

Reasons for Assessment Increase in the Fiscal Year 2010 Revaluation

While the assessments of most residential properties dropped in fiscal year (FY) 2010 compared to the assessments in FY 2009, some properties did see a valuation increase. There are a number of reasons why this may have occurred. Some of the more standard or typical explanations include properties that underwent improvements from the previous fiscal year or were revisited for the first time since 2003 or before. During these revisits or reinspections, we may have discovered information that was missing, (like a bathroom, finished basement, central air, or other), or new features that were added since our last visit, or a correction to the exterior measurements of your dwelling.

Please remember that if you were sent a letter and/or left a pink notice on your door and did not respond, the Assessors would have estimated the interior condition of your property which may have resulted in a higher assessment. If you feel the value is too high and does not reflect market conditions as of January 1, 2009, (the effective market date for FY 2010), you may want to file an overvaluation application by the due date of February 1, 2010. However, please bear in mind that a complete interior inspection, (all rooms on all floors including the attic and basement) and an exterior inspection will be required by the Board of Assessors, (unless recently inspected). Failure to allow the inspection will force the Board to deny your appeal.

Other reasons for an assessment increase may include a land value increase due to the location of your property in a high sales price area. Understand that the City is divided into neighborhood assessment districts based upon the fact that some locations attract a higher sale price than others. In other words, the same house of the same size and condition in one part of the City will sell for a different amount in a different location. Said another way, land values differ from one location or district to the next. In general, assessments in the West Somerville neighborhood assessment district increased due to the fact that sales prices, covering the period between July 1, 2007 and June 30, 2009, outpaced assessments from the previous fiscal year, FY 2009. When this occurs, the increase is due to location and the resulting valuation jump is placed on the land value.

In addition, within each neighborhood assessment district, there exist “pocket areas or pocket neighborhoods” that may require an additional land value adjustment. The Assessors describe the different pocket areas within the larger assessment district as site indexes, (SI). Although neighborhood assessment district boundaries have essentially remained unchanged, site indexes within districts have had to change due to sale prices.

Each year, the Assessors review the site indexes within the larger district to determine if any adjustments are needed, especially in a revaluation year. For FY 2010, five (5) areas required change; one in West Somerville near Tufts, one in West Somerville in and around Davis Square, one in a small area along Summer St., another in a small area along Jaques St., and last, an area north of Inman Square.

The last significant site index change to neighborhoods abutting these areas was made in either FY2004, FY2007, or FY2009. The changes made previously in those abutting areas pushed land values higher due to sale prices. At one of those points in time, the five areas that are increasing for FY 2010 were all marked as “watch areas.” Watch areas are neighborhoods where there is some, although not conclusive evidence that assessments are lagging behind sale prices. For fiscal year 2010, we determined that based upon sale prices and the number and pattern of sales, higher land values, (or higher site indexes), were necessary. **Said another way, the properties increasing in assessment in FY 2010 are simply rising to the level where neighboring property values have been for several years.**

In the table below, the reader can observe the impact of these changes by noting what the FY 2010 assessment would have been without the change as compared to the actual FY 2010 assessment as well as the sale prices. Sale prices, for the most part, cover the period July 1, 2007 through June 30, 2009, or the two year time period used to determine FY 2010 assessments based upon Department of Revenue requirements, (although the sale period is usually expanded for site index analysis purposes in order to better determine trends over a longer period of time).

(*ASR is the assessment/sale ratio or the value divided by the sale price, SI = site index)

| Property Location | FY10 val. (no SI* change) | FY10 val.- actual | Sale date | Sale Price | ASR* (no SI change) | ASR actual |
|--------------------------|----------------------------------|--------------------------|------------------|-------------------|----------------------------|-------------------|
|--------------------------|----------------------------------|--------------------------|------------------|-------------------|----------------------------|-------------------|

