



CORCORAN CONSULTING ASSOCIATES, INC.

April 12, 2023

To: Conner MacIver, Town Administrator
From: Marybeth Walker, Assessor's agent
RE: Emerging 2023 Assessment to Sales Ratio

The purpose of this memo is to update you on my findings regarding real estate trends and how it is affecting the emerging sales to assessment ratio.

In 2021 the town performed a full revaluation and updated all the assessed values. The revaluation brought the assessed values in line with the 2021 real estate market. Since the revaluation we have continued with our cyclical inspection process by visiting 20% to 25% of the Town, we have visited the properties that have sold as well as any properties that had open permits, abatement applications or where requests were made by the property owner.

The next full cyclical revaluation is due to be performed in 2026. Unless there are compelling reasons to perform a statistical revaluation prior to 2026 we are not required to do so. As you will find later in this memo the Median and Mean ratio have fallen to 75% & 76% which is lower than assessing standards, but the other statistical measures show good equity throughout the community and are well within assessing standards.

To determine these statistics The New Hampshire Department of Revenue (NHDRA), performs statistical studies each year by comparing the assessed values to the sales prices of arms-length transactions, (valid sales). By doing this they can determine the median and mean ratio as well as other statistical data. The median and mean ratio are used to equalize the Town's overall value for different purposes.

The time period used for the FINAL ratio study are sales between October 1 to September 30 of each year.

2023 Statistical Study:

We have performed a preliminary analysis to determine what the 2023 ratio will be. As part of the study, we have used valid sales that took place from October 1, 2022 to April 1, 2023. We are only half way through the ratio year. 66 sales have been determined to be arms-length transactions, or what we would call "valid sales" to be used in the study.

In the table below you will see the ratios for the 2021 after the revaluation was performed, 2022 and the preliminary ratio for 2023, (with 6 months of unknown future sales).

Although we have fallen below Assessing Standards it is not mandatory to perform an update in 2023. An update is optional. The purpose of an update to the values would be to keep up with the market, and continue to value properties in a fair and equitable manner.

The ratio does affect other financial concerns in the community so this may weigh in on your decision making.

Ratio comparison:

	2021 Median after revaluation	2022 Median Ratio	2023 Median Ratio 6 months
All sales	94.5% 160 sales	80.2% 161 sales	75% 66 sales
Single-Family	93.6% 115 sales	81.4% 105 sales	76% 43 sales
Manufactured housing (MH) Without land	96.8% 16 sales	68.9% 16 sales	72% 12 sales
Manufactured housing (MH) with land	94.1% 6 sales	75.5% 5 sales	Too little sales to determine
Vacant Land	96.6% 14 sales	76% 14 sales	74% 5 sales

The 2022 median ratio was 80.2%. The emerging median sales ratio, using actual sales, for 2023 is 75% with 6 months of future sales left. The drop in ratio was only 5% so far where in previous years we were seeing the ratio change by 12% to 16% in one year.

Conclusion/Recommendation:

The acceptable range for the median sales ratio as established by the New Hampshire Department of Revenue is 90% to 110%. The Town of Barrington's ratio is currently at 75% ratio. As you can see from the pattern the number of sales has slowed down. The sale prices are still increasing; however not at the same rate as the past few years. Although the ratio is low the other measured statistics show good uniformity and equity throughout the community.

An update is optional for 2023. Corcoran Consulting Associates is prepared to perform one if the selectboard decides it is in the best interest to keep up with the market. If they would prefer to wait and see how the market is affected by current economic concerns then we will perform our regular assessing duties and advise the board again in June/July of 2024.

Explanation and acceptable ranges:

Median Ratio: measures the confidence level of the sales data and must be between 90% and 110%. We are at 75% low, not within the required guidelines during an assessment review year.

Coefficient of dispersion (COD): Measures the equity and represents the average deviation from the median ratio. This can be no more than 20. In 2022 our COD was 13.7. **The emerging COD is 15.** This is reasonable showing that we have good equity within the assessed values in Barrington.

Weighted Mean: This is the ratio used to equalize the community to determine what portion of the county and school tax your community pays. In 2022 our weighted mean was 79.7%; **the emerging weighted mean is 76%.**

Price related differential (PRD): This is used to measure the equity within the community. Acceptable standards are between .98 and 1.03; with 1.00 being the optimum number. In 2022 our PRD was .99; **our emerging PRD is 1.02** this shows that the towns ratios are starting to fall out of balance; but still well within acceptable range.