



REVALUATION 2023 OVERVIEW and FAQs

PHASE ONE: MARKET ANALYSIS – The first phase started late summer of 2022 and will continue through September 2023. A variety of resources are used to analyze the real estate market. While the sales data is being collected, appraisal personnel will be analyzing recent sales that took place over the last few years to determine which market factors influenced property values. Once all the data is collected and reviewed for accuracy, the appraiser will determine land values and set neighborhood site indexes, that rate the desirability of locations throughout the city.

PHASE TWO: VALUATION – Valuation is done using one or more of the three recognized methods, replacement cost, income approach and market value. Market value is the most widely used approach, and most easily explained to the taxpayer. During this phase, individual characteristics of the building are analyzed using information on the assessor's field card. Each property is compared to other comparable sale property with similar characteristics. Then the market values of the improvements are added to the land value that was previously determined. This value is the final estimate for each parcel of property, building, and land.

PHASE THREE: INFORMAL AND FORMAL APPEAL HEARINGS – Once the data collection, market analysis, and valuation of this revaluation are completed, notices of your new assessment and prior assessed value will be mailed. At this time, anyone with questions concerning the revaluation process, the data collected on their property or their valuation will have an opportunity to meet with a member of eQuality's staff to discuss their property valuation.

Any property that has an informal hearing or any property where the value has been changed since the first notice will receive another assessment notice in early February 2024. This notice will provide the details on how to appeal your assessment with the Board of Assessment Appeals, which is a formal appeals process undertaken annually by state statute. As with the informal hearings, owners who wish to formally appeal their assessment must apply between February 1 and February 20, 2024. An application **must** be filed in the Assessor's Office between February 1 and February 20, 2024. Applications will **not** be accepted after 4:00 pm on February 20, 2024.

FAQs

- 1. What is a revaluation?** A revaluation is the process of performing all 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.
- 2. Will a revaluation increase taxes?** A revaluation is a revenue neutral process. This means that a municipality's tax levy is not changed by the revaluation, thus the total amount of taxes the Town will need to collect will be about the same, regardless of whether a revaluation takes place. It does not mean that all property taxes will increase or decrease.
- 3. Will all property values change?** 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.
- 4. How will I know if my assessment is equitable?** 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.)
- 5. Does the Assessor's Office have the correct information on my property?** You can review the information that the Assessor's Office has collected on your property to make sure the data is accurate. The Town of Cheshire will have this information on the internet, www.chshirect.org or www.equalitycama.com
- 6. What is market value and who determines my property value?** Market value is determined by 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. 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. It is the appraiser's job to research and analyze the values in any particular area or neighborhood. The appraiser follows specific guidelines during their research. Factors that are examined for each property include: location, size, quality of construction, age of improvements, topography, utilities, zoning restrictions, if any, etc.

7. What is an informal hearing? 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 follow the detailed information on the notice letter. 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. 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.

8. How do I prepare for a hearing? When you come to a hearing, 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.

9. How will I know if a change was made to my assessment after my hearing? At the conclusion of the hearing 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 a change notice will be sent to you. The new value on this change 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 Assessor's records.

10. If I disagree with my assessment after a hearing, what are my options? 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 appeal before the municipality's Board of Assessment Appeals. The Board of Assessment Appeals will review the case and make a determination as to the disposition of the appeal. Should the property-owner still feel the assessment is incorrect, they may appeal to the Superior Court.

11. I am seeing a lot of news coming from the real estate industry. Is this being reflected in my new assessment? Your current assessment is based on a State defined date of value. We use actual sales that have occurred up to that date, October 1, 2023 in this case, as a basis for the creation of all of our valuation models. That date of value would reflect prevailing economic conditions that are occurring at that time. It is important to remember that when evaluating our change in assessment that you factor in when the previous assessment was calculated.

12. What sales did you compare to my home to arrive at my value? This question, although common, highlights one of the clear differences between the revaluation appraisal process and the more well-known “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 (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 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 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 your town.

13. What if there has not been a recent arms-length sale of my property? 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.

14. What if there are no reasonably comparable sales? 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.

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

16. What will happen to my assessment if I improve my property? 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 a kitchen or bath – extensive remodeling – adding features such as A/C, finished basement rooms, garages, pools, etc.

17. Will my assessment go up if I repair my property? Normal maintenance will help retain the market value of your property, but generally will not affect your assessment.

18. How can my assessment change when I have not done anything to my property? 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.

19. Do all assessments change at the same rate? 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.

20. Nobody inspected the inside of my home; how could you reassess it? The Assessor's Office maintains a complete record for each property. Information is kept current through permit inspections, sales inspections, periodic re-inspections, and exterior reviews. This information is used to develop the new assessments.