

## Town of Greenwich Revaluation

The revaluation of the town of Greenwich is now complete. Assessment notices will be sent out beginning mid-November through December 1<sup>st</sup>. The written notice provides the new assessed value that represents 70% of the fair market value of the property as of October 1, 2000. Relevant information on how and who to contact to find out information about the basis of the new value and how to appeal the assessment is contained within the notice along with a pamphlet on the calculation of property taxes.

Informal hearings will be held with appraisers in Town Hall for property owners to discuss property and valuation information from November 19<sup>th</sup> until January 31<sup>st</sup>. During the informal hearings, errors will be corrected and new information considered that may influence the market value and hence the new assessed value. Property owners who schedule an informal hearing will be notified by the end of February regarding the results, whether or not a change is made.

Formal appeals to the Board of Assessment Appeals, for property owners who disagree with the assessment, should be filed in March with March 20<sup>th</sup> being the deadline. The Board of Appeals consists of five elected residents of Greenwich. They are completely independent of the assessor's office. The Board will hold hearings in April in Town Hall. Decisions on the hearings will be mailed to property owners in May.

All real estate values reflect the October 1<sup>st</sup>, 2000 valuation date. The State legislature last June passed a special act to allow the Town of Greenwich to use the October 1<sup>st</sup>, 2000 valuation date. Although state statute mandates a revaluation of the town by 2001, the town originally opted to advance the schedule by one year. However, in December of 2000, the revaluation was postponed. Since all of the valuation work done to that point was for October 1<sup>st</sup>, 2000, the Town appealed to law makers to enact legislation allowing the October 1<sup>st</sup>, 2000 date to be used for the revaluation, although the values are not implemented until the October 1<sup>st</sup>, 2001 Grand List. Since by state mandate Connecticut communities must revalue the entire jurisdiction at least once every 4 years, the next townwide revaluation will be in the year 2005. The law also requires the assessor to inspect each property at least once every 12 years. From now on, town staff in the assessor's office will inspect properties on a rotating basis, inspecting 1/12 of the properties every year.

Overall the Grand List for real estate increased from \$9.5 billion to \$19.6 billion. After motor vehicle and business personal property assessments are added in, the new Grand List will top \$20 billion, more than doubling the prior Grand List. It is expected that the new mill rate, to be calculated after the Board of Assessment Appeals completes its duties and the Town's budget is set for the next fiscal year in May, will decrease dramatically to around \$10 to \$10.70 dollars per thousand dollars of assessed value, depending on whether the property has sewers available. This assumes a 3% increase in the FY2002-2003 budget. Currently, the mill rate for non-sewered real estate, motor vehicles and business personal property is \$18.70. Owners of sewerred properties now pay \$19.73 per thousand dollars of assessed value.

As expected, residential properties overall more than doubled. The Grand List value of residential properties with dwellings increased 106%. However, 3% of that increase over last year's Grand List is attributed to new construction occurring since last year. Also noteworthy is the fact that the current value of all of the new homes and condominiums built since the 1993 Grand List, when the last revaluation was implemented, is approximately \$1.4 billion dollars on the new Grand List. In contrast, construction of newly constructed commercial buildings amounted to a mere \$38 million on this Grand List since the last revaluation. The value of new improvements to commercial buildings in the past year amounted to only \$101 million dollars, having a negligible impact on the total increase to the Grand List for commercial properties.

<b>Structures built since 1994</b>	<b>Number</b>	<b>Full Value October 1, 2000</b>	<b>70% Value October 1, 2000</b>
DWELLINGS	795	\$, 1,310,316,300	\$917,221,410
CONDOS	129	\$ 64,923,300	\$ 45,446,310
COMMERCIAL	23	\$ 37,965,600	\$ 26,575,920

Improved residential properties represent 81% of the total Grand List, whereas commercial amounts to 11% of the total Grand List. Before the revaluation, residential properties accounted for 77% and commercial 11% of the total. After a revaluation, the business personal property and motor vehicle percent of the total Grand List shrinks by the amount of increase in the total, since motor vehicles and personal property are valued at 70% of fair market value every year.

Overall land values have increased 193% in the revaluation, as evidenced by market analysis. Residential vacant land values in Greenwich have increased 187% and non-residential vacant land by 311%. Much of the value increase is related to the limited supply and high demand for land in Greenwich. Land represents an average of nearly 60% of the total value of residential properties with dwellings.

Commercial property has increased overall 93%. There are only 1032 commercial properties, with a total of \$2.26 billion in assessed value.

