

Revaluation FAQ's

Who is Vision?

A: Vision is a company which specializes in services and software designed to assist Municipalities and other jurisdictions with assessing, billing and support of zoning and building department functions. We are typically hired by a City or Town to help them fulfill the State requirement to reassess all real property so that the assessments reflect current market value as of a certain date. Our work is largely regulated by State law which dictates when and how we reassess properties. We have been providing appraisal services and Computer Assisted Mass Appraisal Software (CAMA) to Assessing departments located throughout the United States since 1975. During this time, we have successfully completed over one thousand revaluation projects throughout New England. We bring a significant amount of professional expertise to a project. Our large appraisal staff is comprised of State certified professionals that have significant industry experience. Our Senior Appraisal personnel average over 20 years of Municipal Appraisal experience.

Despite the fact we are a Massachusetts company our employees live and work throughout New England. Because our employees are geographically dispersed, we can assign them to projects in their home State thus allowing them to apply their local knowledge to their professional experience.

As a company, we fully understand that a revaluation can have a very real economic impact within a City or Town once the results are released. Revaluations have a long history of creating intense conjecture and debate with respect to fairness and accuracy. It is with this understanding that we take great pains to ensure that every one of our appraisals accurately reflects current market value as defined by each State. We also work closely with our client Cities and Towns after values are released to make sure the process is understood and accepted. Cities and Towns and ultimately taxpayers are heavily dependent on the property tax to pay for important services such as police, fire and public schools. It is through the delivery of professional, properly executed cyclical property revaluations that we can assist our clients with the important task of ensuring that these vital property tax levies are fairly and equitably distributed.

I am seeing a lot of bad news coming from the real estate industry. The press is reporting that property values are going down and that the credit crunch caused by risky mortgage loans is causing things to get worse not better. Is this being shown in my new assessment?

A: Your current assessment is based on a State defined date of value. We use actual sales that have occurred up to that date as a basis for the creation of all of our valuation models. That date of value would reflect prevailing economic conditions (i.e. credit crunch caused by bad mortgage loans etc..) that are occurring at that time. It is important to remember that when evaluating your change in assessment that you factor in when the previous assessment was calculated. For instance, if your last value was calculated five years ago, the market may have enjoyed substantial appreciation for three years before realizing some value decline. The net result could still be a positive increase over a five year period. What you are currently reading in the papers is most likely a comparison of value changes over a one or even two year period which is not an apples to apples comparison of the revaluation results.

What is a revaluation?

A: Revaluation is the process of performing all of the necessary Market Analysis and Valuation steps to determine accurate and equitable values for all properties within a municipality. The purpose of a Revaluation is not to raise taxes. It is to create an equitable distribution of the tax load.

What happens during a revaluation?

A: If the project requires it, a physical inspection of both the interior and exterior of each property is conducted. Since data on all properties is maintained by the assessor's office, this step is not necessarily required for valuation or statistical updates although

inspections of sale properties or a certain percentage of houses may be conducted as a part of the project. While data collection is being conducted, appraisers are studying the recent market sales in order to gain a full understanding of the real estate market in your City or Town. This study of recent property sales allows the appraisers to establish valuation models used to estimate the value of properties that have not sold using comparisons with recent sales. The valuation models are applied to all non-sale properties in order to approximate the market value of each property

How will I know if my assessment is equitable?

A: Refer to our **Is My Assessment Correct?** section.

If hearings are being held, how do I prepare for one?

A: Follow the instructions at **Preparing for a Hearing** . When you come to a hearing, bring any information that you may have (property information and/or data changes, comparable sales, pictures of your property, etc.) to the hearing. If the revaluation required a physical inspection of the property, make sure you allowed a physical inspection to be conducted or you may lose your right to an appeal.

Why did my land value change differently than my building value?

A: Since the last revaluation, real estate values have changed significantly. Over the same period, building construction costs have increased at a slower rate than property values have appreciated. Since building costs have not increased as much as total values, the bulk of the total increase, if any, is attributable to land. This makes perfect economic sense, as it is land that is limited supply.

What is an informal hearing?

A: Towards the end of the revaluation, every property owner receives a notice of their proposed valuation. If they have a question or concern about the proposed valuation, they are asked to call the Assessor or their contractor to set a date and time for an informal hearing. This appointment is meant to allow a brief discussion about the valuation process, review the specifics of the property in question and to answer general questions the owner may have. Most hearings last about 10-15 minutes. Homeowners are asked to come prepared with their questions and have compared their property to other comparable ones in their neighborhood. They are also encouraged to provide the hearing officer with copies of any documentation they may have regarding specific issues with their proposed assessments. See **Preparing for a Hearing** for more information on appropriate documentation.

It is important to remember that an informal hearing is not a forum to discuss taxes or town politics nor is it an in-depth class on appraisal practices and theory. It is strictly meant to answer general questions on the proposed property assessments. The hearing officer will take notes during your meeting to document the information you have discussed. They will later determine if further review of your property assessment is necessary based on these notes. The proposed values are not final until all hearings and any data or value changes resulting from the hearings are completed.

How will I know if a change was made to my assessment after my hearing?

A: A: At the conclusion of the hearings for your town, appraisal staff will review the notes from your hearing and any information you have provided on your property. They will make changes to the data and/or value of the property if appropriate. After this final review process is complete for all properties, another notice is sent to you. The new value on this notice will reflect the changes made based on your hearing. This value will now be considered your new assessment and will be reflected in the Assessors records.

