

Planning & Preparing for Grievance Day

An Assessor's View

The sole purpose of grievance day is to resolve a difference of opinion between the assessor and property owner over the market value of a property. Since the assessor is trained and experienced in property valuation, his/her assessment is presumed correct. The burden is on the property owner to prove the assessment is wrong. The property owner gets one chance each year to plead their case to the grievance board. If your plea is denied, you may file for a small claims assessment review through the county clerk's office in your county. However, if you present your case the same as you did on grievance day, you risk the possibility of being denied again. If you are indeed over-assessed, you can improve your chances for a successful grievance by following the guidelines below. Remember, these steps can be taken at any time during the year. It is suggested you take advantage of them often.

- (1) The first step is making sure your data is accurate. Review the information on file for your property, including home measurements and land breakdown. Home measurements are taken from the exterior of the home and are rounded to the nearest foot. Land size is as mapped. Rensselaer County Real Property office provides maps to assessors. Any discrepancies should be reported for correction. Do a follow-up after a few months to make sure the changes were made. Your assessor may require a field inspection to change some data. If so, it is suggested you allow access to the property. A one-foot error here or there on home measurements could result in several thousands of dollars on your assessment.

An interior inspection may be requested but it is your right to say "no." Assessors request interior inspections to understand the quality and condition of the structure itself, including the functionality of the layout. As an assessor, I find it much easier to inspect a vacant home because nothing obstructs my view of the structure itself.

- (2) The second step is knowing what properties are considered "similar" to yours. Ask your assessor for a listing of properties considered most comparable to yours. A listing of 5 or 10 other properties is usually sufficient.
- (3) The third, and most difficult step is understanding how assessments are determined. Assessors, appraisers, and realtors all deal with market value of real property. Since assessments are based on market value, it is important to understand the market and the driving forces that affect market change. Your assessor is a good source of information. Summer and Fall are the best times to ask your assessor about the process of determining an assessed value.

With the above steps taken, you receive an assessment change and believe it is not equitable. What should you do?

- (a) Review your value with the comparable properties received in Step 2 above. Make sure the comparable properties have not changed since you last obtained the data. Estimate a fair value for your property.
- (b) Speak with your assessor about the value change and what you believe is a fair value. Be ready to defend the value estimate.
- (c) Prepare for grievance. Most grievances are based on sales or other assessments. If you base it on sales, provide at least 3-5 sales within the last year or two. If you base it on assessments, provide at least 5-10 assessments of similar type properties.

Grievance Preparation

The grievance process can be as simple or as complicated as you want it to be. To avoid being overwhelmed, remind yourself to “keep it simple.” Inventory, assessments, and sales are the key ingredients to determine the fairness of your assessment. Once you decide to grieve, get the inventory and assessment for your property and of properties comparable to yours. Get the sales of all similar type properties. This is all you need to check your assessment.

DO NOT focus on taxes, how much they went up, or how little your neighbors pay. Taxes do not indicate assessment accuracy.

DO NOT focus on the percentage your assessment has increased in comparison to your neighbors, or the township as a whole. The percentage change in assessment is dependent upon how good or bad your assessed value was, or is now.

DO NOT focus on how much your assessment has increased over the past 3, 5, or 10 years. Past market changes do not reflect current or future accuracy in assessments.

DO NOT provide a list of 3, 5, 25 or 50 properties with lower assessments. Lower assessments do not automatically provide proof of over-valuation. Stacks of data may overwhelm or confuse the intended reader, resulting in a reluctance to change an assessed value.

DO NOT concentrate your efforts on runaway taxes or the inequities in the property tax system. We all know property taxation has its problems. Streamlining or simplifying the process is a long term goal. Grievance is your short-term chance at fairness.

DO provide photographs of your property and other comparable properties, if possible. Exterior and interior pictures are your best tools. If you have waterfront, a picture of your water frontage helps.

DO provide truly comparable properties to prove your case. For residences, include year built, style, grade of construction, square foot living area, basement type, heating system type. Extras such as central air conditioning, fireplaces, garages, larger exterior buildings, and in-ground pools should also be included. Your assessor can provide this data.

DO be truthful and accurate. Inconsistencies in statements made and/or data provided can sink your chances of success.

DO provide a copy of any appraisal within the last 2-3 years if available. A market analysis from a real estate agent is acceptable but it should include all pertinent data related to value.

DO keep in mind what is relevant or not relevant to determine market value. (Some examples are listed below)

<u>Relevant Factors to Determine Market Value</u>		<u>Non-Relevant Factors to Determine Market Value</u>	
Property Inventory	Location	Median Value	Used seasonally by owner
Location	Curb Appeal	Homeowner's income	No improvements made
Property Sales	Location	% Increase in assessment	Neighbors assessed for less

Enclosed are examples of BAD and GOOD comparable properties. The column at LEFT lists most of the critical data items used in assessments. Be sure to use this data in your presentation. Of course, the 3 most important factors are location, location, and location.

