



Overtaxed

Inequities in Orange County's
Property Revaluation

Part 1

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Part 1: Background

Revaluations are supposed to make tax values more fair and result in property taxes that are more equitable. This was not the case in Orange County's 2025 revaluation. In 2025, property taxes will be increasingly essential to maintaining critical services across the county. At the same time, Orange County's revaluation drastically shifts the burden of property taxes to Historically Black neighborhoods throughout the county by several million dollars. The inequitable increase in property values in Historically Black neighborhoods and the coinciding shift of property tax burden is not justified by market housing data or qualified sales data from Orange County compared across neighborhoods or within them.

Over the last year, staff of the NC Housing Coalition have had the pleasure of working alongside a coalition of longstanding residents, neighborhood organizers, and rooted organizations across Orange County who have uncovered inequities and led the way to ensuring property tax justice. While we have supported property tax fairness work across the Triangle over the last several years, this report focuses on Orange County, where the inequities are widespread and where the tax office initially resisted making neighborhood corrections despite extensive data analysis and evidence.



*Unless noted, the examples and data in this report use revaluation data prior to appeals (which are still underway)

There's a lot at stake. As a letter signed by hundreds of these residents and allies stated:

Many of us have seen dramatic increases in property valuations that outpace both real market trends and the lived realities of our communities. These increases are not felt equally. Longtime residents—many of whom are elders, on fixed incomes, or part of historically underrepresented groups—face the possibility of being priced out of homes we have spent generations building and protecting...

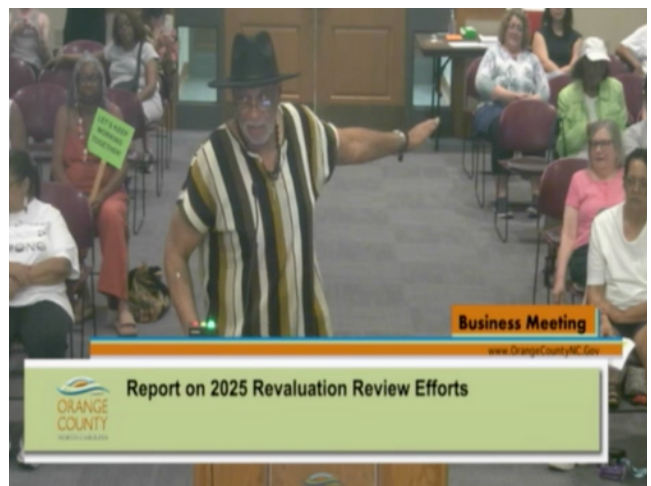
This is not just about taxes—it is about the right to remain. As you well know, the documented inequities will displace residents. We aim to honor the people who have held this County together and ensure that policy upholds the dignity, stability, and generational continuity of our neighborhoods.

By the time of this writing, over 500 longstanding Black residents spread all across the county have participated in this effort, informed the analysis in this report, and led efforts for change, including neighbors from Northside, Pine Knolls, Tin Top, Lincoln Park, Fairview, Mars Hill, Councilville, Rogers Road, Perry Hill, and Cedar Grove.

This is the first of a multi-part report addressing key issues in the persistent tax inequities in Orange County. The research that led to this report finds ample evidence in support of what these neighbors have long known: that their property tax burdens are unfair and unjustified. This report aims to support their broad-based efforts to bring about long-awaited change for property tax justice and to help neighbors stay rooted in their homes and communities for generations to come.



Ms. Sandra Theard speaks to residents gathered at an Orange County Property Tax Justice Assembly




Mr. Horace Johnson addresses tax inequities at an Orange County Commissioner Meeting

Neighbors Call on County to Fix Unfair Values

Mr. Gattis, a third generation owner who has lived on his family property most of his life, stood at the podium of the Orange County Commissioners' meeting, with over fifty longtime Black residents and allies alongside him, and said: "My home is 3 bedrooms, 748 total square feet with a tax value of \$423,400. I had to take a loan out just to pay the taxes. I'm on fixed income, I am 79 years old. There's a house 600 feet away from my house: 6 bedrooms, 2,016 square feet: tax value of \$403,200. And that's a rental property... And yet my taxes are higher than theirs. I'm trying to understand why." He held a visual showing the homes side by side:

According to Orange County, which property has a higher tax value?

Property Details	2025 Tax Value	Owner Type
 6 bed 3 bath 2,016 sqft 	\$403,200	Investor-Owned Student Rental
 3 bed 1 bath 748 total sq ft *No sewer *No public street access *No renovations in 50 years *600 ft from property on left*	\$424,300	Long-term Black Homeowner

Commissioners squinted with confusion and turned to the tax assessor, who had just spent an hour-long presentation using a series of unlabeled graphs to defend the fairness of its approach. The tax assessor stood up and claimed that it must be an incorrect example or mistaken understanding (it wasn't) and that he should simply appeal (he already had).

