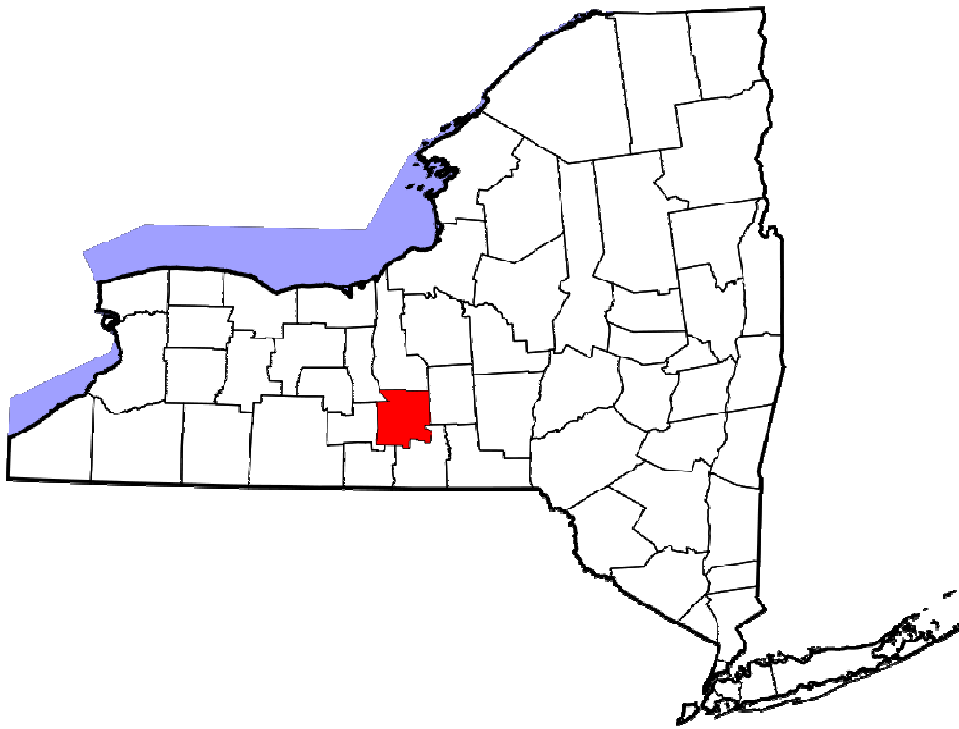
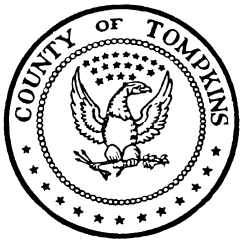


Tompkins County Department of Assessment
Annual Report - 2012

Continual Equity Maintenance Program
43rd Consolidated Assessment Roll



Prepared by:
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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 \$320,000 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 is not yet experiencing the significant downturn that is very prevalent in other parts of the nation. There are many possible explanations for this.

- Availability of lending dollars
- Lack of foreclosures as a result of good lending practices
- Low unemployment (compared to national average)
- Stabilizing influence of Cornell University
- Lack of significant appreciation rates in prior years
- Lack of speculative building.

2012 Continual Equity Maintenance Program

Prior to the completion of the 2011 Continual Equity Maintenance Program, New York State abandoned the Annual Reassessment Program that had been in place since 1999. 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. 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 Continual 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. 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

While the actual number of houses that sold has decreased significantly since the high of 1,048 in the 2007 Assessment Roll Year, the average and median sale price still increased slightly.

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

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 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, 2010 and July 1, 2011. 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 2011 Assessment Roll was already valued as a whole at 100% fair market value as of July 1, 2011. 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.

By Assessment Value Range

The next variable to stratify the AVSP is assessment value range. This analysis was performed due to the influx of high-end residential properties for sale within Tompkins County. The following chart lists the assessment equity statistics for eight value ranges.

Group	Sales	Mean	Median	Price Related Differential	Coefficient of Dispersion
<= \$50,000	9	0.91	0.90	1.06	0.14
\$50,001 - \$100,000	61	0.97	0.98	1.01	0.07
\$100,001 - \$150,000	181	0.98	0.99	1.00	0.04
\$150,001 - \$200,000	175	0.99	0.99	1.00	0.03
\$200,001 - \$250,000	98	1.04	0.99	1.04	0.08
\$250,001 - \$400,000	95	0.99	1.00	1.00	0.02
\$400,001 - \$700,000	24	0.99	1.00	1.01	0.02
\$700,001+	3	0.84	0.82	1.05	0.12
Overall	646	0.99	0.99	1.01	0.04

The assessment ratios for the extreme low (<\$50,000) and high end (>\$700,000) are both under 1.00 indicating an undervaluation. The properties whose value sits in these categories are extremely hard to value due to the lack of sales in these categories.

By School District

The third variable to stratify the assessment to sale price ratio is by School District. There are currently 15 school districts that comprise Tompkins County. The following chart shows the assessment equity statistics by school district.