*Examples of **BAD** Comparable Properties*

	Subject Property	Comparable A	Comparable B	Comparable C	Comparable D	Comparable E	
Lot Size (Acres)	17.00	3.00	1.50	6.50	28.00	104.00	
Building Style	Ranch	Old Style	Colonial	A-Frame	Double-Wide	Cottage	
Year Built	1993	1890	1994	1975	1990	1950	
Grade (Quality)	B	B	C	C	C	C	
Condition	3	3	2	3	3	4	
Bedrooms	4	4	4	3	4	1	
Baths	2.5	1.5	2.0	2.0	1.5	1.0	
Fireplace	1	1	0	0	0	0	
Heat Type	Hot Water	Forced Air	Hot Water	Electric	Electric	No Central	
Basement Type	Full	Partial	Full	Full	Partial	Piers	
Square Feet Living Area	2,040	2,550	2,240	935	1,848	980	
Garage	24 x 28	16 x 20	22 x 22	20 x 22	22 x 24	None	
Assessment							
	Land	42,000	27,200	25,900	30,000	41,000	118,000
	Total	309,000	188,000	225,000	99,000	149,000	173,000

- Comparable A: An Old Style home built when codes and modern technology was unavailable. These types of homes will always have some kind of problem and always sell less than similar newer homes. In this case, the structure is much older, has a full bath less, partial basement, and a lesser value heating system. The square foot of living space is on multiple floors where a Ranch has all of its living area on one floor. Thus, a Ranch will have more roof space, more foundation space, and more convenience than a multiple story home.
- Comparable B: While similar in year built, a Colonial home has two stories. A Ranch with one story will almost always demand a higher value per square foot because it not only costs more to build due to the added roof and foundation area, it is more convenient with all living space on one floor.
- Comparable C: An A-Frame lacks the popularity, therefore demand of a Ranch. For obvious reasons an A-Frame is not comparable.
- Comparable D: A Double-Wide (manufactured housing) lacks the quality and appeal of a site built home. Built with a permanent steel chassis, these homes cost less to build.
- Comparable E: These types of homes are usually seasonal in nature or built as a starter home. Economy of construction is evident in most features, including the lack of a full foundation.

*Examples of **GOOD** Comparable Properties*

	Subject Property	Comparable A	Comparable B	Comparable C	Comparable D	Comparable E	
Lot Size (Acres)	17.00	3.00	1.50	6.50	28.00	104.00	
Building Style	Ranch	Ranch	Raised Ranch	Ranch	Ranch	Split Level	
Year Built	1993	1988	1997	1990	1977	1988	
Grade (Quality)	B	C 1.10	C	C	B .90	B	
Condition	3	3	2	3	3	3	
Bedrooms	4	5	4	3	4	4	
Baths	2.5	1.5	2.0	2.0	1.5	2.0	
Fireplace	1	1	0	0	0	0	
Heat Type	Hot Water	Forced Air	Hot Water	Electric	Electric	Hot Air	
Basement Type	Full	Partial	Full	Crawl	Partial	Full	
Square Feet Living Area	2,040	2,550	2,240	1,678	1,848	1,980	
Garage	24 x 28	16 x 20	22 x 22	20 x 22	22 x 24	None	
Assessment							
	Land	42,000	27,200	25,900	30,000	41,000	118,000
	Total	309,000	289,000	304,000	178,000	219,000	360,000

Comparable A: Same style of home. Other than land, this comparable is slightly older, of lesser quality, one less bathroom, a partial basement and smaller garage. There is 510 square foot more. After removing the land value, the building value can reasonably be compared to the subject building value.

Comparable B: Part of the living area in a Raised Ranch is in the basement. The overall square foot value should be less than a Ranch if finished basement area is part of the total square foot. A Raised Ranch also has the issue with climbing stairs.

Comparable C: Good comparable. Adjustments for differences can easily be obtained and used to estimate the value of the subject property.

Comparable D: Adequate comparable. Should be careful to keep the year built within a reasonable period, say 10 or 15 years. This is because codes and building materials change over time. Homes should be compared with other homes of similar materials and code requirements.

Comparable E: Part of the living area in a Split-Level is in the lower, or basement level. The overall square foot value should be less than a Ranch if finished basement area is part of the total square foot. A Split-Level also has the issue with climbing stairs due to multiple levels.

SUMMARY

Planning & Preparing for Grievance Day

Grievance Day is not complicated. To increase the effectiveness of your grievance, simply do the following:

- *Decide on how you plan to prove your case. Keep it simple.*
- *Include any comparable SALES and related data.*
- *Include relevant data on your property and a short list of comparable properties with relevant data.*
- *Include recent photographs, if available.*
- *Include a recent appraisal by a certified appraiser or market analysis by a real estate agent, if available.*

An appraisal or market analysis is only another opinion of value. While an appraisal may carry more significance than a market analysis, they are both just as likely to be “off” as an assessment. Other than interpretation, the reason for such is data. An appraisal and assessment should be very close. If not, check the data used in both.

- *Provide a reasonable value estimate for your property and a simplified explanation of how you arrived at it.*

Once you have compiled data, organize it in some kind of order that is easy to understand and follow. Lead the listener from the initial problem to options for a potential solution, and finally a logical solution or outcome.

- ⇒ My assessment is in error because (inventory error, sale prices indicate lower, other assessments lower)
- ⇒ The facts are (my inventory is _____, not _____) (similar sales are _____) (similar properties are _____)
- ⇒ The differences are (value estimate of inventory error) (relationship of sales/assessments to subject)
- ⇒ Based on facts/differences (my value should be _____)

- *Rehearse your presentation.*
- *Be brief, courteous, and focused on proving your case.*

Thank you for your time.