More residents echoed Mr. Gattis' concerns, deepening the dissonance with the tax office's presentation. Ms. Walton shared that the unrenovated home she had lived in all her life had doubled in tax value while the value of the investor-owned home two doors down had been reduced. Bishop Reid shared how the unfair valuation of his family land – which was somehow twice the per-acre value of that in the wealthier neighboring community – would force him to raise rents on long-term tenants. Ms. Brown, whose property does not have a sewer connection, shared that her value had tripled and her appeal had been outright rejected, despite evidence showing disparity with comparable sales and the depreciation of her home.

Ms. Geer proclaimed, “I’ve lived here all my life...it’s not justice... I have a right to be here. I have a right to be here, and I don’t want anybody running me out of my town.” Residents recounted the impact on elderly residents who have to choose between medicine, food, and the skyrocketing costs of keeping their homes.

Ms. Merritt rose to advocate for her life-long neighbors in a rural area of Orange County most commissioners had never heard of. This community was so overvalued that the property of one longtime neighbor without a working bathroom was assessed at over \$450,000 despite a recent, comparable sale across the street of just \$115,000: “I just don’t understand what’s going on. These new property values are not fair. It feels like y’all are trying to take our properties.”

She went on to challenge commissioners: “Last time I was here I invited y’all to come out to visit my neighborhood. How many of you came?” Silence followed.

While the tax office and several of the commissioners had tried to discount the examples and diminish the responsibility and ability of the county to fix what was emerging as an egregious pattern, these residents continued to press their case.

These residents were right on all fronts:

These examples are not anomalies.

The disparities are not justifiable.

The response to individual appeals is flawed.

Orange County can and should fix the inflated property values of Historically Black neighborhoods.



Ms. Regina Merritt addresses Orange County Commissioners


***“I’ve lived here
all my life...
it’s not justice.
I have a right
to be here.
I have a right
to be here,
and I don’t
want anybody
running me out
of my town.”***

BETTY GEER

These examples are not anomalies.


Countywide analysis shows that longtime Black residents' property tax values are systematically overassessed, and their property tax burdens have been wrongly inflated as a result. Remarkable examples like Mr. Gattis' abound both within Historically Black neighborhoods and between neighborhoods all across Orange County (to be included throughout this series).

According to Orange County, which property has a higher tax value?



Higher Taxes*

3 bed 1 bath 975 sq ft on .14 acres
Built in 1952
Generational Black Family
\$559,000
2025 Tax Value

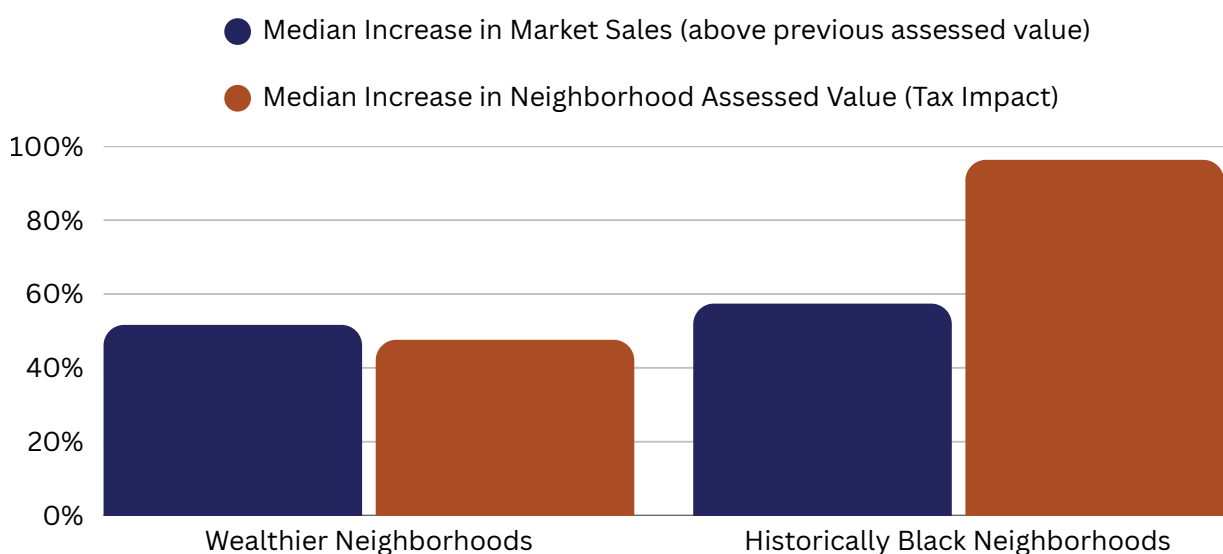


6 bed 3 bath 2100 sq ft on .25 acres
Investor-owned
\$555,200
2025 Tax Value
*1 Block from house on left