West Somerville area:

| | | | | | | |
|-----------------|-----------|---------|----------|---------|------|------|
| 39 Teele Ave. | \$652,000 | 706,700 | 12/21/07 | 825,000 | 0.79 | 0.86 |
| 33 Teele Ave. | 579,600 | 634,500 | 4/17/07 | 695,000 | 0.83 | 0.91 |
| 57 Simpson Ave. | 591,200 | 672,200 | 7/18/06 | 735,000 | 0.80 | 0.91 |
| 58 Irving St. | 681,900 | 762,900 | 9/17/08 | 800,000 | 0.85 | 0.95 |
| 63 Irving St. | 561,300 | 647,900 | 10/08/08 | 651,000 | 0.86 | 0.99 |
| 31 Irving St. | 640,100 | 726,700 | 9/05/08 | 705,000 | 0.90 | 1.03 |
| 37 Gorham St. | 537,500 | 611,100 | 6/3/08 | 653,000 | 0.82 | 0.94 |
| 13 Jay St. | 612,700 | 686,200 | 5/30/08 | 731,000 | 0.84 | 0.94 |
| 25 Jay St. | 580,700 | 652,000 | 11/27/07 | 690,000 | 0.84 | 0.94 |
| 52 Winslow Ave. | 565,200 | 651,600 | 1/14/08 | 660,000 | 0.86 | 0.99 |
| 57 Winslow Ave. | 617,200 | 701,500 | 7/21/08 | 750,000 | 0.82 | 0.94 |
| 73 Winslow Ave. | 551,400 | 629,700 | 8/27/08 | 635,000 | 0.87 | 0.99 |
| 151 Elm St. | 598,000 | 659,400 | 5/7/09 | 680,000 | 0.88 | 0.97 |
| 12 Windom St. | 655,200 | 737,200 | 8/15/07 | 792,000 | 0.83 | 0.93 |

| | | | | | | |
|--|--|--|--|--------|------|------|
| | | | | Median | 0.84 | 0.94 |
|--|--|--|--|--------|------|------|

| Property Location | FY10 val. (no SI* change) | FY10 val.- actual | Sale date | Sale Price | ASR* (no SI change) | ASR actual |
|--------------------------|----------------------------------|--------------------------|------------------|-------------------|----------------------------|-------------------|
|--------------------------|----------------------------------|--------------------------|------------------|-------------------|----------------------------|-------------------|

Summer St. area:

| | | | | | | |
|----------------|---------|---------|----------|-----------|------|------|
| 238 Summer St. | 463,600 | 524,900 | 7/19/06 | 627,000 | 0.76 | 0.84 |
| 253 Summer St. | 501,500 | 553,500 | 9/28/07 | 485,000** | 1.03 | 1.14 |
| 262 Summer St. | 432,700 | 478,500 | 6/6/08 | 450,000** | 0.96 | 1.06 |
| 281 Summer St. | 572,900 | 618,500 | 10/19/06 | 725,000 | 0.79 | 0.85 |

** improvements after sale, assessed for FY2010

| | | | | | | |
|--------|--|--|--|--|------|------|
| Median | | | | | 0.87 | 0.95 |
|--------|--|--|--|--|------|------|

Jaques St.:

| | | | | | | |
|---------------|---------|---------|---------|---------|------|------|
| 29 Jaques St. | 465,300 | 500,100 | 3/31/08 | 538,000 | 0.86 | 0.93 |
| 16 Jaques St. | 316,300 | 347,400 | 7/15/08 | 359,000 | 0.88 | 0.97 |
| 25 Jaques St. | 497,800 | 532,600 | 6/4/07 | 590,000 | 0.84 | 0.90 |

| | | | | | | |
|--------|--|--|--|--|------|------|
| Median | | | | | 0.86 | 0.93 |
|--------|--|--|--|--|------|------|

Area north of Inman Sq.:

| | | | | | | |
|-----------------|---------|---------|---------|---------|------|------|
| 23 Oak St. | 320,300 | 355,800 | 4/4/07 | 360,000 | 0.88 | 0.99 |
| 8 Holts Ave. | 330,800 | 365,600 | 4/10/09 | 395,500 | 0.84 | 0.92 |
| 21 Houghton St. | 322,300 | 356,200 | 8/15/07 | 393,000 | 0.82 | 0.91 |

| | | | | | | |
|--------|--|--|--|--|------|------|
| Median | | | | | 0.84 | 0.92 |
|--------|--|--|--|--|------|------|

Department of Revenue, (DOR) standards dictate that median assessment/sale ratios, (ASR) must be between 0.90 and 1.10. Compliance with these standards were rigorously reviewed and applied by the DOR for the fiscal year 2010 revaluation.