

MUNICIPALITY:
HOLDERNESS, NH

ASSESSMENT YEAR:
2013

FULL USPAP REPORT OF TOWN OF HOLDERNESS

ASSESSMENT SERVICES PROVIDED:
Cyclical Revaluation



Prepared By:
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CORCORAN CONSULTING ASSOCIATES, INC.

December 20, 2013

Town of Holderness
Board of Selectmen
1089 US Route 3
Holderness, NH 03245

RE: Full USPAP Report 2013

Dear Honorable Board,

The enclosed report contains the documentation and analyses that went into the assessment update for 2013.

The intent of the assessment update effort was to restore equity in the assessment rolls in response to the emerging market during late 2012 and through the first nine months of 2013. A complete analysis of all sales from October 1, 2012 through September 30, 2013 was conducted.

To these ends, we have achieved these goals, and provide you with the summary details, contained within the enclosed report. Definitions and explanations of various appraisal related terms can be found in this report. The individual conclusions are subject only the Assumptions & Limiting Conditions so specified within the report.

Based upon the market analyses performed throughout the project, it is our considered opinion the Town as a whole had a taxable, full market value, as of April 1, 2013, of:

\$661,128,884

The enclosed report is presented in the format of USPAP (Uniform Standards of Professional Appraisal Practices) requirements as determined by the Department of Revenue Administration.

Board of Selectmen
Town of Holderness
December 20, 2013
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Not enclosed, but submitted separately and incorporated into this report by reference, is a companion book including property record cards of the sales, separated by qualified and unqualified status. The various Universe manuals which set forth the CAMA system structure and complete lists of codes are incorporated into this report.

Please don't hesitate to contact me with any questions or needs for further clarifications.

Sincerely,

Wil Corcoran
Appraisal Supervisor



Encl/2013 Full USPAP Report for Holderness

**Contractual Agreement Between the Town of Holderness, NH
and
Corcoran Consulting Associates, Inc.**

Section 1. Functions/Responsibilities:

The Town of Holderness agrees to retain Corcoran Consulting Associates, Inc. (Contractor) of Wolfeboro Falls, NH to provide full assessment and appraisal services for the period covered under this agreement.

Section 2. Term:

The term of this Agreement shall be for a period from July 1, 2012 to June 30, 2014.

Section 3. Termination/Resignation:

Nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of either party to terminate this Agreement subject to the terminating party giving sixty (60) days written notice to the other party, prior to the effective date of separation.

The Selectmen retain the right to dismiss unsuitable personnel employed by the Contractor in connection with the services under this Agreement for any reason. The Contractor shall replace any dismissed employees of the firm with a professional of commensurate qualifications and experience of the dismissed employee.

Irrespective of actions taken by the Selectmen in the potential removal of employees, the contractor intends and is committed to timely completion of the project barring unforeseen events outside the company's control.

In the event that any person assigned to the Holderness project is convicted of any act resulting in personal gain, then the Town shall have no obligation of prior notice, and may immediately terminate this Agreement.

Section 4. Compensation:

The Contractor shall be compensated as an independent contractor under this Agreement. As such, the Contractor shall be responsible for providing F.I.C.A., Workmen's Compensation, Unemployment Compensation & Liability to all employees assigned to the Holderness project. The Contractor shall file appropriate Certificates of Insurance with the Town upon request.

Activity	FY 2013	FY 2014
Assessing Services	\$40,000	\$40,000
Cycled Inspections	\$15,400	\$15,400
Revaluation	\$0	\$39,100
Totals	\$55,400	\$94,500

The Contractor shall submit invoices on a monthly basis according to the enclosed rate schedule. The Town shall issue payment no later than fifteen (15) days after receipt of invoices from the previous month's activities.

Section 5. Indemnification:

The Contractor will provide certificates of insurance, with the Town as a named party, for the following occurrences:

- Comprehensive General Liability: \$1,000,000 each occurrence, \$2,000,000 aggregate
- Automobile Liability: \$1,000,000 combined single limit, \$500,000 Bodily
- Errors & Omissions: \$2,000,000 aggregate limit; \$1,000,000 single
- Workers Compensation: NH Statutory Limits

The Town shall be notified immediately upon any potential cancellation of any of the above referenced coverage

Section 6. Work Schedule/Key Personnel Assignment:

All personnel assigned to the Holderness project shall be certified by the DRA at levels commensurate to their operating capacities. By mutual agreement between the Contractor and the Town the following personnel and responsibilities are hereby established:

Director: Wil Corcoran - will assume all responsibilities and direction of all company employees assigned to the Holderness project. The director will attend meetings with the DRA and/or Town Manager upon request and as needed, and will oversee all activities related to the project.

Assessors Agent: J. Roy Smith will assume responsibilities of the on-site Assessors Agent. The Assessors Agent shall average one day per week on-site over the course of the agreement.

Appraisers: Ron Doyon, J. Roy Smith, Monica Gordon and Wil Corcoran will provide assistance in appraisal capacities, all under the supervision of the Director.

Data Collectors: Susan Daniels, Ben Lafond, and Brian Hathorn or other similarly qualified individuals will assist the Appraisers in the collection of data as needed.

Section 7. Scope of Services:

The intent of this agreement is to secure assessing and appraisal services to the Town consistent with RSA 75:1 and 75:8 and the policies of the Town regarding ongoing assessment practices. By DRA classification, the 2014 assessment update is considered a 'values anew' revaluation.

Routine assessing services shall include:

- Supervise the activities of the appraisal/assessment office;
- Train clerical personnel, if needed, in assessing and CAMA operations;
- Provide on-site support on an ongoing basis to meet with taxpayers as required, and address ongoing assessment related concerns as they arise;
- Review abatement applications and provide recommendations to the Selectmen regarding disposition of each;
- Provide support to the Town in formal appeals to the BTLA or superior courts;
- Meet with taxpayers wishing to discuss their assessments or assessment related concerns;
- Measure, list and appraise all properties with outstanding building permits;
- Inspect properties that have sold over the course of the calendar year and verify the circumstances surrounding all transactions;
- Appraise and review all parcel subdivisions or lot mergers occurring over the year;
- Town Assessing Clerk to key all data into CAMA system resulting from sales and permit inspections;
- Review of equalization reports from the DRA and manage any protests to the Department.
- Review of MS1 report to the DRA;

Coordinated f/y 2013 & 2014 Cycled Inspection Activities shall include:

- Complete re-measure of 350 selected properties, with an interior inspection, if an adult is present upon the data collectors arrival;
- A first-class letter will be mailed (by the Town, at Town expense) to each property visited where no entry was gained at the time of the representatives visit to the property, requesting that they call the Town Assessors office to schedule an appointment for inspection;
- Assessors to produce a schedule of available appraisal representatives for call-back appointments;
- The assessing clerk will fill out appointment schedules as they are called in by the taxpayers;
- Assessors Agent(s) to inspect the interior of all properties where appointment is scheduled;
- Assessing clerk shall enter any changes to data resulting from interior inspections.

Coordinated 2013 'Values Anew' Revaluation Activities shall include:

- Analysis of all valid sales occurring from April 1, 2012 through the most current sales available in 2013;
- Review economic neighborhood lines, and produce changes where warranted;
- Development of land schedules consistent with current market activity through:
 - Direct sales analyses of vacant land sales, and,
 - Abstraction analyses where insufficient land sales occur.
- Development of building schedules, consistent with current market costs by way of:
 - Comparison of existing building schedules to localized Marshall/Swift indicators, and,
 - Information gleaned from local builders as to current construction costs.
- Development of physical, functional and economic depreciation schedules consistent with current market activities;
- Development of mass appraisal models as guided by the studies of all local market-related transactions; and,
- Development of appraisal review guidelines.
- Field review performed by certified appraisal staff members.
- Property by property impact report to Selectmen, including:
 - Assessment change impact
 - Percentage change from previous year
 - Statistical impact, both overall and by property class.
- Upon acceptance by Selectmen, a notice of proposed change in assessment will be mailed (at Town expense) to all property owners.
- Informal hearings with taxpayers wishing to discuss their proposed valuations (Town shall receive calls from taxpayers, scheduling appointment with appraisal staff members on a schedule provided by the Contractor.;
- Investigations into taxpayers requests for reviews or changes;
- Finalization of values;
- Produce update report to Selectmen, containing final impact report, by valuation and ratio by class, and all documentation of analyses that led to the valuation models.
- Development of a USPAP compliant report regarding all activities, studies and tables developed and employed during the 2013 'values anew' revaluation.

Assessment Update Timeline:

It is understood that the update project shall be completed in such a fashion that the MS1 report will be filed with the DRA no later than October 15th, 2013 for the values anew revaluation. Following is a projected timeline for the 2013 revaluation:

Valuation for 2013 'values new' Activities:

Activity	Begin	End
Sales Verifications	Ongoing	-----
Construction Costs Analyses	July 1, 2013	July 31, 2013
NBHD Delineation Review	July 1, 2013	July 31, 2013
Sales Analyses	Ongoing	July 31, 2013
Preliminary Values Generation	August 15, 2013	August 30, 2013
Appraisal Field Reviews	August 20, 2013	September 10, 2013
Values Finalization	September 15, 2013	-----
Notices to Taxpayers	September 15, 2013	----
Informal Hearings	September 20, 2013	September 30, 2013
Turnover to Town	October, 10, 2013	
USPAP Report	January 15, 2014	-----

Values Anew Intent:

It is understood by both parties that the above stated efforts will be sufficient to obtain an assessment-to-sales ratio within Assessing Standards Board (ASB) minimums of from 90% to 110% of market value, with a target ratio of 95%, with no class of property deviating from the median by more than 5%, and a C.O.D. within the IAAO 'good assessment equity' range of 11 to 15, with a target of 10 or less.

The Contractor shall work cooperatively with the Town and the Department of Revenue Administration throughout the period of this Agreement.

Corporate Fee Schedule – Year 2012-2013

Position	Hourly Rate
Director	\$75.00 per hour
Senior Appraiser/Assessor	\$67.50 per hour
Commercial Appraiser	\$62.50 per hour
Field Manager	\$62.50 per hour
Residential Appraiser	\$52.50 per hour
Commercial Data Collector	\$52.50 per hour
Field Supervisor	\$52.50 per hour
Residential Data Collector	\$47.50 per hour
Office Manager	\$45.50 per hour
Clerical Assistance	\$37.50 per hour

Travel allowance is charged at \$.55 per mile traveled.

Travel time, portal to portal is charged at ½ rate.

Out-of-pocket costs are passed through to the clients with no surcharge.

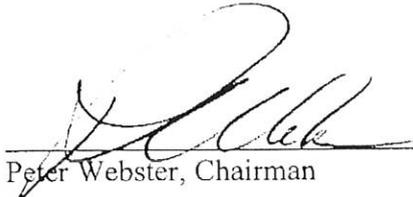
Boat fee, if required, will be billed at \$375 per diem plus actual gas expended.

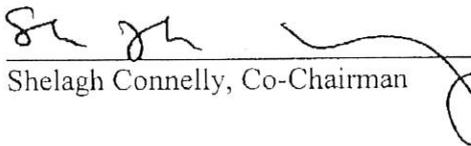
Invoices will detail staff member, time worked, and an explanation of services performed.

Invoices are issued monthly, payable within 20 days of issuance. Invoices unpaid after 30 days will accrue interest at 12% per annum.

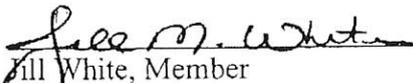
This Agreement shall take effect on July 1, 2012.

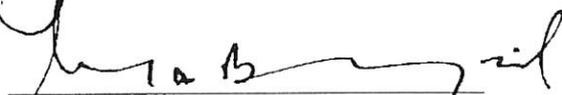
Signatories:


Peter Webster, Chairman


Shelagh Connelly, Co-Chairman


John W. Laverack, Member


Jill White, Member


Samuel Brickley, Member

Holderness Board of Selectmen


Wil Corcoran, Principal Consultant
Corcoran Consulting Associates, Inc.

Date: 7/18/2013

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SECTION 1: REPORT TRANSMITTAL - INTENT & SUPPOSITION

Report Intents & Suppositions:

The Intended Use of this Report: is to provide a basis for the assessment update of real property in the Town of Holderness as required by the contract, dated 07/01/2012, signed between the Town of Holderness and Corcoran Consulting Associates, Inc. A copy of this contract is attached in the addendum section of this report.

The Intended Client Of This Report: are the Town of Holderness and the Town of Holderness Board of Selectmen.

Other Users Of This Report: include the public, property owners, municipal officials, and the Department of Revenue Administration, State of New Hampshire.

The Date of Value Utilized in this Report: is April 1, 2013, as required by RSA 74:1 and RSA 76:2.

Type and Definition of Value Utilized in this Report: The type of value expressed in this report is “market” value, and is defined in RSA 75:1 as: “the property's full and true value as the same would be appraised in payment of a just debt due from a solvent debtor”.

An expanded definition of “Market Value” as defined within the NH Department of Revenue, Property Appraisal Division’s “600 Rules”, establishes the market value of a property must meet the following criteria:

- (a) Is the most probable price, not the highest, lowest or average price;
- (b) Is expressed in terms of money;
- (c) Implies a reasonable time for exposure to the market;
- (d) Implies that both buyer and seller are informed of the uses to which the property may be put;
- (e) Assumes an arm’s length transaction in the open market;
- (f) Assumes a willing buyer and a willing seller, with no advantage being taken by either buyer or seller; and

(g) Recognizes both the present use and the potential use of the property.¹ (NH Department of Revenue, Property Appraisal Division, “600 Rules”; Rev 601.14.)

Identification of the Property Rights Appraised in this Report: The type of property rights appraised: “fee simple”. Fee Simple Estate is defined as:

"Absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the government powers of taxation, eminent domain, police power, and escheat (the right of government to take title to property when there are no apparent heirs)." ² (The Dictionary of Real Estate Appraisal, Third Edition, 1993, Page 140.)

Extent of Property Inspections: As required by the contract, dated 07/01/2012, signed between the Town of Holderness and Corcoran Consulting Associates, Incorporated, a measure and list was required on 350 selected properties each year of 2013 and 2014. The cycled process focused on 648 properties plus all new and outstanding building permits (66). While and exterior inspection of every such parcel was achieved, an interior inspection on 18% of the improved parcels during the first visit. "Call back" inspections by appointment were attempted for all properties where the data collectors could not gain entry into the interior of buildings upon initial visit. The assessing department mailed out 74 call back inspection request letters. The overall entry rate for the 2013 cycled process was 28% on improved properties.

Secondly, all building permits issued from 4/1/2012 through 3/31/2013 were measured and listed. The Town of Holderness had 66 new permits issued during this time some additional properties that needed a second visit to verify completion from the year before were also visited.

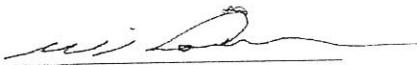
Lastly, all property transfers with in the Town of Holderness spanning a period of six months preceding April 1, 2013 and four months past April 1, 2013 were reviewed and analyzed to determine if the transfer was an "arm's length" transaction. This was accomplished by interviewing the buyer, seller, or the representative sales agent. The verification process also identified the sales price, and any terms or conditions surround the sale that might have influenced the negotiated price. Those that were deemed qualified were then measured and an interior inspection was attempted.

Certification Of Value:

The undersigned certifies that, to the best of my knowledge and belief:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- 4) I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6) My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 7) The analyses, opinions and conclusions were developed, and this report has been prepared in conformity with "Standard 6" of the most recent Uniform Standards of Professional Appraisal Practice.
- 8) I have made personal inspections of the properties that are the subject of this report. Individuals, and/or anyone providing significant mass appraisal assistance to the individual signing this report, are identified at the end of this USPAP Supplemental Report.
- 9) My opinion of the total market value of taxable property, pursuant to RSA 75:1, and the NH Department of Revenue, Property Appraisal Division "600" Rules, Rev. 601.14, for the assessed property identified in Section I of this report, as of April 1, 2013, is:

\$661,128,884



Wil Corcoran, Principal Consultant
Corcoran Consulting Associates, Inc.

11/17/2014
Date

SECTION 2:

SCOPE OF SERVICES

Routine Assessing Services shall include:

- Supervise the activities of the appraisal/assessment office;
- Train clerical personnel, if needed, in assessing and CAMA operations;
- Provide on-site support on an ongoing basis to meet with taxpayers as required, and address ongoing assessment related concerns as they arise;
- Review abatement applications and provide recommendations to the Selectmen regarding disposition of each;
- Provide support to the Town in formal appeals to the BTLA or superior courts;
- Meet with taxpayers wishing to discuss their assessments or assessment related concerns;
- Measure, list and appraise all properties with outstanding building permits;
- Inspect properties that have sold over the course of the calendar year and verify the circumstances surrounding all transactions;
- Appraise and review all parcel subdivisions and lot mergers occurring over the year;
- Town Assessing Clerk to key all data into CAMA system resulting from sales and permit inspections;
- Review of equalization reports from the DRA and manage any protests to the Department;
- Review of MS1 report to the DRA.

Coordinated Fiscal Year 2013 & 2014 Cycled Inspection Activities shall include:

- Complete re-measure of 350 selected properties, with an interior inspections, if an adult is present upon the data collector's arrival;
- A first-class letter will be mailed (by the Town, at Town's expense) to each property visited where no entry was gained at the time of the representative's visit to the property, requesting that they call the Town Assessor's office to schedule an appointment for inspection;
- Assessors to produce a schedule of available appraisal representatives for call-back appointments;
- The assessing clerk will fill out appointment schedules as they are called in by the taxpayers;
- Assessors Agent(s) to inspect the interior of all properties where appointment is scheduled;
- Assessing clerk shall enter any changes to data resulting from interior inspections.

Coordinated Fiscal 2013 "Values Anew" Revaluation Activities shall include:

- Analysis of all valid sales occurring from April 1, 2012 through the most current sales available in 2013;
- Review economic neighborhood lines, and produce changes where warranted;
- Development of land schedules consistent with current market activity through:
 - > Direct sales analysis of vacant land sales, and

- >Abstraction analysis where insufficient land sales occur.
- Development of building schedules, consistent with current market costs by way of:
 - >Comparison of existing building schedules to localized Marshall & Swift Indicators, and,
 - > Information gleaned from local builders as to current construction costs.
- Development of physical, functional and economic depreciation schedules consistent with current market activities;
- Development of mass appraisal models as guided by the studies of all local market-related transactions;
- Development of appraisal review guidelines
- Field review performed by certified appraisal staff
- Property by property impact report to Selectmen, including:
 - >Assessment change impact
 - >Percentage change from previous year
 - >Statistical impact, both overall and by property class
- Upon acceptance by Selectmen, a notice of proposed change in assessment will be mailed (at Town expense) to all property owners;
- Informal hearings with taxpayers wishing to discuss their proposed valuations (Town shall receive calls from taxpayers, scheduling appointments with appraisal staff members on a schedule provided by the Contractor);
- Investigations into taxpayers requests for reviews or changes;
- Finalization of values;
- Produce update report to Selectmen, containing final impact report, by valuation and ratio by class, and all documentation of analysis that led to the valuation models;
- Development of a USPAP complaint report regarding all activities, studies and tables developed and employed during the 2013 ‘values anew’ revaluation.

ASSUMPTIONS AND LIMITING CONDITIONS:

The following Assumptions and Limiting Conditions apply to all properties under appraisal. Any exceptions to the following Assumptions and Limiting Conditions will be documented on the individual property record cards, when applicable.

- 1) Deeds were not provided nor reviewed except upon special exception. No responsibility is assumed for the legal description provided or for matters pertaining to legal issues and/or title.
- 2) Properties were assumed to be free of any and all liens and encumbrances. Each property has also been appraised as though under responsible ownership and competent management.
- 3) Surveys were not provided except upon special request. The appraisers have relied upon tax maps and other materials provided by the Municipality in the course of estimating physical dimensions and the acreage associated with assessed properties.
- 4) The appraisers have assumed that the utilization of the land and any improvements is located within the boundaries of the property described, and there is no encroachment on adjoining properties unless otherwise noted.
- 5) The appraisers assume that there are no hidden or unapparent conditions associated with the properties, subsoil, or structures, which would render the properties (land and/or improvements) more or less valuable unless otherwise noted.
- 6) The appraisers assume that the properties and/or the landowners are in full compliance with all applicable federal, state, and local environmental regulations and laws.
- 7) The appraisers assume that all applicable zoning and use regulations have been complied with.
- 8) The appraisers assume that all required licenses, certificates of occupancy, consents, or other instruments of legislative or administrative authority from any private, local, state, or

national government entity have been obtained for any use on which the value opinions contained within this report are based.

- 9) The appraisers are not qualified to detect hazardous materials. Therefore, lacking submitted evidence of hazardous materials, which may be present on a property, contamination or potential contamination, was not considered. The final opinions of value were predicated upon the assumption that there is no such material on any of the properties that might result in a loss, or change in value unless otherwise informed and/or noted on individual record cards.
- 10) Information, estimates and opinions furnished to the appraisers and incorporated into the analysis and final report, was obtained from sources assumed to be reliable and a reasonable effort has been made to verify such information. However, no warranty is given for the reliability of this information.
- 11) The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made compliance surveys nor conducted a specific analysis of any property to determine if it conforms to the various detailed requirements identified in the ADA. It is possible that such a survey might identify non-conformity with one or more ADA requirements, which could lead to a negative impact on the value of the property(s). Because such a survey has not been requested and is beyond the scope of this appraisal assignment, The appraisers did not take into consideration adherence or non-adherence to ADA in the valuation of the properties addressed in this report.
- 12) Market forecasts, projections and operating estimates contained within the report are predicated upon current (4/1/2013) market conditions, and forecasts of short-term supply and demand factors. This information was obtained over the course of interviews with knowledgeable parties, and in published public and private resources. While this information was assumed to be credible, these forecasts are subject to change due to unexpected circumstances, including local, regional and/or national.
- 13) Any opinions of value in this report apply to an entire property, and any allocation or division of the value into separate fractional interests will invalidate the opinions of value reflected in this report.

- 14) Information pertaining to the sales of properties utilized in the analysis and subsequent report has been confirmed with either the buyer, seller, third party or other credible publications whenever possible, and was assumed to be reliable.

- 15) Possession of this report does not carry with it the right of reproduction and disclosure of this report is governed by the rules and regulations of the New Hampshire Assessing Standards Board (ASB), and is subject to jurisdictional exception and the laws of New Hampshire.

SCOPE OF WORK AS IDENTIFIED IN THE CONTRACT: The valuation report that follows is predicated upon the contract dated 07/01/2012, and signed between the Town of Holderness and Corcoran Consulting Associates, Inc. A copy of the contract is located in Appendix “A” of this report. The scope of work identified in the contract, and incorporated into the following report comprised the following steps:

The contract stipulated that cycled interior and exterior inspections were required, and a reasonable attempt was made to meet this contractual obligation across 648 cycled residential parcels (cycled inspections for 2012 and 2013; 66 new and rechecked building permits; and 127 sales) of the Municipality’s 1919 parcels 44% of the total parcels. While an exterior inspection of every such parcel was achieved, an interior inspection on approximately 28% of the residential improved parcels contracted for cycled inspections was achieved.

Secondly, all properties subject to known building permits issued from 4/1/2012 through 3/31/2013 were measured and listed (66 new permits for 2013 and rechecks on outstanding permits from 2012).

