

## **Preliminary Valuation Documentation Village of Bronxville, NY Property Revaluation**

### **Overview**

Property is commonly assessed at the municipal or local level in New York State. The Village of Bronxville, NY has updated all property values to a 1/1/07 effective date of value. The Village contracted with the Tyler Technologies|CLT Division in March of 2006 to verify the physical data for each property and to assist the Assessing office in updating assessments to the 2007 date of value.

During a revaluation such as that recently undertaken by the Village, all procedures and methods conform to standards of professional practice as set forth in USPAP Section 6 and the ORPS Assessor Manual (9/2/02). The New York state RPS computer assisted mass appraisal (CAMA) system was utilized to build a comprehensive data base of property characteristics. Models were built within the CAMA system for each of the three approaches to value – the cost approach, the income approach and the sales comparison or market approach. The models and newly collected data produced estimates of value for each property in the village, which were then carefully reviewed by skilled Company appraisers and Village assessing consultants for quality and equity.

### **USPAP 6 - Market Value Definition - Date of Value**

This Valuation Documentation is in draft form, subject to the completion of the project and the final review and approval of the Assessing office. This is not an appraisal. It is being provided to the Village of Bronxville by Tyler Technologies/CLT division as a summary of the work performed as of November 30, 2006 for the Bronxville reassessment project. A number of tasks remain to be completed before the project is considered complete in late January 2007. The following summarizes the key phases of the project completed thus far.

1. The exterior measurements of all buildings were verified.
2. Digital photographs were taken of every property and entered into the RPS data base.
3. 959 residential properties and 216 commercial properties allowed interior inspections. 712 of these inspections were done by appointment. 46 residents refused an interior inspection of their homes.
4. Data mailers were mailed to all property owners in late August or early September 2006
5. Recent market sales were collected and verified as valid.
6. Market valuation areas (neighborhoods) were defined within the Village.
7. The RPS residential and commercial replacement cost tables were adjusted locally to reflect Bronxville market levels.
8. Land and depreciation tables were built from a comprehensive analysis of recent sales for the cost approach.
9. A residential market model was built to support the sales comparison approach.
10. Income and expense data was solicited from property owners in the community owning income producing property. The data received was summarized and analyzed for consideration in building the income approach models.
11. Estimates of value for each applicable approach to value were reviewed by skilled mass appraisers and the preliminary values reviewed and approved by the assessing office.
12. Notices of revaluation were mailed to each property owner on November 30, 2006.

## Preliminary Valuation Documentation Village of Bronxville, NY Property Revaluation

This report is intended to complement, but not replace, the supporting materials that have been or will be provided to the Assessing office in the form of interim reports, quality audit reports and appendices, and procedural and training manuals throughout the project.

Real Property Assessment and Revaluation work is governed by Section 6 of the Uniform Standards of Professional Practice (USPAP)

Section 6 of USPAP requires that a reassessment project must:

- have data of a sufficient quantity and quality to produce credible values
- collect, verify and analyze data necessary to arrive at market value
- consider, in the case of commercial properties, the use of the cost income and sales (market) approach
- employ recognized assessment techniques for model tables and calibration

The standards of USPAP were adhered to in the valuation of all residential and commercial properties in the Bronxville reassessment project.

Most appraisals, like the Bronxville Project, are predicated on Market Value in a fee simple context. The definition of Market Value is cited below:

*Market value is defined as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- a. Buyer and seller are typically motivated;*
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- c. A reasonable time is allowed for exposure in the open market*
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

**USPAP – February 2005**

It is this definition that provides guidelines and boundaries to help appraisers judge whether the data collected or the value produced meets the criteria of market value.

Pivotal to all appraisals is the determination of the "date of value". The date of value is that point in time to which all valuation is focused. All valuation data before this date is collected, analyzed and put into various formulae, tables and models. In Bronxville's reassessment project the date of value is January 1, 2007. Changes in economic trends after the date of value have no bearing on the value estimate. One of the most critical steps in valuing residential properties is neighborhood delineation.

