

Press Release

VISION GOVERNMENT SOLUTIONS TO CONDUCT HENNIKER, NH REVALUATION

The Appraisal Firm of Vision Government Solutions has been hired by the Town of Henniker to begin a town-wide Revaluation Project. The following is a general outline and explanation of each phase of the project.

Vision Government Solutions will be working with the Assessor's Office to make the process a successful one. There are four major phases to a municipal revaluation that are being utilized: Market Analysis, Valuation, Field Review, and Informal Hearings.

PHASE 1: MARKET ANALYSIS

A variety of resources are used to analyze the real estate market. Appraisal personnel will be analyzing recent sales that took place over the last few years to determine which market factors influenced property values. Vision Government Solution's personnel visit all properties that have sold in the last two years. They will measure the exterior of all buildings and perform an interior inspection. If no one is available at the time of the visit a notice will be sent requesting an appointment be scheduled. Vision Government Solutions will also gather and use information from the Registry of Deeds, property managers, developers, and local real estate professionals. Once all the data is collected and reviewed for accuracy, the appraiser will determine land values and create neighborhood codes that rate the desirability of the various locations throughout the town.

PHASE 2: VALUATION

Valuation is done using one of the three recognized methods: Replacement/Market Cost, Income Approach and Sales Comparison Approach. The Sales Comparison is the most widely used approach for residential properties. During this phase, individual characteristics of the building are analyzed using information gathered in phase 1. Each property is compared to other comparable properties with similar characteristics. Then the market values of the improvements are added to the land value that was previously determined. This value is the final estimate for each parcel of property, building and land.

The Cost Approach is based on the concept that the likely value of an existing property is the value of the underlying land plus the replacement cost of the depreciated improvements. Typically, a Cost Approach would not be utilized for an appraisal of vacant land. The replacement cost of the improvement is typically derived from published cost tables, or derived directly from localized information, and should be updated as required by market conditions. Importantly, the assessor typically evaluates the existing improvements on the basis of its "utility" and function. Similar to the Sales Comparison Approach, the Cost Approach is also based upon the principle of "substitution".

The Income Approach is based upon the principle of "anticipation", which recognizes that value is created by the owner's expectation of future benefits. Typically, these benefits are anticipated in the form of income, and/or in the anticipated increase in the property's value over time. This technique requires that the appraiser estimate the potential gross market income for the property

at its highest and best use, subtract all appropriate expenses to derive the net operating income. The net operating income is then divided by a “capitalization” rate, or the market-derived rate investors would expect on alternative investments that share the same degree of risk as the appraised property.

PHASE 3: FIELD REVIEW

Field Review is the method of checking and re-checking both the values that have been determined and the data. During this review, properties are viewed in the field by experienced appraisers who double-check for uniformity and accuracy of information.

PHASE 4: INFORMAL HEARINGS

Once the Field Review is completed, a Notice of New Values will be mailed to each property owner. At this time, anyone with any questions or concerns regarding the revaluation process or the data on their property has an opportunity to meet with a member of Vision's staff and discuss.

After all four phases are completed, all data, files, records, etc. used in the revaluation are then turned over to the Assessor's Office. This will allow the town to maintain the data collected during the revaluation on a continual basis.