

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 market 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 burden.

What happens during a revaluation?

A: A physical inspection of both the interior and exterior of sold properties, building permits, and returned data mailers requiring an inspection to correct and update the data listing of these properties. Since data on all properties is maintained by the Department of Assessment, a physical inspection is not necessarily required for valuation or 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 and the Director of Assessment are studying the recent market sales in order to gain a full understanding of the real estate market in 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.

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 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 mill 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 real estate market for a specified period of time before the completion of the revaluation project. The real estate 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/assessor'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 expected selling price when putting your property up for sale. However, the appraiser/assessor 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 individual 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 of your property. This is because ALL of the recent sales were included in the analysis that set the parameters used in the revaluation of Stonington.

What if there hasn't been a recent arms-length sale of my property?

A: The next best evidence is the arms-length sales of reasonably comparable properties. These are properties similar to yours in location, age, style, condition, and other features that affect market value, such as the number of bedrooms and bathrooms and size of garage.

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 are 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 between revaluations. 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, improvements not previously reported or known, 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 Department of Assessment 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. The Director of Assessment, most familiar with local neighborhoods and local properties, reviews all assessments.

Is My Assessment Correct?

A: The following 4 questions can help you to decide if your assessment is correct.

1) Can I sell my property for that amount?

The first thing that you should do is ask yourself if you could sell the property for approximately that amount. (Please note that assessments in Connecticut reflect 70% of market value.)

2) Does the Department of Assessment have the correct information on my property?

Did you review the data mailer information that the Department of Assessment has collected on your property to make sure the data is accurate? Stonington allows access to property information on the internet. It can be reviewed at the Stonington Department of Assessment. While reviewing your property, you should make sure that all measurements on the sketch are accurate. Please note that all measurements are taken from the exterior. You should also check the land size and interior data to ensure accuracy.

3) How much are similar properties in my neighborhood selling for?

Make sure that you choose recent sales that are similar to your own property. For instance, if you owned a 2,000-square foot colonial that is assessed for \$350,000 and has ½ acre of land, you would choose similar properties.

You should search the sales to find properties that are located as close to your property as possible before you make any comparisons. If you know of any properties that sold in your area, you can access these properties on the Town's web site. If the sale has yet to be published on the web site or you may be able to find the information at the Department of Assessment or on local Real Estate websites.

4) How much have similar properties in my neighborhood been assessed for?

If you do not have any recent sales activity in your local area, you can look up the assessed value of similar parcels that are located near your property. **Please be aware that what may appear to be a similar parcel may in fact be very different from your property.** You can access parcels on your street by using the Street Listing option on the Town web site.

What is an informal hearing?

A: During the month of November, 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 number on the notice 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. You are also encouraged to provide the hearing officer with copies of any documentation you may have regarding specific issues with your proposed assessments.

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 takes 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. A second notice will follow with the results of the hearing.