

Plaistow Real Estate Market

Update on 2015
Assessment
Recommendation



Assessment Ratios



- An assessment ratio is determined by dividing a current sales price (open market sales only) by the current assessment. For example, a sale of \$100,000 with an assessment of \$95,000 yields an assessment ratio of 95%.
- In assessment practice, we array all open market sales, compare the sale prices to the assessments, and find the median point of ratios. This is how the State determines the status of our assessment rolls.

Assessment Standards



- The State requires that our ratios be between 90% and 110% each revaluation year (2016 for Plaistow).
- The State also requires that each category of properties be assessed at the same ratio (within 5%).
- The annual review of assessment values assures the continued fairness of the Town's assessments and maintains a fair and equitable valuation as prescribed by the State of New Hampshire.

What is happening in NH Real Estate Market?



- New Hampshire home values have gone up 3.5% over the past year*.
- The Town of Plaistow has seen a 15% rise in home values over from 2014 to 2015.
- According to Zillow, the median home value in New Hampshire in 2015 is \$221,200*.
- The median home value in Plaistow is \$275,000 (This is based on 2015 sales data.)
- Zillow predicts they will rise 2.7% within the next year*.

*Source: <http://www.zillow.com/nh/home-values/>

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Changing Assessment-to-Sales Ratios



Res Condominium Average Price & Running Sales Ratio



2014-2015 Ratio Changes



Timeframe	Avg Price	Count	%Chg	Ratio
April-14 to July-14				
Sgl Family	\$ 243,670	19		91%
Condo	\$ 151,323	13		96%
Aug-14 to Nov-14				
Sgl Family	\$ 277,038	21	14%	91%
Condo	\$ 174,428	13	15%	92%
Dec-14 to March-15				
Sgl Family	\$ 281,278	19	2%	91%
Condo	\$ 177,278	13	2%	89%
April-15 to July-15				
Sgl Family	\$ 270,873	11	-4%	87%
Condo	\$ 146,927	10	-17%	87%

What do these statistics mean?



- The important matter of concern is the falling ratios.
- What this means is that sales prices are increasing, causing the ratios to decline.
- At the current rate, we can expect our ratio to be in the 87% range or less, for 2015.

2016 Revaluation



- Every NH municipality is required to perform a complete revaluation at least once in every 5-years.
- In that our last full reval was in 2011, we are required to perform this revaluation for 2016.
- A full revaluation means that all tables, schedules and values will be discarded.
- All new tables, algorithms and schedules will be redeveloped using current sales (10/1/2015 to 9/30/2016) to develop all new assessments.

Impact to Taxpayers



- **The premise behind revaluations is to ensure that no taxpayer is paying neither more nor less than their proportionate share of the tax burden.**
- This is achieved by placing all property assessments at their market value at the same time.
- While we can wait until 2016 to do this, it is more palatable to taxpayers to proceed incrementally as opposed to all at once.

Proposal for 2015



- As was seen in a previous slide, our current assessments for residential properties do not reflect the increasing market values.
- We are proposing that take a 2-step approach in anticipation of the 2016 revaluation.
- We suggest that we target a 95% ratio for 2015.
- When we perform the revaluation in 2016, changes in value and shifts in individual taxes will be mitigated.

Next Steps



- By bringing the values up to the mid 90's we are taking a step process that will lessen the overall burden that a possible shift in values may have to the individual on the taxpayer and help level the tax burden this year as we capture the increased valuation.
- In previous years, the Board of Selectmen's previously established protocol set up for updates include:
 - *An adjustment in values to the mid 90's.*
 - *Letters to be mailed to all taxpayers that change more than 5%.*

Next Steps



Questions?

