



Residential Real Estate Values

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Residential Real Estate Sales Reports for 2010 indicate that the market has stabilized, at least across the state. Your town or your neighborhood, however, may have experienced different results with a continued decline, or an increase in valuation by your local assessor. Although property values have declined in 2008 and in 2009, the declining market has not resulted in a decline in your tax bill. This is due to increasing municipal budgets, which will likely continue to increase.

With the potential upturn in the market and ever-increasing municipal budgets, it is important that you analyze the town's records to ensure the accuracy of the data.

Most communities have property information available online, so you simply need to access your town's assessor's page and your property record card. If your town does not have information online, the assessors will provide you with a copy of your property record card.

There is a great amount of information on your property records card; however, a few elements have the greatest impact upon your valuation. The most important information is the square footage of your house, and more importantly, the amount of "finished space" including basement finished space. Finished and unfinished space area calculations are used to determine your building value, so both numbers should be correct. However finished space has the greatest impact. Remember that the Assessor's information is based upon exterior measurements, so measuring room by room is not the correct approach. Another major factor to determine the value of your home is the story height of your residence (single, two-story, or even one and a half story). Make sure that any foyers or unusable upper level spaces (areas impacted by ceiling height) are not counted as finished floor area, or story height.

A third key element in the determination of your home value is the "grade" of your home. The "grade" of your home is the classification of how the house was constructed. Over the years, grades of construction have changed due to the sophisticated nature of new construction with upgraded electrical and heating and cooling systems and modern amenities. Generally, homes that are on the same street (within the same neighborhood, neighborhood is defined as streets with similar characteristics and with homes of the same age and size) should have the same grade of construction.

Another element in the determination of the value of your home is the "condition". As with grades, conditions run from poor to excellent. The condition of the house is basically how well the property has been maintained. Therefore, homes with new kitchens and upgraded bathrooms will have higher conditions (good or very good) as compared to homes that have simply just been maintained (average condition). The determination of the grade and condition of your home is crucial in determining the "effective year" of your home (depreciation). The grade, condition and effective year of construction have a significant impact upon your home's value, as lower grades and conditions (average as compared to good) will result in a lower building value.

Comparing the grade and condition of your home with the grade and condition of other homes on your street can be a simple matter depending upon the information available from your assessor. Generally, assessors will be able to provide a street listing of properties to make it easier for you to compare the grades and conditions of homes on your street. Otherwise, a little legwork on the town's website viewing the grades and conditions of the individual properties will be required. If the grade or condition of your home or your street varies, this should be reviewed.

In addition to insuring the accuracy of information relating to your home, the information relating to your lot should also be reviewed. It is crucial that the town has the correct area of your lot to determine your lot value. Generally, towns assign a "developable lot area", which is the zoning area size for lots within your neighborhood. Land in excess of that (residual or excess land), is valued at a significantly lower rate than the per square foot value of a "developable lot". Factors that affect the value of both the residual land and the developable lot include areas of your lot impacted by easements, wetlands, steep slopes or other factors which make the land not usable for single-family dwelling purposes. Towns have different approaches as to how much area needs to be impacted before the town will provide a reduction in the land value. It is your burden to prove to the assessor that the land is impacted. Before you run the expense of hiring an engineer, you should confirm with the assessor how much the valuation will be reduced, if any, depending upon the area of the impacted land.

Finally, your property record card will identify other improvements. Other improvements may be in the nature of a pool, shed, barn, etc. It is important to confirm the exterior dimensions of these detached structures and compare them to the information on your property record card. If a shed or pool has been removed and the town was not notified, the town may still be carrying the improvement and assessing you for its value, so look at the other improvement information in addition to the building and land information.

If, as a result of your reviews, you discover that the town has information which is not accurate, either as to your specific property or your property as compared to other similar property on your street, then you can meet with the assessors and have them inspect your property to make the appropriate corrections. Depending upon the time of the year, the corrections may not be implemented until the next fiscal year, assuming that the time frame for your filing an abatement application has passed (within thirty days of the date of the final bill). The final bill is generally issued in late December, giving you typically until February 1st to file an abatement application. The assessor's office will correct information during the course of the year; however, they will not be able to change your valuation for the current Fiscal Year after the abatement deadline has passed. Further, the Board has no

right to review past valuations and make adjustments due to your failure to file an abatement application. Therefore, it is important that on an annual basis, you review the information to determine if it is accurate, as otherwise, you have no recourse in subsequent years should the assessors have made a mistake or the computer system inaccurately implement a change, thereby increasing your valuation.

In conclusion and in anticipation of an inclining market, it is important that you review your town's records to determine the accuracy of the data, as that information is crucial in establishing a proper valuation of your home. It may not take much time, but it could result in significant savings over time.

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