Moreover, broader data and statistical analysis show that these examples are the product of significant disparities within and between communities – not increases resulting from “the market” or a methodology forced upon them by the state. The next part of this report will detail these disparities.

Orange County, NC

Increase in Market vs Increase in Assessed Values



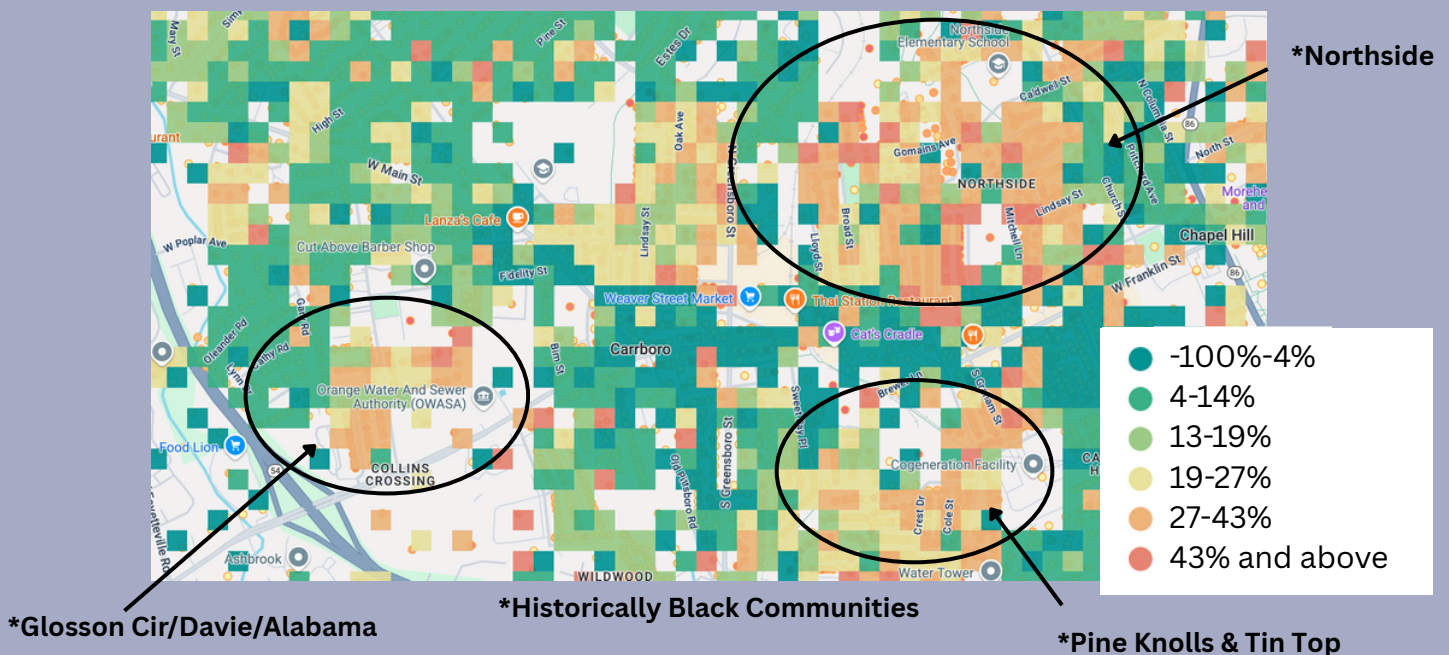
This graph compares twenty neighborhoods with similar market increases in recent sales, yet the Historically Black neighborhoods saw double the increases in neighborhood-wide median assessed values

These disparities are not justifiable.