**Preliminary Valuation Documentation  
Village of Bronxville, NY Property Revaluation**

**RESIDENTIAL VALUATION**

**NEIGHBORHOOD DELINEATION**

A neighborhood, from an appraisal perspective, is the identification of a location or area which influences property value due to economic, legal and physical boundaries. From a more detailed perspective, a neighborhood can be further defined as a geographic area exhibiting a high degree of homogeneity in economic amenities, land use, economic trends, and property characteristics such as quality, age, and condition. Neighborhoods are not characterized as good, average, poor, etc. They stand on their own merits based on uniform composition. Simply put, the neighborhood can be defined as the area where similar properties economically compete with each other.

Delineation of valuation neighborhoods for residential properties is a key driver in the valuation of land and the application of the market approach. Significant characteristics in defining neighborhoods include but are not limited to the following:

- Physical boundaries
  - a. Natural – as rivers, streams, woods, etc.
  - b. Man-made – as roads, railroads, power lines, etc.
- Distance from amenities such as the Parkway or the Railroad
- Building characteristics: type, quality, age, and condition
- Type of occupancy: such as industrial, apartment, retail, and office.
- Current zoning: Preexisting nonconformity and development rights
- Typical land size and land valuation
- Sale prices

Residential neighborhood descriptions follow to help the reader understand the different valuation neighborhoods identified within the village. For residential valuation in Bronxville, six valuation neighborhoods were defined.\*\*

\*\*All of the historical material that follows was taken from A Suburban Village, Bronxville, New York (1898-1998) Edited by Eloise L Morgan, Published by Bronxville Centennial Celebration, Inc. Copyright 1998. The text did not identify any valuation neighborhoods; rather it provided invaluable information regarding Bronxville's historic settlements, housing trends and housing styles. TYLER/CLT expresses deep gratitude to its editor - Eloise L Morgan who graciously donated this book.

<b>Neighborhood</b>	<b>Count</b>	<b>Mean Year Built</b>	<b>Mean Living Area</b>	<b>Mean Acres</b>	<b>Mean 2007 Total Value</b>	<b>Sales Activity (2004-2006)</b>
10	241	1927	3,943	0.39	\$2,876,614	13.60%
20	272	1933	3,701	0.36	\$2,552,621	23.70%
22	208	1929	3,379	0.31	\$2,322,197	17.80%
25	169	1938	2,869	0.27	\$1,797,660	12.40%
30	252	1923	2,602	0.18	\$1,406,717	20.70%
40	187	1923	2,025	0.10	\$906,474	11.89%
<b>Grand Total</b>	<b>1329</b>	<b>1929</b>	<b>3,159</b>	<b>0.28</b>	<b>\$2,030,400</b>	

## Preliminary Valuation Documentation Village of Bronxville, NY Property Revaluation

**Neighborhood 10** has two distinct geographic locations:

1. Elm Rock Estates and Masterton Woods is bounded to the north by Sturgis Road, to the south by Masterton Road, to the west by Hemlock Road and to the east by Elm Rock Road.
2. Sagamore Park and the Lawrence Park Historic District are bounded to the north by Sagamore Road, to the south by Tanglewylde Ave, to the west by Pondfield Road and to the east by the Tuckahoe town line.

Elm Rock Estates and Masterton Woods were primarily developed in the 1920s and contain Tudor, Colonial, French and Mediterranean styles. Many of the homes located in this neighborhood were designed by prominent architect, Lewis Bowman.

The Lawrence Park and Sagamore Park homes were also primarily built in the 1920's. Many of the designs that still exist today are Old English style Cottages and Arts and Crafts Colonials. The area benefits from its close proximity to the Railroad Station and Parkway.

The 241 homes in neighborhood 10 average 3,900 square feet in size. They have a mean year built of 1927 and a mean lot size of .39 acre. The average appraised value is \$2,900,000. Neighborhood 10 has the largest mean lot size and living area and the highest mean property value of all the neighborhoods delineated.

**Neighborhood 20** forms an ellipse around neighborhood 10 and is bounded to the north by Masterton Road and White Plains Road, to the south by the Eastchester town line, to the west by Mount Vernon city line and to the east by New Rochelle Road. This ellipse is only partially split by the Sunnybrae portion of neighborhood 25

Neighborhood 20 has the most sales activity of any of the six neighborhoods defined. Its 272 homes average 3,700 square feet in size; have a mean year built of 1933; have a mean lot size of .36 acre and a mean market value of \$2,600,000.