Will a revaluation increase taxes?

A: A revaluation may result in an increase or decrease of individual taxes depending on how a property value increased or decreased relative to the average change in the City or Town's assessments. It does not mean that all property taxes will increase or decrease. Remember assessments are only the base that is used to determine the tax burden. The tax burden is the amount that the municipality must raise to operate the local government and support the many services each of us has come to expect, such as

schools, police, etc. As an example, if the same amount of money is to be raised after the revaluation as the previous year and each assessment doubles, the tax rate would merely be cut in half.

What is the “market” and who determines my property value?

A: The value of your property is based on an analysis of the entire market for a specified period of time before the completion of the revaluation project. The market can generally be defined as, you, the person who sold the property to you, and the person willing to buy it from you. It is the appraiser's job to research and analyze the values in any particular area or neighborhood. In effect, they do what you would do to determine the selling price when putting your property up for sale. However, the appraiser has specific guidelines to follow during their research. Some factors that are examined for each property are: location, size, quality of construction, age of improvements, topography, utilities, zoning restrictions, if any, etc.

Will all property values change?

A: Most likely, yes. However, not all property values will change at the same rate. Market value may have increased more for some neighborhoods and property types than for others. Some neighborhoods and property types may have decreased in value and others may have remained the same. One purpose of a revaluation is to make sure that the assessed values reflect the changes that have occurred in the real estate market.

What is market value?

A: Market value is defined as the amount a typical, well-informed purchaser would be willing to pay for a property. For a sale to be a market value (arms- length) sale, the seller and buyer must be unrelated, the buyer must be willing (but not under pressure) to buy, the property must be on the market for a reasonable length of time, the payment must be in cash or its equivalent, and the financing must be typical for that type of property.

What sales did you compare to my home to arrive at my value?

A: This question highlights one of the clear differences between the revaluation appraisal process and the more well-known fee appraisal. Most homeowners have had a fee appraisal of their property before and are familiar with the process involved and the resulting report. Many assume that the revaluation company uses the same process. Although the appraisal concepts are the same and the results similar, the process is different.

In a revaluation, the value of your property is based on an analysis of the sales within your market area for a specified period of time. (usually a one or two year period). This study of recent property sales allows the appraisers to establish valuation parameters (construction rates, land rates, market adjustments, etc). Once these valuation parameters are applied to the properties that sold, the result is an appraised value that is very close to the sales price.

The revaluation appraisers test the newly developed parameters then apply these same valuation parameters to all of the "non-sale" properties in the town. In doing so, they are approximating the market value of each property using the information derived from all of the sales. Therefore, no particular sale or group of sales was used to determine the value your property. This is because ALL of the recent sales were included in the analysis that set the parameters used in the revaluation of your town.

What if there are no reasonably comparable sales?

A: We will then consider all other factors that may affect the market value of your property. The cost to replace your building(s), less any depreciation, plus the value of the land could be used to estimate market value. For income producing properties, the income and expenses could be considered.

I have recently built my home. Will the actual construction costs be considered?

A: Your construction cost is a historical figure that may or may not reflect the current market value of your property. It is only one element that will be considered.

What will happen to my assessment if I improve my property?

A: Generally speaking, improvements that increase the market value of a property will increase the assessment. The following examples are typical items that may increase the assessed value of your property. - adding living or rentable area - substantial modernization of kitchen or baths - extensive remodeling - adding features such as A/C, finished basement rooms, garages, pools, etc.

Will my assessment go up if I repair my property?

A: Normal maintenance will help retain the market value of your property, but generally will not affect your assessment.

How can my assessment change when I haven't done anything to my property?

A: General economic conditions such as interest rates, inflation rates, and changes in the tax laws will influence the value of real estate. As property values change in the marketplace (sales), those changes will eventually be reflected on the assessment roll.

Do all assessments change at the same rate?

A: There are differences between individual properties and between neighborhoods. In one area, the sales may indicate a substantial increase in value in a given year. In another neighborhood, there may be a lesser change in property values.

Different types of properties within the same neighborhood may also show different value changes. For example, one - story houses may be more in demand than two - story houses or vice versa. Older homes in the same area may be rising in value more slowly than newer homes.

Among the numerous factors to be considered that will cause values to differ are location, condition, size, quality, number of baths, basement finish, garages, and many others.

Will the person who inspects my property be able to tell me my new assessment?

A: No. If an inspection is necessary on your property, we have to analyze all of the information we gathered before placing a value on your property. We will then further review this information to ensure that your assessment corresponds fairly to the assessments of other properties.

Nobody inspected the inside of my home, so how could you reassess it?

A: The Assessors Office maintains a complete record for each property. Information is kept current through permit inspections, sales inspections, periodic re-inspections and exterior reviews. The records are available for your review. This information is used to develop the new assessments.

I've heard you develop values by computer. Is this correct?

A: Just as in many other fields, computers are useful in the assessment process. Assessors are trained to look for relationships between property characteristics and market value. By coding these characteristics and studying sale prices, assessors can estimate value by developing formulas and models. Computers are much faster and are capable of advanced analysis in this area. Despite these capabilities, common sense and assessor judgment are always required to verify assessments. Assessors most familiar with the neighborhoods and properties review all assessments.

