



Revaluation 2006

**RE-APPRAISAL OF REAL
PROPERTY IN VERNON**

REVALUATION

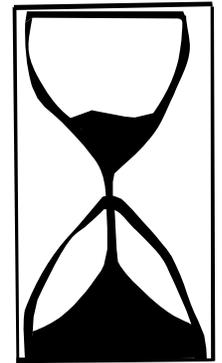
- **Process of valuing all properties as of a given date (10/1/2006)**
- **Systematic appraisal of groups of properties using standardized procedures and statistical testing**
- **Constantly changing property values and economic conditions make periodic re-appraisals essential**

MASS APPRAISAL

- **Mass appraisal and single family appraisal are based on same appraisal theory, except**
 - **Mass Appraisal relies on more equations, tables and schedules called models.**
 - **Assessment Ratio Studies used to measure existing market trends.**
 - **Compares assessed values and market values.**
 - **Looks at uniformity of assessments within a property group.**

FORCES OF SUPPLY & DEMAND

- **Everyone would acknowledge that property values have increased since October 2000.**
- **State Statute 12-62 mandates all towns revalue properties every five years.**
- **State Statute 12-62(d) (1)**
If not, town will forfeit 50% of town's Mashantucket Pequot & Mohegan Fund Grants

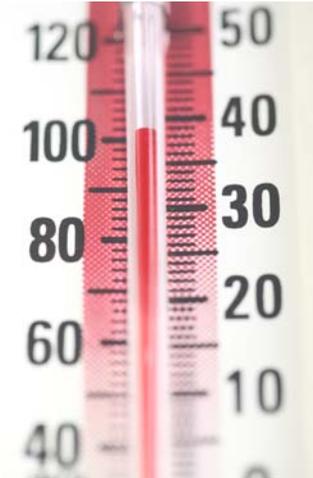


ECONOMIC FACTORS INFLUENCING VALUE

- **Interest Rates steadily increasing.**
- **Rising Energy Costs.**
- **More Inventory, longer marketing times.**
- **Buyers taking more time to make decision.**
- **Multiple offers not commonplace as they once were.**
- **Demise of double digit appreciation rates.**
- **Tolland County observed a 9% decrease in the number of sales.**

SUMMARY

- **A cooling off period or market realignment to more normal conditions.**
- **A balancing of Supply & Demand**



AREA TOWN SURVEY

2003 - 2005 Median Sales Price

Single Family Housing

<u>Town</u>	<u>Sale Price</u>	<u>% Increase</u>
● Coventry	195,500	23%
● Manchester	197,450	26%
● Vernon	210,000	22%
● Ellington	234,250	20%
● So. Windsor	262,000	7%
● Tolland	279,900	26%

2005 - 2006 Median Sales Price

Single Family Housing

<u>Town</u>	<u>Sale Price</u>	<u>% Increase</u>
● Coventry	257,500	32%
● Tolland	306,000	9%
● So. Windsor	282,450	8%
● Vernon	225,000	7%
● Ellington	241,250	3%
● Manchester	203,500	3%

2003 – 2005 Median Sales Price

Condominiums

<u>Town</u>	<u>Sale Price</u>	<u>% Increase</u>
● Ellington	110,500	15%
● Manchester	140,000	33%
● So. Windsor	182,000	40%
● Tolland	215,285	159%
● Coventry	148,950	35%
● Vernon	139,000	32%

RESULTS

- **Property values have slowly increased since last year at this time**
- **Greater Hartford Area has shown modest growth compared to other areas in state**
- **All economic factors, conditions and influences are considered in the final analysis**

