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# The Village of Bronxville, NY Property Revaluation

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# Why a revaluation?

- **Equity** - The market is forever changing. Every property is not affected equally. Fair market value is affected by a number of factors including:
  - Property class (residential, commercial, industrial)
  - Property location
  - Property desirability
  - Market supply and demand

# What's the process?

1. Collect data on all real property accounts
2. Build computer data base using NYRPSV4
3. Review sales and establish neighborhood boundaries
4. Build, test and refine valuation models
5. Value all properties using models
6. Review predicted values in field for quality, reasonableness and equity
7. Inform public and disclose values
8. Conduct informal taxpayer reviews

# What models are created?

## Three approaches to Value:

1. Cost approach: defined as the sum of the land value and the depreciated value of any improvements.
2. Sales Comparison approach: compares sales of similar properties to a subject property. Sales prices are adjusted to account for the differences identified between the comparables and the subject property.
3. Income Capitalization approach: capitalizes an income stream into a present value. Used to value commercial and investment properties.

# How are models created?

## Cost Approach

- Recent Sales of vacant and improved properties are researched and verified as “arms length”.
- Local building costs are researched from national sources and tested against any local new construction.
- Sales of older homes are analyzed to determine local depreciation tables linked to building age, use and condition.
- Land models are created from an analysis of vacant land sales and using hybrids of the residual and allocation methods.

# How are models created?

## Sales Comparison Approach

- Recent Sales of improved residential properties are researched and verified as “arms length”.
- The common data collected on residential property is analyzed to determine the factors affecting local market value and their relative contribution to property value.
- Common property factors are assigned value and weighted for their relative contribution to value so that accurate comparisons and adjustments can be made.

# How are models created?

## Income Capitalization Approach

- Recent Sales of commercial and investment properties are researched and verified as “arms length”.
- Income and Expense data is solicited from the community and analyzed to produce models that reflect local market rents, expenses and vacancy.
- Capitalization rates are researched and are loaded to the income approach models.

# Different types of appraisals

## Fee appraisal

- A fee appraiser appraises one property at a time.
- The appraisal is done for an individual reason: purchase, refinance, etc.
- A fee appraiser values each property at a unique point in time.

## Mass appraisal

- A revaluation uses mass appraisal, meaning we appraise many properties at a time.
- The appraisal is always done for property tax purposes.
- A mass appraisal appraises all property as if it sold on the same date. The date used is usually statutory.

# Fee vs. Mass Appraisal

## Fee Appraisal

- **One property**
- **Date of appraisal – current date**
- **Equitable appraisals between properties is not a concern**
- **Adjustments to comparable sales determined for each appraisal and can differ depending on appraiser or time of appraisal.**
- **Single value produced**
- **No statistical tests to prove accuracy of appraisal**

## Mass Appraisal

- **Many properties**
- **Date of appraisal – 1/1/07**
- **Equitable appraisals among similar properties critical.**
- **Adjustments are built into a model and are the same for all similar properties**
- **Individual values for each component, land, building, outbuildings and site improvements**
- **Statistical tests to prove accuracy of appraisals**

# Online appraisal tools

## Automated Valuation Models (AVMS)

Examples: Zillow.com, HouseValues.com

### Problems with AVMs

- Lack of source documentation to show how values are derived.
- No concern for equity among similar parcels.
- Use of only one approach to value – the sales comparison approach.
- Missing, out of date or incorrect data.
- Lack of statistical tests to ensure accuracy.

# When will I know my new assessed value?

**In late November, a notice of change in assessment will be mailed to each property owner in Bronxville.**

- Review your new assessment and the accompanying property data carefully.
- Read the information contained in the notice and available on-line at [villageofbronxville.com](http://villageofbronxville.com)
- If you have questions or concerns, schedule a meeting with a Tyler|CLT representative.

***(Scheduled by appointment only and will be held through December 2006.)***

## How will I know the new values are accurate?

- First consider whether the value reflects a reasonable estimate of the *fair market value* for your property as of January 1, 2007.
- Research properties that have sold in your area.
- Compare your value to the new values of comparable properties in your neighborhood. All of the new assessed values will be available on the village web site, on CD, and printed for public review.
- Research and consider the information to be included in the preliminary mass appraisal report, that will be available on the village web site, on CD and printed for public review. The report is being produced so that you can satisfy yourself that all Mass Appraisal standards have been met.

# What happens at an informal review?

- During your meeting, you can:
  - Review the data and valuation report for your property
  - See and discuss the comparable sales used to support the new value on your property
  - Bring any information you feel should be considered in the final value to the appraiser's attention

- **December 2006** – Informal Taxpayer reviews with Tyler|CLT personnel.
- **Early to Mid January 2007** – Tyler|CLT reviews recommendations from informal reviews with Village assessing staff
- **Late January 2007** – Tyler|CLT delivers final assessments to the Village. “Renotice” letters mailed to anyone affected by an informal review action.
- **February 1, 2007** – Tentative Assessment Roll filed
- **February 20, 2007** - All formal grievances must be served on the Village by this date
- **February 27, 2007** – Bronxville Board of Assessment Review convenes for hearings on formal grievances.
- **March 1, 2007 – March 23, 2007** – Board of Assessment Review deliberations
- **April 1, 2007** – Final Assessment Roll filed
- **April 3, 2007 – April 10, 2007** – Written decisions sent to individual homeowners who filed formal grievances.