School	Sales	Mean	Median	Price Related Differential	Coefficient of Dispersion
Odessa-Montour	2	0.98	0.98	1.00	0.01
Candor	8	0.99	0.99	1.00	0.01
Newark Valley	2	1.00	1.00	1.00	0.00
Spencer Van-Etten	4	0.93	0.99	1.00	0.07
Ithaca	392	0.99	1.00	1.01	0.03
Dryden	66	0.97	0.98	1.00	0.05
Groton	35	0.98	0.98	1.00	0.05
Lansing	57	1.00	1.00	1.00	0.04
Newfield	38	0.98	0.99	1.00	0.05

Based upon this information, there does not appear to be a significant over/under valuation within any school district. (The Spencer Van-Etten school district does not have enough sales to prove an under-assessment with the current ratio of 0.93).

Analysis by Town

In addition, each town was analyzed with respect to property class code, neighborhood code and assessment range. (To save paper this analysis is not included in this report but is available upon request).

Reassessment Projects for 2012 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

Assessment Generally Decreased

Town of Dryden – Goodrich Way and Eagles Head Rd

Town of Ithaca – Deer Run Subdivision

Assessment Generally Increased

City of Ithaca – South Hill¹

Assessment Equity Reviewed

Town of Lansing – Autumn Ridge

Town of Lansing – Whispering Pines

¹ It is worth pointing out that the area of increase in the City of Ithaca is the area commonly referred to as the “Emerson Cleanup Area”. Based upon numerous sales of property in this area, it is evident that our assessments are very conservative. This conservative approach to valuation was out of consideration for the perceived effects the contamination would have on value as opposed to the actual effects that it had on value. The increase is due more to “catching up” rather than to an actual increase in the real estate market.

Commercial (countywide)

- Apartments <\$1 million*
- Hotels
- Convenience Stores
- Office Buildings (Cornell Business and Technology Park)
- Industrial Buildings

* We sent out requests for Income and Expense data to 925 property owners whose apartments were previously valued at under \$1 million. We had 132 Income and Expense statements for individual properties returned to our office (only a 14% response rate). Based upon such a low response, we developed percentage increases based upon the submitted Income and Expense Statements, information gathered from property management websites and information gathered from other websites. The percent increases range from 12% in the super block area of Collegetown to 3% in the rural townships. Apartments that are valued over \$1 million were reviewed for the 2011 Assessment Roll and are in our plan to be reviewed again for the 2013 Assessment Roll.

Other Projects

Data Collection

As part of the 6 year plan filed in 2008, the Department of Assessment has continually reviewed the inventory on property from the public right of way. For the 2012 Assessment Roll year, the Department of Assessment reviewed the following areas:

- City of Ithaca
- Village of Freeville
- Town/Village of Groton
- Village of Trumansburg/Town of Ulysses

Some assessment changes might have been generated as a result of changes in inventory that occurred since the last time the property was viewed.

New Subdivisions

There have been numerous new subdivisions that have either been given preliminary approval by the town or have been filed for the 2012 Assessment Roll. The new subdivisions are listed below with the number of new parcels.

Holly Creek Townhouses	=	22
Belle Sherman Cottages	=	29
Cottonwood Subdivision	=	20
Woodland Park At Lansing	=	80

Wholly Exemption Parcel Review

Approximately 400 exemption renewal letters were sent out to previously Wholly Exempt properties requesting updated information on the use of the property. Based upon the responses from these letters, \$2,173,000 in taxable value was added back onto the assessment roll.

Additionally, there are a number of properties that are currently under review for the 2012 Assessment Roll that are owned by local Municipalities who have expressed that the properties are no longer needed for the public good. There is the possibility that these properties too will be added back onto the assessment roll.

Conclusion

The overall measures for assessment equity and uniformity indicates that the 2012 Assessment Roll will not require any major changes from the 2010 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. In particular we are monitoring the higher-end housing in the County as that market segment appears to be slowing the most in regards to the number of sales. 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 2011 Final Assessment on March 9th. 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.

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 30th. 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 22nd. Grievance day will be held on May 22nd 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 2013 Continual Equity Maintenance Program

Based upon sales from July 1, 2011 to January 1, 2012 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.

The Department of Assessment is continuing to monitor the effects on value of the potential for gas drilling. While we have not experienced any effect on value yet, there lies a very large potential for the possible gas drilling to have vastly different effects on property value. If High-Volume Hydro-Fracking were to be allowed in Tompkins (or neighboring communities), there could be positive and negative effects on value even in areas not adjacent to the drilling site. For instance, the sheer impact of the truck traffic could have a large negative effect on value for parcels that are nowhere located to any leased land or drilling activity. In addition, there might be issues that would have to be resolved in terms of mortgage lending and title insurance. Regardless of whether gas drilling has an effect on value or not, we anticipate a significant portion of time will be dedicated to addressing this possible effect on value.

In addition to the potential of gas drilling, the Department of Assessment is expecting more individual parcel reviews as property owner's refinance with interest rates at historic lows. Due to the tightening of the financial markets, the appraisals that are done for bank re-financing are very conservative. We anticipate that individual parcel reviews will take up a significant part of our time for the 2013 Assessment Roll.