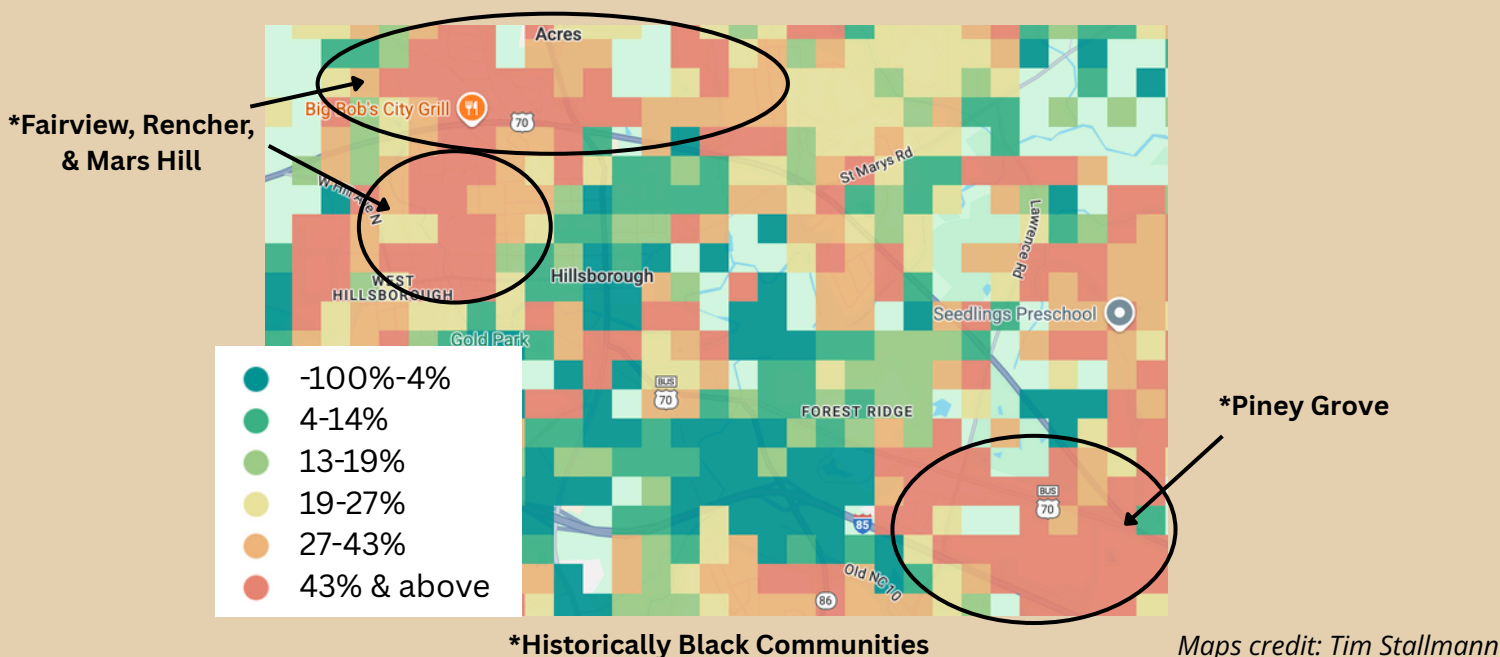
When resident leaders claim that they “can’t understand,” they are not saying they can’t understand mass assessment but that their valuations don’t make sense and that they are clearly wrong. The disparities seem to be the result of several overlapping problems with how the revaluations were conducted, but it is still unclear how these Historically Black neighborhoods spread all across the County were assessed at rates so out of line with other neighborhoods.

Maps Highlighting Impact of Revaluation on Property Taxes

Estimated % change in property taxes in Downtown Chapel Hill/Carrboro



Estimated % change in property taxes Hillsborough



The response to individual appeals is flawed.

The appeals of dozens of longtime neighbors whose properties were overvalued by as much as \$100,000 each were rejected, even when they provided detailed market evidence and proof of depreciation. Meanwhile, student-rental investors in the same neighborhoods received appeal reductions of over \$200,000 each, even given evidence that their properties were already undervalued. More broadly, several of the undervalued wealthier neighborhoods highlighted in this report enjoyed a near 100% informal appeal success rate despite systematically underassessed values. Meanwhile, informal appeals from several Historically Black neighborhoods featured in this report had a less than 50% success rate.

Example of Inequity Remaining After Informal Appeal



STILL HIGHER AFTER APPEAL

Abandoned (20+ yrs)
Accessory Structure

***\$93,900**
2025 Building Value
*After appeal with site visit



On Rural Property of
50+ Year
Black Homeowner



“Individual apartment with lofted ceilings, granite countertops, and custom tile work”

\$92,300
2025 Building Value



“Walking Distance to Campus/
E. Franklin St...”

The tax office claims individual appeals will make things fair, yet examples like this show that is not the case

Together, the inflated valuations, burden of appeal, and disproportionate rejection of appeals expose problems with a system that at once puts the burden for correct valuation on individual appeals and regularly rejects both those individual appeals and overwhelming collective evidence of inequity. The current system fails to hold assessors accountable for fair valuations on the front-end and does not adequately address broader neighborhood corrections when inequities are exposed on the backend.

