



# **State-Mandated Property Revaluation Town of Griswold, CT**

Presented by  
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# Agenda



- Introduction
- Overview
  - Why Revaluation?
  - The Revaluation Process
- Standards for Quality
- What Can We Expect From This Revaluation?
- Q & A

# Why Do a Revaluation?



- **Equity** - The market is continually changing and every property is not affected equally. Fair market value is affected by a number of factors including property class (residential, commercial, industrial), property location, individual property desirability and market supply and demand.

# Why Do a Revaluation?



- **It's the Law** - The State of Connecticut requires that each town and city perform a revaluation of all real property at least every five years (§12-62 of the General Statutes). The last revaluation in Griswold was done for the October 1, 2006 Grand List.
- We are conducting a revaluation for the October 1, 2011 Grand List. The next revaluation will be done in 2016.

# The Revaluation Process



- Collect and quality control data
- Review sales and neighborhood assignments
- Build and test valuation models
- Refine model values
- Value all properties using models
- Review properties in the field
- Inform public and disclose values
- Conduct informal taxpayer reviews

# Collect and Quality Control Data



- CLT staff data collected information for every property in town. Entry or information from the owner was gained for 2,848 properties, or 67%, not including the over 450 field checks done for permits or data mailer verification.
- Formal quality control was done for 257 commercial and residential properties.
- Quality Control involves a thorough review by the on-site group leader and may also include a full re-list and interview with the owner, when possible.

# Sales & Neighborhood Review



- Valuation neighborhoods are reviewed and refined.
- Property sales recorded between October 1, 2009 and September 30, 2011 were carefully reviewed in the field to ensure accurate data in the assessor's database.

- ***One of the most important phases of any revaluation is the setting of land values.***
- Location, location, location!
- Land values directly relate to the locational desirability of a property.
- We reviewed and analyzed 18 vacant land sales since January, 2009 to develop land valuation models that reflect the local market.
- The average sale price was \$73,055
- The average size lot sold was 2.27 acres

# Building Cost Analysis



- To determine local construction costs (including builder profit)...  
...we analyze sales of new construction.
- To determine depreciation models (based on age and observed physical condition)...  
...we analyze sales of older dwellings.

# The Models



A set of formulas used to calculate a value

- Built for all three approaches to value: Cost, Income and Sales Comparison.
- Includes tables with individual component values.
- Used to compute fair market value on many different types of properties.
- Frequently tested against the sales to support the quality of the model.

# Model Testing



- **Value** the sales database using the models.
- **Test** the results.
- **Re-test** to refine the model components and values.
- Stratify sales into different categories like building style, dwelling age, neighborhood, building quality grade and condition and physical location to **validate** the model components.
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# Sales Stratified



*Summary by Land Use  
GRISWOLD, CT*

11/09/2011

| Land Use Code |                 | Count | Mean<br>Sale Price | Mean<br>Appraised | Mean<br>A/S Ratio | Median<br>Sale Price | Median<br>Appraised | Median<br>A/S Ratio | Median<br>Abs Disp | COD           | Weighted<br>Average |
|---------------|-----------------|-------|--------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|---------------|---------------------|
| 101           | SINGLE FAMILY   | 45    | 200,889            | 189,911           | 0.96              | 185,000              | 174,800             | 0.94                | 0.05               | 6.93%         | 0.95                |
| 103           | Mobile Home MO2 | 12    | 40,371             | 37,550            | 0.94              | 32,450               | 31,000              | 0.96                | 0.04               | 4.95%         | 0.93                |
| 104           | TWO FAMILY      | 2     | 143,200            | 135,250           | 0.94              | 143,200              | 135,250             | 0.94                | 0.06               | 6.38%         | 0.94                |
| 107           | SFR/INLAW       | 3     | 230,000            | 240,167           | 0.96              | 240,000              | 233,800             | 0.97                | 0.00               | 1.72%         | 0.96                |
| 111           | FOUR FAM MO1    | 1     | 205,000            | 187,900           | 0.92              | 205,000              | 187,900             | 0.92                | 0.00               | 0.00%         | 0.92                |
| 130           | RES ACLNDV MD   | 1     | 85,000             | 80,600            | 0.95              | 85,000               | 80,600              | 0.95                | 0.00               | 0.00%         | 0.95                |
|               |                 |       | <b>169,545</b>     | <b>160,252</b>    | <b>0.95</b>       | <b>167,500</b>       | <b>158,050</b>      | <b>0.94</b>         | <b>0.04</b>        | <b>6.23 %</b> | <b>0.95</b>         |

# Final Field Review



- ***Each property in Griswold has been reviewed in the field by a state certified appraiser.***
- The appraiser verifies the physical data, relative building quality grade, observed physical condition and locational influence for each property.
- The appraiser is ultimately verifying the final value produced by the models.

