



Department of Assessment

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Inclusion through Diversity

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Introduction

In an attempt to provide the public with more information regarding the decision making aspect of the assessment function, the Department of Assessment will start issuing an end-of-year report regarding the current real estate market.

The main goal of this report is to disseminate accurate information regarding the current state of the assessed values in relation to the current sale prices of real property within Tompkins County. As one does not look to Miami for what weather will occur in Tompkins County, we do not look **nationally** when analyzing the current real estate market in Tompkins County. The Department of Assessment is monitoring the national trends in the real estate market and is ready to respond if/when these trends may in fact affect Tompkins County in the future.

Tompkins County has over 34,500 parcels of real property with a total market value of over \$10.5 Billion. The Tompkins County Department of Assessment is the only true countywide assessing unit in New York State. By consolidating the assessment function at the county level, approximately \$300,000 per year is saved as compared to the cost of Town/City assessing units.

The real property tax is an ad valorem tax (Latin for *according to value*). One important benefit of the real property tax is that the amount collected always equals the amount levied, unlike the sales and income taxes whose collection rates can vary greatly from large windfalls, to large shortcomings. An assessment is not a tax but rather a way to apportion the amount of money that the taxing jurisdictions wish to generate. Each assessed value represents the proportionate share of the pie that each property owner will be responsible for by each taxing jurisdiction.

It is the duty of the Department of Assessment to estimate the market value of all real property – commercial and residential – each year. The real estate market within Tompkins County has held strong over the past year. Aiding this strong selling market were historically low lending mortgage rates which drove up sales prices. Demand also exceeded supply which led to a resurgence of bidding wars in the early spring of 2013.

2014 Annual Equity Maintenance Program

Since New York State adopted the Cyclical Reassessment Program (CRAP) in order to try to get municipalities that have not performed a revaluation in many years, some since the Civil War, to update their assessment rolls, Tompkins County lost approximately \$150,000/year in state aid by maintaining an up-to-date assessment roll. While this new program might pull some municipalities to update their rolls, it adversely affected those municipalities that have maintained an accurate and equitable assessment roll.

Instead of joining into the CRAP, the Department of Assessment has decided to maintain the work processes that made the Annual Equity Maintenance Program in Tompkins County so successful. The CRAP was determined to be more costly to administer with no increase in accuracy or equity. The largest expense in participating in CRAP was to re-measure at least 2 sides of every structure in the county once every 4 years or to perform updated oblique aerial imagery flights. At least in Tompkins County, we have found that buildings do not grow absent a significant construction project, which would require a building permit.

Sales vs Assessment Analysis

In the past 2 years, the number of valid arms length transactions for residential properties has increased almost back to the peak years of 2002-2008. As a trend, both the average selling price and median selling price are slightly increasing although variations in the type of property being sold might show a decrease from year to year..

Asmt Year	Sales	Average Sale Price	Median Sale Price
1992	610	109,445	91,500
1993	605	115,493	96,500
1994	578	110,942	95,000
1995	676	107,478	92,950
1996	775	109,241	90,000
1997	545	106,604	92,700
1998	634	107,075	90,250
1999	754	108,028	89,700
2000	772	115,526	96,800
2001	860	115,766	95,500
2002	838	118,669	100,000
2003	909	125,993	108,500
2004	884	147,675	125,950
2005	1,011	165,982	140,000
2006	1,002	181,787	155,000
2007	1,048	194,750	164,650
2008	923	201,538	178,000
2009	808	204,744	178,700
2010	725	208,980	179,000
2011	736	209,652	182,000
2012	870	199,797	174,375
2013	961	207,005	184,000

Because Tompkins County reassesses all properties each and every year to reflect a property's current market value, it is very crucial that the Department of Assessment analyze the real estate market in depth. In the financial environment of today, it is important that the tax burden be distributed equitably and is the reason why both the International Association of Assessing Officers and the New York State Office of Real Property Tax Services assert that annual reassessment is the best way to ensure an equitable distribution of the tax burden.

Analysis of Level of Assessment and Uniformity

The Department of Assessment has analyzed all the valid arms-length transactions of residential properties between July 1, 2012 and July 1, 2013. The mean and median Assessment to Sale Price Ratio (AVSP) along with the price related differential (PRD) and coefficient of dispersion (COD) was determined for the county as a whole.

Mean Assessment to Sale Price Ratio	=	0.99
Median Assessment to Sale Price Ratio	=	0.99
Price Related Differential	=	1.01
Coefficient of Dispersion	=	0.04

An AVSP under 1.00 indicates that the sale prices are greater than the current assessments while conversely, an AVSP over 1.00 indicates that the sale prices are less than the current assessments.