Compare: Luxury Apartments vs. Long-Term Neighbors

A luxury apartment complex that sold for \$53 million in 2022 had its 2025 tax value lowered from \$47 million to \$40 million upon appeal– a \$7 million reduction. In other words, an apartment complex owned by an out-of-state equity firm that was already valued at \$6 million less than its recent sale price received a further reduction of value that will result in about \$100,000 less in property taxes per year while longtime homeowners in Historically Black neighborhoods across Orange County are receiving appeal denials and doubling tax bills. A future part of this series will show that this is not an isolated example.

Orange County can and should fix the inflated values.

State law requires that “all property, real and personal, shall as far as practicable be appraised or valued at its true value in money” (Ch. 105, Article 13). Hundreds of residents have risen up to share stories – backed by data – that prove this has not been the case in Orange County. Moreover, it's become clear that Orange County has not followed its own Schedule of Values, particularly in regards to establishing fair land valuations and following a consistent approach to meeting sales ratio requirements between neighborhoods.

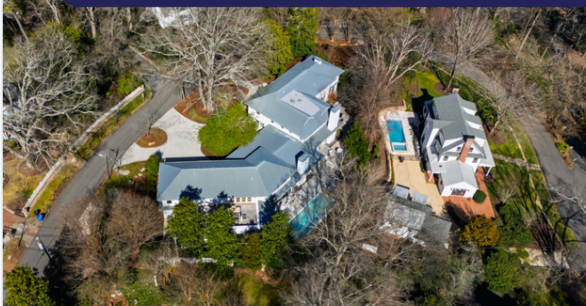
This double standard has meant that Historically Black neighborhoods are systematically overassessed and that wealthier neighborhoods and luxury apartment complexes are underassessed, shifting the property tax burden unfairly onto many already struggling to remain.

Orange County should fix inflated values in Historically Black neighborhoods, correct undervalued investor-owned properties, and transform their approach in future valuations.

“I don't understand what is going on in Orange County. Something has to be done...Somebody owes us some answers. It's just not fair. I'd love to see how they are coming up with these numbers. I don't know if y'all do it because you think we aren't going to appeal it. This is not fair to us. It's just not fair... Our entire neighborhood is practically family, and it feels like y'all are trying to take our property... Somebody needs to put a stop to it.”

REGINA MERRITT

Orange County 2025: Inequitable Land Valuation



.84 acres **\$400,000**
2025 Land Value

For Sale for \$6.6 Million

- No max square footage (9,900 currently)
- Walkable to campus and downtown



.29 acres **\$425,000**
2025 Land Value

Affordable Tiny Homes in Northside

- Tiny home built on only buildable part of lot
- Nearby .5 acre double-lot sold for \$239,000 in 2023

The Orange County Property Tax Justice Coalition

The testimonies to the County Commissioners, the hundreds of resident participants from every part of Orange County, and the detailed data analysis included in this report are connected. They are the result of the rooted leadership of longtime leaders who came together to form the broad-based Orange County Property Tax Justice Coalition. The Coalition is made up of community organizers from Historically Black neighborhoods across Orange County including Councilville, Mars Hill, Fairview, Rogers Road, Piney Grove, Efland-Cheeks, Cedar Grove, Northside, Pine Knolls, Tin Top, and Glosson/Davie Rd with support from Orange County Justice United, The Marian Cheek Jackson Center, The Rogers-Eubanks Neighborhood Association, Habitat for Humanity, and The Community Justice Collaborative of the NC Housing Coalition. Its primary goals are to ensure fairness and equity in this year's revaluation process, to provide access to appeals and relief support for longtime residents throughout the County, and to make sure that County officials know that this is not an issue that can be isolated to one neighborhood or set of neighbors.



Minister Robert Campbell of the Rogers-Eubanks Neighborhood Association speaks at a recent Orange County Property Tax Justice Coalition assembly with over 165 longtime residents in attendance

This spring, the Orange County Property Tax Justice Coalition organized a series of property tax justice workshops attended by over 250 longstanding residents primarily from Historically Black neighborhoods across the County. These workshops primarily aimed to support longtime neighbors with potential property value appeals and tax relief applications. Like similar efforts by the NC Housing Coalition across the Triangle over the past two years, these workshops sought to support communities that state and national data have shown are systematically overassessed for property tax purposes – and yet are four times *less* likely to appeal their valuations.

