



**Appraisal  
Resource**

# City of Norwich

Council Meeting

October 20, 2008

## Revaluation Process



# Introductions

- John Hocking
  - Project Manager, Appraisal Resource Co.
- Charles Glinski
  - Norwich Tax Assessor
- Rich Nagle
  - VP Revaluation, Appraisal Resource Co.

# Why and When...

- Connecticut State statute mandates, that all cities and towns perform a revaluation every 5 years. (section 12-62)
- Norwich performed the last revaluation in 2003.

# What Exactly is a Revaluation?

- Estimate new values on Real Estate based on specific rules and current market data
- A Careful analysis of recent selling prices is conducted to identify and quantify the features that have motivated buyers and sellers in the Real Estate market.
- The analysis results in the creation of schedules which are used to value the properties.
- The schedules are statistically tested to verify their ability to predict estimates of current fair market value, accurately and uniformly.

# Why is it 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.

## Why is it important continued...

- Doing a revaluation every five years brings the assessments into line sooner, and provides a quicker correction to assessments when markets rise or fall.
- It makes the assessment of property taxes fairer, more accurate, and avoids the "sticker shock" of ten year jumps in valuation.

# Project Scope

- Measure & Inspect all improved properties
- Inspect recent building permits
- Valuation analysis, 2 years of sales
- Field review, all parcels
- Informal hearings, November/December '08

# Norwich Property Count

• Residential	10,668
• Commercial	1326
• Industrial	126
• Exempt	835
• Vacant Land	1177
• Use Assessment	86
• Apartments	331
• Total	14,549

# How are properties priced?

- We analyze:
  - Land sales
  - Sales of land with buildings
  - Building costs
  - Condominium sales
  - Business Income & Expense statements

# What about Land values?

- Land values can vary dramatically based on:
  - Location
  - Zoning
  - Waterfront, View, Partial View
  - Topography, Easements, Wetlands

What has been  
happening with sales  
in Norwich?

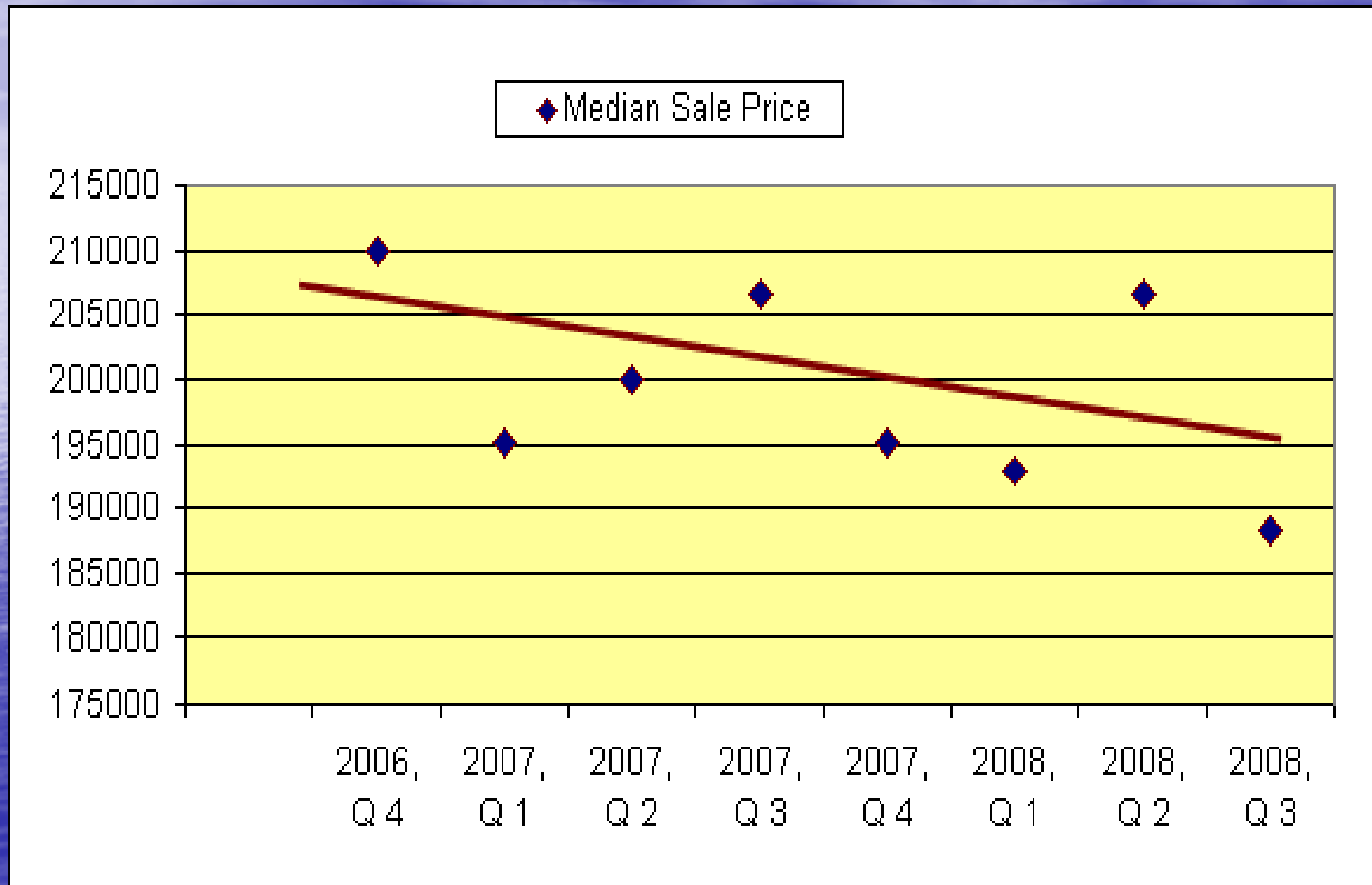
Discussed in the industry as the  
"Median Sales Price"

