

Richmond Reappraisal Information

The Reappraisal would be for 2023, the Fair Market Value would be calculated for the 2023 Grand List using the market data available at the end of the reappraisal period (up to April 1, 2023). No property values would be changed until the reappraisal is complete (aside from changes due to regular permit work, subdivisions and splits of contiguous properties). The market trend has shown an increase of 3-5% annually thru 2018-2020. The fluctuation in the market due to COVID will be monitored, if an upwards trend is shown for 2020 and then flattens for 2022 and 2023 we will use that information to calibrate the cost tables and land schedule to calculate assessments for 2023.

The purpose of the reappraisal is to bring all property to 100% of Fair Market Value (FMV). The Common Level of Appraisal (CLA) is indicating the assessed values are 85.6 % lower than Fair Market Value for GL2021. The anticipated CLA for GL2022 will be 81.97. Using the sales from 2019 and 2020 the anticipated CLA for GL2023 would be 79.76% assuming there is no further increase in the Richmond Real Estate Market.

The Reappraisal will collect new data for all properties in Richmond. Over time the data becomes stale. Improvements over time are not necessarily accounted for as a Building Permit is not always required. (interior improvements/renovation, replaced building components, physical land attributes). When new assessed values are calculated at the conclusion of the process, the Town may have increased 20% overall. The reality is some properties will increase in value more than 20 % and some types of property will increase less than 20%, and some may even decrease in value. The process is intended to bring all property to 100% of FMV. The rate of increase/decrease will be determined by the Market information at the date of the Reappraisal.

One of the goals of a Town-Wide Reappraisal is to create equity between all property types and categories. The equity issue can be looked at by “is everyone paying their fair share?” Properties that have been overvalued or have no market appreciation have been paying more than their fair share. Properties that have been improved with no adjustment in the assessed value or the market demands have increased more than average have been paying less than their fair share.

Following a Reappraisal the amount of tax liability that each property has can change. The following examples assume a 10% increase in the Grand List, and assume that the amount of taxes to be raised stay the same. In general for municipal taxes:

Properties with a 10% increase in value should have the same tax liability

Properties that increase more than 10% should have a higher tax liability

Properties that have increased less than 10% should have a reduced tax liability

The State Equalized CLA is used to create equitable Grand Lists from Town to Town for the State-Wide Equalized Grand List. The State Education Tax Rate is modified by the CLA for each Town. Richmond’s CLA of 85.6 means the calculated Education tax rate is then divided by the CLA of 85.6 for Homestead and Non-Residential properties alike to determine the actual Education Tax Rate. The CLA is used to calculate the Tax Rate across the board and no consideration is given to the increase/decrease of different property types and the market change for each category. Put another way not all properties in Richmond are at 85.6% of their market value, those under 85.6% do not have their tax rate adjusted up enough, and those at greater than 85.6% have their tax rate adjusted up too much. Following the Reappraisal, the assessed value will be at 100% Fair Market Value, improving the equity in Municipal and Education Taxes.

Information from Report (included)

The following report shows the anticipated **CLA for 2022 to be 81.97** (Weighted Mean). The report shows a weighted mean CLA of 88.15 for all sales in 2018, 82.70 for 2019 and 77.12 for 2020. The CLA of 81.97 is calculated using the three-year combined average. The trend is showing 5% average increase for the last 2 years. What the trend will be and where the market lands for 2023 needs to be monitored and if there appears to be a COVID spike, that will be statistically apparent. However, the market in Richmond really started increasing in 2017-2018 well before any COVID influence could have influenced the sales. There are many theories about the interaction between the Real Estate Market and COVID. Time will inform the market trend, and 2023 will allow ample time for the influence to be quantified.

The report also shows the CLA using only 2019 and 2020 sales would be 79.76 (Weighted Mean) but the anticipated CLA is really going to be dependent on how the market performs for 2021 and 2022.