### **Valuation of Residential Properties:**

Residential land values were derived by analyzing vacant land and teardown sales in 49 neighborhoods falling into 9 market areas. For single-family improved residential properties, the land values were entered into the multiple regression model to derive the contributory value of the structures on the lot, using approximately 1900 properties with dwellings that sold between October 1997 through October 2000. Using the statistical model, nine market areas were defined, grouping the neighborhoods into geographic areas of similar types of housing and ranges of values. The resultant model included adjustments for: square footage of living area, attic and basement areas, number of bath fixtures, garage areas, condition, quality grade, amenities, house style, and additional locational adjustments. The model represents the formula that best fits the recent arms'-

length sales analyzed. The measure of success of the model is the estimated market value to sale price ratio of sold homes. The statistical measures exceed industry standards.

Residential condominiums were valued by examining 615 sales in the same time period, from October 1997 through October 2000 in each development. Where there were not enough sales, sales were grouped together with other condominiums by similar location, size, quality grade and amenities. Condominium developments of fewer than 5 units were frequently valued using sales of various similar developments.

### **Valuation of Commercial Properties:**

Most of the commercial properties were valued using the income approach to value which takes into consideration market rents, typical expenses and vacancy rates, and capitalization rates based upon what a typical investor in income producing property would expect for return of, return on and risk involved in particular types of properties. The special use properties and those where there were not enough income nor sales data were valued by the cost approach. The cost approach basically adds the replacement cost less depreciation of the structures on a lot to the land value to arrive at an estimated market value. Trophy properties, marinas, cooperative apartments, properties on Greenwich Avenue and golf courses were valued by certified and credentialed appraisers on contract to the Town. Estimated market value to sale price ratios show that the 64 valid arms' length sales meet the industry standards in most areas.

## Taxable Assessment Groups – 2001 Greenwich Grand List

PERCENT CHANGED	# OF PARCELS	10/1/00 ASSESSMENT	10/1/01 ASSESSMENT	AVG % CHANGE
<b>Residential Improved</b>				
Less Than or Equal to 0%	206	\$21,783,490	\$19,240,900	-12%
More Than 0% and Less Than or Equal to 50%	3750	\$1,047,418,500	\$1,423,349,760	36%
More Than 50% and Less Than or Equal to 100%	8464	\$3,351,268,640	\$5,913,720,890	76%
More Than 100% and Less Than or Equal to 150%	4511	\$2,337,076,230	\$5,195,607,270	122%
More Than 150% and Less Than or Equal to 200%	1387	\$858,680,540	\$2,324,388,710	171%
More Than 200% and Less Than or Equal to 250%	400	\$294,967,130	\$950,372,990	222%
More Than 250% and Less Than or Equal to 300%	153	\$107,107,420	\$399,363,020	273%
More Than 300%	227	\$94,839,740	\$495,106,640	422%
Subtotal	19098	\$8,113,141,690	\$16,721,150,180	106%
<b>Commercial</b>				
Less Than or Equal to 0%	34	\$28,621,830	\$22,263,710	-22%
More Than 0% and Less Than or Equal to 50%	204	\$239,856,160	\$308,883,400	29%
More Than 50% and Less Than or Equal to 100%	310	\$412,857,450	\$705,678,960	71%
More Than 100% and Less Than or Equal to 150%	208	\$238,698,580	\$531,790,700	123%
More Than 150% and Less Than or Equal to 200%	98	\$77,227,830	\$213,270,750	176%
More Than 200% and Less Than or Equal to 250%	42	\$38,937,700	\$128,662,520	230%
More Than 250% and Less Than or Equal to 300%	26	\$21,944,000	\$83,170,710	279%
More Than 300%	47	\$15,685,740	\$80,716,020	415%
Subtotal	969	\$1,073,829,290	\$2,074,436,770	93%
<b>Industrial &amp; Utilities</b>				
Less Than or Equal to 0%	2	\$1,813,000	\$1,724,940	-5%
More Than 0% and Less Than or Equal to 50%	19	\$10,418,530	\$13,500,970	30%
More Than 50% and Less Than or Equal to 100%	11	\$26,458,320	\$47,091,310	78%
More Than 100% and Less Than or Equal to 150%	7	\$971,530	\$2,205,840	127%
More Than 150% and Less Than or Equal to 200%	2	\$405,830	\$1,094,870	170%
More Than 200% and Less Than or Equal to 250%	2	\$199,920	\$688,170	244%
More Than 250% and Less Than or Equal to 300%	1	\$85,890	\$308,210	259%
More Than 300%	1	\$48,860	\$215,600	341%
Subtotal	45	\$40,401,880	\$66,829,910	65%
<b>Residential Vacant Land</b>				
Less Than or Equal to 0%	19	\$13,752,350	\$9,865,940	-28%
More Than 0% and Less Than or Equal to 50%	38	\$9,891,930	\$12,658,100	28%
More Than 50% and Less Than or Equal to 100%	72	\$14,185,790	\$24,370,010	72%
More Than 100% and Less Than or Equal to 150%	124	\$36,061,100	\$83,240,220	131%
More Than 150% and Less Than or Equal to 200%	123	\$38,118,570	\$105,384,160	176%
More Than 200% and Less Than or Equal to 250%	83	\$25,853,030	\$83,821,640	224%
More Than 250% and Less Than or Equal to 300%	56	\$13,032,300	\$48,902,420	275%
More Than 300%	239	\$19,738,250	\$121,304,050	515%
Subtotal	754	\$170,633,320	\$489,546,540	187%