# Informal Taxpayer Reviews



- ***On November 18<sup>th</sup>, each taxpayer in Griswold will be mailed a notice of change in assessment.***
- ***The notice will list both the New and Prior Assessments.***
- ***The Prior Assessments are based on 2006 Market Value***
- ***The difference in assessment reflects 5 years of market change, not a single year.***

# Standards for Quality



- The International Association of Assessing Officers (IAAO) has developed standards to measure the quality of revaluations.
- The State of Connecticut recently passed legislation outlining Performance-Based Testing Standards that must be completed following a revaluation and recorded in the Town Clerk's permanent records.
- ***Griswold's revaluation meets and exceeds the standards for a quality revaluation set by the IAAO and the State of Connecticut.***

# IAAO Standards for Quality



- All Classes  
Griswold
- Measure of Assessment Level .90 – 1.10 .94
- Price Related Differential (PRD) .98 – 1.03 1.01
- COD (By Class)
- Single Family
  - Newer/Homogeneous  $\leq 10$  6.93
  - Older/Heterogeneous  $\leq 15$
  - Rural/Seasonal  $\leq 20$
- Income Properties
  - Larger/Urban  $\leq 15$
  - Smaller/Rural  $\leq 20$
- Vacant Land  $\leq 20$

# CT Performance-Based Testing Standards



- By statute, all property in CT is assessed at 70% of fair market value
- There must be at least 15 valid sales for each property class (residential, commercial and vacant land)
- The time period used for the study will include properties that sold between October 1, 2010 and October 1, 2011.
  
- **Overall median assessment ratio 63% to 77%**
- **Median Ratio for Individual Classes +/- 5% of overall median**
- **COD for all <= 15%**
- **COD for Residential <= 15%**
- **COD for Commercial & vacant <= 20%**
- **PRD for all .98 to 1.03**
- **Unsold Property Test .95 to 1.05**

# CT Performance-Based Testing Standards



|  |   |  |  |  |       | <b>Meet Standard ?</b> |
|--|---|--|--|--|-------|------------------------|
| 1. Overall Median Ratio for all property                     |   |  |  |  | 0.658 | Y                      |
| 2. Median Ratio of Class, if more than 15 Sales in the Class |   |  |  |  |       |                        |
|  | Residential   |  |  |  | 0.656 | Y                      |
|  | Commercial, including apartments, industrial and public utility |  |  |  | N/A   |                        |
|  | Vacant Land   |  |  |  | N/A   |                        |
| 3. Overall COD for all Properties                            |   |  |  |  | 6.17  | Y                      |
| 4. COD of Class, if more than 15 Sales in the Class          |   |  |  |  |       |                        |
|  | Residential   |  |  |  | 5.61  | Y                      |
|  | Commercial, including apartments, industrial and public utility |  |  |  | N/A   |                        |
|  | Vacant Land   |  |  |  | N/A   |                        |
| 5. Overall PRD for all Properties                            |   |  |  |  | 1.01  | Y                      |
| 6. PRD of Class, if more than 15 Sales in the Class          |   |  |  |  |       |                        |
|  | Residential   |  |  |  | 1.00  | Y                      |
|  | Commercial, including apartments, industrial and public utility |  |  |  | N/A   |                        |
|  | Vacant Land   |  |  |  | N/A   |                        |
| 7. Unsold Property Test                                      |   |  |  |  | 0.990 | Y                      |
|  | (Complete and attach worksheet - Unsold Property Test)          |  |  |  |       |                        |

# Market Comparisons



**This house on  
Woodcrest Dr. sold on  
November 23, 2005 for  
\$208,000**

**It sold on June 20, 2011 for  
\$160,000**



# Market Comparisons



**This house on  
Cook Hill Rd. sold on  
July 31, 2006 for  
\$160,000**

**It sold on September 30, 2011  
for \$123,000**



# Market Comparisons



**This mobile home on Sheldon  
Rd. sold on April 1, 2006 for  
\$30,000**

**It sold on June 20, 2011 for  
\$15,000**



# Market Comparisons



**This residential lot on Burdick  
Ln. sold on June 14, 2011  
for \$60,000**

**The 2006 appraised value was  
\$79,300**



# Market Comparisons



**This commercial lot on  
Voluntown Rd. sold on  
July 1, 2010 for \$75,000**

**The 2006 appraised value was  
\$168,200**



# Market Comparisons



**This property on  
Slater Ave. sold on  
February 17, 2011 for  
\$205,000**

**The 2006 appraised value was  
\$241,300**



# Market Comparisons



**This waterfront property on  
Voluntown Rd.  
sold on September 6, 2011 for  
\$450,000**

**The 2006 appraised value was  
\$442,300**



# Market Comparison



**This condo on George St. sold  
on May 3, 2010 for \$96,000**

**The 2006 appraised value was  
\$119,700**



# Impact of Revaluation



- Real estate (not including exempts) decreased 17%
- The median **decrease** for all properties is 20%
- The median **decrease** for commercial properties is 13%
- The median decrease for residential properties is 20%
- The average residential improved sale price between October 1, 2010 and September 30, 2011 (Certification Period) was \$174,539

Thank you for your interest in  
the  
2011 Griswold revaluation.