



CORCORAN CONSULTING ASSOCIATES, INC.

October 12, 2022

To: Conner MacIver, Town Administrator

From: Marybeth Walker, Assessor's agent

RE: Emerging 2022 Assessment to Sales Ratio

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The purpose of this memo is to update you on my findings regarding the preliminary equalization ratio.

In 2021 the town performed a full revaluation and updated all of 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 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.

The next full cyclical revaluation is due to be performed in 2026. Unless there are compelling reasons to perform a statistical update or full revaluation prior to 2026 we are not required to do so.

In the last 2 years the number of sales and the sale prices in Barrington have continued to increase. This year we are finding that the market has increased by 16% overall.

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 this study are sales between October 1 to September 30.

**2022 Statistical Study:**

We have performed a preliminary analysis to determine what the 2022 ratio will be. As part of the study, we have used valid sales that took place from October 1, 2021 to September 30, 2022.

254 sales have occurred. 170 of those sales have been determined to be arms-length transactions, or what we would call "valid sales" to be used in the study. The NHDRA will also look at these sales and may make different determinations.

In the table below you will see the ratios for the 2021 after the revaluation was performed and the preliminary ratio for 2022.

**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 as well.**

**Ratio comparison:**

	<b>2021 Median after revaluation</b>	<b>Preliminary 2022 Median Ratio</b>
All sales	<b>94.5%</b> <b>160 sales</b>	<b>79.3%</b> <b>170 sales</b>
Single-Family	93.6% 115 sales	81.5% 108 sales
Manufactured housing (MH) Without land	96.8% 16 sales	68.9% 18 sales
Manufactured housing (MH) with land	94.1% 6 sales	75.5% 5 sales
Vacant Land	96.6% 14 sales	63% 18 sales

The 2021 ratio was 94.5 %. The emerging median sales ratio, using actual sales, for 2022 is 79.3%.

**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 79.3% ratio.

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 2023.

**Explanation and acceptable ranges:**

**Median Ratio:** measures the confidence level of the sales data and must be between 90% and 110%. We are at 79.3% low, not within the required guidelines.

**Coefficient of dispersion (COD):** Measures the equity and represents the average deviation from the median ratio. This can be no more than 20. In 2021 our COD was 7.6. The emerging COD is 13.6. 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 2021 our weighted mean was 91.9%; **the emerging weighted mean is 79.5%.**

**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 2021 our PRD was 1.01; our emerging PRD is .99 this shows that the towns ratios are starting to fall out of balance; but still well within acceptable range.