Based upon a countywide analysis, it is determined that the 2013 Assessment Roll was already valued as a whole at 100% fair market value as of July 1, 2012. However, this information is not sufficient to make any determination regarding the level of assessment in Tompkins County. While the AVSP for the county as a whole is statistically at 1.00, further analysis needs to be undertaken to determine if there are sub markets in the county that are not representative of the county as a whole as some areas within the county do not trend the same as the rest of the county does as a whole.

Reassessment Projects for 2014 Assessment Roll

While overall the Assessment to Sale Price Ratio (AVSP) indicated that the assessment roll was at 100% fair market value, there were a few neighborhoods that either required their assessed values to be adjusted in order to reflect this uniform percentage of value or required a review of all assessments to ensure the uniformity.

Residential

- Mobile Homes
- City of Ithaca
- Town of Caroline (Old Styles)
- Town of Dryden
 - Ellis Hollow, Leisure Lane, Scout Lane, Scenic Way
- Village of Groton
- Town of Ithaca
 - Commonland, Larisa Lane, Holly Creek
- Town of Lansing
 - Waterwagon, E Lansing Rd, Armstrong, Benson, Collins, Farm Pond, Ryan's Way/Muirfield, Highgate Circle, Old Styles (fair/poor)
- Private Forestland

Commercial (countywide)

- Apartments
- Mini Storage
- Major Body Shops
- Car Washes
- Medical Office Space
- Utility Vacant Land
- City of Ithaca – Commons Area (slight adjustment due to construction)
- Condominiums/Cooperatives

* We sent out requests for Income and Expense data to apartment landlords via the Ithaca Landlords Association list serv. We had 12 Income and Expense statements for individual properties returned to our office. Based upon such a low response, we had to utilize the income information that we were able to gather via the internet, including Craigslist. We will not review an apartment's assessment unless we receive their last 3 years income and expense information.

Conclusion

The overall measures for assessment equity and uniformity indicates that the 2014 Assessment Roll will not require any major changes from the 2013 Assessment Roll to maintain a 100% level of assessment. However some properties will change in value.

There are over 34,500 parcels within Tompkins County and there will be properties that are either over assessed or under assessed. With each passing year, the Department of Assessment tries to smooth out these inequities.

Additionally, we are constantly monitoring the 'For Sale' properties on the Multiple Listing Service to help determine the movement of the real estate market when no sales occur. The Department of Assessment does not value property based upon listings however listing prices in respect to the current assessed values does shed light on the current state of the real estate market.

All property owners in the county are encouraged to review the data that is on file at the Department of Assessment. Any corrections to the inventory on file are welcomed. If a property owner wishes to have a member of the professional appraisal staff inspect their property, a request may be made with the Real Property Appraiser responsible for that particular town.

The Department of Assessment will mail out a Preliminary Notice of Assessment Change to all property owners whose assessment changed since the 2013 Final Assessment on March 7th. Beginning that Friday, a property owner who received that notice can begin scheduling an Informal Assessment Review Meeting with one of the members of the professional appraisal staff of this office. These appointments are the property owners' opportunity to present information to the Department of Assessment to take into consideration when reviewing the assessed value. If an apartment owner received a change of assessment notice and did not supply us with their income and expense

information, they must provide that information prior to scheduling an informal review meeting.

Due to staffing constraints, if a property owner did not receive a change notice but would like to submit information to the Department of Assessment to consider when reviewing their assessment, they may either file that information by paper or by filling out the review request on our webpage.

The deadline to file an information appeal is March 28th. The formal review period when a property owner can file a grievance application with the Board of Assessment Review is from May 1 to May 27th. Grievance day will be held on May 27th at the Department of Assessment. A small number of appointments for grievance day will be able to be scheduled starting on May 1. A walk-in period will be scheduled from 4-8PM.

Outlook for 2015 Continual Equity Maintenance Program

Based upon sales from July 1, 2013 to January 1, 2014 the real estate market appears to be very level. The Assessment to Sale Price Ratio for this period is still 0.99 which shows a slight under-assessment of all properties.

The Department of Assessment is committed to maintaining an equitable assessment roll. The Department is constantly analyzing the local real estate market and will make the necessary adjustments needed to maintain a full value equitable assessment roll.

Our biggest struggle has to do with a property's condition which is almost impossible to gauge prior to a sale. A property owner does not have to let us in to their property and in fact, as an Assessment Department, we only have the right to go to the front door and knock on that property. Our single biggest reason why our assessment does not match to what a property sold has to do with the condition of the property – whether it's in a better or worse condition that we have valued the property at. There is nothing that we could do that would allow us to be better at this aspect, which is why community participation is important in the assessment process.