Lastly, all property transfers within the Town of Holderness spanning a period of October 1, 2012 through September 30, 2013 were reviewed, and analyzed to determine if the transfer was an “arm’s-length transaction. This was accomplished by interviewing the buyer, seller, or the representative sales agent. The verification process also identified the sales price, and any terms or conditions surrounding the sale that might have influenced the negotiated price. In Holderness, there were:

59	Single Family sale transactions from 10/1/2012 through 09/30/2013
16	Condominium Sales
18	Mobile Home/Trailer Sales
2	Multi family sales
8	Vacant Land Sales
3	Vacant Waterfront Sales
1	Commercial Sale
1	Industrial Sale
1	Apartment Sale
18	Current Use
127	Total Sales

From these, the following was determined:

13 Qualified Single Family sales occurred from 10/1/2012 through 09/30/2013

1 Qualified Apartment sale (4 – 8 Unit)

4 Qualified Vacant Land sales

18 Qualified sales

This sales property information was analyzed, and the highest and best use of each property identified, as described within this section. The qualified sale data was “stratified” by use type, such as single-family residential, land, commercial, etc. The sale data was also stratified by neighborhood, in order to isolate more discrete “locational” differences and/or influences. Other stratification analyses such as building style, size, quality, age, condition and other identified features were performed as well, The verified sales data was then utilized to extract meaningful adjustments and/or benchmarks that became the basis for various tables, such as time (market conditions), cost, depreciation, view influence, water influence, etc. All pertinent factors, including physical, legal, and economic considerations were considered and recognized, subject to the assumptions and limiting conditions referenced above.

Once the preliminary benchmarks were established, “model calibrations” were required in order to bring the computerized mass appraisal formulas, tables and models into conformity with the market. To do so, field reviews and further analysis utilizing “ratios” (a comparison of the assessed value to its sale price) and the CAMA (Computer Assisted Mass Appraisal) software was conducted in order to refine the base tables and valuation models to verify the alignment and consistency of the base tables.

Finally, these benchmarks became the basis for the statistical analysis of these properties, and new property values were developed utilizing at least one of the three possible approaches to value (Direct Sales Comparison Approach, Cost Approach, and/or Income Capitalization Approach to value). Overall, every effort was made to help ensure that the values were uniform and equitable to the market under study.

Final review and approval by the Town of Holderness’ Board of Selectmen was completed in the first week of August 2013. Overall, the Town’s total valuation (before exemptions) was decreased by 4.7% from 2012 to 2013.*

*Valuation numbers based on MS1 totals from 2012 to 2013

This report was then prepared in conformity with “Standard 6” of the Uniform Standards of Professional Appraisal Practice (USPAP, 2005), as well as the contract, dated 07/01/2012, signed between the Town of Holderness and Corcoran Consulting Associates, Incorporated.

SUMMARY DESCRIPTION OF THE ASSESSED PROPERTIES:

In accordance with the contract located in Appendix “A” of this report, the Town of Holderness required all the real property in its respective municipal boundaries to be valued. A breakdown of the Town’s real property by “use type” follows:

Commercial (300)	41
Industrial (400)	5
Mixed Use (013 & 031)	8
Apartments 4+ Units	3
Mobile Homes/Trailers (100 & 103)	180
Residential (101)	873
Condominiums (102)	174
Two & Three family (104, 105)	17
Vacant Residential Land (130,131,132,106)	211
Vacant Waterfront (109)	55
Exempt (900)	86
Public Utilities (423)	3
Current Use (600)	<u>263</u>
Total	1919

Determination of Highest and Best Use: Highest and Best Use is defined as:

"The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are: legal permissibility, physical possibility, financial feasibility, and maximum profitability" ³(The Dictionary of Real Estate Appraisal, Third Edition, 1993, Page 171)

In most cases the “existing” use is already at its highest and best use, and will be evaluated and assessed accordingly.

Importantly, however, in the case of “transitional” uses (a “transitional” use is a property with a highest and best use that is no longer “maximally profitable”...and the existing use is likely to change due to market and economic forces) the appraiser may evaluate the property on the basis of its projected highest and best use. In these circumstances, the projected highest and best use is determined by a market analysis that references the four criteria referenced above (legal permissibility, physical possibility, financial feasibility, and maximum profitability). A common example of this would be a vacant tract of residential land (not in current use), that is surrounded by significant numbers of residential homes and/or lots, and the market conditions indicate a favorable housing market. In this case, the appraiser may justifiably assess the raw land on the basis of its legitimate development potential.

APPROACHES TO VALUE CONSIDERED AND/OR UTILIZED: The residential properties were valued by the Sales Comparison (indirect) and Cost (market modified) approaches to value. Commercial and industrial properties were also valued by the Sales Comparison (indirect), and market modified Cost Approaches where applicable.

APPROACHES TO VALUE NOT UTILIZED: Actual income and expense information from local commercial property owners was NOT asked for during the 2013 update. This is, unfortunately, due to poor response and multiple owner occupied properties in years past. Largely, this information is insufficient in order to enable the appraisers to build reliable income, expense and vacancy rate models. Therefore, Income Approaches to value were not utilized.

SECTION 3: VALUATION PREMISES AND PROCEDURES

Description of Basic Valuation Theory and Mass Appraisal:

- 1) An appraiser's first task is to identify what property is being appraised. This includes not only the physical aspects of the property, but the property rights as well.
- 2) There are six basic property rights associated with the private ownership of property, these include: 1) the right to use, 2) the right to sell, 3) the right to lease or rent, 4) the right to enter or leave the property, 5) the right to give away, and 6) the right to refuse to do any of these. These, and other rights, are known as the full "bundle of rights", which is understood to be attached to an ownership with "fee simple" title which has been described in the preceding section.
- 3) The New Hampshire Supreme Court has ruled that for the purpose of property taxation, the appraised property rights are assumed to be "fee simple".⁴ (NH Supreme Court, "Kennard v. Manchester, 68 N.H. 61, 36A, 553 (1894)
- 4) The next step is to identify the "highest and best use" of the property. Refer to the preceding discussion, as well as the discussion on highest and best use in the preceding "Assumptions and Limiting Conditions" section.
- 5) The highest and best use of each property having been determined or assumed, the appraiser begins the process of market data collection, studies the market and accompanying economic forces (such as "supply and demand") that pertain to the highest and best uses, and assembles the relevant data and statistics for incorporation into the analysis.
- 6) Strategies for data collection will vary with the type of data being sought, and may not be the same for every property "use". Overall, the comparative data, which may include descriptions and/or confirmations of physical attributes (such as total size, number of bedrooms, presence of a finished attic or basement, etc.) cost, rental income and expense (for commercial and industrial properties), and details of sale or transfer information are collected, if applicable.

- 7) At this point, economic neighborhood boundaries are established or verified in order to “stratify” the properties and the property-specific factual information collected in the field, and the statistical information pertaining to the market/economic forces that impact an area in a meaningful and cohesive way.
- 8) This market-derived information, such as sales information, improvement costs and depreciation is then entered into the Municipality’s CAMA (Computer Assisted Mass Appraisal) system, and forms the basis for the database “tables” that enable the CAMA system to generate specific property values.
- 9) There are primarily three “approaches” or analytical techniques utilized to develop an opinion of value, and these techniques are incorporated into the CAMA system.

9A) The first valuation technique is referred to as the “Sales Comparison Approach”, and is based on the premise that the appraiser can utilize sale prices of similar properties as evidence of value. In other words, assuming similar market conditions (supply and demand) a similar property would sell for a similar price. However, because no two properties are seldom if ever exactly alike, and market conditions can change, a systematic series of “adjustments” are made to the sale property in order to bring it into conformity with the appraised property. In the context of mass appraisal performed for assessment purposes, the “appraised” property begins with a “generic” property description that is utilized to establish a “baseline” for comparing similar properties. For instance, a “single-family residential ranch-style home, approximating 2,000 square feet, three-bedrooms, two-baths, and of average quality construction and condition.” The sales are then compared and adjusted in order to isolate the various market factors and baseline parameters that are then applied to the specific properties being assessed. Overall, the Sales Comparison Approach is based upon the principle of “substitution”, which assumes that when several similar properties are available the property with the lowest price will attract the greatest demand.

9B) 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 are updated as required by market conditions. Importantly, the appraiser typically evaluates the existing improvement on the basis of its “utility” and function.

rather than attempting to duplicate or exactly “reproduce” the appraised property. Similar to the Sales Comparison Approach, the Cost Approach is also based upon the principle of “substitution”.

9C) 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. A simplified income approach is structured as follows:

Annual Potential Gross Income	
5 apartments @ \$1,000/month =	\$60,000
Annual Vacancy Rate = 5% annually =	<u>(\$3,000)</u>
Annual Effective Gross Income =	\$57,000
Annual Expenses =	<u>(\$23,000)</u>
Net Operating Income =	\$34,000
Capitalization Rate = 10%	
	Property Value = \$34,000 / 10% = \$340,000

10) Completion of all three of the preceding independent approaches to value is preferable, since each independent approach provides a useful “test of reasonableness”, and more such tests are preferable to fewer such tests. However, it is not always possible to complete a specific approach due to the unavailability of meaningful data, and in reality, residential homes are not purchased for the ‘income’ value and therefore not subject to income capitalization techniques. Finally, the different values reached by independent techniques are “reconciled” by evaluating both the quality of the information utilized in each approach, and a final opinion of value is selected.

Mass Appraisal:

11) Mass appraisal utilizes the same concepts outlined above. However, in light of the necessity to assign values to multiple properties, as opposed to a single property, mass appraisal emphasizes data management, statistical valuation models and statistical quality control. In regard to the statistical modeling required, typically the utilization of an automated valuation model (AVM), also referred to as Computer Assisted Mass Appraisal (CAMA) software is required. The CAMA or AVM is a mathematically based computer software program that produces an estimate of market value based on market analyses of location, market conditions, and real estate characteristics from information that was previously and separately collected, analyzed and entered into 'models' within the CAMA system. The distinguishing feature of CAMA or AVM software is that it is a market appraisal produced through mathematical modeling. Importantly, as in most if not all data processing systems, the credibility of the results is highly correlated with the quality of the input data utilized, and the skills of the appraiser(s) or analyst(s) utilizing the CAMA or AVM software.

12) Therefore, a mass appraisal system generally relies upon four primary "subsystems" that include: 1) a data management system, 2) a sales analysis system, 3) a valuation system, and 4) an administration system. Each subsystem is briefly described below:

12A) The Data Management system is the core of the mass appraisal system and is carefully designed and implemented. Fundamentally, the data management system is responsible for the data entry and subsequent editing, as well as the organization, storage and security oversight of the data. Essential to the data management system is quality control, as the reliability of the data will have a direct and profound impact on the quality of the resulting output and values.

12B) The Sales Analysis subsystem is responsible for the compilation and storage of sale data, sale screening, various statistical studies and sales reporting with direct input and oversight by the supervising appraisers. The following are some of the statistical techniques utilized to calibrate and fine-tune the data assumptions:

"**Ratio**": refers to the relationship between the appraised or assessed values and market values as determined by a review of sales. The ratio studies, which are the primary product of

this function, typically provide the most meaningful measures of appraisal performance and provide the basis for establishing corrective actions (re-appraisals), adjusting valuations to the market, and in administrative planning and scheduling. The requirement, as established by the State of New Hampshire's Assessing Standards Board, is to maintain a Median Ratio between 90% and 110% of market value (A Ratio of 100% is preferred, indicating the assessed value is identical to the market value).

“**COD**”: or “Coefficient of Dispersion”, is another important statistical tool utilized in mass appraisal, and refers to the average percentage deviation from the median ratio. As a measure of central tendency, the COD represents the degree to which the data being analyzed clusters around a central data point, such as the median ratio. The requirement, as established by the State of New Hampshire's Assessing Standards Board, is a COD no greater than 20% (a lower COD is preferable to a higher COD).

“**PRD**”: or “Price-Related Differential”, is calculated by dividing the mean by the weighted mean. A PRD greater than 1.03 indicates assessment regressivity (when high-value properties are assessed lower, or disproportionate to, than low value properties). A PRD lower than 0.98 indicates assessment progressivity (when high-value properties are assessed higher, or disproportionate to, low-value properties). The requirement, as established by the State of New Hampshire's Assessing Standards Board, is a PRD no greater than 1.03, and no lower than 0.98. Overall, a PRD equal to 1.0 is preferred.

The Valuation System generally comprises the application of the three approaches to value (identified in the preceding section). For instance, utilization of the Sales Comparison Approach could include statistical techniques such as a multiple regression analysis. The Cost Approach would utilize computerized cost and depreciation tables, and reconciliation of these computerized cost-generated values with market-derived sales information. The Income Approach can utilize computer-generated income multipliers and/or overall capitalization rates. The Valuation System is also utilized to extract adjustments and/or factors that are utilized in the development of values.

The Administrative System includes such core (often automated) functions as development of the property record cards and assessment roll or property tax base, the preparation of the valuation notices, and retention of the appeals and other miscellaneous property files.

Period of Time Associated with Sales/Data Collection: Sales data utilized for the purpose of completing this analysis spanned from October 1, 2012 to September 30, 2013. Only sales confirmed to be qualified “arms-length”, or market-oriented transactions were utilized in the analysis.

Data Collection and Sales Verification Procedures: The County Registry of Deeds provides the Municipality’s Assessing Department with copies of all recorded property transfers within 30 days of the date of transfer. Each individual sale was then analyzed by the Municipality’s appraisal staff to determine if the transfer was a “qualified” sale; i.e., arm’s-length and market oriented. The qualification procedure requires a direct interview with either the buyer, seller, or broker/representative familiar with the circumstances surrounding the negotiated transfer of the property. Upon final qualification, an attempt was made to inspect the property (interior also, when applicable), interview the purchaser, and the property record cards were updated to correct any inaccuracies and record any new findings.

Number of Sales Utilized in Analysis: As previously described, as of the date of this report, there are 1,919 total parcels situated in the Municipality. The breakdown of all property transfers within the Municipality by “use type” is as follows (within the final analysis period of October 1, 2012 through September 30, 2013):

59	Single Family sales
16	Condominium Sales
18	Mobile Home/Trailer Sales
2	Multi family sales
8	Vacant Land Sales
3	Vacant Waterfront Sales
1	Commercial Sale
1	Industrial Sale
1	Apartment Sale
18	Current Use
127	Total Sales

The breakdown of all qualified (market-related) property transfers within the Municipality by “use type” follows:

13	Qualified Single Family sales
1	Qualified Apartment sale (4 – 8 Unit)
4	Qualified Vacant Land sales
18	Qualified sales

Description of Data Calibration Methods: The sales data is verified for accuracy by submitting each one of these sale properties to a thorough physical (measure and list) and market analysis (by confirming a transaction was “arm’s length”, with no unusual circumstances that might have influenced the negotiated sale price), including interior inspection whenever possible. Once verified, and the preliminary benchmarks were established, field reviews were conducted in order to refine the base tables, and verify the alignment of properties and the tables by “use” type, location, and externalities, for example. The preliminary values were further “validated” by the statistical testing of the sale data. The appraisal supervisor uses the CAMA software groups to sort the data by various elements of consideration such as: improvement type, age, size,

and neighborhood, and various “ratios” are developed that reveal possible discrepancies in the underlying valuation model.

Significance of Adjustments and Factors: “Adjustments” and “factors” are mathematical changes to basic data (for example, a “base” table) to facilitate comparisons and understanding. This process assumes a “causal” relationship among the various factors for which the adjustments are made.

Examples of factors and/or adjustments can include such important elements of consideration as “view” or water frontage or water access amenities. Importantly, a “feature” can be a positive influence on property value, or a “negative” influence on property value. The specific adjustments or factors applied to properties with amenities such as these, are typically derived from a detailed sales analysis. Once the appropriate sales are identified and confirmed or “qualified”, several techniques are utilized to extract, or isolate, the specific factor(s) the supervising appraisers are trying to identify.

One such technique is known as a “matched-pair” comparison analysis; wherein sales of properties that retain these features are compared to sales of properties that do not retain these features, and the specific “contributory” value or factor attributable to the feature is isolated. Another technique, known as “extraction”, subtracts the depreciated value of the improvements from the total sale price, to arrive at the underlying value of the specific land component being analyzed.

SECTION 4: INFREQUENTLY REVISED CODES AND LEDGEND

Identification of CAMA System Codes: The following series of tables are provided in order to facilitate an understanding of the various data fields utilized by the CAMA system, and the corresponding information found on the property record cards.

Land “Use” Codes are as follows:

<u>Code</u>	<u>Land Use</u>
013 - 018	Residential – Mixed Use
031 - 078	Commercial/Industrial – Mixed Use
101 - 140	Residential
200 - 231	Open Space
300 – 393	Commercial
400 - 452	Industrial
501 - 552	Public Utilities
600 - 609	Current Use; w/ Building
900 - 970	Exempt

Specific Land Use Codes are as follows:

Holderness Specific Land Use Codes
013 - MULTI-USE PRIME RES USE
031 - MULTI-USE PRIME COMM USE
034 - PRIME RES W/C+I USE
099 - MULTI-USE REC/COMM
061 - MULTI-USE RES/FARM
014 - MULTI-USE PRIME RES/IND
100 - MOBILE HOME IN PARK
101 - SINGLE FAMILY
102 - CONDOMINIUM
103 - MOBILE HOME
104 - TWO FAMILY
105 - THREE FAMILY
106 - ACCESSORY BLDGS ON RES LAND
107 - DEVELOPMENTAL RIGHTS
108 - MULTI-USE PRIMARILY RESIDENTIAL
109 - MULTIPLE DWELLINGS ON LOT
110 - MOBILE HOME ON OWN LOT
111 - FOUR FAMILY
112 - MULTI UNITS >8 (APTS)
121 - ROOMING/BOARDING HOUSES
122 - FRATS/SORORITY HSES
123 - RESIDENCE HALLS/DORMS
124 - RECTS/CONV/MONASTARY
125 - OTHER CONGREGATE HOUSING
130 - DEVELOPABLE RESIDENTIAL LAND
131 - POTENTIALLY DEV RESIDENTIAL LAND
132 - UNDEVELOPABLE RESIDENTIAL LAND
133 - LAND W/BLDS OF ANOTHER
134 - BUILDINGS ON LAND OF ANOTHER
140 - CHILD CARE FACILITY

Holderness Specific Land Use Codes

201 - RESIDENTIAL OPEN SPACE
202 - SUBMERGED OPEN SPACE RES AREA
210 - NONPROD AGRI LAND
211 - NONPROD OPEN SPACE
220 - COMM OPEN SPACE
221 - COMM SUBMERGED OPEN SPACE
230 - INDUS OPEN SPACE
231 - INDUS SUBMERGED OPEN SPACE
290 - COMM OPEN SPACE
300 - HOTELS
301 - MOTELS
302 - INNS/RESORTS
303 - MOBILE HOME PARKS
304 - NURSING HOMES
305 - PRIVATE HOSPITALS
306 - CARE/TREATMENT FACILITY
307 - COMMERCIAL CONDO
308 - MULTI UNITS 5 - 8
309 - MULTI UNITS > 8
310 - FUEL/OIL TANKS
311 - BOTTLED/PROPANE TANKS
312 - GRAIN/FEED ELAVATORS
313 - LUMBER YARDS
314 - TRUCKING TERMINALS
315 - PIERS/WHARFES/DOCKS
316 - OTHER STORAGE
317 - FARM BUILDINGS
318 - COMM GREENHOUSES
321 - HARDWARE STORES
322 - DISCOUNT/DEPT STORES
323 - SHOPPING CENTERS/MALLS
324 - SUPERMARKETS > 10000 SQ FT
325 - RETAIL/SERVICE CTRS < 10000 SQ FT
326 - RESTAURANTS/DRINKING ESTABS
330 - AUTO SALES/SERVICE
331 - AUTO SUPPLIES
332 - AUTO REPAIR
333 - FUEL SERVICES
334 - SERVICE STATIONS
335 - CAR WASHES
336 - PARKING GARAGES
337 - PARKING LOTS
338 - OTHER AUTO SALES/SERVICES
340 - GENERAL OFFICE BUILDINGS

Holderness Specific Land Use Codes

341 - BANK BUILDINGS
342 - MEDICAL OFFICE BUILDINGS
350 - POSTAL SERVICE PROPERTY
351 - EDUCATIONAL PROPERTY
352 - DAYCARE CENTERS
353 - FRATERNAL ORGANIZATIONS
354 - BUS TRANSPORT FACILITIES
355 - FUNERAL HOMES
356 - MISC PUBLIC SERVICES
360 - MUSEUMS
361 - ART GALLERIES
362 - MOTION PICTURE THEATERS
363 - DRIVE-IN MOVIES
364 - LEGITIMATE THEATERS
365 - STADIUMS
366 - ARENAS/FIELD HOUSES
367 - RACE TRACKS
368 - FAIRGROUNDS/AMUSEMENTS PKS
369 - OTHER CULTURAL/ENT PROP
370 - BOWLING
371 - ICE SKATING
372 - ROLLER SKATING
373 - SWIMMING POOLS
374 - HEALTH SPAS
375 - TENNIS/RACKETBALL CLUBS
376 - GYMS/ATHLETIC CLUBS
377 - OTHER INDOOR REC FACILITIES
380 - GOLF COURSES
381 - TENNIS COURTS
382 - RIDING STABLES
383 - BEACHES/SWIMMING POOLS
384 - MARINAS
385 - FISH/GAME CLUBS
386 - CAMPING FACILITIES
387 - SUMMER CAMPS
388 - OTHER OUTDOOR/REC PROPERTI
389 - CHAPTER 61A STRUCTURES
390 - COMMERCIAL DEVELOPABLE LAN
391 - COMM POTENTIALLY DEV LAND
392 - COMM UNDEVELOPABLE LAND
393 - MIXED USE/PRIMARY COMMERC

Holderness Specific Land Use Codes

400 - MANUFACTURING BUILDING
401 - WAREHOUSES
402 - MANUFACTURING OFFICE BUILD
403 - LAND FOR MANUFACTURING OPE
404 - R&D FACILITITES
410 - SAND & GRAVEL
411 - GYPSUM
412 - ROCK
420 - P/U TANKS
421 - P/U TANKS
422 - ELECTRIC GENERATION PLANTS
423 - ELECTRIC TRANSMISSION R.O.
424 - ELECTRIC SUBSTATIONS
425 - GAS PRODUCTION LINES
426 - GAS PIPELINE R.O.W.
427 - NATURAL/MANF GAS STORAGE
428 - GAS PRESSURE CONTROL STATI
430 - TELEPHONE EXCHANGE STATION
431 - TELEPHONE RELAY TOWERS
432 - CABLE TV TRANSMIT FACILITI
433 - RADIO/TV TRANSMIT FACILITI
440 - INDUSTRIAL DEVELOPABLE LAN
441 - INDUSTRIAL POTENTIALLY DEV
442 - INDUSTRIAL UNDEVELOPABLE L
499 - INDUSTRIAL CONDOMINIUMS
500 - PP FOR NH ELEC COOP
501 - PP FOR PSNH
502 - PP VERIZON
503 - PP PVT WATER COMPANY
504 - PP FOR PUBLIC UTILITIES
505 - PP FOR TELEPHONE COMPANIES
506 - PP FOR GAS/PETROL COMPANIE
600 - CURRENT USE VACANT LAND
601 - SINGLE-FAM CU LAND
602 - INNS/RESORTS ON CU LAND
603 - MOBILE HOME CU LAND
609 - ACCESSORY BLDGS ON CU LAND
612 - APARTMENT ON CU LAND
686 - CAMPING FACILITIES ON CU LAND

Holderness Specific Land Use Codes

710 - CRANBERRY BOGS
711 - TOBACCO/SOD
712 - TRUCK CROPS/VEGETABLES
713 - FIELD CROPS/HAY WHEAT
714 - ORCHARDS
715 - VINEYARDS
716 - TILLABLE FORAGE CROPLAND
717 - PRODUCTIVE WOODLAND
718 - PASTURE
719 - NURSERIES
720 - AGRI NONPROD/NECESSARY LAN
722 - AGRI NONPROD WASTELAND
801 - HIKING
802 - CAMPING
803 - NATURE STUDY
804 - BOATING
805 - GOLFING
806 - HORSEBACK RIDING
807 - HUNTING
808 - FISHING
809 - ALPINE SKIING
810 - NORDIC SKIING
811 - SWIMMING
812 - PICKNICKING
813 - GLIDING OR HANG GLIDING
814 - TARGET SHOOTING
900 - U.S.GOVERNMENT
901 - COMMONWEALTH OF NH
902 - COUNTIES
903 - MUNICIPALITIES
904 - PRIVATE COLLEGES/SCHOOLS
905 - PRIVATE CHARITIES
906 - CHURCHES/SYNAGOGUES/TEMPLE
907 - PRECINCT PROPERTY
908 - CONDO COMMON LAND
909 - PRIVATE ROADS
911 - DELETED PROPERTY
920 - PRIVATE WATER SYSTEM
950 - CONWAY TAX TITLE
960 - PUBLIC CEMETERY
970 - PRIVATE CEMETERY

Improved Residential “Style Type” codes are as follows:

CODE	DESCRIPTION
1	RAISED RANCH
2	SPLIT LEVEL
3	RANCH
4	CAPE
5	OLD STYLE
6	COLONIAL
7	CONTEMPORARY
8	TWO-FAMILY
9	THREE-FAMILY
10	COTTAGE
11	BUNGALOW
12	DUPLEX
13	MANSION
14	GARRISON
15	OTHER
16	VICTORIAN
17	HISTORICAL
18	SALTBOX
19	BLANK
20	BLANK
21	CONDO-RANCH
22	CONDO-CONTEMP
23	CONDO-CAPE
24	CONDO-TOWNHOUSE
25	CONDO-GARDEN
26	TRI-LEVEL

Improved “Story Height” Codes are as follows:

<u>Code</u>	<u>Story Height</u>
1.0	1 Story Frame
1.50	1.5 Story Frame
1.75	1.75 Story Frame
2.0	2 Story Frame
2.5	2.5 Story Frame
3.0	3 Story Frame

Improved “Quality Construction” Codes are as follows:

<u>Code</u>	<u>Quality Construction</u>
UN	Unsound
VP	Very Poor
PR	Poor
FR	Fair
AV	Average
GD	Good
VG	Very Good
EX	Excellent

Identification of Zoning Codes: The following table identifies various zoning designations, as approved by the Municipality’s Zoning Department. For additional detail, consult the Municipality’s Zoning Manual, and /or inquire at the Zoning Department.