The neighborhood began to be developed in the 1920's and along with English cottage style homes contained detailed Norman style homes with turrets, stone work and detailed fenestration.

**Neighborhood 22** is bounded to the north by Tanglewylde Ave, to the south by Pondfield road, to the west by neighborhood 10, and to the east by White Plains Road.

Neighborhood 22 has 208 homes averaging 3,400 square feet in size. The homes in this neighborhood have a mean year built of 1929, a mean lot size of .31 acre and a mean market value of \$2,300,000.

The area was developed from 1910-1930, and is much like neighborhood 20 in that many of the homes were of detailed Norman design, with half timbers, and stucco. Interspersed among the homes are standard 4 square and traditional colonial designs. The neighborhood is within close walking distance to Concordia College.

## Preliminary Valuation Documentation Village of Bronxville, NY Property Revaluation

**Neighborhood 25** has two distinct geographic locations:

1. Section one is located just west of the Siwanoy Country Club. It is bounded to the north by North Road, to the south by Dusenberry Road, to the west by White Plains Road and to the east by the Eastchester line.
2. The second section bifurcates the ellipse of neighborhood 20 and is bounded to the north by Pondfield Road, to the south by the Mount Vernon city line, to the west by Homesdale Road and to the east by White Plains Road.

Although there are two separate geographic areas of neighborhood 25, these areas enjoy common economic similarities. Neighborhood 25 is comprised of 169 homes, in total, that average 2,900 square feet in total living area. They have the newest mean year built of any of the six defined neighborhoods (1938). The houses in neighborhood 25 have a mean lot size of .27 acre and a mean market value of \$2,800,000.

Section one was developed roughly between 1925 and 1940. Home styles evolved from other neighborhoods to include construction design which had a mixture of stone and shingles, Vermont slate roofs, rough hewn siding and imported brick. Section two has a mixture of home styles – Colonial Revival, French Stucco with steeply raked roof, English Cotswold Revival, Tudor Revival, English Cottages and French Provincial.

**Neighborhood 30** is bounded to the north by Tuckahoe, to the south by Kraft Ave, to the west by Tanglewyld and Park Ave, and to the east by Midland Ave.

Its 252 homes are roughly 2,602 square feet in size and have a mean year built of 1923. They have a mean lot size of .18 acre and a mean market value of \$1,400,000.

Neighborhood 30 is a series of clustered areas including Bolton Gardens, Lawrence Park Lowlands, and lower Pondfield, The area is marked by attached (Co-ops and Apartments) and detached homes that began development in the 1920s. It benefits from close proximity to the Parkway and the Railroad.

**Neighborhood 40** is bounded to the northwest by the Bronx River and Tuckahoe, to the south by Parkway Road, and to the east by the Metro North Railroad and Sagamore Road.

Neighborhood 40 has the least amount of sales activity of all the neighborhoods. Its 187 homes are roughly 2,000 square feet in size, have a mean year built of 1923, have a mean lot size of .10 acre and a mean market value of \$906,000.

Neighborhood 40 includes Meadowdale and Gramatan Court. The area is in close proximity to the Railroad and Parkway. Meadowdale was developed by Anna Bisland in 1910 and boasts “quaint English cottages” that still exist today. Many homes are stucco and half timbered. This neighborhood also benefits from close proximity to the Parkway and the Railroad.

**Preliminary Valuation Documentation  
Village of Bronxville, NY Property Revaluation**

**LAND VALUATION**

**COST APPROACH**

The cost approach provides an estimate of value based upon the replacement cost of the improvements, less depreciation, plus the value of the land.

All the residential cost tables used during the Bronxville reassessment, are based on the Boekh Cost Service, Inc. as prescribed by ORPS and implemented in RPS.

The Boekh Cost Service provides generic cost replacement rates that need to be adjusted or modified for use, locale, and climate. All rates were keyed to the 1/1/07 date of value. In creating cost tables, the appraisers adjusted many of the Boekh rates to accommodate the various housing styles in Bronxville.