These workshops piloted new tools to support longtime residents trying to navigate this process: a property tax impact calculator, a neighborhood sales bank to support comparative market analysis, a data equity portal, and a set of forms and templates that help neighbors identify the strongest evidence-based appeal arguments. These workshops did not assume that all residents' homes were overvalued or that certain neighborhoods would be valued unfairly. They indicated, however, persistent irregularities that encouraged us to combine market and assessment data analysis with neighbors' grounded knowledge to determine whether these comprised broader patterns of inequity.

While residents in Historically Black neighborhoods across the County attended these workshops, we explored their new values alongside coinciding market evidence and compared them with other nearby neighborhoods. Glaring differences appeared not just in communities near UNC, but in Historically Black neighborhoods in Carrboro, Hillsborough, Efland, and northern Orange. In Cedar Grove (rural Northern Orange County), lifetime residents packed a church fellowship hall, and as they saw examples and maps from Orange County that they had helped inform, several residents interjected, “This isn’t fair! This is wrong!” With the systemic scope and large scale of the issue, it became clear these were not simply problems that could be corrected through individual appeals.



History of Property Tax Organizing in Orange County

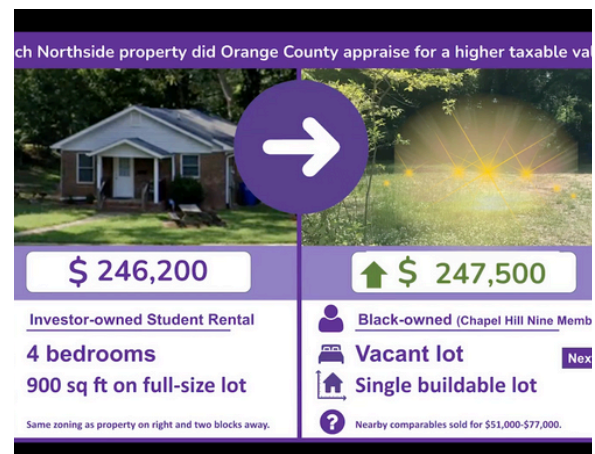
This is not the first time Orange County has been in the limelight for assessment inequities. In the 2021 property tax revaluation in Orange County, hundreds of black-owned properties in the Northside neighborhood were initially overvalued by more than \$10 million collectively, while larger investor-owned homes were undervalued by nearly the same amount.

Neighbors organized by the Marian Cheek Jackson Center and Justice United submitted over 100 individual appeals, sent letters of petition to commissioners signed by over 600 county residents, created visuals to share at commissioners meetings, and produced a game show parody, “Price it Right!,” to make the inequities as clear as possible.

This collective advocacy effort and mass appeals mobilization resulted in over \$500,000 of savings for long-term Black residents during the subsequent four years. Without this intervention, the inequitable tax burden would have resulted in higher housing cost burdens for elders on fixed income and contributed to the already steep displacement pressures that our longest-term neighbors are experiencing.



Jackson Center Executive Director George Barrett as Gameshow host “Rob Parker” of “Price it Right”



“Price it Right” highlighted a vacant lot with more value than an investor home on the same street.

2025 Organizing and Impact

The Orange County Property Tax Justice Coalition organized for the 2025 revaluation to ensure that this did not happen again in Northside or in other Historically Black neighborhoods across the County. The Coalition expected some isolated issues but assumed there would be improvements from the previous revaluation. However, when the 2025 revaluation was released, this was not the case. And despite the work of the Coalition 1) supporting hundreds of appeals, 2) sharing elaborate new data analysis with the tax office and the County Commissioners, and 3) mobilizing community advocacy at hearings and in letter-writing campaigns, it still took months to convince Orange County there was a real problem that needed to be addressed.

As of this writing, Orange County is undertaking steps to address these inequities. The Orange County tax office identified 171 neighborhoods to review for the possibility of neighborhood-wide adjustments, including the 20 that the Coalition's analysis highlighted. The tax office made adjustments to four Historically Black neighborhoods so far and hired an experienced consultant who is making recommendations for additional neighborhood adjustments in the coming weeks. The County Commissioners also started a working group to review the assessment process. While this working group is made up primarily of county staff members, it includes two members of the Orange County Property Tax Justice Coalition. These are critical first steps, but they leave a long way to go before systemic inequities are resolved.

At the same time, the Coalition has grown in numbers and strength. As Bishop Reid noted:

“We’ve learned to trust one another more. That trust has been put into power. We’re still connected by the same fight... And now we’re beginning to get results.”