ZONE	CODE	SET BACK FROM		LOT AREA
		ALL SIDES OF LOT	FRONTAGE	
Rural Residential	RR	35 feet	300 feet	1 acre
General Residential	GR	35 feet	150 feet	1 acre
Commercial District	CD	35 feet	100 feet	1 acre
Flood Hazard District	FHD	35 feet	*	1 acre
River Corridor Overlay	RC	35 feet	*	2 acres
Waukegan Watershed	WW	35 feet	35 feet	1 acre
Waterfront	W	50 feet	200 feet on waterline	1.33 acres

NOTE: There are exceptions for all Zoning Districts; refer to Zoning Ordinance for details.

Setbacks apply to buildings and Rights of Way (ROWs)

*RC district has 200’ frontage requirement on the River and 500’ front feet from river’s normal high water mark.

Septic tanks 75’ and leach fields 125’ from well or surface water

Dwelling 50’ from reference line on the lake, other structures 35’

Driveways 10’ from lot line (not ROW)

Street frontage 150’

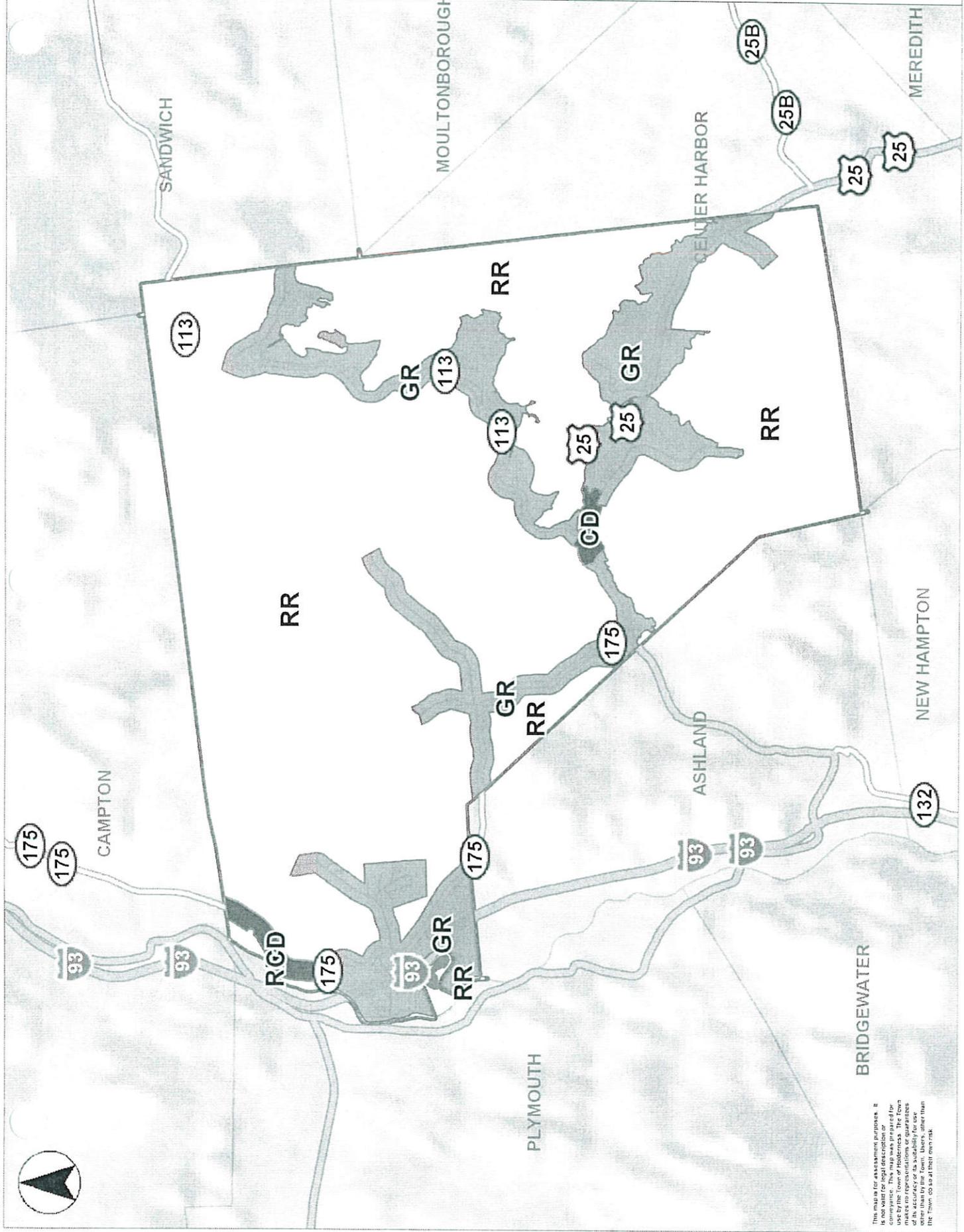
*All shore frontage at least 200’

Height limit 35’

UNIVERSE (CAMA) explanation of calculations: Specific changes to any land and building tables will be reviewed in Sections 6 and 7 of this report.



- Zoning**
- CD - Commercial District
 - GR - General Residential
 - RR - Rural Residential
- Parcels**
- NH Highways
 - Interstate
 - US Highway
 - State Highway
 - Town Line
 - NH Towns
 - Road Centerlines
 - Misc Lines
 - WTRD-RW
 - RW
 - UTILITY
 - Road ROWs
 - Buildings
 - Parcel Streams
 - Misc Streams
 - Open Water



This map is for assessment purposes. It is not valid for legal description or compliance. This map was prepared for informational purposes only and does not constitute a warranty of accuracy or its suitability for use other than by the town. Users, other than the town, do so at their own risk.



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ZONING

Holderness, NH MapsOnline

SECTION 5: TIME TRENDING

Explanation and Derivation of Time Trending Factors:

Time trending refers to an analysis of market conditions over a specific period, with two objectives: 1) First, the appraiser must identify whether the market has appreciated, remained stable, or declined since the last valuation/report period; 2) Secondly, the appraiser must determine the actual rate of such activity, typically on a percentage basis.

The most useful and direct basis for extracting the rate of market change, whether up, down, or neutral, is to identify property that has sold twice with few changes in the property between the two sale dates. In such situations, the rate is calculated by comparing the change in sale price between the two periods. The reliability of this extracted rate of changes is greatly improved when a number of such sales are available.

Another technique, less direct, but generally more statistically reliable due to the number of sales associated with the annual study, is to extract the rate of changes in the market conditions from the New Hampshire Department of Revenue's own annual ratio studies.

Re-Sales: This analysis isolates properties that have sold twice on the open market during the study period.

Equalization Ratios:

Equalization History	
Tax Year	EQ Rate:
2013	98.0 *
2012	97.7
2011	100.5
2010	96.8
2009	94.3
2008	93.7
2007	88.1
2006	93.2

2012 to 2013*: $(97.7 - 98) / 97.7 = -.003$ annual change or $-.03\%$ or $-.002302$ per month

2011 to 2012: $(100.5 - 97.7) / 100.5 = .02786$ annual change or $+3\%$ or $.00232$ per month

2010 to 2011: $(96.8 - 100.5) / 96.8 = -.03833$ annual change or -4% or $-.003185$ per month

*2013 IS ESTIMATED BASED ON OUR INFORMATION AT THE TIME OF THIS REPORT

No time trending process was utilized during the 2013 valuation update. The Town of Holderness had a sufficient number of sales during the appropriate time period of October 1, 2012 through September 30, 2013 (18 qualified) that we did not have to utilize sales that were "older" than 10/1/2012.

SECTION 6: LAND AND NEIGHBORHOOD DATA

Explanation and Results of Base Land Rate and Neighborhood Classification: Neighborhood classification begins with an understanding that a municipality can be segregated into general areas, and differentiated by varying characteristics, such as type and quality of roads, topographic and scenic features such as views, surrounding uses, and the quality and/or maintenance of such uses, etc. Typically, these distinguishing characteristics result in differing market responses, in terms of the underlying land value, that can be positive or negative. Neighborhood classification, therefore, depends upon establishing a “base”, or “average” land rate for each neighborhood. Once the base rate is established, a “schedule” of positive or negative adjustments is developed corresponding to the degree of difference from the base.

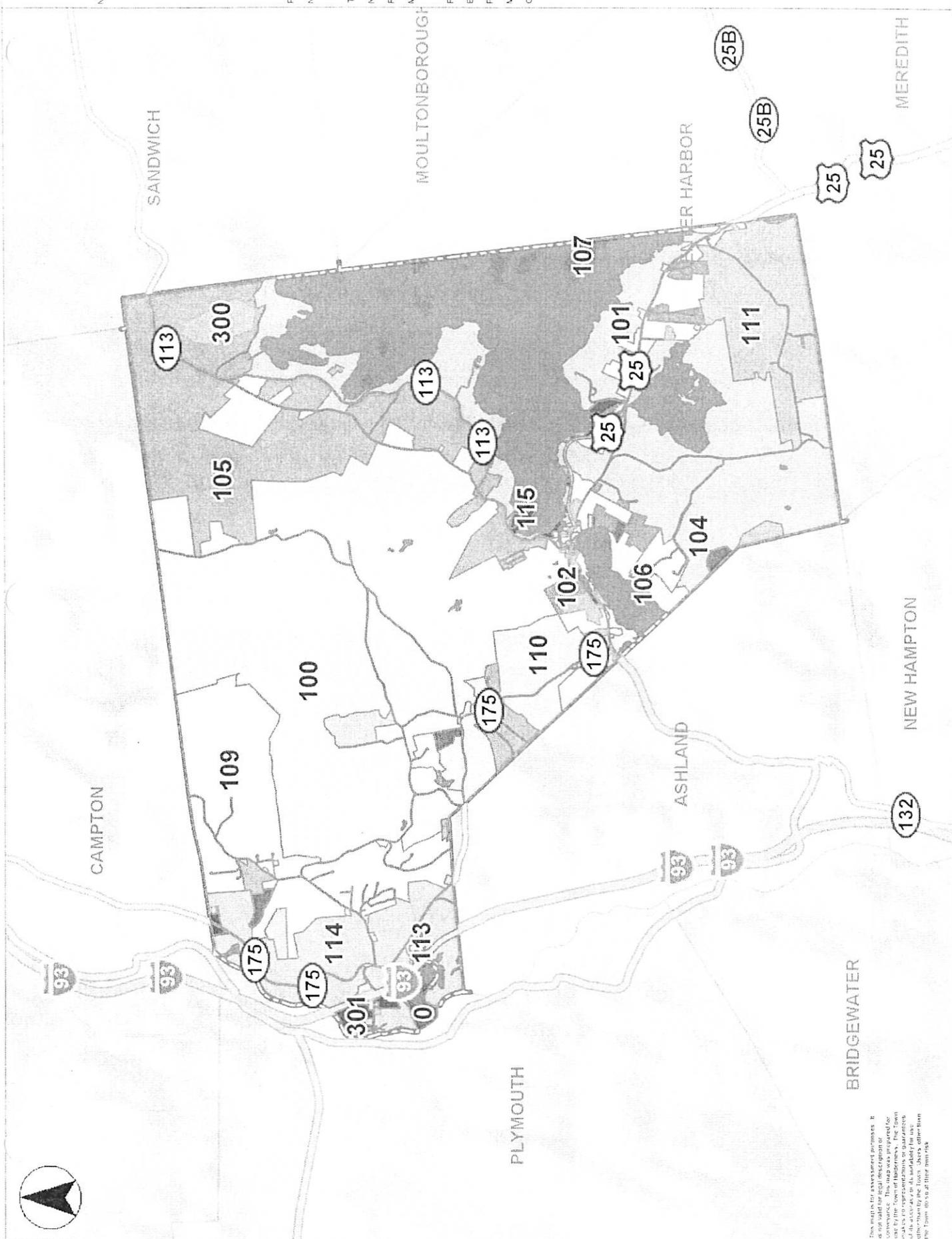
The first preliminary step is to identify the neighborhoods, and establish the corresponding boundaries associated with each. This determination is also influenced by interviews with knowledgeable local brokers and real estate agents. Local sale data is then collected, specific to each neighborhood, and examined. Sales of vacant land provide the most direct and reliable estimate of land value. However, when an insufficient number of vacant land sales are available, a land “extraction” technique is utilized. The Land Extraction technique deducts the depreciated improvement value from the total sales price, resulting in the contributory value of the underlying land.

The two primary methods of valuing land are associated with the sales comparison approach. The “comparative unit” method enables the appraiser to determine a typical per unit value for each strata of land, by calculating the median or mean sale price for unit. The “base lot” method requires the appraiser to establish the value of the standard or “base” parcel in each stratum through a traditional sales comparison approach, with the base lot serving as the subject parcel. Once the base lot value is established, it is used as a benchmark to establish values for individual parcels, with adjustments made to each parcel as a result of their unique or varying characteristics.

Base Land Rate/Neighborhood factors: Whether by the “comparative unit” method, or the “base lot” method, a generic “base” value for land was established for each strata, reflective of the underlying market conformity of land values within the strata. The base rate values for each neighborhood were developed by identifying the minimum zoning requirements for each neighborhood, and then identifying sales that best conformed to these criteria. Each such set of sales, reflecting the minimum zoning criteria for each neighborhood, became the baseline value, or “base”, for each neighborhood.



- Neighborhoods
 Unknown
 100
 101
 102
 103
 104
 105
 106
 107
 108
 109
 110
 111
 113
 114
 115
 300
 301
 Parcels
- NH Highway
 US Highway
 State Highway
 Town Line
 NH Towns
- Road Centerlines
 Misc Lines
 PVT/DR-RW
 RW
 UTILITY
 Road ROWs
- Buildings
 Parcel Streams
 Misc Streams
 Open Water



This map is for informational purposes. It is not valid for legal transactions or conveyance. This map was prepared for use by the Town of Holderness. The Town of Holderness is not responsible for the accuracy of the information shown on this map. Users should consult the Town of Holderness for more information.



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A 13/10-2014

Base land rates and neighborhood adjustment factors:

Residential Land “Neighborhood” Codes are as follows:

<u>NBHD</u>	<u>MODEL</u>	<u>Description</u>
100	2	VILLAGE AND GENERAL TOWN, PERCH POND
101	7	SQUAM LK
102	2	SOUTH OF TOWN
103	13	LANE RD AREA, COMMON ACCESS
104	13	WHITE OAK, E.HOLDERNESS RD
105	11	PLYMOUTH AREA & EAST
106	6	LITTLE SQUAM
107	2	ISLANDS
108	8	COTTON, GLEN COVE, GRAPEVINE
109	4	CURRIER FLD, PROSPECT, HOB NOB
110	1	RT 175 - DIS DAM RD
111	6	OLD RD, OFF E.HOLDERNESS RD
113	11	LOCUST, MEADOW VIEW
114	9	N. RIVER, PEMI HEIGHTS, MORIN
115	14	GLEN COVE, KUSUMPKE RD
300	11	DOWNTOWN COMM
301	4	OTHER COMM

2012 Land Calculations

NBHD	MODEL	BASE SZ	Prime Ac\$	INC	DEC	2nDary	Undev\$	WF ACRES\$	INC	DEC	BASE FF	BASE FF\$
110	1	1.00	45000	35000	8000	15000	15000	120000	45000		200	150
100/107	2	1.00	50000	45000	10000	15000	15000	150000	100000		200	2000
109/302	4	1.00	60000	50000	10000	20000	20000	100000	50000		200	0
106/111	6	1.00	70000	60000	14000	25000	25000	137500	100000	100000	200	5000
101	7	1.00	85000	75000	16500	35000	20000	255000	125000	115000	200	2550
108	8	1.00	45000	40000	9000	26000	26000	188500	97500	65000	200	3000
114	9	1.00	50000	45000	10000	15000	15000	50000	40000		200	
105/113/300	11	1.00	75000	65000	15000	25000	25000	250000	200000		200	
103/104	13	1.00	80000	70000	16000	15000	15000	115000	45000		200	
115	14	1.00	49500	44000	9900	28600	28600	207400	107300	71500	200	

2013 Land Calculations:

NBHD	MODEL	BASE SZ	Prime Ac\$	INC	DEC	2nDary	Undev\$	WF ACRES	INC	DEC	BASE FF	BASE FF\$
110	1	1.00	35000	27200	9000	12000	15000	120000	45000		200	150
100/107	2	1.00	50000	45000	10000	15000	15000	150000	100000		200	2000
109/302	4	1.00	45500	37500	7250	29550	20000	100000	50000		200	0
106/111	6	1.00	53500	41500	8050	25000	25000	137500	100000		200	5000
101	7	1.00	64500	57000	12500	26500	20000	280500	137500	126500	200	2550
108	8	1.00	33750	30000	6750	19500	26000	188500	97500	65000	200	2500
114	9	1.00	37500	33750	7500	11250	15000	50000	40000		200	
105/113/300	11	1.00	57500	48750	11250	25000	25000	250000	200000		200	
103/104	13	1.00	60000	52500	12000	12000	15000	115000	45000		200	
115	14	1.00	37200	33000	7425	21450	28600	207400	107300	71500	200	

Land Area/Size Adjustment Factors: Typically, there is an inverse curvilinear relationship between tract size and per acre prices. Larger sites are considered to sell for lower per acre values (all else being equal) and, inversely, smaller sites are considered to sell for larger per acre values. However, at some point these differences become too insignificant to be recognized in the market, and no adjustment is justified.

Special Land Features: There are specific land features, such as views, topography, site utility, etc., that can have a dramatic influence, both positive and negative, on land value.

Explanations of special land features are as follows:

Land Influences:

Influences to the homesite acre are determined upon the extent that they limit use of the site. For example, a five-acre site with wetlands in the back would not call for a homesite adjustment, rather, would call for a percentage assignment to waste or marsh (land type 4), and treat the homesite as a separate entity.

Rolling homesites do not call for a topography adjustment unless they restrict usage of the site. The same goes for lot shape. If the shape restricts usage, consider a shape adjustment, otherwise, leave it alone.

Following are the codes for influence factors: (you may combine a maximum of two per land line.

2 – excess frontage (seldom used)

3 – topography

4 – shape or size

5 – econ mis-improvement (don't use)

6 – restrictions – due to easements, R.O.W.'s, dirt roads, or access problems

9 – location – for an inferior location as compared to others in the same NBHD, must specify in notes.

Some typical negative influences you may consider to homesites include:

Topography: -5% for moderate impact, -10% for severe, -15% for the rare sheer conditions.

Shape: -5% to -10% for unusual homesite configurations.

Size: none for homesite (see large acreage adjustment chart)

Restrictions: -10% for all dirt or gravel roads

-5% to -10% for difficult ingress or egress

-5% for minor, invasive rights of way, -10% for major, such a high tension wires

Location: - 5% to -10% for unusual and poor locations, such as next to a junk yard or garbage dump.

Views: this will be the most extensive influence. You must look for views or potential views from the homesite.

Use code 8 under square feet (or next to view on the review sheet).

Each unit you assign is worth \$1500. For example, a 12 view is \$18,000.

The range:

\$3,000 (2 units) for an obstructed or seasonal mountain view, \$6,000 for an obstructed or seasonal lake view.

\$24,000 (16 units) for a 45-degree mountain view, \$75,000 (50 units) for a 45-degree lake view. \$48,000 (32 units) for a 180-degree mountain view, and \$120,000 (80 units) for 180-degree lake view.

Do not assign views to waterfront properties.