**Land Data Leading to Land Model Calibration**

In jurisdictions or neighborhoods where there are a sufficient number of vacant land sales, those sales are typically analyzed to support land models for each neighborhood. That was not the case in Bronxville, where there are very few lots available for development. There were two sales that sold as improved (had existing dwellings) property where the existing dwelling was demolished following the sale to make room for a new dwelling to be built.

Because of a lack of recent vacant land sales in Bronxville, the appraisers had to rely more heavily upon the industry-recognized land residual technique. In this technique, the appraiser removes the contributory building value from sold properties to arrive at a residual land value. The analysis is an iterative process of model testing against sales.

Following this analysis the appraisers created land models, which are driven by neighborhood and subject lot size. The models account for the value of building site and adjust for comparative lot sizes within the neighborhood. The analysis showed (and common sense dictates) that larger lots are more valuable when compared to smaller lots in the same neighborhood. Please see the chart shown below that illustrates the land value – lot size model that was used to value all neighborhood 10 residential land for the Cost Approach. Other neighborhoods have similar table structure but different values. This table is for illustrative purposes only. It assumes a single building site.

**Land Model By Neighborhood**

<b>Neighborhood</b>	<b>10</b>	<b>20</b>	<b>22</b>	<b>25</b>	<b>30</b>	<b>40</b>
<b>Land Size</b>	<b>Land Value</b>	<b>Land Value</b>	<b>Land Value</b>	<b>Land Value</b>	<b>Land Value</b>	<b>Land Value</b>
.11 Acres	\$1,200,000	\$1,000,000	\$900,000	\$770,000	\$730,000	\$660,000
.18 Acres	\$1,605,000	\$1,300,000	\$1,125,000	\$950,000	\$880,000	\$780,000
.28 Acres	\$2,005,000	\$1,620,000	\$1,325,000	\$1,150,000	\$1,020,000	\$900,000
.34 Acres	\$2,155,000	\$1,770,000	\$1,475,000	\$1,300,000	\$1,110,000	\$990,000

Building sites less than .11 Acres (5,000 square feet) will have lower values than those shown for .11 Acres in the chart above, and building sites greater than .34 Acres will have land values greater than those shown for that size above. Building sites falling between the ranges shown above will have land values falling between the results shown above.

**Preliminary Valuation Documentation  
Village of Bronxville, NY Property Revaluation**

**RESIDENTIAL MARKET MODEL VALUATION – Sales Comparison Approach**

The following characteristics were considered for the multiple regression model which was run using 169 time adjusted sales that occurred between January 1, 2004 and September 1, 2006.

Land Value from the neighborhood land tables  
Dwelling Age  
Observed condition  
Total dwelling living area in square feet  
Size of finished basement recreation area  
Size of attached garage  
Size of detached garage  
Central Air Conditioning  
Number of bathrooms (half bath counts as .5 bath)  
Size of Finished basement living area  
Number of fireplaces  
Size of Basement Crawl Space  
Dwelling Quality of construction

Coefficient values from the analysis done using SPSS analytical software for multiple regression were entered into the RPS market model module. The coefficient terms produced a market estimate that was then used to adjust the subject property to each of the sale properties that were selected by the comparable sales module of RPS to predict a comparable sales estimate of value for each property.

The factors given weight to allow the system to choose comparable sales were:

Property Class  
Land Size  
Neighborhood  
Dwelling Style  
Dwelling Quality of Construction  
Dwelling Condition  
Dwelling story height  
Dwelling Year Built  
Total Living Area  
Number of Bedrooms  
Number of Full baths  
Number of half baths  
Number of fireplaces

Following market modeling, the RPS CAMA system predicted three approaches to value: a cost less depreciation estimate, a Model estimate and a comparable sales estimate. The comparable sales document produced by the system was taken to the field a reviewed for reasonableness and equity by an experienced appraiser. In most cases, the comparable sales estimate became the final appraised value, but in the absence of “good” comparable sales, the appraiser was able to designate one of the other two approaches or use an override value for each subject property.

