees and had the exterior of the house and shed (both have wood siding) painted. We encourage you to review Vince's reports of our property from his visit. There have been no changes or upgrades to the exterior or interior. The bath cabinets in the 2.5 baths remain the originals (painted), the kitchen cabinets are the originals except for one new cabinet installed above the microwave by the sellers in about 2012, and the kitchen counters and appliances are those replaced by the sellers also in about 2012. The guest bath has a single sink and original tub/shower unit. The master bath has a double sink and walk in shower installed by the sellers. The half bath has a single sink and toilet. The attached small sun room on the north side is not insulated or heated.

Vince Seaman informed us that homes in the Ponderosa Circle area, next to ours, are in a different, more expensive appraisal neighborhood and thus, we could not compare our home to any of those (even though 2139 Ponderosa Circle, which has steel siding and a 3 car garage, sold for \$444,000 September 18, 2018, has an extra partial lot, and has a lower taxable value and annual tax payment than we do).

Although the St Louis County literature states that valuations should be done by a real estate appraiser, it seems the County defaults to sales prices as market value prices via realtor reporting mechanisms if a property has sold. This makes evaluating a neighboring property difficult if the property has not sold in recent years. Thus, one must rely on the County's parcel information, which may not accurately state numbers of rooms, square footage, etc. Consequently, we would like to know what factors were taken into account by the Assessors Office that resulted in the year **2022 TMV** for our property to be appraised at **\$460,700** which is **\$96,000** or **27%** more than our 2021 TMV.

Two homes have sold on Timberline for less than what we paid when we bought in Sept 2017:

- 1023 Timberline Lane sold February 1, 2019 for \$322,000
- 920 Timberline Lane sold July 23, 2019 for \$355,000.

Homes on neighboring streets (West Morgan and Redbud which we understand were more appropriately designated as part of our appraisal neighborhood) also have sold for less than what we paid (\$400,000). We can provide this sales information for your convenience should you be interested for details we obtained via a realtor.

Homes on Timberline are difficult to compare as the developer did not want any two floor plans to be the same; thus each house appears significantly different in our neighborhood.

**IF** sales prices are a factor in determining the value of our property, shouldn't the fact that 2 homes on Timberline which have sold for less than what we paid (as well as sales on Redbud and West Morgan) lower our value rather than raise it?

The 27% increase in our taxable or estimated market value for 2022 far exceeds the Median or Average increase in values and seems not to reflect the the lower sales prices of the above two homes that recently sold on Timberline Lane.

Please take into consideration that the Taxable Market Value (TMV) of our property was assessed at **\$386,661** in **2018**, **\$386,552** in **2019**, and after the assessor office's appraiser (Vince) personally visited the property to inspect and measure the interior and exterior of the property in 2019, the assessed TMV was reduced to **\$363,880** for **2020**. He seemed to agree that our purchase of this property for \$400,000 in September of 2017 was a bit overpriced for this property at that time. We agreed that we may have paid too much.

According to page seven of the **Lake Superior Area Realtors, Inc. (LSAR)** — [www.lsarealtors.com](http://www.lsarealtors.com) — the month of March 2021 resulted in an increase in **Median Sales Price of 13.5%** from the previous year's March sales. This should be viewed as just a snapshot for one month, not a long term trend. The average **Median Sales Price** over the year (**\$197,376**) increased by **12.8%**. Page eight shows the month of March 2021 increasing 8.7% while the last 12 mos. **Average Sales Price** ending in March (**\$229,199**) increased of

**13.2%**. This is much less than the 27% increase in our assessment.

Percentage changes in home values typically vary differently for differently priced homes. Homes close to our **\$363,880** appraised Taxable Market Value change differently than **\$197,376** valued properties or **\$229,199** valued properties depending on the market at any segment of time.

We were told by a real estate neighbor that the lower priced homes below \$250,000 had greater demand in Duluth and had higher percentage increases in value than the higher priced \$400,000+ valued homes. Given that lower priced homes are more affordable, it is understandable that they would increase in value more than higher priced homes because of income and bidding wars between buyers. Unfortunately, we do not have metrics to show what changes in value the higher valued homes had compared to lower priced homes. We would appreciate receiving information from the Assessor's Office that shows the percentage increase for higher priced homes.

According to the Area Overview on page 13 of the March 2021 LSAR, higher priced homes above \$327,500 have actually gone down YTD by 29% in Hermantown and 32.8% in Esko using Median Sales Price metrics.

According to the limited statistics available to us, we do not believe a 27% increase is justified after just one year when the Average and even Median home prices have gone up by much less over the year. According to page 5 of the **St. Louis County 2021 Assessment Report, County-Wide Residential EMV**, our calculations show an increase of **5.26%** for 2021.

Page 9 the **City of Duluth (RES quintile)** showed an **11%** increase in the **County-Wide 2021 Reassessment Summary**. We don't know if that 11% is indicative of the homes priced similar in our Upper Duluth Heights Area or not. Curiously, according to page 13 for the City of Duluth 2021 Reassessment Areas, our area is not even included as one of the 2021 Reassessment Areas, and yet the County is proposing a 27% increase to our valuation. Please explain this anomaly.

We understand that statistics can be interpreted in many ways depending on one's perspective. However, based on what we have found, read, and shown above so far, we cannot understand how \$96,000 or the 27% increase in our TMV for 2022 can be justified.

Vince Seaman mentioned we didn't need an inspection from the County's Appraiser during this assessment period because he already did the onsite inspection in the spring or summer of 2019. He had our property assessed lower to the \$363,880 value. We do not understand how a 27% increase can be justified when we have made no improvements to our property since his visit. Increasing our assessment by 5.26% seems more reasonable in light of the evidence provided in this email.

To make the property owner responsible to present market and/or FACTUAL evidence to the County Assessor's Office in order to disprove the assessment and support a value or classification that is different from that opined by the Assessor places an undue and virtually impossible burden on the property owner. The County's information, criteria and metrics used for their assessments is not transparent or easily available. We, as owners, are not provided with what specifically is considered in the valuation —e.g., total number of rooms, rooms that are more critical to the assessment, what features of the property and neighborhood boundaries get considered (siding, lots and lot size, size of garage, house footprint and perimeter, number or stories, updates, curb appeal, etc.).

In addition, the square footage reflected on the County's website may be incorrect and the sources of that information is unknown. The owner must spend hours "digging" for available information and trust that the website information is current and reliable despite "disclaimers of reliability" statements on their websites.

Because the County knows the basis for its assessment values, it should be upon the County to first disclose to the owner how the calculation was arrived at so the owner has some foundation on which to dispute results rather than the owner having to guess what might have been considered in the valuation. Absent an assessor performing an on site visit, and even then, one wonders how much of a valuation is subjective, guesswork, or objective in nature. Assumptions are made when an assessor only views a property from the street or never views a property. Those assumptions may differ greatly from the actual condition of the property.

We look forward to working with you and learning of your proposed adjustments. If you need any other information or change your mind about an on site visit, please do not hesitate to contact us.

Please note that we will send a copy of the St. Louis County 2021 Assessment Report via a separate email.

Sincerely,

Martin J. & Dorothy M. Huotari  
921 Timberline Lane  
Duluth, MN 55811

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██████████ Martin

or

██████████ Dorothy

