Unit Calculations:

Units	Value		Units	Value		Units	Value		Units	Value
1	1500		25	37500		49	73500		73	109500
2	3000		26	39000		50	75000		74	111000
3	4500		27	40500		51	76500		75	112500
4	6000		28	42000		52	78000		76	114000
5	7500		29	43500		53	79500		77	115500
6	9000		30	45000		54	81000		78	117000
7	10500		31	46500		55	82500		79	118500
8	12000		32	48000		56	84000		80	120000
9	13500		33	49500		57	85500		81	121500
10	15000		34	51000		58	87000		82	123000
11	16500		35	52500		59	88500		83	124500
12	18000		36	54000		60	90000		84	126000
13	19500		37	55500		61	91500		85	127500
14	21000		38	57000		62	93000		86	129000
15	22500		39	58500		63	94500		87	130500
16	24000		40	60000		64	96000		88	132000
17	25500		41	61500		65	97500		89	133500
18	27000		42	63000		66	99000		90	135000
19	28500		43	64500		67	100500		91	136500
20	30000		44	66000		68	102000		92	138000
21	31500		45	67500		69	103500		93	139500
22	33000		46	69000		70	105000		94	141000
23	34500		47	70500		71	106500		95	142500
24	36000		48	72000		72	108000		96	144000

Large Acreage Adjustments:

Large Acreage Adjustment Guidelines

- Ⓢ Assign 10% of all acreage over 10 acres to waste. For example, an 11.00 acre parcel will have a 1-acre homesite, 1.00 acre wasteland (land code 4) and 9.00 acres of residual land (land code 6).
- Ⓢ True backland with no access will not have a homesite assignment.
- Ⓢ Do not assign views to backland.
- Ⓢ Influences are cumulative, that is, an adjustment of -10% for topography for a large parcel will be added to the adjustment for size for one adjustment for the total backland appraisal.
- Ⓢ Apply the following adjustments for size only, according to the total acreage of the parcel:

<i>Parcel Size</i>	<i>Size Adjustment</i>
1-10 Acres	None
11-15 Acres	-5.00%
16-20 Acres	-10.00%
21-25 Acres	-15.00%
26-35 Acres	-20.00%
36-45 Acres	-25.00%
46-55 Acres	-30.00%
56-65 Acres	-35.00%
66-75 Acres	-40.00%
76-85 Acres	-45.00%
86-95 Acres	-50.00%
96-105 Acres	-60.00%
106-120 Acres	-65.00%
121-135 Acres	-70.00%
Over 135 Acres	-75.00%

Waterfront

Waterfront acreage & front feet:

Add .50 acre to prime for lots over 250

LF

Add 1.00 to prime for every 200 linear feet.

Also, if subdividable, add 200 LF W/F for each subdividable lot (code 3)

If not subdividable, add one acre to prime lots over 400 L/F

Isles: 200 L/F for small, 300 L/F for larger lots prime FF, rest residual WF

Water Access (Sq.Ft. 2nd Line - Code 7)

NBHD	Value
101	125000
106	15000
108	35000

Topography

Influences to the home site are determined upon the extent that they LIMIT the use of the prime site. For example, a five acre site with wetlands in the back would not call for an adjustment to the first, prime acre. Rather, a percentage adjustment to the back or residual acreages would be assigned. Rolling home sites do not call for a topography adjustment unless the rolling would restrict the usage of the prime acre site. The same would apply for unusual shape of the lot.

Site Utility

On prime acre sites (improved);

Right of Ways or Shared Driveways -5%
Severe Topography or Wet areas affecting prime site -5 to -10%

Residual or backland negative adjustments as follows:

Topography	wet or steep	-5 to -50%
Easements or Restrictions	ingress or egress	-5 to -25%
	minor to major	-5 to -25%
Shape	(long narrow lots)	-10%
Size	for large tracts	-10%
Unbuildable		-90%

LAND Sales Utilized in Analysis:

There were 4 qualified vacant land sales in Holderness during the sales study period of October 1, 2012 through September 30, 2013.

Parcel	St.#	Prop.Loc.	Class	St.C.	Nbhd	A.C.	W.F.F.	V1	2013 AV
224-005-000		OFF LINCOLN RD	R	130	109	3.48	0	0	53720
232-003-001		NH RT 113	R	130	101	2.42	200	0	1246700
241-125-000		RTE 3	R	130	100	2.74	0	0	96650
255-009-003	499	EAST HOLDERNESS RD	R	130	104	4.07	0	0	71990

LAND Sales NOT Utilized in Analysis: See Addenda for corresponding property record cards.

These transfers of vacant land occurred in the Town but were not utilized because they were not market related sales. The “code” field refers to the reason behind the transfer, and are taken from the Department of Revenue Administration’s verification codes. For example, code 44 is a trust transfer either the property went into a trust or the existing trust transferred to a new trust name. There were 7 vacant residential and 15 current use land sales in Holderness during the sales study period of October 1, 2012 through September 30, 2013.

Parcel	St.#	Prop.Loc.	Class	St.C.	Nbhd	A.C.	W.F.F.	V1	2013 AV
218-008-001	104	PINEHURST RD	R	130	101	3.1	0	38	78000
220-002-000		BURLEIGH FARM RD	R	600	105	6.4	0	38	590
220-009-000	121	BURLEIGH FARM RD	R	601	105	30.001	0	38	687930
232-015-000	186	LONG ISLAND	R	601	107	5.7	200	40	619620
232-015-001	0	LONG ISLAND	R	600	107	1.46	200	40	60
232-015-002	0	LONG ISLAND	R	600	107	1.63	200	40	60
232-015-003	0	LONG ISLAND	R	600	107	1.43	200	37	60
232-018-000	32	UTOPIA ISLAND	R	601	107	1.2	200	40	613590
236-033-000		NH RT 113	R	130	105	0.35	0	38	50190
237-016-000		EAGLE RIDGE RD	R	130	105	3.07	0	44	56850
240-029-001	97	PERKINS LN	R	601	106	11	0	90	137300
246-040-000		FRANKS ISLAND	R	600	104	5.6	999	44	150
247-063-000	69	NEWLY RD	R	601	104	32.752	0	38	840730
249-004-000	158	PORCUPINE RD	R	601	104	16.502	0	40	638570
250-015-000	132	PORCUPINE RD	R	600	104	5	0	40	200
251-011-000	280	EAST HOLDERNESS RD	R	609	111	9.5	0	90	83310
251-013-000	280	EAST HOLDERNESS RD	R	601	111	16.455	0	21	427920
255-018-000	190	PORCUPINE RD	R	601	104	308.242	0	40	2357080

HOLDNERNESS, NH
ALL VACANT LAND SALES

Parcel	St.#	Prop.Loc.	Class	St.C.	Nbhd	A.C.	W.F.F.	Date1	T1	Price1	V1	2013 AV
218-008-001	104	PINEHURST RD	R	130	101	3.1	0	20121231	1	37533	38	78000
220-002-000		BURLEIGH FARM RD	R	600	105	6.4	0	20121228	1	0	38	590
220-009-000	121	BURLEIGH FARM RD	R	601	105	30.001	0	20121213	2	2666	38	687930
224-005-000		OFF LINCOLN RD	R	130	109	3.48	0	20130802	1	58533	0	53720
232-003-001		NH RT 113	R	130	101	2.42	200	20130503	1	1850000	0	1246700
232-015-000	186	LONG ISLAND	R	601	107	5.7	200	20121228	2	1661000	40	619620
232-015-001	0	LONG ISLAND	R	600	107	1.46	200	20121228	2	1661000	40	60
232-015-002	0	LONG ISLAND	R	600	107	1.63	200	20121228	1	1661000	40	60
232-015-003	0	LONG ISLAND	R	600	107	1.43	200	20121228	1	1661000	37	60
232-018-000	32	UTOPIA ISLAND	R	601	107	1.2	200	20121228	2	1661000	40	613590
236-033-000		NH RT 113	R	130	105	0.35	0	20121030	1	0	38	50190
237-016-000		EAGLE RIDGE RD	R	130	105	3.07	0	20130102	1	0	44	56850
240-029-001	97	PERKINS LN	R	601	106	11	0	20130916	2	225000	90	137300
241-125-000		RTE 3	R	130	100	2.74	0	20130624	1	75000	0	96650
246-040-000		FRANKS ISLAND	R	600	104	5.6	999	20130502	1	2666	44	150
247-063-000	69	NEWLY RD	R	601	104	32.752	0	20121228	2	2666	38	840730
249-004-000	158	PORCUPINE RD	R	601	104	16.502	0	20121107	2	2955000	40	638570
250-015-000	132	PORCUPINE RD	R	600	104	5	0	20121107	1	2955000	40	200
251-011-000	280	EAST HOLDERNESS RD	R	609	111	9.5	0	20130726	3	575000	90	83310
251-013-000	280	EAST HOLDERNESS RD	R	601	111	16.455	0	20130726	2	575000	21	427920
255-009-003	499	EAST HOLDERNESS RD	R	130	104	4.07	0	20130620	1	73000	0	71990
255-018-000	190	PORCUPINE RD	R	601	104	308.242	0	20121107	2	2955000	40	2357080

SECTION 7: IMPROVED PROPERTY DATA

Types of Depreciation Considered and/or Utilized: Depreciation is the loss in value from any cause, and is typically associated with reasons that are “physical” (loss in value due to physical deterioration and/or ageing), “functional” (due to deficiencies in the structure’s design) and/or “economic” (loss in value due to factors external to the appraised property).

In the appraisal of a single property (not Mass Appraisal), the three primary methods for estimating depreciation are: the “market extraction method”, the “age-life” method, and the “breakdown” method. Typically, the market extraction and age-life calculation techniques are utilized to capture the total depreciation in a property from all sources. The “breakdown” method is a more rigorous exercise that attempts to isolate the specific components for each type of depreciation; physical, functional, and economic.

Typically, in mass appraisal, the identification of depreciation relies upon the application of computer modeling techniques. For instance, once such mass appraisal technique to identify “age-related” depreciation is to take the square root of the actual age of the improvement, and multiply the result by a “condition” factor. For example, the depreciation for a 75-year old house in average condition would be calculated as follows: The square root of 75 is equal to 8.7, x an “average” condition factor of 2.5 = 22% depreciation (rounded).

Importantly, regardless of the methodology utilized to identify depreciation, it is imperative that the final estimate of depreciation reflects the loss in value from all sources.

The calculation of both “functional” and “economic” depreciation, when applicable, was performed either by utilizing a “matched-pair” analysis wherein sales of conforming properties were compared and the functional and/or economic loss in value was isolated, or by capitalizing the economic loss attributable to each issue.

In the report that follows, all three types of depreciation were considered and utilized, where applicable, and an explanation for the derivation of the depreciation factors follows:

Age Related Depreciation- Univers Table 307:

Age	Ex	VG	GD	Av	Fr	Pr	VP	UN
0	100	99	98	95	85	75	65	55
1	100	99	98	95	85	75	65	54
2	100	99	97	94	84	74	64	54
3	100	98	97	94	84	74	64	53
4	99	98	97	93	84	73	63	53
5	99	98	97	93	83	73	63	52
6	99	98	96	92	83	72	62	52
7	99	97	96	92	83	72	62	51
8	99	97	96	92	82	72	62	51
9	99	97	95	91	82	71	61	50
10	99	97	95	91	82	71	61	50
11	98	97	95	90	81	70	60	49
12	98	96	94	90	81	70	60	48
13	98	96	94	89	81	69	59	48
14	98	96	94	89	80	69	59	47
15	98	96	94	88	80	68	58	47
16	98	96	93	88	80	68	58	46
17	97	95	93	88	79	68	58	46
18	97	95	93	87	79	67	57	45
19	97	95	92	87	79	67	57	45
20	97	95	92	86	78	66	56	44
21	97	94	92	86	78	66	56	44
22	97	94	92	85	78	65	55	43
23	97	94	91	85	77	65	55	43
24	96	94	91	85	77	65	55	42
25	96	94	91	84	77	64	54	41
26	96	93	90	84	76	64	54	41
27	96	93	90	83	76	63	53	40
28	96	93	90	83	76	63	53	40
29	96	93	89	82	75	62	52	39
30	96	93	89	82	75	62	52	39
31	95	92	89	82	75	62	52	38
32	95	92	89	81	74	61	51	38
33	95	92	88	81	74	61	51	37
34	95	92	88	80	74	60	50	37
35	95	91	88	80	73	60	50	36
36	95	90	87	79	72	60	50	35
37	94	90	87	79	72	59	49	35
38	94	89	86	78	71	59	49	34
39	93	89	85	77	70	58	48	34

Age Related Depreciation Continued-Univers Table 307:

Age	Ex	VG	GD	Av	Fr	Pr	VP	UN
40	93	88	85	76	70	58	48	33
41	92	88	84	76	69	57	47	33
42	92	87	83	75	68	57	47	32
43	91	87	83	74	68	56	46	32
44	91	86	82	73	67	56	46	31
45	90	86	81	73	66	55	45	31
46	90	85	81	72	66	55	45	30
47	89	84	80	71	65	54	44	29
48	89	84	80	70	65	54	44	29
49	88	83	79	70	64	53	43	28
50	88	83	78	69	63	53	43	28
51	87	82	78	68	63	52	42	27
52	87	82	77	67	62	52	42	27
53	86	81	76	67	61	51	41	26
54	86	81	76	66	61	51	41	26
55	85	80	75	65	60	50	40	25

Physical Depreciation

The CAMA system utilized in the update of the Town of Holderness utilizes and “overall” depreciation method. This means that all standard influences are captured within one overall rating. The specific rating is called CDU, a composite rating specifying Condition, Desirability, and Utility.

- Condition: Overall condition relative to the age of the improvement
- Desirability: Curb Appeal, or locational desirability.
- Utility: Functional utility as compared to modern housing.

The appraiser assigns a CDU rating by performing the following analysis on-site:

Condition: A determination is made as to the overall condition of the dwelling and additions relative to the age of the improvements. Deferred maintenance will call for a condition rating less than average, whereas extraordinary maintenance will call for a rating greater than average.

Desirability: A determination of the relative desirability of the property is made. This is a subjective call but it is also based on like sales that takes into consideration overall curb appeal, landscaping, harmony of the improvements and land, relative location and so forth.

Utility: The overall layout and traffic flow of the dwelling is assigned a rating. Older houses that were reconfigured often inhibit clear low amongst the rooms. “Handyman” improvements may impede normal use such as low headroom or clear space from headers and staircases. Properties with knob and tube wiring, asbestos, exposed hot water pipes and other antiquated features all come to play within this determination.

As an example of the development of the CDU rating, consider the following:

An older home that received normal maintenance over the life of the house has knob and tube wiring and asbestos wrap of the pipes in the basement. It is located in a good mature subdivision where most of the older houses have been renovated.

Condition: Average Desirability: Good Utility: Poor Overall Rating: Fair

The idea here is that the most controlling influence will receive the most weight. In this instance, the utility was controlling, which offset, but did not negate its’ positive attributes.

Another example: A completely renovated older house is located next to a service garage and on a heavily traveled road.

Condition: Excellent Desirability: Poor Utility: Good Overall Rating: Average

The appraiser considers all known information about the property before assigning a CDU rating. The higher the rating, the less depreciation will be applied. Conversely, the lower the rating, the more depreciation is applied the improvements.

Functional Depreciation

For extraordinary circumstances, additional depreciation is required to reflect functional problems with the property such as incomplete construction, contamination or legal restrictions. A special Market Adjustment field is located in the building section of the property record card and additional depreciation may be placed here.

Economic/External Depreciation

Economic adjustments are reserved for those commercial and industrial properties whereby the income of the property

Effective Area Factors: Typically, construction costs vary between the different functional areas in an improvement. For instance, the “finished” interior area associated with the primary living area (living, dining, bedrooms, kitchen, bath, etc.) requires more expensive materials and labor than a “sub” area, such as a basement, etc. The “effective area” factors are identified below:

The “effective area” factors identified in the preceding table were derived by reviewing national cost information published in the Marshall & Swift manual and building costs extracted from local sale data. The reasoning behind the development of the individual factors is reflected in the following calculations: Please note that the adjustments for Wall Type and Story Height are tabled based on the square footage, we do not use factors for the adjustments. A direct approach which interpolates the square footage and adjusts accordingly.

Univert System (CAMA) explanation of calculations: **BASE PRICE** – This is the assessed value of the main section of the dwelling. The Univert System first goes to the “dwelling data” section of the PRC and receives the story height, ground floor area and exterior walls data. This information is then taken to Table 301, “Residential Dwelling Pricing Schedules.” Moving down the left side margin, Univert locates the row that corresponds to the square footage of the ground floor area, and the sub-row, which equates to the exterior walls (frame or masonry). The columns across the top of Table 301 register story heights of the main area being valued. The intersection of the correct row and column reveals a factor. This number is then multiplied by the modifier from Table 300 to yield the value listed as the Base Price. Tables 300 and 301 are printed below:

Table 300 - Univert	
	0
Base Year	2013
	1
Town	HOLDERNESS, NEW HAMPSHIRE
	5
Base Adjustment	*3.15
	1

*Base Adjustment for 2013 was decreased from 3.30 to 3.15 based on sales analysis.

		Universe Table 301			
SQUARE FEET	STORY HT	STORY HT	STORY HT	STORY HT	STORY HT
301	1	1.5	2	2.5	3
300	18786	24308	27877	33400	36969
300	19913	26009	30107	36239	40297
300	900	1170	1340	1600	1770
300	710	920	1060	1270	1400
400	21099	27300	31309	37512	41520
400	22365	29211	33813	40700	45257
400	1010	1310	1500	1800	1990
400	800	1030	1190	1420	1570
500	23412	30292	34740	41623	46072
500	24816	32413	37520	45161	50218
500	1120	1450	1670	2000	2210
500	890	1150	1320	1580	1750
600	25724	33284	38172	45735	50623
600	27268	35614	41226	49622	55179
600	1230	1600	1830	2190	2430
600	970	1260	1450	1730	1920
700	28037	36277	41604	49847	55174
700	29719	38816	44932	54084	60139
700	1350	1740	2000	2390	2650
700	1060	1370	1580	1890	2090
800	30349	39269	45036	53958	59725
800	32170	42018	48638	58545	65100
800	1460	1880	2160	2590	2870
800	1150	1490	1710	2040	2260
900	32662	42261	48467	58070	64276
900	34622	45220	52345	63006	70061
900	1570	2030	2330	2790	3080
900	1240	1600	1840	2200	2430
1000	34975	45254	51899	62182	68827
1000	37073	48422	56051	67467	75021
1000	1680	2170	2490	2980	3300
1000	1320	1710	1970	2360	2610
1100	37287	48246	55331	66293	73378
1100	39525	51623	59757	71928	79982

		Universe Table 301			
SQUARE FEET	STORY HT	STORY HT	STORY HT	STORY HT	STORY HT
1100	1790	2320	2650	3180	3520
1100	1410	1830	2100	2510	2780
1200	39600	51238	58762	70405	77929
1200	41976	54825	63463	76389	84942
1200	1900	2460	2820	3380	3740
1200	1500	1940	2230	2670	2950
1300	41913	54231	62194	74516	82480
1300	44427	58027	67170	80850	89903
1300	2010	2600	2980	3580	3960
1300	1590	2050	2360	2820	3120
1400	44225	57223	65626	78628	87031
1400	46879	61229	70876	85312	94864
1400	2120	2750	3150	3770	4180
1400	1680	2170	2490	2980	3300
1500	46538	60215	69058	82740	91582
1500	49330	64430	74582	89773	99824
1500	2230	2890	3310	3970	4390
1500	1760	2280	2620	3130	3470
1600	48851	63208	72489	86851	96133
1600	51782	67632	78288	94234	104785
1600	2340	3030	3480	4170	4610
1600	1850	2390	2750	3290	3640
1700	51163	66200	75921	90963	100684
1700	54233	70834	81995	98695	109746
1700	2450	3180	3640	4360	4830
1700	1940	2510	2880	3450	3810
1800	53476	69192	79353	95075	105235
1800	56684	74036	85701	103156	114706
1800	2570	3320	3810	4560	5050
1800	2030	2620	3010	3600	3990

		Universe Table 301			
SQUARE FEET	STORY HT	STORY HT	STORY HT	STORY HT	STORY HT
1900	55788	72185	82785	99186	109786
1900	59136	77238	89407	107617	119667
1900	2680	3460	3970	4760	5270
1900	2110	2730	3140	3760	4160
2000	58101	75177	86216	103298	114337
2000	61587	80439	93114	112078	124628
2000	2790	3610	4140	4960	5490
2000	2200	2850	3270	3910	4330
2100	60414	78169	89648	107410	118888
2100	64039	83641	96820	116539	129588
2100	2900	3750	4300	5150	5700
2100	2290	2960	3400	4070	4500
2200	62726	81162	93080	111521	123439
2200	66490	86843	100526	121001	134549
2200	3010	3890	4470	5350	5920
2200	2380	3070	3530	4220	4680
2300	65039	84154	96511	115633	127990
2300	68941	90045	104232	125462	139509
2300	3120	4040	4630	5550	6140
2300	2460	3190	3660	4380	4850
2400	67352	87146	99943	119745	132541
2400	71393	93247	107939	129923	144470
2400	3230	4180	4800	5750	6360
2400	2550	3300	3790	4540	5020
2500	69664	90139	103375	123856	137092
2500	73844	96448	111645	134384	149431
2500	3340	4330	4960	5940	6580
2500	2640	3410	3920	4690	5190

		Universe Table 301			
SQUARE FEET	STORY HT	STORY HT	STORY HT	STORY HT	STORY HT
2600	71977	93131	106807	127968	141643
2600	76296	99650	115351	138845	154391
2600	3450	4470	5120	6140	6800
2600	2730	3530	4050	4850	5370
2700	74290	96123	110238	132079	146195
2700	78747	102852	119057	143306	159352
2700	3560	4610	5290	6340	7010
2700	2810	3640	4180	5000	5540
2800	76602	99116	113670	136191	150746
2800	81198	106054	122764	147767	164313
2800	3680	4760	5450	6530	7230
2800	2900	3750	4310	5160	5710
2900	78915	102108	117102	140303	155297
2900	83650	109256	126470	152229	169273
2900	3790	4900	5620	6730	7450
2900	2990	3870	4440	5310	5880
3000	81228	105100	120534	144414	159848
3000	86101	112457	130176	156690	174234
3000	3900	5040	5780	6930	7670
3000	3080	3890	4570	5470	6060
10000	243112	314563	360754	432229	487421
10000	257699	336582	389615	468969	521479
10000	11620	15060	17330	20780	22990
10000	9230	11950	13670	16390	18100

BASEMENT ADJUSTMENT – Universe assumes a full unfinished value to yield a zero value. Thus, the base price value includes a full basement. If the main area has no basement, or a partial basement, a value is subtracted with this entry. Table 302, “Residential Basements and Attics contain the adjustment variables for this entry. The rows in Table 302 list square footage of ground floor area. Column 1 contains the deduction variable for a house built on piers or a slab. Column 2 is used if the residence has a crawl space. Go to column 3 if the main area has a partial basement. This basement adjustment variable is then multiplied by the modifier from Table 300. Table 302 is below:

Table 302						
	1	2	3	4	5	6
0	0	0	0	0	0	0
0	0	0	0	0	0	0
300	2600	1400	1140	0	0	0
300	0	1540	2370	3200	3800	0
400	2920	1570	1280	0	0	0
400	0	1730	2660	3600	4260	0
500	3240	1740	1420	0	0	0
500	0	1920	2960	3990	4730	0
600	3560	1910	1560	0	0	0
600	0	2110	3250	4380	5200	0
700	3880	2080	1700	0	0	0
700	0	2300	3540	4780	5660	0
800	4200	2250	1840	0	0	0
800	0	2490	3830	5170	6130	0
900	4520	2420	1980	0	0	0
900	0	2680	4120	5570	6600	0
1000	4840	2600	2120	0	0	0
1000	0	2870	4420	5960	7070	0
1100	5160	2770	2260	0	0	0
1100	0	3060	4710	6360	7530	0
1200	5470	2940	2400	0	0	0
1200	0	3250	5000	6750	8000	0
1300	5790	3110	2540	0	0	0
1300	0	3440	5290	7140	8470	0
1400	6110	3280	2680	0	0	0
1400	0	3630	5580	7540	8930	0

Table 302						
	1	2	3	4	5	6
1500	6430	3460	2820	0	0	0
1500	0	3820	5880	7930	9400	0
1600	6750	3630	2960	0	0	0
1600	0	4010	6170	8330	9870	0
1700	7070	3800	3100	0	0	0
1700	0	4200	6460	8720	10340	0
1800	7390	3790	3240	0	0	0
1800	0	4390	6750	9120	10800	0
1900	7710	4140	3380	0	0	0
1900	0	4580	7040	9510	11270	0
2000	8030	4310	3520	0	0	0
2000	0	4770	7340	9900	11740	0
2100	8350	4490	3660	0	0	0
2100	0	4960	7630	10300	12200	0
2200	8670	4660	3800	0	0	0
2200	0	5150	7920	10690	13670	0
2300	8990	4830	3940	0	0	0
2300	0	5340	8210	11090	13140	0
2400	9310	5000	4080	0	0	0
2400	0	5530	8500	11480	13610	0
2500	9630	5170	4220	0	0	0
2500	0	5720	8800	11870	14070	0
2600	9950	5340	4360	0	0	0
2600	0	5910	9090	12270	14540	0
2700	10270	5520	4500	0	0	0
2700	0	6100	9380	12660	15010	0
2800	10590	5690	4640	0	0	0
2800	0	6290	9670	13060	15480	0
2900	10910	5860	4780	0	0	0
2900	0	6480	9960	13450	15940	0
3000	11230	6030	4920	0	0	0
3000	0	6670	10260	13850	16410	0
10000	33630	18010	14780	0	0	0
10000	0	19960	30700	41430	49100	0

FINISHED BASEMENT LIVING AREA - If the residence has a partially or fully finished basement there will be value added since the base price assumes an unfinished basement only. Look under “dwelling data” on the property record card for “Finished Basement Living Area.” This square footage times the value in Table 309 (\$12.50), Finished Basements, times the modifier from Table 300 will yield the value of Finished Basement Living Area. Table 309 is outlined below:

309	1
BSMT GAR 1	900
BSMT GAR 1	BSMT GAR 1-CAR
BSMT GAR 2	1500
BSMT GAR 2	BSMT GAR 2-CAR
FBLA	12.5
FBLA	FINISH BASEMENT
MAS TRIM	5.2
MAS TRIM	MASONRY TRIM
PRE FAB FP	1200
PRE FAB FP	PREFAB FIREPLC
REC ROOM	5.2
REC ROOM	RECREATION ROOM
UNFIN AREA	6.5
UNFIN AREA	UNFIN AREA
WB FP OPEN	2000
WB FP OPEN	WOOD FP OPENING
WB FP STCK	900
WB FP STCK	WOOD FP X-STACK
WD CENTRAL	1400
WD CENTRAL	WOOD CENTRAL
XTRA FIXTR	400
XTRA FIXTR	EXTRA FIXTURES
ZUNHEATED	0.6
ZUNHEATED	UNHEATED AREA

BASEMENT RECREATION AREA - This adjustment adds value to a residence which contains a recreation area in the basement. This is an area partially finished for recreation, yet not completely finished as living area. The square footage is listed under “dwelling data,” multiplied times both the modifier and the factor in Table 309 above Recreation Room (\$5.20) will equal the added value for “Basement Recreation Area.”