## Preliminary Valuation Documentation Village of Bronxville, NY Property Revaluation

Extensive sales ratio testing was done on the results to assure equity by neighborhood, style, year built, and quality of construction.

### TESTING RESIDENTIAL VALUATION MODELS

Valuation models have to be accurate, reliable and valid.

- Accuracy in valuation modeling refers to the accurate prediction of value on known and unknown data. The model should accurately appraise properties whether or not cost or sale data is available.
- Reliability in valuation modeling refers to the ability of the model to replicate work in predicting accurate values, even when physical data changes. If a new addition is added to a building the model should increase the value. This value change should be able to be precisely replicated repeatedly in the future until tables change.
- Validity in valuation modeling refers to the model's ability to value property features the way the appraiser intended. If deck is added, only a deck value should add to the property. Other values such as finished building values should not change.

Judging the accuracy, reliability and validity of the model involves the use of statistical measures of central tendency. The most common measures are median ASR (assessment sales ratio) COD (coefficient of dispersion) and PRD (price related differential)

**Measures of Central Tendency** measures the proclivity of each of the sales to center around the mean. An accurate and reliable sample produces a very similar mean, median and mode.

**Assessment Sales Ratio** measures the statistical closeness each of the sales to the predicted model value. Expressed as a percentage value estimates should be within plus or minus 10% of value adjusted for market conditions.

**Coefficient of Dispersion (COD)** measures how close each of the sales ratios are to the measures of central tendency. The lower the COD the more accurate and reliable the model.

**Price-Related Differential (PRD)** measures how progressive or regressive the model is in predicting values. Price-related differentials above 1.03 tend to indicate that higher-priced properties are being undervalued compared to the lower-priced properties (regressivity). On the other hand, price-related differentials below 0.98 tend to indicate that lower-priced properties are undervalued compared to more expensive properties in relation to market value (progressivity).

More detailed information concerning NYS standards and the RPS CAMA valuation system can be found at the NYS ORPS website: [www.orps.state.ny.us](http://www.orps.state.ny.us).

The International Association of Assessing Officers (IAAO) has created a series of standards that can be used to judge accuracy, reliability and validity. Aside from meeting the criteria of USPAP, the best test of a model is its ability to meet IAAO Performance Standards Cited below are the ASR tests on Bronxville's valid sales file. The results of these tests were compared to IAAO Standards.

**Preliminary Valuation Documentation  
Village of Bronxville, NY Property Revaluation**

<b>2006 Sales (64 cases)</b>	<b>Median [ASR]</b>	<b>Coefficient of Dispersion [COD]</b>	<b>Price Related Differential [PRD]</b>
<b><i>Residential properties</i></b>			
IAAO Standards	0.90–1.10	15.0 or less	0.98–1.03
Bronxville	<b>1.00</b>	<b>6.4</b>	<b>0.99</b>
RESULTS	<b>Passed</b>	<b>Passed</b>	<b>Passed</b>

The final analysis on all 169 valid sales for the period January 1, 2004 through September 1, 2006 shows the following (using time-adjusted sale price):

<b>2004 - 2006 Sales (169 cases)</b>	<b>Median [ASR]</b>	<b>Coefficient of Dispersion [COD]</b>	<b>Price Related Differential [PRD]</b>
<b><i>Residential properties</i></b>			
IAAO Standards	0.90–1.10	15.0 or less	0.98–1.03
Bronxville	<b>.998</b>	<b>6.0</b>	<b>1.00</b>
RESULTS	<b>Passed</b>	<b>Passed</b>	<b>Passed</b>

The final statistics by neighborhood are as follows on the time-adjusted three-year sales set.

Neighborhood	Count	Median	PRD	COD
10	23	1.00	.981	11.2
20	40	1.00	1.007	4.6
22	30	.994	1.008	3.9
25	21	.982	1.008	6.3
30	35	.981	1.010	5.6
40	20	.989	1.014	6.6
overall	169	.998	1.000	6.0

## **Preliminary Valuation Documentation Village of Bronxville, NY Property Revaluation**

In conclusion, the reassessment project in Bronxville was successful in the following ways:

1. It met and exceeded IAAO standards
2. It met USPAP standards
3. It produced accurate, reliable and valid valuation models

This documentation was intended to give a broad overview of the property revaluation process in Bronxville. Greater detail on each property is available for your perusal at the Assessor's office.

