

Taxes are going to have a major impact on the property you can afford

When you make your house payment, the lender will be collecting the principal and interest plus funding your escrow account. Your escrow account includes two charges, your property taxes and your homeowner's insurance. The lender has funds to pay those bills in your behalf. The biggest charge going into your escrow account is the property tax portion. When you qualified for your mortgage, your qualification was based on the principal and interest plus the accruals in your escrow account. Because property taxes have such an enormous impact on the house payment, neglecting to check property tax rates in the 50 tax districts in metropolitan Des Moines will have a major impact on the quality of property you can afford to purchase. Here's an example.

Assume that you're going to put down 20% of the purchase on a \$250,000 property. Assume that the interest rates are 4.75% on a 30-year conventional mortgage. Let's assume you have found a property in Des Moines. According to the tax table, the property taxes in Des Moines, Des Moines schools is 2.723% of the assessed value. Assume you also are considering Urbandale in the western suburbs – Dallas County portion (Waukee Schools). Tax rate in Urbandale, Waukee Schools is 1.959%.

Purchase in Dallas Co. vs. Polk County			
Des Moines, Des Moines Independent		Urbandale, Waukee Schools	
Assessed value of property	\$ 250,000	Assessed value of property	\$ 250,000
% Down payment 20%	\$ (50,000)	% Down payment 20%	\$ (50,000)
Mortgage Amount	\$ 200,000	Mortgage Amount	\$ 200,000
Interest Rate 4-3/4%		Interest Rate 4-3/4%	
Principle & Interest	\$ 791.67	Principle & Interest	\$ 791.67
PMI	\$ -	PMI	\$ -
Monthly Property Taxes 2.723%	\$ 567.29	Monthly Property Taxes 1.959%	\$ 406.25
Homeowner Insurance .035%	\$ 72.92	Homeowner Insurance .0300%(Note)	\$ 62.50
House Payment	\$ 1,431.88	House Payment	\$ 1,260.42
Price per \$1000 of purchase	\$ 5.73	Price per \$1000 of purchase	\$ 5.04
House payment difference \$171.46			
\$171.46/\$5.04 per \$1000 of assessed value = \$34,020 more home value could be available. In Urbandale, In Urbandale, Waukee Schools, you can spend \$284,020 for your home and have the same house payment as a home in Des Moines, Des Moines Independent Schools also assessed at \$250,000.			
(Note) Homeowner Insurance rates are higher in Polk County vs. Dallas County			

Do you want to that \$34,000 laying on the table?

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CONSOLIDATED TAX RATE AND PROPERTY TAXES Fiscal Year 2018-19 BY CITY, SCHOOL DISTRICT AND COUNTY (RANKED Worst to Best)

Worst to Best Rank	City	School District	County	Consolidated Tax Rate FY 2019 (\$/\$1,000)	Per \$100,000 of Assessed Value Residential	Tax rate Multiplier of Assessed Value
Worst	Des Moines	Des Moines	Polk	47.82861	\$2,723	2.723%
44	Windsor Heights	Des Moines	Polk	47.60660	\$2,711	2.711%
43	Des Moines	Johnston	Polk	47.57898	\$2,709	2.709%
42	Des Moines	Carlisle	Polk	47.08139	\$2,681	2.681%
41	Des Moines	Southeast Polk	Polk	45.72845	\$2,604	2.604%
40	Norwalk	Des Moines	Polk	45.08026	\$2,567	2.567%
39	Des Moines	Norwalk	Warren	44.71610	\$2,546	2.546%
38	Bondurant	Bondurant-Farrar	Polk	44.57455	\$2,538	2.538%
37	Grimes	Dallas Center-Grimes	Polk	44.55904	\$2,537	2.537%
36	Des Moines	Indianola	Warren	44.36793	\$2,526	2.526%
35	Carlisle	Carlisle	Polk	44.19302	\$2,516	2.516%
34	Des Moines	Des Moines	Warren	43.63268	\$2,484	2.484%
33	Grimes	Johnston	Polk	42.93916	\$2,445	2.445%
32	Des Moines	Carlisle	Warren	42.88546	\$2,442	2.442%
31	Des Moines	West Des Moines	Polk	42.49787	\$2,420	2.420%
30	West Des Moines	Des Moines	Polk	42.24686	\$2,405	2.405%
29	Des Moines	Saydel	Polk	42.11787	\$2,398	2.398%
28	Norwalk	Norwalk	Warren	42.03525	\$2,393	2.393%
27	Pleasant Hill	Des Moines	Polk	41.93286	\$2,388	2.388%
26	Windsor Heights	West Des Moines	Polk	41.87400	\$2,384	2.384%
25	Urbandale	Dallas Center-Grimes	Polk	41.74611	\$2,377	2.377%
24	Johnston	Johnston	Polk	41.57590	\$2,367	2.367%
23	Ankeny	North Polk	Polk	41.53864	\$2,365	2.365%
22	Altoona	Bondurant-Farrar	Polk	40.81476	\$2,324	2.324%
21	Polk City	North Polk	Polk	40.41475	\$2,301	2.301%
20	Ankeny	Ankeny	Polk	40.41291	\$2,301	2.301%
19	Urbandale	Johnston	Polk	40.12623	\$2,285	2.285%
18	Carlisle	Carlisle	Warren	39.99709	\$2,277	2.277%
17	Urbandale	Urbandale	Polk	39.83949	\$2,268	2.268%
16	Pleasant Hill	Southeast Polk	Polk	39.83270	\$2,268	2.268%
15	Polk City	Ankeny	Polk	39.28902	\$2,237	2.237%
14	West Des Moines	Norwalk	Warren	39.13435	\$2,228	2.228%
13	Indianola	Indianola	Warren	38.91607	\$2,216	2.216%
12	Adel	ADM	Dallas	38.61341	\$2,199	2.199%
11	Altoona	Southeast Polk	Polk	38.20639	\$2,175	2.175%
10	Grimes	Waukee	Dallas	37.15947	\$2,116	2.116%
9	Waukee	Waukee	Dallas	37.05454	\$2,110	2.110%
8	West Des Moines	West Des Moines	Polk	36.91612	\$2,102	2.102%
7	Urbandale	Dallas Center-Grimes	Dallas	36.52533	\$2,080	2.080%
6	West Des Moines	Waukee	Dallas	36.21754	\$2,062	2.062%
5	Ankeny	Saydel	Polk	35.35212	\$2,013	2.013%
4	Clive	West Des Moines	Polk	35.12087	\$2,000	2.000%
3	Urbandale	West Des Moines	Polk	35.04512	\$1,995	1.995%
2	Clive	Waukee	Dallas	34.43229	\$1,961	1.961%
Best	Urbandale	Waukee	Dallas	34.41092	\$1,959	1.959%

Data courtesy of central Iowa taxpayers Association. Rankings and rates calculated by: Dale Stonehocker. Associate Buyer's Broker, Space Simply, LLC, 15920 Hickman Rd Suite 300, Clive, IA 50325 - 515-201-0574 (Licensed to sell real estate in the state of Iowa)

Check out the following page to see why this is so important!