BASEMENT GARAGE – A portion of an unfinished basement may have garage doors and parking area for one or two cars. The number by “Basement Garage” under “Dwelling Data” (1 or 2) is multiplied by the Table 309 value above “Basement Garage” (\$900 for 1 car and \$1500 for 2 car) times the Table 300 modifier. The product is the value to be added. See previous table 309 for calculations.

ADDITIONS and STORY HEIGHT ADJUSTMENTS – The “Base Price” value listed on the PRC is for the main area of the residence only. Additions that make up the residence are valued and added on this line. On the PRC, above the “Cost Value” area is the “Addition Data.” Universe can calculate a value for sub-areas on four separate levels. The values for additions are listed in Table 304, “Residential Living Area Additions.” Table 305, “Residential Porches/Patios/Utility Sheds” lists factors for sub-areas that are unheated, such as porches, decks, etc. Look up the square footage in the rows and the type of addition in the columns across the top. The value at the intersection of the correct row and column, multiplied by 100, then multiplied by the Table 300 modifier will yield the value added for that addition or sub-area. The summation of all additions listed under “Addition Data” is entered on the “Dwelling Computations” row for “Additions.” Tables 304 and 305 are outlined in the next pages. The effective area computation for each addition area is as follows:

	TABLE 304 - UNIVERS			
	1 1st FLR FRAME	1 UPPER FLR FUL	1 UPPER FLR HLF	2 1st FLR MAS
0	0	0	0	0
10	2	2	1	2
20	4	3	2	5
30	6	5	3	7
40	9	6	4	10
50	11	8	5	12
60	13	9	6	15
70	15	11	7	17
80	17	13	8	19
90	19	14	9	22
100	22	16	10	24
110	24	17	11	27
120	26	19	12	29
130	28	21	13	32
140	30	22	14	34
150	32	24	14	37
160	35	25	15	39
170	37	27	16	41
180	39	28	17	44
190	41	30	18	46
200	43	32	19	49
210	45	33	20	51
220	48	35	21	54
230	50	36	22	56
240	52	38	23	58
250	54	39	24	61
260	56	41	25	63
270	58	43	26	66
280	60	44	27	68
290	63	46	28	71
300	65	47	29	73
325	70	51	31	79
350	76	55	34	85
375	81	59	36	91
10000	2160	1580	965	2435

	TABLE 304 - UNIVERS			
	2 UPPER FLR FUL	2 UPPER FLR HLF	3 BASMENT ADD	3 UNFIN ATTIC
0	0	0	0	0
10	2	1	0	0
20	4	2	1	0
30	6	3	1	0
40	7	4	1	0
50	9	5	2	1
60	11	6	2	1
70	13	8	2	1
80	15	9	3	1
90	17	10	3	1
100	18	11	3	1
110	20	12	4	1
120	22	13	4	1
130	24	14	4	1
140	26	15	5	1
150	28	16	5	2
160	29	17	5	2
170	31	18	6	2
180	33	19	6	2
190	35	21	6	2
200	37	22	7	2
210	39	23	7	2
220	40	24	7	2
230	42	25	8	2
240	44	26	8	2
250	46	27	8	3
260	48	28	9	3
270	50	29	9	3
280	51	30	9	3
290	53	31	10	3
300	55	32	10	3
325	60	35	11	3
350	64	38	12	4
375	69	40	12	4
10000	1835	1080	330	100

	TABLE 304 - UNIVERS		
	4 PART FIN ATT	5 FULL FIN ATT	6 AIR COND ADD
0	0	0	0
10	0	0	0
20	1	1	0
30	1	1	0
40	1	2	0
50	1	2	0
60	2	2	0
70	2	3	1
80	2	3	1
90	2	4	1
100	3	4	1
110	3	4	1
120	3	5	1
130	43	5	1
140	4	6	1
150	4	6	1
160	4	6	1
170	5	7	1
180	5	7	1
190	5	8	1
200	6	8	2
210	6	8	2
220	6	9	2
230	6	9	2
240	7	10	2
250	7	10	2
260	7	10	2
270	7	11	2
280	8	11	2
290	8	12	2
300	8	12	2
325	9	13	2
350	10	14	3
375	10	15	3
10000	275	400	75

	TABLE 305 - UNIVERS			
	1 FF OPN FR POR	1 UP OPN FR POR	2 FF ENCL FR PO	2 UP ENCL FR PO
0	0	0	0	0
20	2	1	4	2
40	5	3	7	4
60	7	4	11	6
80	9	6	14	9
100	12	7	18	11
120	14	9	22	13
140	16	10	25	15
160	18	12	29	17
180	21	13	32	19
200	23	14	36	22
220	25	16	40	24
240	28	17	43	26
260	30	19	47	28
280	32	20	50	30
300	35	22	54	32
325	37	23	59	35
350	40	25	63	38
375	43	27	68	40
10000	1150	720	1800	1080

	TABLE 305 - UNIVERS			
	3 FF OPN BR POR	3 UP OPN BR POR	4 FF ENCL BR PO	4 UP ENCL BR PO
0	0	0	0	0
20	3	2	4	3
40	6	4	8	5
60	8	6	12	8
80	11	8	16	11
100	14	10	21	13
120	17	12	25	16
140	20	13	29	18
160	22	15	33	21
180	25	17	37	24
200	28	19	41	26
220	31	21	45	29
240	34	23	49	32
260	36	25	53	34
280	39	27	57	37
300	42	29	62	40
325	46	31	67	43
350	49	34	72	46
375	53	36	77	49
10000	1400	960	2050	1320

	TABLE 305 - UNIVERS			
	5 BRICK TERRACE	5 CONCRET PATIO	5 TILE PATIO	6 CANOPY
0	0	0	0	0
20	2	0	1	1
40	3	1	2	2
60	5	1	3	2
80	6	1	3	3
100	8	2	4	4
120	9	2	5	5
140	11	2	6	6
160	12	3	7	6
180	14	3	8	7
200	15	3	9	8
220	17	4	9	9
240	18	4	10	10
260	20	4	11	10
280	21	4	12	11
300	23	5	13	12
325	24	5	14	13
350	26	6	15	14
375	28	6	16	15
10000	750	160	430	400

	TABLE 305 - UNIVERS		
	6 WOODDECK	7 WOOD UTIL BLD	8 METL UTIL BLD
0	0	0	0
20	1	1	1
40	2	2	3
60	3	3	4
80	4	4	6
100	5	5	7
120	6	6	9
140	7	8	10
160	8	9	12
180	9	10	13
200	10	11	14
220	11	12	16
240	12	13	17
260	13	14	19
280	14	15	20
300	15	16	22
325	16	18	23
350	18	19	25
375	19	20	27
10000	500	540	720

Quality Factors: It is inevitable that improved properties will exhibit varying degrees of construction quality, positive or negative, relative to market expectations. Applying these factors is consistent with market behavior, as “quality” of construction is almost always factored into buyer/seller decisions. A base factor of 100, assumes “average” quality construction is average for the market. The construction “quality” factors are identified below:

Table 303 - Unifers		
Grade	Description	Adjustment
E-	0.4	Unsound
E	0.5	Very Poor
E+	0.6	Poor
D-	0.7	Fair
D	0.78	Below Average
D+	0.85	Below Average +
C-	0.92	Average -
C	1	Average
C+	1.08	Average +
B-	1.17	Above Average
B	1.26	Above Average +
B+	1.35	Above Average ++
A-	1.45	Good
A	1.55	Good +
A+	1.67	Very Good
X-	2.25	Excellent
X	2.5	Excellent +
X+	2.85	Excellent ++

The “Quality” of construction factors identified in the preceding table were derived by reviewing building costs extracted from local sale data. **No changes were made to any of these adjustments during the 2013 Valuation Update for the Town of Holderness.**

Building Cost Tables: Construction costs will vary by “use”, such as residential, commercial, industrial, etc. The base (average quality) construction rates for various uses are identified in the attached CAMA tables located in the appendix of this report. A building/cost analysis was conducted on the sales that occurred from April 2011 through August 2013 as compared to Mashall & Swift cost tables. The sales as compared to the Marshall & Swift cost tables including local and regional multipliers, indicated that **the building cost tables needed no changes for this update.**

A *full UNIVERSE manual* is attached to this report as an addenda item. This manual will allow the reader to gain a more detailed understanding on how this CAMA system calculates values.

A *full data collection manual* for the Town of Holderness is attached to this report as an addenda item. This manual will allow the reader to understand how the data collection process is conducted.

Commercial/Industrial Valuations: Commercial and Industrial properties were statically updated based on a combination of the Sales and the Income Approaches to value. The sales indicated that no change was required to the prime acre site value of \$125,000. However, it was found that the backland price of \$5,000 per acre was too low. Through extraction methods, the backland values for all commercial and industrial land was updated to \$10,000 per acre plus applicable site indexes based on location. No changes to base rates were done. Commercial and industrial depreciation schedules were updated.

Income Approach – Income and Expense Data: As previously described, 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. Therefore, a primary consideration is the relative level of anticipated income and expenses a property is likely to achieve, and “base” rates for both income and expenses must be established. Consequently, research was undertaken in order to identify the appropriate “base” levels of income and expenses for each commercial property “use” type, such as apartments, office, retail, industrial, etc. No update to the income and expense data was conducted for this 2013 update in Holderness.

Income Approach – Vacancy and Capitalization Rates: As illustrated in Section 3, after the gross income and expenses for a particular property “use” have been identified, the next step in the development of the “Income Approach” is to subtract the anticipated (market-derived) vacancy rate from the potential gross revenue, to generate the “effective” gross income. The expenses are then subtracted from the effective gross income, in order to generate the net operating income, or “NOI”. The NOI 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. No update to the income and expense data, specifically vacancy and capitalization rates, was conducted for this 2013 update in Holderness.

Miscellaneous Tables: See below for Extra Features; Outbuildings

<i>Item</i>	<i>Minimum Size</i>	<i>Notes</i>
Sheds	50 SF	Pick up Sheds greater than 6 X 8
RS3	50 SF	Shed or Bunkhouse (unfin) with built-in electricity
Fin Bunkhouse		Pick up finished bunkhouses on series cards
V. P. Condition	NV	Do not pick up sheds in very poor condition
Stoops	25 SF	Do not pick up stoops of 4 x 6 or smaller
Steps	NV	Do not pick up steps leading to stoops
Pre-form	NV	Do not pick up pre-cast concrete stoops
Patios		
Dry	NV	Do not pick up non-mortared patio blocks, tiles, etc.
Concrete	80 SF	Do not pick up if in poor condition
Patio Blocks	80 SF	Pick up <u>mortared</u> patio blocks > 80 SF
Raised	80 SF	Pick up raised patios as Terraces
Pools		
Above-Ground	NV	Do not pick up above-ground pools
AG Pool Decks	NV	Do not pick up decks around above-ground pools
Other Decks		Pick up decks attached to the house leading to the AG pool
Aprons	NV	Aprons surrounding in-ground pools are included in the price of the pool
Security Systems	NV	Do not pick up or note alarms, cameras, etc.
Fixtures		
Utility Sinks		Pick up as extra fixture
Double Sinks		Pick up as extra fixture
Ext Showers		Pick up exterior showers as extra fixture
Toilets		Pick up single toilets or urinals as extra fixture
Whirlpools		Pick up whirlpools or Jacuzzi as extra fixture
Washer	NV	Do not pick up clothes washers
Dishwashers	NV	Do not pick up dishwashers
Ext Faucets	NV	Do not pick up exterior faucets or sill cocks
Sprinklers	NV	Do not pick up in-ground lawn sprinklers
Hot Tubs		If permanent water hookup to house, pick up as extra fixture – if Hot Tub is enclosed or built-in to a deck, pick up as OB&Y (HT1), otherwise, NV
Cupola	NV	Do not pick up cupolas
Widows Peak		If permanent stairs, pick up as EFP or OFP, otherwise, NV
Paving/Walkway	NV	Do not pick up paving or walkways on residential properties
Wood Stoves		Pick up as Metal Fireplace/Hearth
Unfinished Areas	Univers CAMA	Enter SF of unfinished area (even if the card asks for %)
Unheated Areas	Univers CAMA	Enter SF of unheated area (even if the card asks for %)
Mobile Homes		
Minimum Size	256 Sq. Ft.	Must be hooked up to utilities
Hitches		Do not include hitches in overall measurements
Brand Name		Do list unit brand name in notes

Property Record Cards (of improved sales) utilized in analysis: See spreadsheet and corresponding cards located as an Addenda to this report.

Property Record Cards (of improved sales) NOT utilized in analysis: See spreadsheet and corresponding cards located as an Addenda to this report.

SECTION 8: STATISTICAL ANALYSIS, TESTING AND QUALITY CONTROL

RATIO STUDIES USING OLD AND NEW ASSESSED VALUES

Following, are several studies showing before and after results of the 2013 assessment update. Sales included in this report have all the sales referenced in the Department of Revenue Administration (DRA) report for 2013 equalization purposes. There are sales excluded in the sales analyses and studies that may be employed by the DRA in their equalization study for 2013. Properties that were not exposed to the open market were not included by the appraisers in the development of the 2013 appraised values. Often the DRA will include these sales in their studies.

Trimming: The appraisers did not employ trimming techniques in the development of the 2013 appraised values, rather, all verified arm's-length sales were included in the sales analyses developed and referenced throughout the project.

Ratio studies terms: The terms 'before' and 'after' were employed in the following analyses to designate what the statistics for the various categories were as a result of the 2013 assessment update (after) and what the statistics would have been had no update occurred (before).

Ratio: As referenced throughout the report, a ratio is determined by dividing the appraised value by the sales price. So, for example, a property appraised for \$100,000 that sells for \$105,000 has a 'ratio' of 95% (rounded).

Median Ratio: The median ratio is the central point of a list of ratios arrayed from low to high. For example, the median ratio of the following set (95%, 100% 105%) is 100%. This method is used to determine levels of appraised values in a mass appraisal program.

Median Ratio Comparisons:

The Department of Revenue Administration’s annual median ratios for the preceding five years were compiled and evaluated, as follows:

<u>Year</u>	<u>Median Ratio</u>
2008	93.7%
2009	94.3%
2010	96.8%
2011	100.5%
2012	97.7%

It is our estimate based our analysis of all sales in the DRA equalization study timeframe, that the overall Median Assessment to Sale Ratio in Holderness will be 98%. We have **18** qualified sales in Holderness from October 1, 2012 through September 30, 2013. The median ratio (if values were not adjusted) for 2013 would have been slightly over 109%. Because minor adjustments were made to the residential base rates, land neighborhood adjustments and condominium complexes, the median ratio of those sales after adjustments is 98%.

Coefficient of Dispersion (C.O.D.): The C.O.D. is a measure of the average dispersions existing within an array of ratios. Average absolute deviations from the median ratio are divided by the median ratio. For example, the C.O.D. of the above set of ratios is 3.3 (average of 5, 0, & 5, divided by 100). C.O.D.’s of 10 or less are considered by the IAAO and ASB to represent excellent assessment equity. The higher the C.O.D., the poorer the equity of the array.

Following are before and after Ratios and C.O.D. for all sale types.

2012	
Mean 2012 Ratio	1.13
Median 2012 Ratio	1.09
Weighted Mean Ratio	0.982
AADEV	0.191
COD	0.174

2013	
Mean Ratio	0.97
Median Ratio	0.98
Weighted Mean Ratio	0.897
AADEV	0.093
COD	0.095

The 'equity' measure, or C.O.D. has declined from a potential 17.4 to 9.5, an increase in assessment equity from the previous appraisals. The 9.5 C.O.D. is in line with industry standards of equity.

Strata Analysis Using Old and New Assessed Values: See Section 9 for full print out of stratified sales analysis:

Following are before and after Ratios of Neighborhoods

2012

#Sales	Nbhd	Ratio
4	100	1.12
2	101	0.81
1	102	1.05
2	104	1.18
2	105	1.01
1	106	1.17
2	108	0.98
4	109	1.07
1	113	1.30

2013

#Sales	Nbhd	Ratio
4	100	1.05
2	101	0.81
1	102	1.00
2	104	0.95
2	105	0.91
1	106	1.06
2	108	0.71
4	109	0.91
1	113	1.22

PRICE-RELATED DIFFERENTIAL STUDIES

The Price-related differential, or, PRD is a statistic utilized to measure equality in assessments between higher priced properties vs. lower priced properties, otherwise referred to as regressivity (lower-priced properties assessed at a higher ratio than higher-priced properties) and progressivity (higher-priced properties assessed at a higher ratio than lower-priced properties). This statistic is calculated by dividing the mean assessment-to-sale ratio by the weighted mean ratio.² Ideally, this statistic should be 1.00, indicating no bias. However, given the vagaries of the market place, an acceptable range of PRD's is established from .98 to 1.03 by the International Association of Assessing Officers (IAAO) and the NH Assessing Standards Board (ASB).

Following are the price-related differential results of the Holderness 2013 assessment:

2012 PRD	1.148
2013 PRD	1.08*

As can be seen from the above statistics, the PRD would have been very high at 1.148. The 2013 update served to improve the relationship between high and low value assessments at 1.08*.

*This calculation has not been finalized by the Department of Revenue's Equalization Bureau at the time of this manual. The higher PRD should be weighted against the 90% confidence interval allowed. During our trial study of December 2013 the 1.08 PRD is weighted with the 90% confidence interval allowed of 100 to 115 in the study. Holderness has a very diverse property mix with multi million dollar homes in the same neighborhood of mobile home parks. Given such diversity within the same neighborhoods, it is not uncommon to see a higher PRD in such communities.

