



*Assessment
Property Value
Update 2012*

Assessment Property Value Update 2012



- The Hudson, NH Assessing Department has been continuously collecting property record data on-site since the 2007 revaluation, and will continue to do so through the 2012 Property Value Update.
- It is the assessing officials goal to ensure an equitable distribution of the property tax burden among the Town's property owners.

Why Is Hudson Conducting This Property Value Update?

- The primary purpose of the project is to minimize or eliminate assessment inequities. It is not uncommon to find Market Values of certain areas or property types increasing/decreasing at different rates.
- An update brings the tax burden back into balance by 1) ensuring an equitable distribution of the tax burden among the Town's property owners, and, 2) ensuring a more accurate tax base from which to base the budget upon.

Why Is Hudson Conducting This Property Value Update? Cont'd

- Per State Statute RSA 75:8, it is the Assessor's responsibility to discover, list and value all real property within the jurisdiction.
- The Town is also being held to a standard of Market Value (90-110%) in its Assessments for 2012 and that threshold is to be measured and evaluated by the State of NH-Department of Revenue.

Market Values vs. Assessed Values

- Market Values change from year to year, with the past few years showing overall changes (decreases) in market values.
- While market values are still in flux during 2011, to date, we are required by state law to conduct a reassessment, at minimum, once every 5 years, 2007 being the last Town-wide change in assessed values.

What Is Market Value?

- Market value is determined by people, 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. It is the assessor's job to research and analyze the values in any particular area or neighborhood. In effect the assessors do what you would do to determine the selling price when putting your house up for sale. Factors that are examined for each property are : location, size, quality of construction, age of improvements, topography, utilities, zoning , etc.

Three Approaches to Value

- 1. Cost Approach – The cost approach establishes value based on what it would cost to replace your structure, less depreciation, plus the land value.
- 2. Market Approach – The market approach establishes value based on comparison of one property, the subject property, with other properties that have sold in the same general area or neighborhood, a.k.a. comparable sales.

Three Approaches to Value (cont'd)



- 3. Income Approach – The income approach is used to value properties that generate rental income such as apartment buildings , office buildings and rental buildings.

Determining the Fair Market Value of All Property



- In the Town of Hudson, as with other Towns, we primarily use a market adjusted cost approach to value residential property which involves setting our land values, building costs and depreciation schedules to reflect the selling prices of homes and vacant land throughout the town.

How Can An Assessment Change If I Have Not Done Anything to Improve My Property?

- General economic conditions, such as inflation, changes in interest rates, employment levels, etc., will influence the value of real estate. As property values change in the marketplace (sales), those changes must be reflected on the assessment rolls.
- For those properties that have had physical changes from 2011 to 2012, those changes will be reflected for 2012, as they would be in any tax year.

Will a Property Value Update Increase Taxes?



- The property value update may result in a decrease, or an increase, of individual assessments. A decrease in assessment does not implicitly indicate a decrease in taxes. The increase or decrease of individual tax bills is determined by factors such as the town & school budgets, changes in state revenue sharing obligations to municipalities, as well as other factors.

Will a Property Value Update Increase/Decrease Taxes (cont'd)?

- The “burden” of the tax base can shift amongst property classes/types, such as commercial/industrial property assessments changing at a different (higher, or lower) percentage than residential assessments.
- If the same amount of revenue is to be raised, after voters actions, in the 2012 update year as in the previous year, and each assessment is lowered by 20%, all other factors being equal, the total tax rate would increase by 20%. The next slide reveals prior tax rate adjustments, 2007 being the prior reassessment year.

Assessing Department Valuation Statistics

YEAR	NET VALUATION	INCREASE IN VALUE	TAX RATE	RATIO
2010	\$2,911,618,088	\$16,585,543	\$16.11	114.5%
2009	\$2,895,032,545	\$21,060,723	\$15.34	110.4%
2008	\$2,873,971,822	\$22,491,407	\$15.01	101.6%
2007 (update year)	\$2,851,480,415	\$350,379,063	\$17.22	97.9%
2006	\$2,501,101,352	\$30,470,066	\$16.50	84.3%
2005	\$2,470,631,286	\$29,335,284	\$15.95	85.2%

Do All Assessments Change Equally?

- No. This is a popular misconception.
- Your property value is determined by your individual property's characteristics and what the market data indicates.
- Updates of your assessment provide the base that is used to determine your overall tax burden. Your assessment depends on where your property is, what kind of property you own, and what the market data indicates the value should be. A popular misconception is that all assessments change by the same percentage. This is not true, your property value is determined by available market data.

How Do I Know My If 2012 Tax Year Assessment Will Be Equitable?

- There are two methods for determining this. First compare your property to similar properties that sold, in arms-length transactions (not bank, auction, or short sales), in the previous year +/- (4/1/11 – 4/1/12). Your value should generally be in line, within 10% or so, with these sale prices. Second, if no recent sales are available, compare your assessment to other similar properties in your area.

When will the notices of new value be mailed in 2012?

- It is anticipated that assessment notices, subject to funding approvals, will be mailed during the late summer of 2012.
- If the overall net assessed value of the Town decreases, all things being equal, the tax rate will increase in order to raise the amount of voter-approved expenditures to be voted on by voters in 2012.

Where Do I Go For More Information?

- Assessing Web Site: www.hudsonnh.gov
 - Town Hall – Assessing Department,
12 School Street, Hudson, NH 03051
 - Phone – 603-886-6009
- THANK YOU !