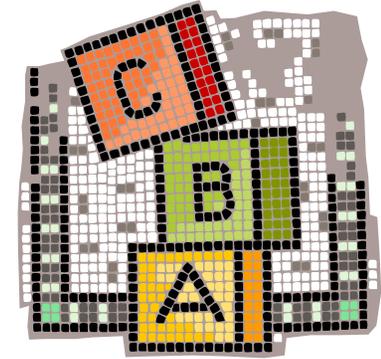
VERNON & ROCKVILLE VALUES

- **Last revaluation, Rockville section experienced downward value trends**
- **Rockville is tracking equal to the rest of the town and in some cases at a greater percentage.**
- **Expect the Rockville section of Vernon to reflect a positive influence on towns overall growth. This is good news for everyone.
Why**

PROPERTY CLASSES

Looking at 3 specific classes

- Residential
 - Single family
 - Condominiums
 - 2,3 & 4 families
- Commercial
 - 5 units or more
 - Business Sector
- Industrial
 - Manufacturing Sector



MEASURING GROWTH BETWEEN PROPERTY CLASSES



- **Fair Market Values accelerate more rapidly between property types.**
- **Condominiums appreciating at higher percentage than single family homes because the demand for condos prices after the last revaluation. Condo values rebounding.**
- **Apartment rentals in demand. First time buyers entering into market more cautious about interest rates, energy costs and cost to own.**

SHIFT IN VALUES

- **Most midsized and large towns experience a shift in the property tax burden from the Commercial and Industrial properties to the Residential Sector.**
- **REVALUATION identifies the inequities and estimates values to achieve accuracy, equity and fairness of property values.**
- **Balancing of tax burden cannot be achieved without a revaluation.**

REVALUATION MEANS

- **Updating the towns inventory of real property.**
- **Filtering the data for accuracy.**
- **Creating fair and equitable assessments.**
- **Balancing the tax burden.**

PHASE-IN OPTIONS

- **Three methods considered.**
 - **Finance Director and Town Assessor will present their findings first January meeting**
 - **Outline the benefits and shortfalls of the various methods..**
 - **Tax consideration given to Real Estate, Personal Property and Motor Vehicles.**
 - **The overall tax impact to taxpayers will be presented after all factors are considered.**

PUBLIC RELATIONS

- **Posting revaluation progress on town web page.**
- **Providing information to the public in the Horizons Magazine and Reminder Press.**
- **Answering questions at the office or on the phone.**
- **Updating the Town Council & Public at meetings.**

REVALUATION PROGRESS

- **October 7: Field inspections completed data mailers, building permits, sales of properties over the last year**
- **October 21: Data input completed**
- **November 7: Residential Sales Analysis by neighborhood**
- **November 10: Residential Increase Notices will be mailed**
- **November 20: Commercial & Industrial Notices mailed**
- **November 21 thru December 20: Informal Hearings and additional field reviews**

DECEMBER & JANUARY

- **Mayor requests 30 day extension from O.P.M.**
- **Ongoing grand list preparation**
- **Personal Property, Motor Vehicles**
- **PA-490 land and Updating Exemptions**
- **February 28, 2007: Assessor finalizes and signs 2006 Grand List**
- **Mayor accepts Revaluation results and reports to O.P.M.**
- **March 9, 2007: Assessor mails out final Increase Notices to property owners**

BOARD OF ASSESSMENT APPEALS

- **Appeals to the B.A.A. by application on or before April 20, 2007.**
- **Applications will be available in the Assessor's Office on March 9th.**
- **B.A.A. hearings in May 2007. Must complete duties by last day of month.**
- **Notices mailed out five days after Board completes their duties.**
- **Appeals to Superior Court within sixty days of the time the Board finished their duties.**

BUDGET (\$120,000)

- **The costs to-date: 55% or \$66,000.**
- **The remaining balance funded through December 2006**
- **Budget and completion date on schedule**

COUNCIL TIME LINE

(January 2007)

- **Council receives Revaluation results**
- **First council meeting in January to discuss Phase-in versus no phase-in.**
- **If the Town Council elects to Phase-in property values: Mayor has 30 days from decision to notify O.P.M.**

THE END



THANK YOU