² International Association of Assessing Officers – Mass Appraisal of Real Property - 1999

SECTION 9: CAMA System Analysis and Spreadsheet Support

HOLDERNESS, NH
2013 QUALIFIED SALES

Parcel	St.#	Prop.Loc.	Class	St.C.	A.C.	W.F.F.	Date1	Price1	2013 Ratio	Nbhd	2012 AV	2012 ratio	Curr T.
228-031-000	240	SEVEN PINES RD	R	101	6.18	0	20130424	205000	0.89	100	193910	0.95	182710
228-066-000	53	HARDHACK RD	R	101	2.16	0	20121022	226000	0.92	100	220220	0.97	207320
241-125-000		RTE 3	R	130	2.74	0	20130624	75000	1.29	100	145330	1.94	96650
241-121-000	549	US RT 3	R	101	3	0	20130502	225000	1.08	100	285300	1.27	243700
232-003-001		NH RT 113	R	130	2.42	200	20130503	1850000	0.67	101	1217960	0.66	1246700
245-017-000	55	LAUREL ISLAND LN	R	101	1.27	391	20130409	975000	0.98	101	932540	0.96	952220
245-044-000	35	BUTTERNUT LN	R	101	1.045	0	20130529	178000	1.00	102	186700	1.05	178600
240-006-000	30	WHITE ASH RD	R	101	5.9	0	20130801	570000	0.91	104	575700	1.01	516580
255-009-003	499	EAST HOLDERNESS RD	R	130	4.07	0	20130620	73000	0.99	104	97870	1.34	71990
205-015-000	68	PINEHURST RD	R	101	4.2	0	20130814	299000	0.80	105	265450	0.89	238950
238-010-000	429	OWL BROOK RD	R	101	6	0	20130328	382000	0.99	105	434600	1.14	378350
239-069-000	18	LEAVITT LN	R	101	0.24	50	20130325	320000	1.06	106	375790	1.17	337950
236-101-000	17	MARDEN POINT RD	R	101	0.31	124	20130528	459133	1.11	108	700830	1.53	508630
213-035-000	313	MOUNT PROSPECT RD	R	601	6.43	0	20130425	327533	0.90	109	318610	0.97	295950
213-042-000	49	CURRIER FIELD RD	R	101	2.17	0	20130201	300000	1.02	109	348870	1.16	306220
224-005-000		OFF LINCOLN RD	R	130	3.48	0	20130802	58533	0.92	109	67490	1.15	53720
227-036-000	81	SARGENT RD	R	101	5.001	0	20130927	760000	0.90	109	742950	0.98	687750
102-014-000	832	US RT 3	A	111	0.77	0	20130522	250000	1.02	300	290750	1.16	255510

HOLDERNESS, NH
2013 ALL SALES LIST

Parcel	St.#	Prop.Loc.	Class	St.C.	Nbhd	A.C.	W.F.F.	Date1	T1	Price1	V1	2013 AV
101-030-000	877	US RT 3	R	105	300	0.25	0	20130731	2	0	38	184260
102-010-000	22	CHRISTIAN LN	R	101	106	0.275	0	20130116	2	2666	44	144500
102-011-001		LB SHEPARD ST	R	102	106	0	0	20130809	2	350000	21	83500
102-011-002		LB CHRISTIAN LN	R	102	106	0	0	20130809	2	350000	21	83500
102-011-003		LB CHRISTIAN LN	R	102	106	0	0	20130809	2	350000	21	83500
102-011-004		LB CHRISTIAN LN	R	102	106	0	0	20130809	2	350000	21	83500
102-011-006		LB CHRISTIAN LN	R	102	106	0	0	20130531	2	49733	38	61400
102-014-000	832	US RT 3	A	111	300	0.77	0	20130522	2	250000	0	255510
102-016-000	3	PIPER RD	R	101	106	0.45	0	20130116	2	2666	44	223870
102-035-000	69	SHEPARD HILL RD	R	101	100	0.71	0	20121024	2	60000	38	192500
205-015-000	68	PINEHURST RD	R	101	105	4.2	0	20130814	2	299000	0	238950
207-004-000	805	PERCH POND RD	R	101	100	7	0	20121004	2	2666	44	287750
210-003-028	109	CARLA CT	R	103	114	0	0	20130125	3	2666	47	8000
210-003-034	13	MORIN ST	R	103	114	0	0	20130610	3	0	38	10000
210-003-048	6	EASY ST	R	103	114	0	0	20130503	3	3000	38	6600
210-003-057	10	SHORT ST	R	103	114	0	0	20130613	3	2666	99	8300
210-008-002	1386	NH RT 175	C	356	301	14	0	20130612	2	1434933	11	4898100
210-020-000	487	MOUNT PROSPECT RD	R	101	109	1.5	0	20130418	2	0	39	165950
212-015-000	1106	NH RT 175	R	101	114	1	0	20130807	2	60000	38	139200
213-033-000	78	HUCKINS HILL RD	R	101	109	8.29	0	20130930	2	320000	90	61990
213-035-000	313	MOUNT PROSPECT RD	R	601	109	6.43	0	20130425	2	327533	0	295950
213-036-002	43	WEDGEWOOD DR	R	102	100	0	0	20130415	2	2666	44	245600
213-036-004	23	FAIRWAY DR	R	102	100	0	0	20130904	3	2666	44	177200
213-042-000	49	CURRIER FIELD RD	R	101	109	2.17	0	20130201	2	300000	0	306220
213-046-031	8	HIGHLAND VIEW LN	R	102	100	0	0	20130213	2	2666	44	293200
213-048-001	36	CURRIER FIELD RD	R	101	101	1.89	0	20121218	1	0	38	405680
218-004-000	245	PINEHURST RD	R	101	101	1.802	0	20121126	2	2666	44	846200
218-006-000	224	PINEHURST RD	R	101	101	5.02	280	20130916	2	1000000	38	1679180
218-008-000	24	DEEP END RD	R	101	101	1.7	254	20121231	2	700000	38	1447430
218-008-001	104	PINEHURST RD	R	130	101	3.1	0	20121231	1	37533	38	78000
220-002-000		BURLEIGH FARM RD	R	600	105	6.4	0	20121228	1	0	38	590
220-009-000	121	BURLEIGH FARM RD	R	601	105	30.001	0	20121213	2	2666	38	687930
222-019-000	38	HORTON DR	R	101	100	5.321	0	20130916	2	142200	38	286150

HOLDERNESS, NH
2013 ALL SALES LIST

Parcel	St.#	Prop.Loc.	Class	St.C.	Nbhd	A.C.	W.F.F.	Date1	T1	Price1	V1	2013 AV
224-005-000		OFF LINCOLN RD	R	130	109	3.48	0	20130802	1	58533	0	53720
224-068-000	150	HERITAGE HILL RD	R	101	109	1.21	0	20130722	2	1333	37	183770
225-019-00A	12	AVERY ST.	R	103	114	0	0	20130617	3	0	38	11900
225-020-000	10	AVERY ST	R	101	114	0.17	55	20130701	2	333000	38	87940
225-023-000	14	SOUTH RIVER ST	R	101	114	0.5	125	20130701	2	333000	38	152580
225-027-000	11	N RIVER ST	R	101	114	0.5	100	20121226	2	0	39	122060
226-001-000	21	LOCUST DR	R	101	113	2.4	0	20130212	2	260000	38	301600
227-006-000	672	N ASHLAND RD	R	103	114	0.5	0	20130419	2	0	38	73280
227-036-000	81	SARGENT RD	R	101	109	5.001	0	20130927	2	760000	0	687750
228-003-000	373	NH RT 175	R	101	110	0.111	0	20130927	2	8533	47	48400
228-012-000	507	NH RT 175	R	101	110	3.14	0	20121113	2	75000	52	127830
228-031-000	240	SEVEN PINES RD	R	101	100	6.18	0	20130424	2	205000	0	182710
228-060-000	422	NH RT 175	R	103	110	1	0	20130520	2	2666	44	71700
228-066-000	53	HARDHACK RD	R	101	100	2.16	0	20121022	2	226000	0	207320
232-003-001		NH RT 113	R	130	101	2.42	200	20130503	1	1850000	0	1246700
232-015-000	186	LONG ISLAND	R	601	107	5.7	200	20121228	2	1661000	40	619620
232-015-001	0	LONG ISLAND	R	600	107	1.46	200	20121228	2	1661000	40	60
232-015-002	0	LONG ISLAND	R	600	107	1.63	200	20121228	1	1661000	40	60
232-015-003	0	LONG ISLAND	R	600	107	1.43	200	20121228	1	1661000	37	60
232-018-000	32	UTOPIA ISLAND	R	601	107	1.2	200	20121228	2	1661000	40	613590
234-003-000	23	PORTER RD	R	101	101	0.83	125	20121228	2	293800	38	1171160
235-006-000	65	FINISTERE RD	R	101	101	0.78	178	20121009	2	2666	44	1252170
235-008-000	73	FINISTERE RD	R	101	101	1	300	20130716	2	0	44	1089830
236-004-000	69	NH RT 113	R	101	105	2.1	0	20130531	2	550000	1	345250
236-006-000	95	NH RT 113	R	101	105	1.3	0	20121116	2	2666	44	124850
236-022-000	63	RANGE RD	R	101	105	0.88	0	20130716	3	30000	11	208110
236-023-000	68	RANGE RD	R	101	105	4.141	0	20130716	3	30000	11	439540
236-033-000		NH RT 113	R	130	105	0.35	0	20121030	1	0	38	50190
236-037-000	171	NH RT 113	R	103	105	1.001	0	20130722	2	27533	38	103910
236-058-000	41	KESUMPE PT RD	R	101	108	1	0	20121005	2	162533	24	188750
236-062-000	61	KESUMPE PT RD	R	101	115	0.656	110	20130225	2	0	44	1039900
236-063-000	65	KESUMPE PT RD	R	101	115	0.358	91	20121126	2	2666	44	949300
236-093-000		RTE 113	R	109	108	0.01	56	20121116	1	2666	44	35990

HOLDERNESS, NH
2013 ALL SALES LIST

Parcel	St.#	Prop.Loc.	Class	St.C.	Nbhd	A.C.	W.F.F.	Date1	T1	Price1	V1	2013 AV
236-096-000		NH RT 113	R	109	108	0.07	65	20130531	2	550000	1	145350
236-101-000	17	MARDEN POINT RD	R	101	108	0.31	124	20130528	2	459133	0	508630
237-016-000		EAGLE RIDGE RD	R	130	105	3.07	0	20130102	1	0	44	56850
238-010-000	429	OWL BROOK RD	R	101	105	6	0	20130328	2	382000	0	378350
239-021-000	0	US RT 3	C	401	100	1.1	0	20121030	1	0	38	97250
239-031-000	135	NH RT 175	R	101	110	7.9	0	20121030	2	0	38	240100
239-034-000	90	NH RT 175	R	101	110	20.4	0	20130815	2	0	38	224420
239-038-000	54	NH RT 175	R	101	110	5.14	0	20121015	2	175000	38	187020
239-047-000	12	HIGH COUNTRY WAY	R	104	100	5.1	0	20130522	2	2666	38	477750
239-049-012	11	OVERLOOK RD	R	102	100	0	0	20121024	2	0	38	76570
239-049-035	15	WESTWOOD	R	102	100	0	0	20130301	2	2666	44	78580
239-049-057	42	HOLLOWES RD	R	102	100	0	0	20130626	1	45000	16	69610
239-049-076	14	LEDGES RD	R	102	100	0	0	20130812	1	60533	99	70510
239-049-085	34	UPPER MEADOWS RD	R	102	100	0	0	20130723	1	55200	13	67910
239-049-086	26	UPPER MEADOWS ROAD	R	100	100	0	0	20130813	1	55533	16	65210
239-049-104	270	HIGH COUNTRY WAY	R	102	100	0	0	20130819	1	63533	99	86210
239-049-113	236	HIGH COUNTRY WAY	R	102	100	0	0	20130823	2	2666	44	83930
239-069-000	18	LEAVITT LN	R	101	106	0.24	50	20130325	2	320000	0	337950
239-490-084	38	UPPER MEADOWS RD	R	100	100	0	0	20130828	3	44250	99	34900
239-490-093	180	HIGH COUNTRY WAY	R	100	100	0	0	20130517	3	25000	99	30800
239-490-110	248	HIGH COUNTRY WAY	R	100	100	0	0	20130609	3	29000	99	0
240-006-000	30	WHITE ASH RD	R	101	104	5.9	0	20130801	2	570000	0	516580
240-029-001	97	PERKINS LN	R	601	106	11	0	20130916	2	225000	90	137300
241-006-000	14	TALL TIMBER DR	R	101	101	1.25	210	20121214	2	2666	44	1111410
241-011-000	642	US RT 3	R	101	101	2.06	390	20121226	2	2666	44	1869490
241-019-000	7	HAMMOND DR	R	101	106	0.88	0	20130212	2	266133	24	152630
241-022-000	14	HAMMOND DR	R	101	108	0.42	100	20130118	2	600000	24	479980
241-046-000	65	CROMWELL POINT RD	R	101	101	2.9	345	20121220	2	0	44	2223550
241-067-000	464	US RT 3	R	101	100	0.3	0	20130424	2	65000	52	143800
241-081-000	180	SHEPARD HILL RD	R	101	104	0.411	0	20130621	2	0	38	258480
241-084-000	35	COXBORO RD	R	101	104	2.002	0	20121221	2	200000	38	543230
241-111-000	263	SHEPARD HILL RD	R	101	104	0.83	0	20130923	2	0	39	214760
241-121-000	549	US RT 3	R	101	100	3	0	20130502	2	225000	0	243700

HOLDERNESS, NH
2013 ALL SALES LIST

Parcel	St.#	Prop.Loc.	Class	St.C.	Nbhd	A.C.	W.F.F.	Date1	T1	Price1	V1	2013 AV
241-125-000		RT 3	R	130	100	2.74	0	20130624	1	75000	0	96650
245-004-000	316	US RT 3	R	101	100	1.2	0	20130308	2	79933	37	145300
245-011-000	74	STONE RD	R	102	101	9.4	360	20121226	2	0	37	2261220
245-017-000	55	LAUREL ISLAND LN	R	101	101	1.27	391	20130409	2	975000	0	9522220
245-021-000	147	US RT 3	R	101	100	0.7	0	20130705	2	0	38	181900
245-044-000	35	BUTTERNUT LN	R	101	102	1.045	0	20130529	2	178000	0	178600
245-062-000	5	TA DA DUMP RD	R	103	100	7.03	0	20130619	2	40000	38	138540
245-063-000	17	TA DA DUMP RD	R	101	100	5.31	0	20130724	2	235000	45	335200
246-013-000	451	US RT 3	R	101	104	3.54	314	20121228	2	0	38	850860
246-019-000	5	FRANKS LN	R	101	104	5.6	300	20130502	2	2666	44	1228660
246-024-000		COXBORO RD	R	109	104	0.44	100	20130806	1	142600	38	169900
246-031-000	228	COXBORO RD	R	101	104	5.5	0	20130912	2	189000	52	294270
246-032-000	194	COXBORO RD	R	101	104	4.8	0	20130806	2	142600	38	274880
246-040-000		FRANKS ISLAND	R	600	104	5.6	999	20130502	1	2666	44	150
247-016-000	289	LANE RD	R	101	103	1.675	0	20130912	2	2666	44	431230
247-063-000	69	NEWLY RD	R	601	104	32.752	0	20121228	2	2666	38	840730
249-004-000	158	PORCUPINE RD	R	601	104	16.502	0	20121107	2	2955000	40	638570
250-015-000	132	PORCUPINE RD	R	600	104	5	0	20121107	1	2955000	40	200
251-011-000	280	EAST HOLDERNESS RD	R	609	111	9.5	0	20130726	3	575000	90	83310
251-013-000	280	EAST HOLDERNESS RD	R	601	111	16.455	0	20130726	2	575000	21	427920
255-009-003	499	EAST HOLDERNESS RD	R	130	104	4.07	0	20130620	1	73000	0	71990
255-018-000	190	PORCUPINE RD	R	601	104	308.242	0	20121107	2	2955000	40	2357080

ADDENDAS

Holderness Review Guidelines

Final review is the most crucial phase of our project. This will likely be the last time we see these properties before we notify the taxpayers of our estimate of value. The review appraiser is responsible for all data accuracy, and adherence to the review guidelines.

It is critical that we ensure that:

- The data is accurate,
- The grade and marketability ratings are accurate and consistent,
- That land factors are in place where called for, and,
- That we convey our instructions to the keypunch operator clearly.

You will have:

- A list of sales that have occurred over the past two years,
- A printout of the CAMA record, stacked on top of the card file, by map,
- These guidelines,

1. Identify the sales in the pack or area you are reviewing. Review these first. For older sales, make certain that you are referencing the adjusted sales price (ASP). Adjustments for time are 15% per year.
2. After reviewing the sales, begin your review by routing order.
3. Begin with the land. Look at the map for the configuration of the lot. Apply factors for shape, topography, size, restrictions, access, rights-of-way, or other unusual influences. Make certain that the acreage on the CAMA record is consistent with the map.
4. Especially, look for views from the homesite to mountains, lakes or distant vistas. Refer to view guidelines.
5. Verify that the NBHD is correct, or modify as necessary.
6. You are responsible for all the data accuracy. Put a checkmark, or modify, after verifying, story heights, year built, fireplace, basement, FBLA or Rec areas, garages, condition and CDU on the review sheets.
7. Look at the final value. While it is not necessary to re-calculate the exact price according to your changes, you should have some idea as to the overall value, based upon the sales you have reviewed before you began. Ensure that the value is falling in line with your sales in the area and the properties you have reviewed in the area.

8. When satisfied that the record is representative of your findings, initial with the date, and R (for Review). Example: JMC 7/13/2003 R 6 (for estimate).
9. If for any reason you believe a collector must go back to the property, keep a log (enclosed), specifying what you wish them to check out.
10. If you are having trouble with any property, for any reason, i.e. NBHD concerns or unusual features, keep a log (enclosed) of your questions. Run these by the supervisor for resolution. In the meanwhile, make your best calls while on the site.
11. At any rate, and under all circumstances, you must complete your review while on the site, with your initials & date certifying that you have completed your review to the best of your ability.
12. Keep in mind that the keypunch operator should not have to 'interpret' your instructions. They should be explicit, clear and legible, and in red ink upon the review sheets. Don't put questions on the review sheets. Questions belong on the questions log for the supervisor.

Land Influences:

Influences to the homesite acre are determined upon the extent that they limit use of the site. For example, a five-acre site with wetlands in the back would not call for a homesite adjustment, rather, would call for a percentage assignment to waste or marsh (land type 4), and treat the homesite as a separate entity.

Rolling homesites do not call for a topography adjustment unless they restrict usage of the site. The same goes for lot shape. If the shape restricts usage, consider a shape adjustment, otherwise, leave it alone.

Following are the codes for influence factors: (you may combine a maximum of two per land line.

- 2 – excess frontage (seldom used)
- 3 – topography
- 4 – shape or size
- 5 – econ mis-improvement (don't use)
- 6 – restrictions – due to easements, R.O.W.'s, dirt roads, or access problems
- 9 – location – for an inferior location as compared to others in the same NBHD, must specify in notes.

Some typical negative influences you may consider to homesites include:

Topography: -5% for moderate impact, -10% for severe, -15% for the rare sheer conditions.

Shape: -5% to -10% for unusual homesite configurations.

Size: none for homesite (see large acreage adjustment chart)

Restrictions: -10% for all dirt or gravel roads

-5% to -10% for difficult ingress or egress

-5% for minor, invasive rights of way, -10% for major, such as high tension wires

Location: - 5% to -10% for unusual and poor locations, such as next to a junk yard or garbage dump.

Views: this will be the most extensive influence. You must look for views or potential views from the homesite.

Use code 8 under square feet (or next to view on the review sheet).

Each unit you assign is worth \$1500. For example, a 12 view is \$18,000.

The range:

\$3,000 (2 units) for an obstructed or seasonal mountain view, \$6,000 for an obstructed or seasonal lake view.

\$24,000 (16 units) for a 45-degree mountain view, \$75,000 (50 units) for a 45-degree lake view.

\$48,000 (32 units) for a 180-degree mountain view, and \$120,000 (80 units) for 180-degree lake view.

Do not assign views to waterfront properties.

Unit Calculations:

Units	Value	Units	Value	Units	Value	Units	Value
1	1500	25	37500	49	73500	73	109500
2	3000	26	39000	50	75000	74	111000
3	4500	27	40500	51	76500	75	112500
4	6000	28	42000	52	78000	76	114000
5	7500	29	43500	53	79500	77	115500
6	9000	30	45000	54	81000	78	117000
7	10500	31	46500	55	82500	79	118500
8	12000	32	48000	56	84000	80	120000
9	13500	33	49500	57	85500	81	121500
10	15000	34	51000	58	87000	82	123000
11	16500	35	52500	59	88500	83	124500
12	18000	36	54000	60	90000	84	126000
13	19500	37	55500	61	91500	85	127500
14	21000	38	57000	62	93000	86	129000

15	22500	39	58500	63	94500	87	130500
16	24000	40	60000	64	96000	88	132000
17	25500	41	61500	65	97500	89	133500
18	27000	42	63000	66	99000	90	135000
19	28500	43	64500	67	100500	91	136500
20	30000	44	66000	68	102000	92	138000
21	31500	45	67500	69	103500	93	139500
22	33000	46	69000	70	105000	94	141000
23	34500	47	70500	71	106500	95	142500
24	36000	48	72000	72	108000	96	144000

Large Acreage Adjustments:

Large Acreage Adjustment Guidelines

- Ⓢ Assign 10% of all acreage over 10 acres to waste. For example, an 11.00 acre parcel will have a 1-acre homesite, 1.00 acre wasteland (land code 4) and 9.00 acres of residual land (land code 6).
- Ⓢ True backland with no access will not have a homesite assignment.
- Ⓢ Do not assign views to backland.
- Ⓢ Influences are cumulative, that is, an adjustment of -10% for topography for a large parcel will be added to the adjustment for size for one adjustment for the total backland appraisal.
- Ⓢ Apply the following adjustments for size only, according to the total acreage of the parcel:

<i>Parcel Size</i>	<i>Size Adjustment</i>
1-10 Acres	None
11-15 Acres	-5.00%
16-20 Acres	-10.00%
21-25 Acres	-15.00%
26-35 Acres	-20.00%
36-45 Acres	-25.00%
46-55 Acres	-30.00%
56-65 Acres	-35.00%
66-75 Acres	-40.00%
76-85 Acres	-45.00%
86-95 Acres	-50.00%
96-105 Acres	-60.00%
106-120 Acres	-65.00%
121-135 Acres	-70.00%
Over 135 Acres	-75.00%

THE CLT UNIVERS SYSTEM AND THE VALGEN TABLES

The Univers system is an appraisal program that generates a value for Real Estate using Valgen (Value Generator) Tables that hold rates and factors used in equations. The Valgen tables are listed in this manual. The purpose of this section is to show a property owner the step-by-step progression used by Univers to arrive at the total assessed value.

THE PROPERTY RECORD CARD

Let's begin with a review of the residential property record card (PRC). The upper left corner contains ownership information as well as the 911 address of the parcel. The "PID" is the 14-digit property identification number.

The upper middle contains assessment information: the land, buildings and total value. The building value listed is the summation of all residences and outbuildings (structures detached from the dwelling) standing on the property.

Below the assessment information is the "Addition Data." This is a listing of all "sub-areas" connected to the main portion of the residence. Univers calculates values for four levels (stories) of additions.

The lower left portion of the PRC comprises "Dwelling Data," a listing of attributes that describe the residence.

Near the middle are the “Cost Value” and “Dwelling Computation” sections, which state the exact values used to arrive at the assessed value of the house. Later, we will go step by step to explain the calculation of each line.

The lower right includes a sketch of the residence, listing the exterior measurements used in the square footage listed on the PRC.

Finally, the lower left area registers values of all outbuildings included in the valuation.

TABLE 300 AND THE MODIFIER

Table 300, the “Residential Control Table,” shows the county in which the property is located, the date the valuation went into effect, and the modifier, item five. The modifier is an extremely important number in the valuation procedure. Most of the values contained within the tables are multiplied by the modifier to arrive at the numbers listed in the dwelling computation area of the PRC. A specific percentage change can be effectuated by simply changing this one factor, rather than changing the hundreds of numbers contained within the tables.

The value of the modifier is determined, in part, from discussions with builders in the area in reference to current building costs and trends. Also significant in making this determination is an extensive review of recent sales of new and nearly new homes within the county of jurisdiction.

DWELLING COMPUTATION

BASE PRICE – This is the assessed value of the main section of the dwelling. The Univers System first goes to the “dwelling data” section of the PRC and receives the story height, ground floor area and exterior walls data. This information is then taken to Table 301, “Residential Dwelling Pricing Schedules.” Moving down the left side margin, Univers locates the row that corresponds to the square footage of the ground floor area, and the sub-row, which equates to the exterior walls (frame or masonry). The columns across the top of Table 301 register story heights of the main area being valued. The intersection of the correct row and column reveals a factor. This number is then multiplied by the modifier from Table 300 to yield the value listed as the Base Price.

PLUMBING ADJUSTMENT – The next line under dwelling computations is the plumbing adjustment, based upon the number of bathrooms listed under dwelling data. Univers assumes one full bathroom (three fixtures) to yield a zero value. More than one full bathroom will add value as a plumbing adjustment. Conversely, less than one will yield a negative adjustment. A half bath is equal to two fixtures, and Univers bases the adjustment upon number of fixtures. Therefore, a house with two and a half bathrooms will receive an adjustment for five additional fixtures. The amount per fixture is listed in Table 309, “Residential Other Features,” on the row with “Description = Extra Fixture.” Value number 1 is multiplied by the Table 300 modifier times the number of additional fixtures to produce the plumbing adjustment.

