

Why % change is not a valid argument

Say two neighbors have identical houses and lot size. Both homes were built in the same year and are identical in every way. Current appraisals value both homes at \$100,000. The assessments are as follows: Property "A" is assessed at \$80,000 and Parcel "B" is assessed at \$95,000. The assessor changes both assessments to \$100,000 the following year.

In this scenario, Parcel "A" has increased by 25% and Parcel "B" has increased by only 5%.

The real estate market is hot and home prices are rising. A home is appraised for \$98,000 and sells two weeks later for \$100,000. The assessed value is \$125,000 and the assessor lowers it to \$100,000.

In this scenario, the assessor lowered the assessment 20% in a rising real estate market.

The real estate market is in trouble, sales are slowing and prices are declining. A home that was on the market for \$229,000 has dropped its asking price to \$179,000 after having it re-appraised. The new appraisal was \$170,000. The assessor decides to increase the assessment from \$130,000 to \$156,000.

In this scenario, the assessor raised the assessment 20% in a declining market.

The percent increase or decrease is a product of how good or bad the assessment was, or is now. Property owners should review the data on file for accuracy. As for the assessment, property owners should ask only one question:

“Is this assessment a reasonable estimate of what I could get if I sold the property today?”

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