## Taxable Assessment Groups – 2001 Greenwich Grand List (Continued)

	# OF PARCELS	10/1/00 ASSESSMENT	10/1/01 ASSESSMENT	AVG % CHANGE
Non Residential Vacant Land& PA490				
Less Than or Equal to 0%	9	\$771,910	\$352,590	-54%
More Than 0% and Less Than or Equal to 50%	10	\$558,320	\$714,350	28%
More Than 50% and Less Than or Equal to 100%	11	\$818,370	\$1,363,110	67%
More Than 100% and Less Than or Equal to 150%	3	\$320,180	\$718,480	124%
More Than 150% and Less Than or Equal to 200%	6	\$796,040	\$2,219,350	179%
More Than 200% and Less Than or Equal to 250%	3	\$220,150	\$679,280	209%
More Than 250% and Less Than or Equal to 300%	4	\$1,236,690	\$4,737,600	283%
More Than 300%	17	\$3,614,640	\$23,441,740	549%
Subtotal	63	\$8,336,300	\$34,226,500	311%
Apartments				
Less Than or Equal to 0%	3	\$3,139,220	\$2,790,410	-11%
More Than 0% and Less Than or Equal to 50%	33	\$28,404,280	\$36,694,000	29%
More Than 50% and Less Than or Equal to 100%	19	\$50,277,330	\$90,540,170	80%
More Than 100% and Less Than or Equal to 150%	3	\$18,177,610	\$39,457,040	117%
More Than 150% and Less Than or Equal to 200%	4	\$4,690,910	\$12,127,080	159%
More Than 200% and Less Than or Equal to 250%	1	\$343,140	\$1,073,730	213%
More Than 250% and Less Than or Equal to 300%	0	\$0	\$0	N/A
More Than 300%	0	\$0	\$0	N/A
Subtotal	63	\$105,032,490	\$182,682,430	74%
Total	+++++++ +	+++++++ +++	+++++++ +++	+++++ ++
Less Than or Equal to 0%	273	\$69,881,800	\$56,238,490	-20%
More Than 0% and Less Than or Equal to 50%	4054	\$1,336,547,720	\$1,795,800,580	34%
More Than 50% and Less Than or Equal to 100%	8887	\$3,855,865,900	\$6,782,764,450	76%
More Than 100% and Less Than or Equal to 150%	4856	\$2,631,305,230	\$5,853,019,550	122%
More Than 150% and Less Than or Equal to 200%	1620	\$979,919,720	\$2,658,484,920	171%
More Than 200% and Less Than or Equal to 250%	531	\$360,521,070	\$1,165,298,330	223%
More Than 250% and Less Than or Equal to 300%	240	\$143,406,300	\$536,481,960	274%
More Than 300%	531	\$133,927,230	\$720,784,050	438%
GRAND TOTAL	20992	\$9,511,374,970	\$19,568,872,330	106%

## COMPARISON BETWEEN 2000 & 2001 GRAND LISTS

(before hearings)

	2000 GL**		2001 GL**		% CH 2000
	\$10,490,737,782	% OF TOTAL	\$20,596,807,044	% OF TOTAL	
RESIDENTIAL	\$8,113,141,690	77.34	\$16,721,150,180	81.18	106.
COMMERCIAL & APARTMENTS	\$1,178,861,780	11.24	\$2,257,119,200	10.96	91.
INDUSTRIAL & UTILITIES	\$40,401,880	0.39	\$66,829,910	0.32	65.
WASTELAND	\$178,969,620	1.71	\$523,773,040	2.54	192.
PERSONAL PROPERTY*	\$383,545,143	3.66	\$402,722,400	1.96	5.0
PERSONAL VEHICLES*	\$595,440,299	5.68	\$625,212,314	3.04	5.0

Assume 5% increase

Values at 70%

Note: There is nearly \$1 billion (70%) in value for newly constructed residences and \$26.5 million (70%) in newly constructed commercial buildings since the 1993 revaluation in current dollars.

# RESIDENTIAL SINGLE FAMILY MARKET AREAS GREENWICH REVALUATION