HEAT/CENTRAL A/C ADJUSTMENT – Univers assumes basic heat without central air conditioning to produce a zero value. Central A/C will add value and a home without heat

will receive the opposite effect. Table 301, "Residential Pricing Schedules," is used. The row is based upon square footage of the base area, #3 or 4. This value is also multiplied by the modifier, and the product is the adjustment applied on this line.

BASEMENT ADJUSTMENT – Unifers assumes a full unfinished value to yield a zero value. Thus, the base price value includes a full basement. If the main area has no basement, or a partial basement, a value is subtracted with this entry. Table 302, "Residential Basements and Attics contain the adjustment variables for this entry. The rows in Table 302 list square footage of ground floor area. Column 1 contains the deduction variable for a house built on piers or a slab. Column 2 is used if the residence has a crawl space. Go to column 3 if the main area has a partial basement. This basement adjustment variable is then multiplied by the modifier from Table 300.

EXTERIOR TRIM – A frame residence with partial masonry trim or siding may receive a positive adjustment from Table 309, "Residential Other Features." Where column 1, #2 says Masonry Trim, the #1 value above is the factor used. This factor is multiplied by the square footage of masonry trim, and then multiplied by the modifier to obtain the adjustment.

FINISHED BASEMENT LIVING AREA - If the residence has a partially or fully finished basement there will be value added since the base price assumes an unfinished basement only. Look under "dwelling data" on the property record card for "Finished Basement Living Area." This square footage times the value in Table 309, Finished

Basements, times the modifier from Table 300 will yield the value of Finished Basement Living Area.

BASEMENT RECREATION AREA - This adjustment adds value to a residence which contains a recreation area in the basement. This is an area partially finished for recreation, yet not completely finished as living area. The square footage is listed under "dwelling data," multiplied times both the modifier and the factor in Table 309 above Recreation Room will equal the added value for "Basement Recreation Area."

UNFINISHED AREA - A residence may contain unfinished area within the base area or addition. Since the values assume finished living area, value will be deducted for unfinished areas. The square footage listed for "Unfinished Area" multiplied by the factor from Table 309, "Unfinished Area" times the multiplier will produce the deduction for this line.

BASEMENT GARAGE – A portion of an unfinished basement may have garage doors and parking area for one or two cars. The number by "Basement Garage" under "Dwelling Data" (1 or 2) is multiplied by the Table 309 value above "Basement Garage" times the Table 300 modifier. The product is the value to be added.

FIREPLACES – Unvers adds value for each masonry fireplace stack and opening. The numbers under "Dwelling Data", "Fireplace Stacks/Openings" are multiplied by their

corresponding values from Table 309 times the modifier to yield the value added for fireplaces.

ADDITIONS – The “Base Price” value listed on the PRC is for the main area of the residence only. Additions that make up the residence are valued and added on this line. On the PRC, above the “Cost Value” area is the “Addition Data.” Unifers can calculate a value for sub-areas on four separate levels. The values for additions are listed in Table 304, “Residential Living Area Additions.” Table 305, “Residential Porches/Patios/Utility Sheds” lists factors for sub-areas that are unheated, such as porches, decks, etc. Look up the square footage in the rows and the type of addition in the columns across the top. The value at the intersection of the correct row and column, multiplied by 100, then multiplied by the Table 300 modifier will yield the value added for that addition or sub-area. The summation of all additions listed under “Addition Data” is entered on the “Dwelling Computations” row for “Additions.”

SUBTOTALS - This is a summation of all values under “Dwelling Computations.”

GRADE FACTOR – The quality grade, a factor based upon quality of workmanship and material for this particular residence, is listed on the PRC under “Dwelling Data.” Unifers takes this grade to Table 303, “Residential Grade Factors,” which lists the grades in the rows going down the table. The corresponding factor is in column 1. A “C” grade house is considered average, with a factor of 1.0, and thus, has no influence on value. A “B” grade has a corresponding factor greater than 1.0, and therefore causes a positive

influence on value. Unvers carries the factor back to the PRC and inserts in on the “Grade Factor” line.

C & D FACTOR (COST AND DESIGN) – Design characteristics, positive or negative, that influence values yet are not accounted for by the grade factor can be valued here with the insertion of a C & D factor. A factor greater that 1.0 will raise value, while a factor less than 1.0 will, of course, have the opposite effect. This factor is generally used on an individual or neighborhood adjustment basis, and is not listed in any table.

REPLACEMENT COST NEW (RCN) – This variable is the replacement value for this residence to be rebuilt new, at its current location, considering the grade and design factors. The equation is: $((\text{Subtotal} * \text{Grade Factor}) * \text{C \& D Factor}) = \text{RCN}$. The Subtotal is multiplied by the grade factor, and the product then multiplied by the C & D Factor to yield the “Replacement Cost New.”

PERCENT GOOD – The replacement cost new is then depreciated to reflect ***, functional and economic depreciation the structure has been subject to. The “Percent Good” is based upon two items listed under “Dwelling Data” – “Year Built/ Effective Year” and “Condition/Desirability/Utility.” The effective year may be more recent than the actual year built to reflect expansions, remodeling and improvements accomplished during the dwelling’s history. The effective year is the year the residence is depreciated back to. Subtract this year from the “Assessment Year” listed in Table 300 to achieve the number of years of depreciation.

Universe carries the number of years to Table 307, "Percent Good Table – Dwelling" where number of years are listed on each row, with row 1 being zero years, i.e., a new home.

The "Condition/Desirability/Utility" variable is also taken to Table 307 and listed in the columns across the top. Column 1 is excellent condition; col. 2 is very good, followed by good, and then average. Fair is listed as column 5, then poor, very poor and unsound condition types.

Follow the correct year (row) to the correct condition type (column) to look up the "Percent Good" used in this appraisal. Multiply the value from Table 307 by .01 to express as a percent, and move the resulting value to the property record card as the "Percent Good."

MARKET ADJUSTMENT – A market adjustment factor, positive or negative, may be applied to reflect value trends in segments, markets or neighborhoods throughout the county. These values are applied on an individual or neighborhood basis, and are therefore not found in any of the Valgen Tables.

RNCLD – The "Replacement Cost New Less Depreciation" (RNCLD) is the total assessed value of the residence, considering all attributes and influence factors applicable. The equation used is:

$$((\text{Replacement Cost New} * \text{Percent Good}) * \text{Market Adjustment}) = \text{RNCLD}.$$

The "Building Value" listed on the PRC, upper middle, under "Current Values," is the summation of values of all residences and all detached (outbuildings) structures

appraised as Real Estate on the parcel. Thus, after an explanation of the Unifers valuation of outbuildings, you will come back for this RNCLD value.

OUTBUILDING DATA – Outbuilding (OBY) Data is listed in the lower left area of the property card. These are structures appraised as Real Estate that are detached from the residence(s). The OBY type is identified by a three-character code listed on the PRC. A listing of OBY type codes and descriptions is included in this manual.

OBY structures can be manually valued or calculated using the Valgen Tables. Under the “MA” column, 1 means the structure is manually valued, whereas 0 dictates that the value is calculated using Tables 401, 402 or 406, “OBY Pricing Setups.”

Like dwellings, outbuildings can be designated “Grade Factors,” which are listed on the PRC under the “Grade” column. This grade, A – E, is taken to Table 403, “OBY Grade Types”, and a corresponding value in column 2 is applied.

Element 6 in Tables 401, 402 and 406 are the condition numbers that represent the column to go to in Table 405.

The equation for the assessed value is:

$$(((\text{Table 403 "Value 3"} * \text{square footage} * \text{Table 300 modifier}) + \text{Table 403 "Value 1"}) * \text{Grade Factor} * \text{Percent Good}) = \text{Value}.$$

BUILDING VALUE – At the upper middle of the Property Record Card, under “Assessment Information: Current Values,” the Building Value is the summation of each OBY item value and the RNCLD value of each residence.

LAND VALUATION

Univers uses the Valgen Table Models to hold factors that are used in equations to determine value of residential and commercial land parcels. There are four separate valuation methods used by Univers – Front Foot, Square Foot, Acre, and Site Value. The upper right section of the Property Record Card has an area titled “Land Data and Computation,” and under that, “Type, Size, Rate and Influence Factors.”

TABLE 247, “NEIGHBORHOOD MODEL ASSIGNMENT”

Univers first goes to the Property Record Card and locates the neighborhood number assigned to this parcel (upper middle of the PRC). The system then locates this number in the rows of Table 247. The columns of Table 247 refer to the valuation method used. Column 1 is used for parcels valued using the Front Foot method and column 4 hold the depth factors associated with this method. Column 2 – Square foot method, Col. 3 – Acre, and Col. 5 – Site Value. The intersection of the proper row and column yield the number for the neighborhood model used from Table 251.

TABLE 251 – “MODELS – STANDARD LAND RATES BY TYPE”

The model number determined by Table 247 is located among the rows of Table 251. The columns in Table 251 represent the type of land, such as Primary, Undeveloped,

Waterfront, Forest, and many others. The Property Record Card states the land types, and the number of acres present for each type.

In Table 251, land models, Column 1, (level 0) called the “Zero Column,” contains a unit of measure for each type of land. Elements 1, 2 and 3 correspond to tracts valued by the front foot method. 4, 5 and 6 go with square foot tracts. 7, 8 and 9 – acre method, and element 10 goes with site valuation.

The “Zero Column” elements will be expounded upon further with the explanation of each method.

METHOD 1, “FRONT FOOT”

This method of land valuation is generally used for, but not limited to, urban lots. These lots are valued by a dollar amount for each foot of road frontage (width), and then factored according to their depth.

The value per front foot will be displayed in row 1 (element 1) of Table 251, in the column for that land type. This variable is multiplied by the width of the lot. Then Univers consults Table 253, “Depth Factor Table” for the proper depth factor. Moving from top to bottom, each row in Table 253 lists a possible depth. The columns across the top show standard depth footage.

The front foot method assumes the front of a lot, which borders a road or possibly a river, is more valuable than the “back” portion of the lot. Thus, the deeper the lot, the less valuable per foot.

If this land type uses a 150 foot depth as the standard, you will find the correct factor in the column under 150 of Table 253. Then, look up the actual depth in the rows and

tracts. In other words, a half-acre tract is typically worth more than half the amount of a full acre. Most sales analysis will bear that the premise is true in nearly every market. The equation, therefore, is designed to apply that principle by use of an increment and decrement.

The equation, for tracts with square footage equal to or less than the unit of measure is:

$$(A * S) + ((U - A) * D) = \text{Value}$$

- Where: A = Actual square footage (from PRC, listed under size)
 U = Unit of measure (from Table 251, zero column, element 4, usually 43,560)
 D = Decrement (from Table 251, element 6 from type column)
 S = Standard square foot factor (Table 251, element 4 from type column)

Thus, the equation calculates a value for the actual portion of the acre and adds value for the portion missing.

The equation for tracts of size greater than the unit of measure, usually 43,560 is:

$$\text{Value} = (U * S) + ((A - U) * I)$$

- Where: A = Actual Size (from PRC, under size)
 U = Unit of measure (Table 251, element 4 in zero column, usually 43,560)
 S = Standard square foot factor (Table 251, element 4 under type column)
 I = Increment (Table 251, element 5 under type column)

Here are several examples, using the following factors:

	<u>Zero column</u>	<u>Primary</u>	<u>Undeveloped</u>
Element 4:	43560	.344	.275
Element 5:	0	.051	.041
Element 6:	0	.172	.137

Example 1: 1 acre
 Size: 43,560 square feet
 Type: Primary

Because this tract is equal to the unit of measure, we use the first formula

presented:

$$\begin{aligned} \text{Value} &= (A * S) + ((U - A) * D) \\ \text{Value} &= (43,560 * .344) + ((43,560 - 43,560) * .172) \\ \text{Value} &= 14,984.64 + (0 * .172) \\ \text{Value} &= \$14,988 \end{aligned}$$

Example 2: .39 acre
Size: 16,988 square feet
Type: Primary

Since the size is less than the unit of measure, we again use the first equation:

$$\begin{aligned} \text{Value} &= (A * S) + ((U - A) * D) \\ \text{Value} &= (16,988 * .344) + ((43,560 - 16,988) * .172) \\ \text{Value} &= 5,843.87 + 4,570.38 \\ \text{Value} &= \$10,414 \end{aligned}$$

And the Property Record Card would show:

<u>Type</u>	<u>Size</u>	<u>Rate</u>	<u>Value</u>
Primary	16,988	.61	10,400

(Note: The rate shown on the PRC is the value divided by the actual size, but that rate did not come from Table 251.)

Example 3: 2.2 acres
Type: Primary – 1 acre
Size: 43,560 square feet
Type: Undeveloped – 1.2 acres
Size: 52,272 square feet

This problem will require two calculations, using both equations

1) Primary:

$$\begin{aligned} \text{Value} &= (A * S) + ((U - A) * D) \\ \text{Value} &= (43,560 * .344) + ((43,560 - 43,560) * .172) \\ \text{Value} &= 14,984.64 + (0 * .172) \\ \text{Value} &= \$14,988 \end{aligned}$$

2) Undeveloped

$$\begin{aligned} \text{Value} &= (U * S) + ((A - U) * I) \\ \text{Value} &= (43,560 * .275) + ((52,272 - 43,560) * .041) \\ \text{Value} &= 11,979 + (8712 * .0410) \\ \text{Value} &= 11,979 + 357 \\ \text{Value} &= \$12,336 \\ \text{Total Value} &= \$12,336 + \$14,985 = \$27,321 \end{aligned}$$

METHOD 3 - ACRE

Univers obtains the model number from Table 247, then finds that model number among the rows in Table 251, where acre values are listed among elements 7, 8 and 9 only. In column 1, which is level 0 (the zero column), #7 has a value of 1. This means that 1 acre will be used as the unit of measure.

Univers then goes back to the PRC and finds the first land type. If it is Primary, we locate the Primary column of the correct model and go to element 7 in that block. The value listed in element 7 will be the value for that Primary acre.

But, what about tracts that more or less than 1 acre in size and contain more than one land type? Element 8 (+ acres rate), called the increment is used for parcels with more than 1 acre of any type. Thus, the second and all additional acres of one land type may be valued for a different amount per acre than the initial acre. Element 9 (- acres rate), the decrement is used for tracts less than one acre in size.

The equations are the same as described in the square foot method. Here are a few examples, using the following data:

	<u>Primary</u>	<u>Residual</u>	<u>Open</u>	<u>Undeveloped</u>
Element 7	15,000	8,500	6,000	10,000
Element 8	12,000	7,000	5,000	8,000
Element 9	10,000	8,000	3,000	6,000

Example 1: Size: 1 acre
 Type: Primary

$$\begin{aligned} \text{Value} &= (A * S) + ((U - A) * D) \\ \text{Value} &= (1 * 15,000) + (1 - 1) * 10,000 \\ \text{Value} &= \$15,000 \end{aligned}$$

Example 2: Size: 5 acres
Types: Primary – 1 acre
Residual – 1.25 acres
Open - 2.75 acres

Solution: This problem is solved by working three equations and summing their products.

a) Primary Value = (A * S) + ((U - A) * D) (actual < or = unit of meas.)
Value = (1 * 15,000) + (1 - 1) * 10,000)
Value = \$15,000

b) Residual Value = (U * S) + ((A - U) * I) (actual > unit of measure)
Value = (1 * 8,500) + (1.25 - 1) * 7,000)
Value = 8,500 + 1,750
Value = \$10,250

c) Open Value = (U * S) + ((A - U) * I)
Value = (1 * 6,000) + ((2.75 - 1) * 5,000)
Value = 6,000 + (1.75 * 5,000)
Value = \$14,750

$$\text{Total Value} = \$15,000 + \$10,250 + \$14,750 = \$40,000$$

Example 3: Size: 0.45 acre
Type: Undeveloped

$$\begin{aligned} \text{Value} &= (A * S) + ((U - A) * D) \\ \text{Value} &= (.45 * 10,000) + (1 - .45) * 6,000) \\ \text{Value} &= 4,500 + (.55 * 6,000) \\ \text{Value} &= \$7,800 \end{aligned}$$

Example 4: Size: 42.80 acres
Type: Open – 22.80 acres
Residual – 20.00 acres

a) Value = (U * S) + ((A - U) * I)
Value = (1 * 6,000) + ((22.80 - 1) * 5,000)
Value = 6,000 + (21.80 * 5,000)
Value = \$109,000

b) Value = (U * S) + ((A - U) * I)

$$\begin{aligned}\text{Value} &= (1 * 8,500) + ((20.00 - 1) * 5,000) \\ \text{Value} &= 8,500 + (19.00 * 5,000) \\ \text{Value} &= \$103,500\end{aligned}$$

$$\text{Total Value} = \$109,000 + 103,500 = \$212,500$$

Also, each land type can be adjusted by various positive and negative value influences

factors, such as view, access, location, water influence, shape and many others.

And, these values may also be adjusted by a size adjustment table that will lower the per acre value of larger tracts. Check with the county tax office or the tax manual to find the table number for the size adjustment table, if relevant.

METHOD 4, "SITE VALUE"

Regardless of the method used, land valuation is always a result of extensive sales analysis in the county of jurisdiction. Since different neighborhoods in one county experience extreme variations in selling price, a prudent sales study should be performed for each neighborhood.

Often, in sub-divisions with small lots, the appraiser may find that all lots are selling for nearly identical amounts, despite a disparity in size. For example, two acre tracts bring the same price as three acre tracts or half-acre parcels sell for the same as three-quarter acre properties. Often, the buyer intends to build, and does not care about size, so long as the tract is large enough to build upon.

In areas where sales show this type trend, the appraiser may feel that the most accurate way to appraise these parcels is to simply establish a "site value" for all lots in the neighborhood, equal to the average sale.

There are two ways to site value lots. One places a 1 in element 10 for the model in the zero column of Table 251, and sets the value in element 10 for each type column. Thus, all neighborhoods using that model will receive the same value (in that type).

A more flexible manner is to use element 10 in each column as a “grade factor” rather than a variable, and the columns in Table 251 no longer represent types of land for the “Site Valued Parcels.” Element 10 of the zero column would hold a value such as 5,000. Column 1 would then be “Grade 1” and would hold a factor of .2. Now, parcels given a “Site Value” of “Grade 1” would receive a value of \$1000 ($5,000 * .2 = 1000$). The system can hold 99 separate grades. So, Column 10, element 10 may hold a factor such as 2.2, and tracts assigned a “Site Value of Grade 10” would receive a value of \$11,000 ($5,000 * 2.2 = 11,000$). Column 36, element 10, may be given a factor of 8.6, and would yield a value of \$43,000 ($5,000 * 8.6 = 43,000$) for parcels assigned a “Site Value Grade 36.” This creates flexibility because when the next revaluation rolls around, the sales analysis may show an increase of 15% in value. If so, the 5,000 figure in the zero columns can be increased to 5,750, rather than changing all 99 factors, or changing the grades on all property record cards.

Public Utility Valuations

All owners of public utility assets in Holderness were mailed a questionnaire asking for a detailed breakdown of their assets situate in the Town. No responses were received excepting NH Electric Cooperative, who submitted their net book valuation only. Accordingly, estimates were performed on assets for each utility, and a cost approach less depreciation was applied to each excepting NH Electric Coop, as follows:

Basis of Estimations for Poles & Conduits:

Miles of public roads in the Town:	20.07 miles
Average Distance between Poles:	150 feet
Number of Poles:	1,267 poles
Pole RCN per Marshall/Swift:	\$1,423 each
Conduit RCN per Marshall/Swift:	\$5.10 per linear foot

Depreciation Components:

Life Expectancy per M&S:	35 Years
Average 'effective age:	25 Years
Age/Life Depreciation:	-71%
Economic Obsolescence (regulated):	-20%
Total Depreciation: (multiplicative):	23% Good
Depreciated Value of Poles:	\$418,360
Depreciated Value of Conduit:	\$121,200

Public Service of New Hampshire:

PSNH has no assets in Holderness on public rights-of-way, rather, high tension wires on double-poles traverse private lands, with no customers in Holderness. Accordingly, by map measurement for corridor length (13,000 linear feet), and personal average measurements between double poles, 173 poles were estimated. These poles were priced @ \$1,423 each, depreciated according to the above referenced 23% good, equating to \$113,400.

PSNH Easement Calculation:

The easement, estimating a 25 foot width for the corridor for 13,000 linear feet, or 67.15 acres, was priced at local backland value of \$4,500 per acre, or, \$302,200 for land (easement) value.

Public Lands (ROW's) occupied by public utilities:

Users:	NHEC, Fairpoint & Time-Warner
Percentage of use for each:	33%
Corridor Width:	15 feet
Acres:	65.45 Acres (105,967 ft. X 15)
Unit Value:	\$10,000/acre (per 'across the fence' methodology)
Total Corridor Value:	\$556,364

<u>Valuations:</u>	PSNH	NHEC	Fairpoint	Time-Warner
Land	\$302,200	\$185,400	\$185,400	\$185,400
Improvements	\$113,500	\$3,061,300*	\$330,400	\$0
Total Value	\$415,600	\$3,246,700	\$515,800	\$185,400

② NHEC value determined from net book value submitted by NHEC, inclusive of ROW value.

Holderness Public ROW's -Conduits - Poles 2013

ITEM (per Marshall/Swift)	UNIT COST	EASTERN	LOCAL	CURRENT
POLES	\$ 1,395.00	1.01	1.01	\$ 1,423 EACH
CONDUIT	\$ 5.00	1.01	1.01	\$ 5.10 LINEAR FOOT
GAS MAINS	\$ 12.45	1.01	1.01	\$ 12.70 LINEAR FOOT- 2" STEEL
GAS MAINS	\$ 16.05	1.01	1.01	\$ 16.37 LINEAR FOOT- 3" STEEL

POLE COVERAGE CALCULATIONS:

Feet in one mile	5,280
Miles of Roadway	36.00
Feet of public roadways:	190,080
Average distance between poles:	150
Number of poles along public roadways:	1267

Replacement costs for utility poles:

Average 'effective age' of poles: 25 Years		\$ 1,803,276
Average Condition of poles: Average		
Life-expectancy (per M&S) : 35 Years		
Indicated Age/Life Depreciation:	-71%	
Percent Good:	29%	
Economic Obsolescence:	20%	(regulated)
Net Percent Good:	23%	

Depreciated Value of Poles:

	\$ 418,360	<u>Rounded:</u>
PSNH SHARE: (0%)	\$ -	\$ -
NHEC SHARE: (50%)	\$ 209,180	\$ 209,200
FAIRPOINT SHARE: (50%)	\$ 209,180	\$ 209,200

Replacement Costs for Telephone Conduits

Estimated coverage = 50% of public roadways	
Linear feet of Conduit:	95040
Replacement Cost:	\$ 484,752
Overall Depreciated Value (@23% good)	\$ 121,200

R.O.W.s

LAND RIGHTS - TYPICAL PRICE PAID FOR EASEMENTS: =	8,500 PER ACRE (USED)
EST 20.07 MILES OF PUBLIC ROADS = 105,967 FT = X 15 FT CORRIDOR=	65.45 ACRES
VALUE OF CORRIDOR EASEMENTS=	\$ 556,364
PSNH SHARE (0%):	\$ - \$ 209,200
NHEC SHARE (33.33%):	\$ 185,400
FAIRPOINT SHARE (33.33%):	\$ 185,400
TIME-WARNER SHARE (33.33%):	\$ 185,400

Summary:

	PSNH	NHEC	Fairpoint	Time-Warner
Rights of Way	\$ 302,169	\$ 185,400	\$ 185,400	\$ 185,400
Poles	\$ 113,464	NBV	\$ 209,200	\$ -
Conduits	\$ -	\$ -	\$ 121,200	\$ -
Totals:	\$ 415,600	\$ 3,246,700	\$ 515,800	\$ 185,400

PSNH TRANSMISSION CORRIDOR	13000 LINEAR FEET
EASEMENT = 25X13000 FT	2925000 SQUARE FEET
NUMBER OF ACRES	67.15 ACRES
ACRE VALUE (BACKLAND)	\$ 4,500 PER ACRE
EASEMENT VALUE	\$ 302,169
POLE UNIT VALUE	\$ 1,423
AVERAGE DISTANCE BETWEEN POLES	150 FEET
# OF POLES (DOUBLE-POLES)	173
REPLACEMENT Cost	\$ 493,320
PERCENT GOOD	23%
TOTAL VALUE FOR POLES	\$ 113,464
LAND EASE VALUE	\$ 302,169
TOTAL VALUE FOR POLES & EASEMENT	\$ 415,600

Qualifications - Wil Corcoran

Mr. Corcoran is an appraiser with over 30 years of professional experience. Specializing in commercial, industrial and public utility valuations, he has performed a broad range of appraisal assignments around the northeast United States.