If you believe that the proposed value on your property is not accurate, or wish to review with an appraiser the detail used to value your property, you may request an informal review with Tyler Technologies|CLT Division. Instructions for making an appointment are included with your new assessment notice. The meeting will be more productive if you can bring some of the following to the meeting with the appraiser:

- Any appraisals on the property in the last three years
- Copies of the cost and the detail of any improvements made to the property in the last three years.
- Copies of any documentation which identify a detriment to the property

**Preliminary Valuation Documentation  
Village of Bronxville, NY Property Revaluation**

**COMMERCIAL VALUATION**

The methodology in valuing commercial properties differs from residential properties in two ways: 1) Commercial valuation uses different units of comparison than residential, such as value/apartment unit or value/achieved square footage, and 2) Commercial valuation most often uses income as the primary approach to value.

**Cost Approach as Applied to Commercial Properties in Bronxville**

The premise of the cost approach is the estimation of the replacement cost of improvements, subtracting depreciation and then finally adding land value. As in the case of residential valuation all procedures and methods comport to standards of professional practice as set forth in USPAP Section 6 and the ORPS Assessor Manual (9/2/02). All commercial improvements are assigned a Boeckh remaining service life based on type, age and condition. In the absence of vacant land sales, a land residual technique was utilized to develop contributory land value.

**Income Approach as Applied to Commercial Properties in Bronxville**

The premise of the income approach is to convert or capitalize a net income stream into a property value. The income approach was considered the primary approach to commercial values in Bronxville. Income data was gleaned from the submission of confidential income and expense data submitted by commercial property owners in Bronxville. The income was then capitalized to arrive at a value using a capitalization rate. Cap rates were developed by analyzing local overall rates (rates developed using income and selling price) and utilizing a mortgage equity technique.

**Sales Approach as Applied to Commercial Properties in Bronxville**

There were no valid commercial sales in Bronxville during the time of this study (1/2004-7/2006). Sales that did occur were frequently renovated soon after the sale making assessment comparisons impossible. Therefore the sales approach was not developed to arrive at value for commercial properties in Bronxville.

**Valuation of CO-OP and Apartment properties in Bronxville.**

In accordance with New York State Law CO-OP and Condo Buildings are valued as one property containing multiple units, even though those units may be transferred separately. (Real Property Law Section 337-7, and 581) In the case of a CO-OP, the Board of the CO-OP will receive one value for the entire building and then allocate that value as they see fit among all the owners. In the case of Condos, one value is determined and then allocated among all the owners using a percentage of interest as designated by the Condo declaration.

