



Revaluation Explained





Revaluation Process in a Nutshell

1. Take a group of **properties that have recently sold** representing all variety of characteristics and price ranges.
2. Create a property data file of these sold properties that contains the sale prices and data about the characteristics that are key in determining value. Such as neighborhood, land size, dwelling style, size and age, etc.
3. Apply valuation models or schedules to this file of sold properties and repeatedly refine them until the new assessed value on each sold property closely matches its sale price.
4. Apply the models to the property descriptions **of all properties in the Municipality** and produce a set of new property assessments.





WHAT IS THE PROCESS?



1. Data Collection

- Inspection of recent sold properties
- Building Permit Inspections
- Data Entry into CAMA



2. Primary Analysis

- Building Costs
- Neighborhood Delineation
- Age/Depreciation Correlation
- Land Values
- Statistical Verification



3. Field Review

- Drive by review of proposed values
- Observe economic influences
- Do individual values make sense?
- Additional discovery & adjustments



4. Final Analysis

- Additional data collected in Field Review
- Latest sales data analyzed
- Final adjustments



5. Informal Hearings

In RI & CT, property owners have an opportunity to meet with Northeast if they feel their value is not in line with the market, or if they feel the property information is incorrect. This is called an “Informal Hearing”



6. Appeal Process

Property Owners have the opportunity to appeal their value. First to the Assessor, then if needed, to a local Board of Review, and finally to Superior Court.



Why is property revaluation important?

Since all assessed valuations are based on sales **as of a certain date**, later changes in the market will gradually make assessments out of step with the real estate marketplace.

The rise and fall of real estate values make certain properties more valuable or less valuable, in relation to each other.



Will Taxes go up?

Not from the revaluation

The tax rate is set by the Municipality based on the amount of revenue needed to support the budget.

Individually

If the budget stays the same, some property values will go up, some will go down, some will stay just about the same.

What comps did you use?

Comps are familiar to some taxpayers since they are familiar with Fee appraisals

Mass Appraisal uses “all the sales” when building the market adjusted cost model



Statistical Verification – Housing Styles (Sample Test)

Style	Count	Median Ratio	COD	PRD
2 Family	23	0.975	8.99%	1.018
Cape	40	0.982	6.77%	1.001
Colonial	58	0.974	6.80%	1.009
Contemp	15	0.966	5.72%	0.993
Conventional	27	0.978	5.75%	0.998
Raised Ranch	24	0.944	4.38%	1.001
Ranch	63	0.973	8.18%	1.013

This slide shows one method of verifying the accuracy of the values. As part of the revaluation process, a number of statistical tests are used to verify the results. The standard for COD's in a typical New England municipality, is 15% or less. The COD, (Coefficient of Dispersion), simply measures how far apart, on average, the new assessments are from the actual sale prices.

Many different types of statistical reports, along with a number of edit checks, are used to test the results of the analysis.



Notices & Informal Hearings - RI & CT Only

- Near the end of the Revaluation project, each property owner will receive a letter with the new assessed value for the property.
- On the notice will be a telephone number which you can call to arrange an informal hearing with our company.
- Personal hearings will be made by appointment with everyone who requests one.
- Informal hearings are typically held at the City/Town hall. The property owner will meet with a representative from Northeast Revaluation.



What should I bring to the hearing?

Any documents or information that supports your claim. This includes:

- Recent real estate appraisals or market estimates.
- Any documents regarding easements, wetlands, etc.
- Photographs or documents that relate to structural or other problems.
(please bring in copies, we cannot return originals).



What to expect at the hearing

- No Adjustments are made at the Hearing.
- We will listen, and collect any info you have that relates to the value of your property.
- All properties that have a hearing are reviewed and adjustments are made where appropriate.
- The hearing officer will be discussing property values and **will not have information regarding tax rates.**



What happens after the hearing?

- Those who attend a hearing will receive a notice (by mail), indicating whether their assessment has been changed, and, if so, what the new value is.
- If a property owner is still not satisfied, they have the right to appeal to the Tax Assessor's Department after receiving the new tax bill.

We hope this document has been helpful.
We'd be happy to answer any other questions
at 401-737-0300.

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