And at a recent assembly of over 165 residents, George Barrett, Executive Director of the Marian Cheek Jackson Center, said what had pretty much been on everyone's minds:

“What’s been very clear throughout this whole process is that there’s a lot of power in this room and there’s a lot of power collectively if we all work together... When we all come together and get organized, we see things change... We’ve seen things change already this year in 2025: we’ve seen neighborhoods be revalued and reassessed; we’ve seen appeals come back and be successful; we’ve seen all of us turn out and have elected officials come out and hear us directly. We can continue this work... This fight is going to continue, but if we stay together, we can really see change in our county, in our state.”



Had residents not united, had they accepted that nothing could be done, the tax office would have been able to brush aside their claims as a few “extreme examples.” In our estimate, this would have meant at least \$3 million in overassessed property taxes for longtime residents in a dozen Historically Black neighborhoods. Current efforts have resulted in significant reductions, but the changes so far are not sufficient.

Report on Data Findings

This is the first of multi-part series addressing key issues in the persistent tax inequities in Orange County.

The next part of this series will detail the shift in property tax burden across the county with the 2025 valuation and share what the impact of these changes would be if not corrected. We will compare the housing markets and revaluations of Historically Black neighborhoods throughout the County to other similarly older neighborhoods with heterogeneous housing stock to demonstrate that these inequities are not “market” driven. We will then zoom in on two neighborhoods that exemplify the disparate impact of the revaluation and demonstrate the overlapping assessment issues that make these inequities possible.

In future parts of the series, we will share analysis, examples, and explanations of three key issues that show up in the neighborhood-level data analysis of the Orange County revaluation:

1. Assessors applied inconsistent & inequitable land valuation across the County

2. Revaluation data in the largest Historically Black neighborhoods in the County shows vertical regressivity

3. Orange County assessors seem to have a double standard in the way they apply Orange County’s Schedule of Values



A Neighborhood-Centered Approach

Most property tax data analysis focuses primarily on macro-level county-wide data and assesses fairness based nearly entirely on the accuracy of sales ratios. This report utilizes a sales ratio study and a range of the mass appraisal equity tools used by tax offices and studies across the country, but goes even further by taking a neighborhood-centered approach.

A neighborhood-centered approach allows us to home in on neighborhoods that have been historically overvalued for property tax purposes and to go deeper into the data in ways that no appraiser or consultant can do from a computer screen or drive-by survey. By working alongside a coalition of organizers and longtime residents, this work reaches those most impacted by inequities while appreciating the power of local knowledge to supplement macro data (sales, county property records, and census data), to map investor and longtime neighbor homes, to provide critical detail on property sales and the condition and history of comparable properties, and to enumerate the nature and impact of zoning, land encumbrances, development limitations, and other property features unique to their communities.



By focusing in on sets of older, heterogenous neighborhoods, we are able to compare the ways in which the choices appraisers make regarding neighborhood boundaries, land values, and recent sales impact the values of unsold properties across communities that are more difficult to assess accurately. And finally, taking a neighborhood-centered approach allows us to center the impact this problem has on our longtime neighbors, and to highlight individual examples within the contexts of their communities in ways that help demystify how these inequities work in Orange County and beyond.

While county-wide macro sales ratio analysis is important, it fails to account for several key issues that contribute to the inequities in property valuations, including the fact that sales ratios in revaluation years can be manually adjusted to meet state standards and that NC county appraisers have a partially subjective role in:

- **Determining neighborhood boundaries that will influence land values and dictate which sales most impact properties in a given area**
- **Choosing which sales to “qualify” as market rate – which gives appraisers leeway to eliminate sales they deem to be too low for a given market, often without proof that the sale was not an arms-length, market-rate transaction**
- **Assigning land values in places without vacant land sales and choosing how land values will be staggered (or not) by size and development possibility**
- **Choosing grades and conditions to rate properties and methods to depreciate homes**
- **Making judgements about recent sales that will have vastly different impacts on unsold homes around them. While appraisers are required to meet certain standards for sales ratios, appraisers often adjust the assessed values of individual sales to meet the state standards, leading to disparate outcomes between communities.**