**Collection**

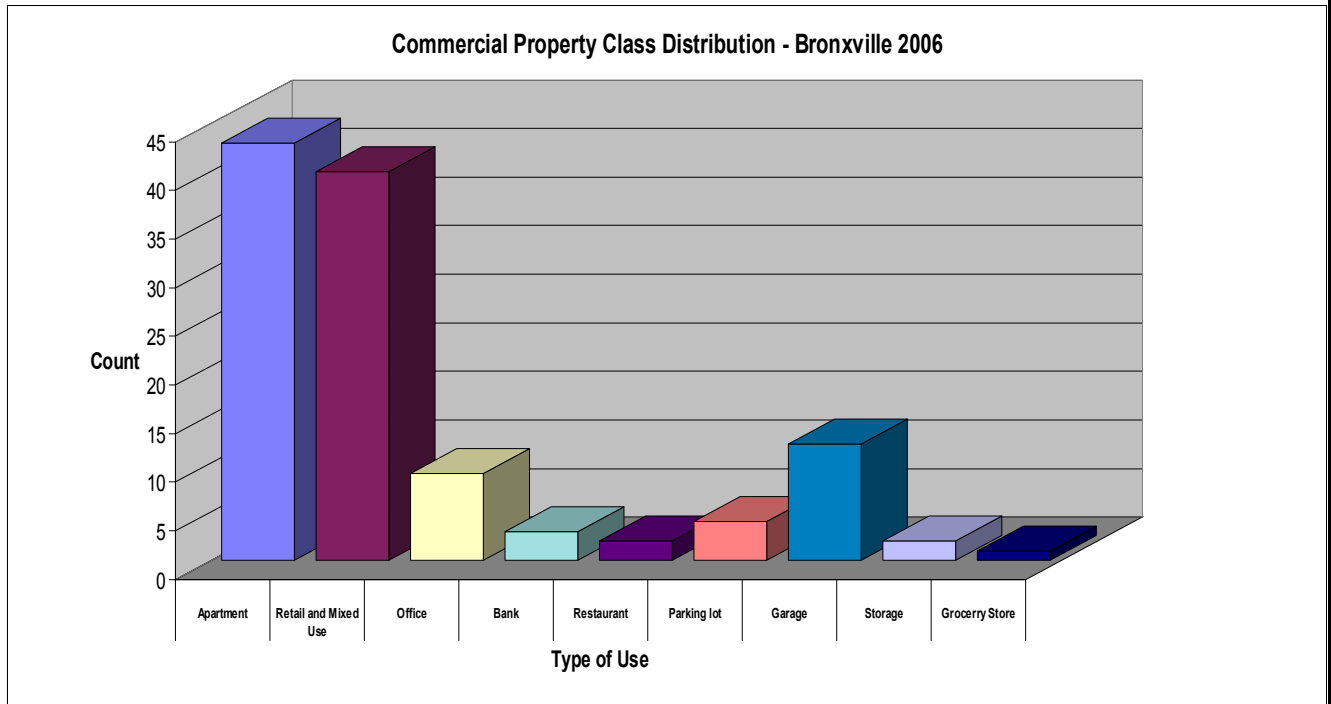
The application of the cost and income approach relies on the accurate collection of data.

**Acquisition and Maintenance of Parcel Inventory Data**

There are 189 commercial properties in Bronxville. Each of this properties was inspected between July and September of 2006. Inspections were completed by certified Real Estate Appraisers in accordance with the data collection procedures found in the reassessment contract as well as the ORPS Assessor's manual – Data Collection Section 1. The chart

## Preliminary Valuation Documentation Village of Bronxville, NY Property Revaluation

below portrays the Commercial Property Class Distribution in Bronxville. Apartments/Co-ops and mixed use properties are the most prevalent.



There are 118 taxable commercial properties in Bronxville. Each of these properties was sent a confidential income and expense request form. Of the 118 properties 46 properties submitted valid data.

