

What is mass appraisal?

Assessors must value all real and personal property in the community to their full and fair cash value. Mass appraisal is the process used by every Massachusetts City and town to create the property assessments. Assessments are based on an analysis of Westwood's entire real estate market for a specified period of time. This study guides the setting of valuation parameters that are used to calculate the property values town-wide. It differs from the more well-known "bank" or fee appraisal. Although the appraisal concepts are the same and the results similar, the process is different. No particular sale or group of sales is used to determine the value of your property, but all of a certain calendar year's sales are included in the analysis that set the parameters for the next fiscal year.

Included in the Mass Appraisal:

Ratio Studies

Ratio studies are used to analyze existing 1.) assessment and 2.) assessment uniformity. Assessment level measures the degree to which the assessments approximate current market value. Assessment uniformity measures the degree to which properties in the same class or subclass are assessed at the same percentage of current market value.

Assessment/Sales Ratio

Assessment level is determined by calculating the median assessment/sales ratio (ASR) or the class or subclass being analyzed. The first step is to calculate the ASR for each property in the sample. The ASR is calculated by dividing the current assessed valuation of the property by the sales price. An ASR of 1 represents market value. An ASR below 1 indicates the property is assessed for less than its market value. An ASR above 1 indicates the property is assessed for more than its market value.

Example: A property assessed at \$700,000 sold for \$735,000. The ASR is .95 ($700,000 \div 735,000$). This property's assessment is below market value, i.e., is 95% of its market value.

Assessment Uniformity

Assessment uniformity is determined by calculating the coefficient of dispersion (COD) for the class or subclass being analyzed. The COD measures how sales prices for properties within the sample vary from the median ASR.

ASR & COD Standards

For certification, the sales analysis must follow mass appraisal standards of assessment level and uniformity for each type of property for which there is a sufficient sales sample.

ASR Differential

Certification standards also require that the difference in the median ASR of the residential subclass with the largest number of parcels and the median ASR of any other subclass of residential property should be 5 percent or less. The median ASR for any subclass may go below 90% or above 110%, as long as the median is within 5 percent points of the original class median from which the subclass is derived.

What is market value?

Market value, or full and fair cash value, is the most probable price for which a property will sell in an open, competitive market that a willing buyer will pay for a property to a willing seller, both acting knowledgeably and prudently and neither being under any obligation to buy or sell. Sales such as foreclosures and family sales are not considered to be "arm's length" or fair market transactions.

How often does the valuation of properties change?

Every year the Assessors subject the arms-length sales that occurred in the prior calendar year to a statistical examination based on market area, style of house, age of house, effective area, size of lot and sale price to see what changes the market has shown. The tables used in the Computer-Assisted Mass Appraisal (CAMA) system are adjusted so that the median assessment of the sales sample is within 10% of 100% of market value, and the dispersion of the assessments to sales ratios in the sample are within state guidelines. These new factors are then applied to all properties for the new Fiscal Year.

Every fifth year the Department of Revenue (DOR) requires each city or town to conduct a revaluation. This is a year-long process during which the DOR examines every phase of the assessing operation before certifying the values. During the four years in between revaluations the Assessors may change the values if sales activity so indicates. These yearly updates are called Interim Year Adjustments. Westwood last underwent a DOR revaluation in 2018 and the next one will be in 2023.

How is the calendar year different from the fiscal year?

Massachusetts cities and towns operate on a "Fiscal Year" basis. The calendar year runs from January 1st through December 31st. The fiscal year runs from July 1st through June 30th. The assessment date is January 1st preceding the fiscal year. That is, for Fiscal Year 2021 the assessment date is January 1, 2020 with sales from 2019 being considered in the analysis.

What do the assessors look at when determining an assessment?

The assessor collects many data elements about a property in order to develop the total valuation. The most significant factors in determining the value are:

- Age of the Building(s)
- Condition
- Land Area
- Location
- Size
- Style
- Quality

Other factors include amenities or detriments on the land as well as features in the building such as:

- Fireplaces
- Interior/Exterior Finishes
- Jacuzzis
- Number of Bathrooms
- Saunas
- Type of Heating/Cooling
- Other Special Features

Also considered are detached structures.

Why did my valuation change from the prior year's valuation more (or less) than my neighbor's?

Market value changes occur in many forms. From year to year economic conditions and local factors change and influence the values of different classes of property in different ways. Buyers have different requirements and these requirements sometimes change from year to year. Renovations may have been performed on a property that would cause a change in assessed value different from a similar property that did not undergo renovations.

A recent inspection by the Assessor's office also may have contributed to a change in assessed value, perhaps

adding something that had been missed or reducing something that was overstated. Your style or size or land area or other factor(s) may differ from your neighbor's and that caused the valuation changes to differ.

I think my assessment is out of line with my neighbor's property, whose property is assessed lower. What do I do if I want my assessment to be as low as theirs?

The first step in comparing properties is to examine the factual components of each property. Many times properties that appear larger are in fact much smaller than people think. Quality characteristics should also be examined when making comparisons. Ultimately, the assessors have to determine if the assessment represents market value on the subject property and also if the assessed value on the neighbor's property represents market value.

If a neighboring property is too low in relation to surrounding properties, the assessors cannot compound their low assessment by also lowering surrounding properties. The resolution may be that the assessors have to raise the neighboring property's assessed value to make it more in line with the surrounding properties. The most important criterion the assessors examine in an abatement request is the market value of the property of the person filing the abatement and the market value of any property that the person filing the abatement mentions on the application.