

## Appraisals find neighborhoods of Shelby County homes in decline

### Values hard to calculate as numbers dissipating swell

By Alex Doniach

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Orneil McCollins points to the wild animals as markers of the decline in her South Memphis neighborhood.

Where families once filled homes on Latham Avenue, near South Parkway and Third Street, raccoons, chickens, dogs and even snakes roam freely through the overgrown foliage and vacant lots that surround the two-story home where McCollin's has lived since 1984.

Although the siding is peeling, McCollins, 73, said she's tried to maintain the family's home built in 1945; the porch adorned with potted peace lilies and her grandchildren's toys. But the neighborhood's decline has affected the value of her home as indicated by the 2009 reappraisal. Shelby County dropped the taxable value from \$39,300 to \$34,000.

McCollin's neighborhood, Memphis ZIP code 38106, encompasses the largest concentration of Shelby County's least expensive and deteriorating homes, according to an analysis of 2009 reappraisal data from the Shelby County Assessor's office.

Sixty-year-old houses built on slivers of property (McCollins' lot is 35 by 100 feet) characterize the area's housing stock, much of it vacant or for-rent by absentee landlords. Foreclosures and tax sales also dominate the housing market and, in the last two years, McCollins' neighborhood has seen three sales compared with 24 foreclosures.

The newspaper's analysis also shows that while the median value of these homes has fallen, their numbers have swelled.

Out of the county's approximately 304,000 residential houses, about 27,110 are valued at less than \$40,000 -- about 3,000 more than on the 2008 tax rolls. The median value of homes countywide is about \$111,000.

And nearly all of the least expensive homes are located in Memphis, clustered in ZIP codes that include 38106 and 38114 in South Memphis and 38108 in North Memphis.

Livability and condition of the property varies wildly and these homes, with their older wooden frames, have a tendency to burn, officials say.

In prior reappraisals, the assessor has weathered criticism for inflating the values of these small and inexpensive properties, while undervaluing the appraisals of million-dollar mansions.

That has led to class-action lawsuits filed on behalf of low-income property owners.

But Assessor Cheyenne Johnson said years of fine-tuning the computerized mass reappraisal process has weeded out many of those errors -- lopping thousands of dollars off falsely-high values.

This year's reappraisal data -- released earlier this Spring -- reflects those changes as the homes valued at \$40,000 or less have depreciated by about 10 percent, on average, since the last reappraisal in 2005.

But the adjustments have not appeased every taxpayer.

Mary Norman, 62, has requested a revision of the \$29,700 tax appraisal on her North Memphis home, near N. Hollywood and Chelsea, which dropped by only \$1,400 since the 2005 reappraisal.

Norman said she's charted the decline of her North Memphis neighborhood as younger people, jobs and social services have left the area. Her street became an unofficial dump until she wrangled the city of Memphis to close it off.

She's asked the assessor to cut another \$15,000.

"Let's be realistic," she said. "Because of the area and all the vacant lots and all the rundown houses up for demolishing, I doubt if I were to sell, I would get one penny over \$15,000."

Johnson said putting a value on these lower-end homes is difficult because there are fewer reliable home sales upon which to base appraisals.

Johnson said her office changed the way it appraises low end homes, beginning in 2001, and now relies more heavily on alternative methods, including site visits to those worth less than \$70,000.

Because of the changeable nature of these properties -- homes burn, get torn down, become vacant -- they are also the last inspected.

"We realize the conditions in those neighborhoods can change so drastically in a six-month period that we want to capture as much as we can," Johnson said, adding that this year her office also partnered with the University of Memphis, which had done detailed studies of some lower-income areas.

Still, concerns linger for Webb Brewer, director of advocacy for Memphis Area Legal Services, who worries these low-end homes may continue to be overvalued because of a controversial state policy requiring the assessor to exclude foreclosure and bank sales in the reappraisal.

And while his agency is helping request appeals for homeowners who call, many in ZIP codes such as 38106 "may not be as well-equipped to mount a challenge to the

appraisal as someone in an affluent area," he said.

**Zip Codes with the most homes under \$40,000**

Memphis 38106: 4718

Memphis 38114: 4674

Memphis 38108: 3982

Memphis 38109: 3104

Memphis 38107: 2457

Memphis 38112: 2167

Memphis 38111: 1330

Memphis 38127: 1225

Memphis 38122: 952

Memphis 38126: 584

Memphis 38128: 378

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