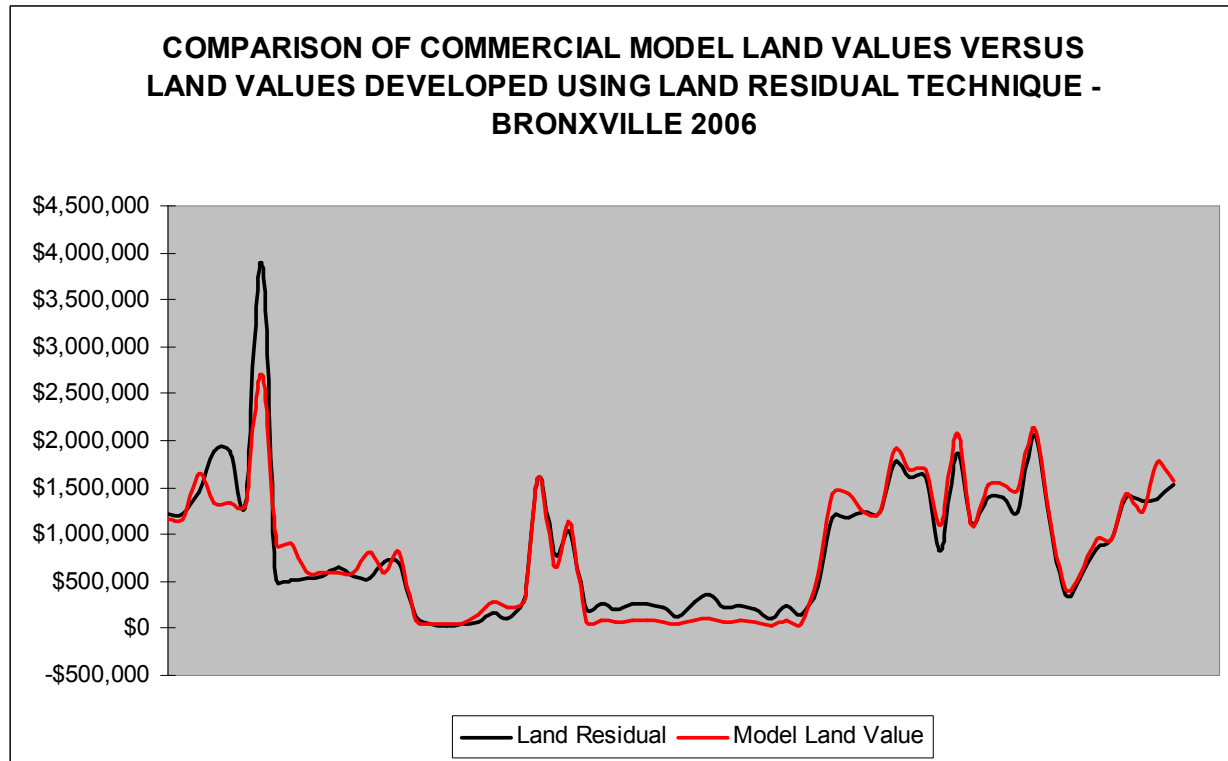
Capitalization rate data was collected from a variety of sources, Korpacz, Cushman and Wakefield, Loopnet, CB Richard Ellis and from an analysis of income and expense data submitted by taxpayers.

Sales information was collected from local records as provided by the Assessor's office and data submitted on the income expense forms.

### Analysis

Commercial land values in Bronxville were established primarily as a result of the application of a land residual technique which uses cost and income data. This technique first estimates value via the income approach then removes the contributory value of the building as developed by the cost approach. The residual amount is an estimated land value which produced a land valuation technique that could both work consistently in Bronxville and be sensitivity to such issues as size, zone and neighborhood. Show below is line graph comparison which demonstrates the validity and reliability of the commercial land model.

**Preliminary Valuation Documentation  
Village of Bronxville, NY Property Revaluation**



An analysis of collected income and expense data was used to determine net operating income for different commercial property types.

Bronxville was divided into three commercial neighborhoods that demonstrated different rental rates. Neighborhood 1 encompassed the CBD on Pondfield Road, neighborhood 2 encompassed CBD off Pondfield and neighborhood 3 encompassed other properties outside the CBD.

Development of a capitalization rate involved reviewing studies conducted by CB Richard Ellis, Cushman and Wakefield, and Korpazc. In addition a mortgage equity technique was used to arrive at appropriate cap rates. Ultimately, after considering all factors, rates in the range of 6% to 6.5% for apartments and 7% to 7.5% for all other properties were deemed the best suited for the Bronxville commercial market.

### **Application of the Analysis**

A complete valuation review of all commercial properties was conducted in the fall of 2006. Care was taken to determine the effect of condition, locational, and functional deficiencies on the value of each property.

Model adjustments to buildings, land, and income, were made, where necessary, to reflect property condition and location. Adjustments allowed ranged from -40% to +40% to base rates.

After the valuation review appraisers performed a reconciliation of values to determine whether cost value or income value most accurately portrayed the property's market value.

## **Preliminary Valuation Documentation Village of Bronxville, NY Property Revaluation**

### **Closing**

This documentation was intended to give a broad overview of the Commercial valuation process in Bronxville. Greater detail on each property is available for your perusal at the Assessor's office.

If you believe that the proposed commercial value as set forth on your property is not accurate you may appeal for a hearing. You will receive directions for hearing appointments with your new assessment notice. You should bring the following items to that hearing:

- Cash flow of rent, expenses
- Copies of all leases
- Copies of any documentation which identify a detriment to the property
- Copies of any documentation regarding approvals on the site (number of units etc)
- Recent appraisals
- 2-3 years tax returns

Having these items will make the meeting more productive and hence beneficial to you.