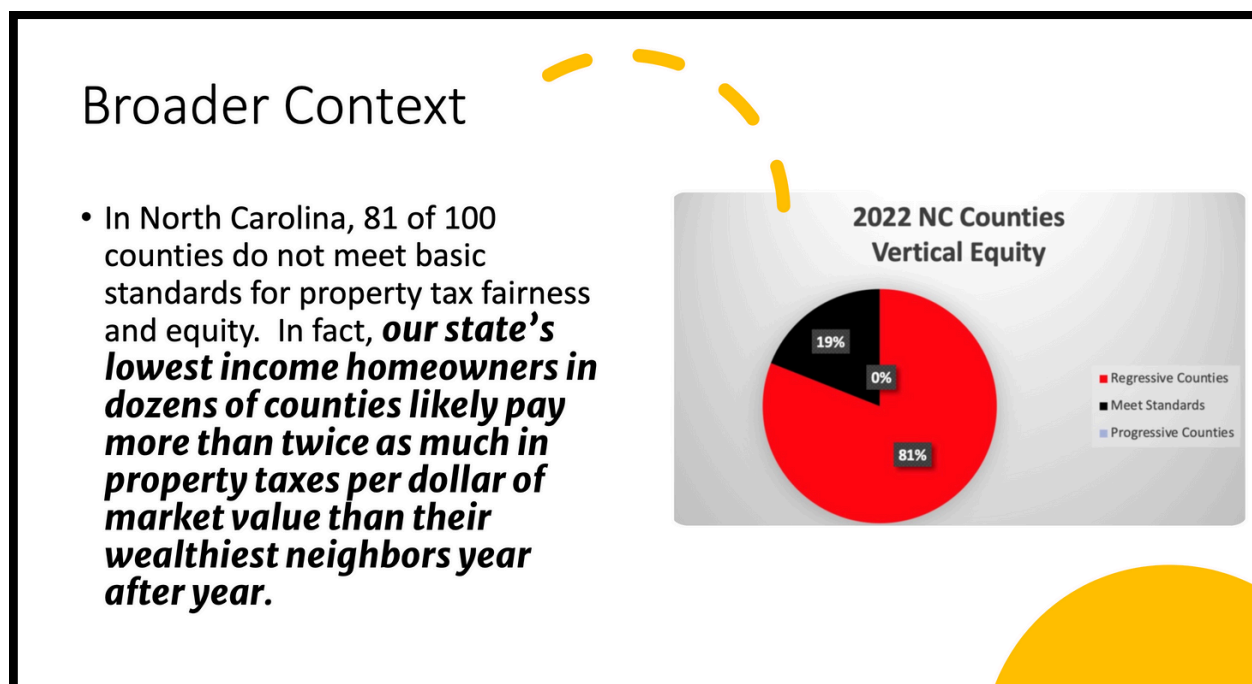
While county-wide sales ratio analysis is important, it fails to account for several key issues that contribute to inequities in property valuations.

While some counties are quick to deflect responsibility by saying they are required to do what they do because of state law, all 100 counties in NC approach revaluations differently. In other words, invoking the state law disguises the amount of leeway appraisers enjoy and can use to do things differently.

A county-wide property revaluation is a daunting task often with too few resources and too little support. This report does not seek to diminish the hard work and dedication of many county appraisers. And, as the report I published a few years ago details, North Carolina could make significant state-wide improvements to state policy and capacity support that would benefit all of NC's counties. For example, the state provides little direct capacity support for County revaluations, and there are no requirements or oversight for vertical equity in North Carolina revaluations.

Several counties in North Carolina are trying proven and innovative methods to increase fairness and equity. We will attempt to highlight some examples in the final part of this series.

At the same time, our experience working across counties has shown that county appraisers at all levels often have a role in participating in and, in some cases, shaping the inequities that exist. This is especially apparent in places where they refuse to correct them.



This report focuses on Orange County, but significant disparities are apparent across North Carolina. For state-wide analysis, please see "A Study of Equity in NC Property Tax Appraisals."

By sharing the story of this Coalition's effort and the examples, data analysis, and exploration of contributions to the inequities, our hope is that these learnings can help counties and communities make this system more fair and equitable across the state of North Carolina.

JOIN US:

- Follow our efforts:
<https://nchousing.org/community-justice-collaborative/>
- Sign up to receive the next part of this report:
<https://nchousing.org/housing-matters-newsletter/>
- See this year's "Price It Right" remake and add your name to the Orange County Property Tax Justice Letter [here](#).
- Contact us at propertytax@nchousing.org

***"Somebody is trying to rob you.
Somebody is trying to rob us.
And that somebody is the
Orange County tax office.***

***We can't sit idly by as our neighbors lose their
homes to inflated property taxes...
If we continue to wait and sit around,
we will be in an irreversible state.***

***Our leaders, that we have elected, have sat quietly,
they've been mute to the erosion of our community.
The poor are being exploited,
the vulnerable are being taken advantage of.
Many of you are on fixed incomes,
so these increases start to
force you to decide between
food, medicine, and other necessities.***

***This should not happen.
Let this be a county that we can all afford."***

SHEREESE ALSTON, JUSTICE UNITED