

## **IT'S REVALUATION TIME IN ORFORD**

(Originally written by Karen Anderson, MPA, updated by Todd Haywood, RES, CNHA)

Market value, assessed value, revaluations, statistical update.... these terms will all be heard frequently over the next few months in Orford. That is because Orford has recently completed the first phase of the revaluation as required by the Department of Revenue. The town's assessed property values need to be between 90 – 110% of market value. An example, if in 2025 Orford's property values are at **75.6%** of fair market value, based on the State's equalization study. The revaluation is not as simple as adding **24.4%** to all of the property values because the values of different types of properties and neighborhoods (land, condos, commercial, etc.) have all changed by different percentages.

In New Hampshire, the assessed value of individual properties is not adjusted each year, values are only adjusted during periodic revaluations or when physical changes are made to the property. The technical appraisal steps taken in a periodic revaluation are beyond the scope of this article but understanding the basic process will be helpful to property owners in understanding new values. To determine the "market value", recent sales in the community and factors that effected the value of the property, such as the location, type of construction, size, etc. are analyzed. The assessor then evaluates supplemental data such as commercial reports on the cost of construction for the region, circumstances regarding particular sales and any other information that may impact property values. It is not a scientific, exact process. It is a logical process that uses the best information available at that time to determine the fair market value. It is important to recognize that "market value" is as of a certain point in time, April 1, 2025, for this current process.

When people hear that their property value is increasing, it does not mean that a higher tax bill will occur. We know that Orford's average values are lower than they should be, but one of the factors that the Department of Revenue also evaluates each year is how proportional the values are between the different sections of the town and types of properties. When the value of property increases, the tax rate decreases, and the amount of taxes one pays remains approximately the same. The example below shows two different types of properties, with slightly different percentages of change. The market value of the bigger house did not increase by the same percentage as the smaller house, so one tax bill decreased slightly while the other increased slightly. This is what we expect will happen. **This example is for illustration only actual numbers may vary.**

<u>Property Values</u>	<u>Tax Rate</u>	<u>Tax Bill</u>
<i>Before Revaluation</i>		
Large House \$500,000	<b>\$30.00</b> example	<b>\$15,000</b>
Small House \$200,000	<b>\$30.00</b> example	<b>\$6,000</b>
<i>After Revaluation</i>		
Large House \$600,000	<b>\$22.00</b> Estimate	<b>\$13,200</b>
Small House \$260,000	<b>\$22.00</b> Estimate	<b>\$5,720</b>

A field representative from the Department of Revenue will review several random properties in Orford to verify the accuracy of our data, and residents will receive notice of their new values. Informal reviews will be scheduled with residents prior to the final assessments being sent to the Department of Revenue for certification. The final numbers will be used in conjunction with the budgets that were approved at the Town Meeting and School District Meeting in 2025, to determine the new tax rate. The tax rate should be lower than the current rate, but whether your tax bill increases, or decreases will depend on the revised value and budget appropriated at town and school meeting.