(Median: The middle number in the sequence, or  
the average of the two middle numbers)

# Summary by Sales Date

<b>Sale Date</b>	<b>Count</b>	<b>Median</b>
<b>Quarter</b>		<b>Sales Price</b>
2006, Q 4	162	\$210,000
2007, Q 1	95	\$195,000
2007, Q 2	139	\$200,000
2007, Q 3	127	\$206,500
2007, Q 4	101	\$195,000
2008, Q 1	89	\$192,900
2008, Q 2	64	\$206,500
2008, Q 3	32	\$188,200
<b>Average</b>		<b>\$200,000</b>

# Median Sales price by quarter/chart



# Connecticut Requirements For a revaluation project

CT

Norwich

Median ASR – .90-1.10  
(Assessment to Sale Ratio)

.93

# ASR?

- Assessment to Sale Ratio

Example:

100 Maple Street:

2003 Assessment	\$140,000
2008 Sale	\$210,000
2008 Assessment	\$195,000

2003 ASR  $140,000/210,000 = 67\%$

2008 ASR  $195,000/210,000 = 93\%$

*Note: All Assessment or Appraised value to sale ratio's (ASR's) are calculated at 100%. New assessments are then reduced to 70% of appraised value.*

# Summary by Style

Style	Count	Median Sale Price	Median Appraised Value	Median A/S Ratio	COD
Ranch	120	\$200,000	\$179,000	0.92	6.65%
Colonial	59	\$289,900	\$265,000	0.95	5.16%
Cape Cod	83	\$211,000	\$192,000	0.91	6.28%
Conventional	100	\$200,000	\$190,000	0.95	6.93%
Mobile Home	55	\$77,900	\$74,000	0.93	9.97%
Condominium	209	\$185,000	\$174,000	0.93	5.44%
<b>Average</b>		<b>\$200,000</b>	<b>\$184,000</b>	<b>0.93</b>	<b>6.69%</b>

