



Mattapoissett Taxpayer Revaluation Information

Frequently Asked Questions

Disclaimer: The information being provided here is being furnished as a courtesy to the taxpaying public. Please be aware that the laws in each State do vary and that it is the responsibility of the reader to independently verify any and all information.

What is a revaluation?

A: 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 equalization of the values within a City or Town creates a fair distribution of the tax burden. The purpose of a Revaluation is not to raise taxes. The purpose 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 parameters to estimate the value of property that has not been sold using comparisons with recent sales. The appraisers then gather and review these parameters and apply them to all non-sale properties in order to approximate the market value of each property that they are charged with appraising.

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 January 1, 2008. 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 three 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 three year period. What you are currently reading in the papers is most likely a comparison of value changes over a one or two year period which is not an apples to apples comparison of the revaluation results.

I own a waterfront property. Are waterfront properties unfairly singled out during a revaluation?

A: The simple answer is NO. Contrary to popular belief, waterfront properties are assessed at the same level of market value as every other type of property located within a Municipality. Over the last 10 to 15 years, due to a small supply and an ever-increasing demand, waterfront property values have increased at a significantly higher rate than properties in other City and Town locations. Revaluations that have been undertaken since this significant value appreciation simply reflected this substantial increase in market value in the form of a new, higher assessed value. Although we fully understand that these value changes and resulting tax increases can certainly have a negative economic impact on an owner, assessors are powerless to do anything but reflect full and fair market value as required by State law.

It is also of the utmost importance to be aware that the higher assessed values are not created by the appraisal firms but by the sales activity that occurred along the waterfront prior to a revaluation. Despite lots of negative press regarding the impact revaluations have had on waterfront property owners, there has been hard market data to back up the waterfront assessed values. In fact, studies conducted after revaluations that occurred in the early 2000s actually showed that waterfront properties were still appreciating and were in fact selling for more than their new assessment. Only time and sales activity will determine if waterfront properties change in value.

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.

Will a revaluation increase taxes?

A: A revaluation may result in an increase or decrease of individual assessments depending on how a property value increased or decreased relative to the average change in assessment. 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 market value and who determines my property value?

A: Market value is determined by actual sales of property, by the activity in the real estate market and the general economy. 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.. It is the appraisers 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, although common, highlights one of the clear differences between the revaluation appraisal process and the more well-know "bank" appraisal. Most homeowners have had a "bank" appraisal on a 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.

To answer this question it is important to understand that in a revaluation, 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 (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). Ideally, when these valuation parameters are applied to the properties that sold, the calculation will result in an appraised value that is very close to the sales price.

The revaluation appraisers are required by the State to test that the parameters being used are consistently producing values that closely approximate the sale prices across all types of properties throughout the town. When this is accomplished, the appraisers can 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 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 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.

If I disagree with the assessment of my property what can I do?

The following is a typical scenario of how the Mattapoisett Assessors review cases.

If any property-owner believes the assessment on their property is in excess of its fair market value they should first notify the assessor's office. They may then file for an abatement. The Board of Assessors will review the case and make a determination as to the disposition of the appeal. The property owner can make an appointment to meet with

the Board of Assessors and discuss their property concerns. Should the property-owner still feel the assessment is incorrect, they may appeal to the Appellate Tax Board. All appeals typically have time deadlines. Always contact your local City or Town Hall with any questions pertaining to the filing dates for appeals.

When you file for an Abatement, bring whatever information that you may have (property information and/or data changes, comparable sales that sold for less than your property, 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.