

MAYOR'S COLUMN

In light of the depressed residential sales market, many residents are justifiably concerned about the impact on the assessed value of their homes.

To recap, when the Village was revalued in 2007, the valuations were confirmed by the sales data that followed and showed that we had valued properties very close to our goal of 100% of market value.

Sales information attained after a valuation is the only indice that can confirm the prior projections. Assessors and consultants make an informed, educated valuation that must be substantiated by actual sale data. Offering prices and valuations set by real estate agents' cannot legally be used to calculate assessed value.

The Village was right on the mark for 2007 and for most of 2008 registering a co-efficient of dispersion (COD) or ratio of inequity of 8%, the lowest in Westchester County. This is the standard of equity used by the State of New York and the International Association of Assessing Officers.

However, in the third quarter of 2008 when the data is compiled to produce 2009 indicators, the Bronxville residential sales market was essentially frozen. The last documented sale of a detached single family home occurred in mid-September.

Clearly, as a result of recent economic conditions, homes are no longer assessed at 100% of value. Rather, they are likely somewhat above. It is important here to note that New York State allows communities to assess at any percentage (ratio) of value be it at 1% or 500% as long as the standard is uniform. As an illustration, our homes are valued at 1.4% on the Eastchester tax roll.

Determining accurate statistical indicators for 2009 valuation cycle will be extremely difficult. We have very little empirical data from the fourth quarter, thus resulting in a small sample from which to extrapolate values.

Since we cannot rely on the comfort of a large home sale sample, our assessing office has recommended that the Trustees additionally employ a statistician to review in-house statistical determinations. This extra effort is certainly more than any other community is currently doing but given all of

our past work to achieve equity and the high value of real estate in the Village, it is warranted and justifiable.

There is a general perception by villagers that larger homes have been hit hardest. For assessing purposes, there is no confirmed data to support this supposition.

At this juncture data supports a general diminution in value. You can use an analogy of the tide. When the tide is high all boats go up, and when the tide is low all boats come down together.

So bottom line, in 2009, how can you determine that your assessment is fair? There is a helpful formula. Make an assumption that the assessed value is currently at 110% of total value. Using the 110% figure, if a home was assessed at \$3 million in 2009 but the homeowner has a recent appraisal or recently purchased the property for \$2.7 million, their property is considered to be equitably assessed. However, in this same example, if the homeowner's recent appraisal or purchase price is \$2.4 million, the property is over assessed by \$360,000.

Appraised Value/Purchase:	\$2,400,000
Ratio: X	110.0%
Correct Assessment	\$2,640,000
2009 Tentative Assessment	\$3,000,000
Extent of Inequity	\$360,000

On February 1, 2009, the Assessment Office will set forth its determination of the ratio for 2009. Upon examining this ratio, if you believe your assessment is inaccurate, you should avail yourself of the grievance procedure prescribed by State law to review your valuation. The Village Board of Assessment Review, which hears valuation evidence, is composed of five villagers very schooled and now experienced in the valuation process.

As a caveat, all of the above information applies only to single family homes. By New York State law and unrelated to reassessments or the Homestead/non-Homestead option, co-ops and condos state-wide cannot be valued on individual unit selling prices. Rather, the entire building must be

valued on its collective projected rental stream, even if the building has never permitted rentals.

In sum, it is not the percentage of assessed value that determines fairness but rather your home continues to stay in the same uniformity with homes of similar value.

Whatever mathematical formula or percentage of value is used does not answer the question, "Are your taxes fair and in an equitable ratio with your neighbors?" It does not answer "Are they too high?" A projected decrease in market value of a home by 10% does not translate into a 10% decrease in taxes. The amount of tax levy is determined by the budgets adopted by the School District and Village.

Given the economic downturn, we consider ourselves fortunate to put Village values in equitable relationships. Continuing the inequities in a depressed market would have further distorted the tax roll.

The entire field of assessment, as I have learned, is esoteric and sometimes counter intuitive thanks to rules promulgated by the State. So if you have any questions do not hesitate to call Village Hall.

The tentative roll will be available for review on February 1st. It will be on our Village website and in hard copy at both Village Hall and the Library.