# Summary by Land Use Code

Land Use Code	Count	Median Sale Price	Median Appraised Value	Median A/S Ratio	COD
013-PRI RS C/I	2	\$224,950	\$210,000	0.93	0.00%
101-Single Fam MDL	416	\$214,900	\$196,000	0.93	6.50%
102-Condo NL MDL	211	\$185,000	\$174,000	0.93	5.43%
103-Trailer MDL -02	55	\$77,900	\$74,000	0.93	9.97%
104-2-Family MDL -03	60	\$233,500	\$205,500	0.94	7.71%
105-3-Family MDL-03	39	\$250,000	\$226,000	0.90	9.09%
109-MultiHouse	1	\$240,000	\$234,000	0.97	0.00%
111-Apts 5-8 MDL-94	5	\$390,000	\$335,000	0.96	5.63%
Res Develo MDL	20	\$132,500	\$133,500	0.95	7.21%
<b>Average</b>		<b>\$200,000</b>	<b>\$184,000</b>	<b>0.93</b>	<b>6.69%</b>

# How will I find out my new value?

At the end of the Revaluation, a notice will be sent to every property owner advising them of their new value.

(New Assessment Notice)

The Norwich notices will be mailed mid to late November

November 1, 2008

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**REVALUATION ASSESSMENT NOTICE**

**Parcel ID:** 028-117-000-R  
**Property Address:** 100 Maple Street  
**Prior Assessment:** \$98,000  
**2008 Assessment:** \$136,500

Dear Property Owner:

In accordance with sections 12-55, 12-62, and 12-63 of the General Statutes of the State of Connecticut, you are hereby notified that the 2008 assessment shown above represents 70% of the estimated fair market value of your property as of October 1, 2008.

**PLEASE DO NOT MULTIPLY YOUR NEW ASSESSMENT BY THE PRESENT MILL RATE.  
A NEW MILL RATE WILL BE SET AT A LATER DATE.**

**ELDERLY, VETERANS, BLIND, OR DISABLED EXEMPTIONS OR CREDITS  
ARE NOT REFLECTED ON THIS NOTICE,  
BUT WILL BE APPLIED BY THE ASSESSOR'S OFFICE AT A LATER DATE.**

**FARM, FOREST AND OPEN SPACE (PUBLIC ACT – PA 490) VALUES  
HAVE NOT BEEN APPLIED TO THE “New Assessment”.**

Appraisal Resource, the City's revaluation contractor, will hold informal hearings to review the assessments of individual property owners. To schedule a meeting, please call Appraisal Resource toll-free at 1-866-340-2262, Monday-Friday, between 8:30 a.m. and 4:30 p.m. Please note that calls made to schedule a hearing must be received no later than 4:30 p.m. on November 26th.

Respectfully,

Charles Ginski  
Assessor

**Detailed property information including 2008 values can be accessed at  
[www.visionappraisal.com](http://www.visionappraisal.com)**

# How can I tell if my value is correct?

- Compare your value to similar properties in your area which have sold.
- Compare to recent appraisals you have had on your property for mortgages or refinancing.
  - Note that prices trend both up and down, so an appraisal > 1 years old needs to be adjusted.

# Why can similar properties have different values?

- Location
  - Desirability of the neighborhood
  - External influences
  - Traffic, schools, waterfront, view
- Buildings
  - Size of the buildings
  - Quality of construction
  - Condition
  - Amenities

# Suppose I disagree with my value?

- On the notice will be a toll free telephone number which you can call and arrange an informal hearing with our company.
- Personal hearings will be made by appointment with everyone who requests one.

# What should I bring to the hearing?

- Any documents or evidence that supports your claim. This includes:
  - Recent real estate appraisals
  - Any documents regarding easements, wetlands, etc.
  - Photographs or documents that relate to structural or other problems. (please bring in copies, we cannot return originals)

# Keep in mind...

- 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 had 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.

# Then what happens?

- 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 Norwich Board of Assessment Appeals

# End/Questions?



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