Current Ratio Sales Statistics Up to 4/1/2021 (Estimate for Next Year)

Ratios by Sale Year Shows Market Increase of 8% since 2018

Biggest Increase between 2018 and 2019

Ratio Summary Statistics

Syear	Count	Median	Mean	Wtd. Mean	IQR	SD	COD	COV	PRD	PRB
1 2018	47	0.8772	0.9077	0.8815	0.1594	0.1553	12.668	17.1128	1.0296	-0.0692
2 2019	58	0.8227	0.8427	0.8270	0.1443	0.1404	12.419	16.6647	1.0189	-0.0399
3 2020	58	0.7995	0.8161	0.7712	0.1984	0.1795	15.821	22.0003	1.0581	-0.1146
Combined	163	0.8326	0.8520	0.8197	0.1766	0.1585	13.949	18.6076	1.0393	-0.0800

Wtd. Mean: Weighted Mean

IQR: Interquartile Range

COD: Coefficient of Dispersion

COV: Coefficient of Variation

PRD: Price-Related Differential

PRB: Coefficient of Price-Related Bias

Ratio Sales Statistics by CAMA Database

Ratio Summary Statistics

Type	Count	Median	Mean	Wtd. Mean	IQR	SD	COD	COV	PRD	PRB
Commercial	4	0.6390	0.6634	0.6412	0.2664	0.1404	16.739	21.1697	1.0346	-0.4093
Condo	5	0.8822	0.8818	0.8788	0.0493	0.0266	2.235	3.0141	1.0034	-0.1021
Residential	154	0.8323	0.8559	0.8253	0.1814	0.1634	14.027	19.0930	1.0370	-0.0768
Combined	163	0.8326	0.8520	0.8197	0.1766	0.1600	13.949	18.7815	1.0393	-0.0800

Ratio Sales Statistics without 2018 Sales

Next Year CLA around 80

Ratio Summary Statistics

Syear	Count	Median	Mean	Wtd. Mean	IQR	SD	COD	COV	PRD	PRB
2 2019	58	0.8227	0.8427	0.8270	0.1443	0.1404	12.419	16.6647	1.0189	-0.0399
3 2020	58	0.7995	0.8161	0.7712	0.1984	0.1795	15.821	22.0003	1.0581	-0.1146
Combined	116	0.8154	0.8294	0.7976	0.1757	0.1605	14.067	19.3485	1.0398	-0.0818

Ratio Statistics by Category

Ratio Summary Statistics

Cat	Count	Median	Mean	Wtd. Mean	IQR	SD	COD	COV	PRD	PRB
1 R1	104	0.8190	0.8156	0.8078	0.1496	0.1122	10.759	13.7517	1.0097	-0.0072
2 R2	18	0.9138	0.9033	0.8828	0.1493	0.1292	10.376	14.3064	1.0232	-0.0598
3 MHU	16	1.0253	1.0518	0.9475	0.5064	0.2706	21.843	25.7274	1.1101	-0.2417
4 MHL	3	0.9476	0.9022	0.8533	0.5107	0.2584	17.965	28.6345	1.0574	-1.1118
5 S1	1	0.7246	0.7246	0.7246	0.0000		0.000		1.0000	0.0000
7 Comm	8	0.8396	0.8317	0.7701	0.3062	0.2572	20.504	30.9270	1.0800	-0.2341
8 CMA	1	0.6335	0.6335	0.6335	0.0000		0.000		1.0000	0.0000
13 Condo	5	0.8822	0.8818	0.8788	0.0493	0.0266	2.235	3.0141	1.0034	-0.1021
14 Wood	1	1.0800	1.0800	1.0800	0.0000		0.000		1.0000	0.0000
15 Misc	6	0.8000	0.7918	0.7855	0.1424	0.0917	8.730	11.5872	1.0080	-0.0319
Combined	163	0.8326	0.8520	0.8197	0.1766	0.1431	13.949	16.8023	1.0393	-0.0800

High COD for MHU.
Land Underassessed