Present: Principal - Corcoran Consulting Associates, Inc. (1988 through present)
Serving as assessors, appraisers, and consultants for New Hampshire municipalities.

From November 1978 through April 1992:

Cole-Layer-Trumble Company: A national, municipal consulting firm. Held positions of increasing responsibilities from appraisal trainee to residential appraiser, and Senior Commercial\Industrial Appraiser to Business Appraisal Manager, responsible for company appraisal operations in Maine & New Hampshire.

Supervised the revaluations for eastern and New England townships, including:

Hollis, NH	Portland, ME	Warren, ME	Alton, NH	Westbrook, ME
Merrimack, NH	Bar Harbor, ME	Revere, MA	Freedom, NH	Camden, ME
Williamstown, MA	Billerica, MA	Derry, NH	Holderness, NH	Bristol, NH

Assignments as Senior Commercial\Industrial Appraisal Supervisor:

Plattsburg, NY	Peabody, MA	Clinton Cty, NY	Portland, ME	Revere, MA
Brockton, MA	Chelsea, MA	Billerica, MA	Orrington, ME	Lebanon, NH

Significant assignments include the appraisals of airports, race tracks, oil tank farms, national and international ferry terminals, ship yards, coal mines, resorts, and exclusive, special purpose properties and protected residential developments.

Special assignments include the analysis and appraisals for air rights, mineral rights, riparian rights, public utility valuations, and appraisal assignments involving contaminated sites.

Education:

Paterson State College, Paterson NJ - Courses related to a teaching degree.
Passaic Comm. College - 1973-1975, Liberal Arts courses

Appraisal Education: (40 Hour Courses)

International Association of Assessing Officers:

Fundamentals of Real Property Appraisal

Assessment Administration

Income Approach To Valuation

Site Analysis & Cost Approach to Value

Direct Sales Comparison Approach to Value

Mass Appraisal of Residential Properties

Income Analyses & Valuation

Mass Appraisal of Income Producing Properties

Appraisal of Industrial Properties

Mass Appraisal Statistics & Fundamentals

Qualifications - Wil Corcoran (continued)

Other Educational:

Uniform Standards of Professional Appraisal Practice (Appraisal Institute 1991, IAAO 2000)
Residential Review: Computer Assisted Mass Appraisal (CAMA).
Management 18 - Appraisal Management (6-week course)

Involved in a continuing appraisal education program since 1983, various Universities around the United States. Courses involved relate to all facets of the appraisal of real property, GIS configuration, and assessment administration.

Affiliations (current and prior)

Member: International Association of Assessing Officers
Member: New Hampshire Association of Assessing Officers
Member: NH Legislative Study Committee – Public Utility Pollution Control Device Exemptions (1996)
Member: Faculty - Property Tax School - University of Maine @ Orono (1994 – 1997)
Chairman: NHAAO Standards Committee (1994-1995)
Co-Chair: NHAAO Legislative Committee (1994-1995)
Member: Executive Board of Directors NH Chapter of IAAO (1994-1996)
Treasurer: NH Chapter of International Association of Assessing Officers (1994-1996)
Member: NH Legislative Study Committee - Regulation of Ad Valorem Appraisers (1995)
Member: NH Legislative Study Committee - Regulation of Property Tax Consultants (1995)
Member: NH Municipal Association Legislative Policy Committee (1994-1995)

Certifications:

Certified New Hampshire Assessor

Certified Maine Assessor

Certified Commercial Appraiser, State of Connecticut

Certified Appraisal Supervisor, State of Vermont

Certified Appraisal Supervisor, State of New Hampshire

Certified Revaluation Monitor, State of New Hampshire

Qualifications:

Qualified and testified as an expert witness in New Hampshire and Maine Superior Courts and Formal Appellate Boards throughout New England.

J. ROY SMITH - QUALIFICATIONS

Mr. Smith is a practicing appraiser with over 28 years of municipal appraisal experience. Mr. Smith has been working as a residential appraiser and Field Manager for Corcoran Consulting, Inc. since 1996. Mr. Smith has assisted numerous municipalities as they prepare for certification, and has provided valuable support in revaluations and assessment updates. Mr. Smith is an expert in the administration of CAMA systems and is familiar with all the major appraisal software systems available in the market.

Work Experience:

1996 to Present: Corcoran Consulting Associates, Inc., Wolfeboro, NH

Appraiser – Field Manager – As Field Manager, responsible for the training and supervision of all data collectors and Group Leaders in the Company. Develops guidelines and procedures for consistent recordation of data application of consistent methodologies. As appraiser, responsible for delineation of economic neighborhoods and associated documentation, market analyses, and performs appraisals on residential properties throughout the State of New Hampshire.

Manages CAMA systems and archival, digital and optical data for various municipalities.

1993 to 1996: Patriot Properties, Inc., Peabody, MA

Residential Appraiser – Project Manager for all data collectors on job assignments – performed residential appraisals for revaluations.

1990 to 1992: Avitar Associates of NE, Chichester, NH

Residential Appraiser – Provided appraisal and data collection services for multiple municipalities in New Hampshire.

1989 to 1990: Property Financial Appraisal Services, Gloucester, MA

Fee Appraiser – Performed fee appraisals for banks and lending institutions.

1988 to 1989: MMC, Inc., Chelmsford, MA

Residential Appraiser – Provided appraisal and data collection services for multiple municipalities in New Hampshire and Massachusetts.

JOE ROY SMITH – QUALIFICATIONS (CONTINUED)

1986 to 1988: Blue Ridge Appraisal Company, Staunton, VA

Data Collector – Collected data for all property types for municipal revaluations. Hearing Officer for informal hearings.

1982 to 1985: Cole-Layer-Trumble Company – Dayton, OH

Data Collector – Collected data for all property types for four counties in the Statewide revaluation of West Virginia. Assisted in residential appraisals.

Education

1980 High School Graduate – Elkins, WV
1980-1981 Marshall University – Huntington, WV – Liberal Arts
1981-1982 Southeastern Academy - Kissimmee, FL - Travel
Industry

Appraisal Education:

1982 – Two week course on Data Collections, Elkins, WV
1993 - USPAP, 32-hour Conway, NH
1988 - IAAO Course 101 Fundamentals of Real Property Appraisal
2003 - IAAO Course 102 Income Approach to Value
2008 – IAAO Course 400 Property Appraisal and Assessment
Administration

***PERSONNEL UTILIZED DURING UPDATE PROCESS
IN HOLDERNESS FOR 2013***

DRA Certification Levels:

Wil Corcoran: Certified Property Assessor Supervisor: Supervisor & Analysis

Roy Smith: Certified Property Assessor Assistant: Supervisor & Analysis

Monica Hurley: Certified Property Assessor Supervisor: Analysis

Ron Doyon: Certified Property Assessor Assistant: Supervisor & Data
Collector

Ben Lafond: Certified Property Assessor Assistant: Data Collector

Susan Daniels: Certified Property Assessor Assistant: Data Collector

Brian Hathorn: Certified Property Assessor Supervisor: Data Collector

How Univers Calculates Value

Residential Cost

Valuing 106 Killingly Drive

- 106 Killingly Drive is a Colonial built in 1950.
- It has 1882 square feet of living area, not including a 252 square foot enclosed porch or 400 square foot rec room.
- It has 1 ½ baths and a fireplace.
- A 240 square foot detached garage built in 1990 is also located on the property.
- It is all situated on a .560 acre lot.



Valuing 106 Killingly Drive

- Table 300 – Residential Control Table tells me three things.
 - The Date of Value is 1994.
 - The Level of Assessment is .7
 - The Local Modifier is 1.8.

The screenshot shows a software window titled 'Table 300 Residential Control Table'. The window is divided into several sections. At the top right, it displays the date '02/26/1991'. Below this, it shows 'Description of Cols: NONE' and 'Description of Rows: NONE'. A small table indicates 'Col 1: 1' and 'Row 1: 1'. The main section is titled 'Cell Contents' and contains a list of five items: '1. 1994', '2. .7', '3. KILLINGLY, CONNECTICUT', '4. 1', and '5. 1.8'. At the bottom, it shows 'Macro: Add +ROW EIm=12345' and 'D = define macro M = use macro'. A footer note reads 'Use arrow keys to select cell. Ins to modify, Del to delete, and Esc to return.'

Cell Contents
1. 1994
2. .7
3. KILLINGLY, CONNECTICUT
4. 1
5. 1.8

Valuing 106 Killingly Drive

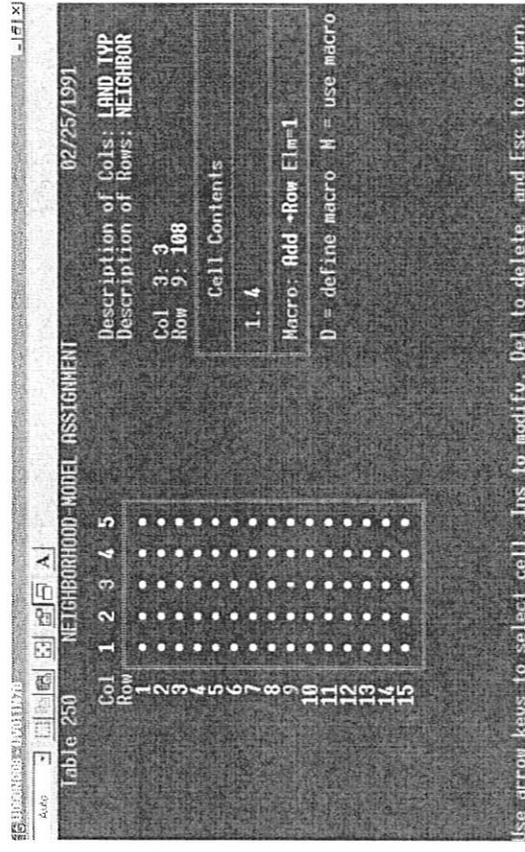
- The Table Level determines what cost level will be used.
- The Local Modifier adjusts the costs by the indicated factor. Multiply all costs including outbuildings by this modifier.

Valuing 106 Killingly Drive

- Land sizes is Killingly, where the property is located, were dictated by zoning.
- This lot is over the zoning size of .23, Primary is .23 and Secondary is .33.
- The property is located in neighborhood 108.
- The land value is \$17,580.

Valuing 106 Killingly Drive

- By going to Table 250 - Neighborhood - Model Assignment that neighborhood 108 is assigned to model 4.



Valuing 106 Killingly Drive

- Now I will look at Table 251 - Standard Land Rates by Type.
- Column 1 tells me that the Standard Acre Size is 1 Acre.
- Column 2 tells me that Primary in Model 4 is priced at \$20,000 per acre.

02/25/1991
Table 251 STANDARD LAND RATES BY TYPE
Description of cols: LAND TYP
Description of rows: MODEL NO
Col 1: 0
Row 4: 4
Cell Contents:
1 0
2 43560
3 1
4 0
Macro: Add -Row Elm 1234
D = define macro M = use macro

02/25/1991
Table 251 STANDARD LAND RATES BY TYPE
Description of cols: LAND TYP
Description of rows: MODEL NO
Col 2: 1
Row 4: 4
Cell Contents:
1 0
2 0
3 20000
4 0
Macro: Add -Row Elm 1234
D = define macro M = use macro

Valuing 106 Killingly Drive

- Since the Primary lot is less than 1 acre, I will look at Table 252 – Inc/Dec (+/-) Rate by Type.
- According to the table, the Incremental for Model 4 is \$2,000 and the Decremental is \$4,000.
- This means that for every acre above, \$2,000 will be added to the base rate of \$20,000 OR \$4,000 will be subtracted for every acre below.

Table 252 INC/DEC(+/-) RATE BY LAND TYPE 02/25/1991

Col	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Description of Cols: LAND TYP
Row	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Description of Rows: MODEL NO
1	Col 1: 1
2	Row 4: 4
3	Cell Contents
4	1. 0
5	2. 0
6	3. 0
7	4. 0
8	5. 2000
9	6. 4000
10	
11	

Macro: Add +Row Ela=123456
D = define macro M = use macro

Use arrow keys to select cell. Ins to modify. Del to delete. and Fscr to return.

Valuing 106 Killingly Drive

- My Primary acreage is .23, I must subtract it from the base of 1.
$$1 - .23 = .77$$
- Since it is under 1 acre, we must use a Decremental of \$4,000/acre.
$$.77 \times 4,000 = \$3,080$$
- We now subtract this amount from our base rate of \$20,000.
$$\$20,000 - \$3,080 = \$16,920$$

Valuing 106 Killingly Drive

- Now we will calculate the value of the remaining land of .33 acres.
- By referring to Table 251 again, I see that Secondary in Model 4 is \$2,000.
- Table 252 tells me that both the Incremental and Decremental for Secondary in Model 4 is \$2,000.

Table 251 STANDARD LAND RATES BY TYPE

Col	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Row 1
Row 2
Row 3
Row 4
Row 5
Row 6
Row 7
Row 8
Row 9
Row 10
Row 11

Macro: fdd -Row E14=1234
D = define macro H = use macro

Table 252 INC/DEC(+/-) RATE BT LAND TYPE

Col	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Row 1
Row 2
Row 3
Row 4
Row 5
Row 6
Row 7
Row 8
Row 9
Row 10
Row 11

Macro: fdd -Row E14=123456
D = define macro H = use macro

Valuing 106 Killingly Drive

- Since .33 is less than 1 acre, subtract it from 1.

$$1 - .33 = .67$$

- The Decremental is \$2,000.

$$.67 \times 2,000 = \$1,340$$

- We now subtract this amount from the base rate of \$2,000.

$$\$2,000 - \$1,340 = \$660.$$

Valuing 106 Killingly Drive

- By adding our two values together, we have now calculated the land value for this parcel.

$$\$16,920 + \$660 = \$17,580$$

Valuing 106 Killingly Drive

- Let's move on to the Dwelling.
- It is a 2 story Colonial with a BASE AREA of 900 square feet.
- Table 301 - Residential Pricing Schedules tells us that a 2 Story Frame Dwelling with 900 sq ft of Base Area is \$48,467, but we're not done.
- This number must be multiplied by the Local Modifier of 1.8.

Table 301: RESIDENTIAL DWELLING PRICING SCHEDULES 02/25/1991

Description of Cols: STRY HGT
Description of Rows: AREA

Col 3: 2
Row 8: 900

Col	1	2	3	4	5
Row 1	.	48467	.	.	.
Row 2
Row 3
Row 4
Row 5
Row 6
Row 7
Row 8
Row 9
Row 10
Row 11
Row 12
Row 13
Row 14
Row 15
Row 16
Row 17
Row 18
Row 19

Macro: Add +Row Edit=1234
D - define macro - M - use macro

Use arrow keys to select cell. Ins. to modify. Del. to delete. and Esc. to return.

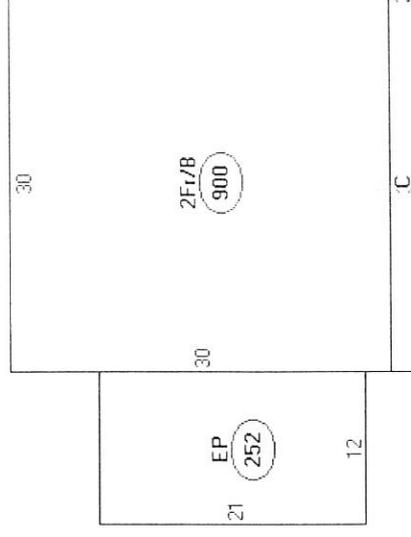
$$\$48,467 \times 1.8 = \$87,240$$

(rounded)

Valuing 106 Killingly Drive

- Now we will calculate the value of the additions.
- The additions include a 252 sq ft enclosed porch and a 60 sq ft frame overhang.

Descriptor/Area
A: 2F1/B
900 sqft
B: EP
252 sqft
C: FOH
60 sqft



Valuing 106 Killingly Drive

- Let's do the enclosed porch first.
- Table 305 – Residential Porches/Patios/Utility Sheds
Sheds tells me that a 240 sq ft enclosed porch is worth 43 addition points. A 260 sq ft enclosed porch is worth 47 points.

Table 305 RESIDENTIAL PORCHES/PATIOS/UTILITY SHEDS 12/06/1990
Description of Cols: NAMES
Description of Rows: AREA
Col 3: 2 FF ENCL FR PD
Row 13: 240

Row	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

Cell Contents
1. 43
Macro: Add -Row Fin-1
0 = define macro M = use macro

Use arrow keys to select cell. Ins to modify. Del to delete. and Esc to return.

Valuing 106 Killingly Drive

- Our enclosed porch is 252 sq ft.
$$12 (252-240)/20(260-240) = .6$$
$$.6 \times 4(47-43) = 2.4$$
$$43 + 2.4 = 45.4 \text{ Addition Points}$$
- Multiply Addition Points by 100 to calculate the value.
$$45 \text{ (rounded)} \times 100 = \$4,500$$
- Don't forget our Local Modifier of 1.8.
$$\$4,500 \times 1.8 = \$8,100.$$

Valuing 106 Killingly Drive

- Next we'll tackle that overhang.
- The overhang is really a 2nd story addition.
- A 60 sq ft Upper Flr Full addition is worth 9 Addition Points.

Table 304 RESIDENTIAL LIVING AREA ADDITIONS 12/06/1990

Description of Cols: NAME
Description of Rows: AREA

Col 2: 1 UPPER FLR FUL
Row 7: 60

Cell Contents

A1: 9

Macro: Add →Row Elev=1

D = define macro M = use macro

Use arrow keys to select cell. Ins to modify. Del to delete. and Esc to return.

$$9 \times 100 = \$900$$

$$\$900 \times 1.8 = \$1,600$$

(rounded)

Valuing 106 Killingly Drive

- Now let's value the Rec Room.
- Table 309 - Residential Other Features tells me that Rec Rooms are worth \$5.20/sq ft.

Col 1	Description of Cols: VALUE	Description of Rows: TYPE
1		
2		
3		
4		
5		
6	5.20	REC ROOM
7		
8		
9		
10		
11		

Cell Contents
1. 5.20
2. RECREATION ROOM
Macro: Add +Row E1a-12
D = define macro M = use macro

Table 309 RESIDENTIAL OTHER FEATURES 12/06/1990

Use arrow keys to select cell. Ins to modify, Del to delete, and Esc to return.

$$400 \times 5.20 = \$2,080$$

$$\$2,080 \times 1.8 = \$3,740$$

(rounded)

Valuing 106 Killingly Drive

- Next we add for plumbing.
- Our house has 1 1/2 baths.
- In Table 309 we see that extra fixtures are \$400 each.
- One bath is standard, meaning we have 2 additional fixtures.

The screenshot shows a spreadsheet window titled 'Table 309 RESIDENTIAL OTHER FEATURES' with a date of 12/06/1990. The spreadsheet has two columns: 'Col 1' and 'Row'. The 'Row' column contains numbers 1 through 11. The 'Col 1' column contains a list of items: 1. 400, 2. EXTRA FIXTURES, and Macro: Add → Row Elm=12. A 'Cell Contents' window is open over the first row, showing the value '1. 400'. A status bar at the bottom reads 'Use arrow keys to select cell. Ins to modify. Del to delete. and Esc to Return.'

Col 1	Row
1. 400	1
2. EXTRA FIXTURES	2
Macro: Add → Row Elm=12	3
	4
	5
	6
	7
	8
	9
	10
	11

$$2 \times 400 = \$800$$

$$\$800 \times 1.8 = \$1,440$$

Valuing 106 Killingly Drive

- Our house has a fireplace opening on 1 chimney.
- Again in Table 309, I learn that 1 fireplace opening is worth \$1,800.

Table 309 RESIDENTIAL OTHER FEATURES

Col	1
Row 1	•
2	•
3	•
4	•
5	•
6	•
7	•
8	•
9	•
10	•
11	•

Description of Cols: VALUE
Description of Rows: TYPE

Col 1: 1
Row 3: MB FP OPEN

Cell Contents

1. 1800
2. 1000 FP OPENING

Macro: Add +Row Elm=12
D = define macro H = use macro

Use arrow keys to select cell. Ins to modify. Del to delete. and Esc to return.

$$1 \times 1,800 = \$1,800$$

$$\$1,800 \times 1.8 = \$3,240$$

Valuing 106 Killingly Drive

- Let's see what we have so far.

87,240 – Base Price

9,700 – Additions

3,740 – Rec Room

1,440 – Plumbing

3,240 – Fireplace

105,360 - Subtotal

Valuing 106 Killingly Drive

- Our house is graded a C+.
- Table 303 - Residential Grade Factors tells me that a C+ = 1.08 times the Subtotal.

Table 303 RESIDENTIAL GRADE FACTORS

Col 1
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

02/25/1991
Description of Cols: VALUE
Description of Rows: GRADE
Col 1: 0
Row 8: C+
Cell Contents
1. 1.08
Macro: Add -Row F1=1
D = define macro M = use macro

Use arrow keys to select cell. Ins to modify. Del to delete. and Esc to return.

$$\$105,360 \times 1.08 = \$113,790$$

Valuing 106 Killingly Drive

- Table 307 – Percent Good Table – Dwelling is a standard 40 year life depreciation table.
- The Rows correspond to the Year Built beginning with the Date of Value found in your Residential Control Table (1994).
- The Columns represent the condition as described in the CDU field.
- 1=EX, 2=VG, 3=GD, 4=AV, 5=FR, 6=PR, 7=VP, 8=UN

Table 307 PERCENT GOOD TABLE DWELLING 12/06/1990

Description of Cols: COND.
Description of Rows: AGE

Col 4: 4
Row 45: 44

Cell Contents
1. 72

Macro: Add →Row E1n=1
D = define macro N = use macro

Use arrow keys to select cell. Ins to modify. Del to delete, and Esc to return.

Col	1	2	3	4	5	6	7	8
Row 29
Row 30
Row 31
Row 32
Row 33
Row 34
Row 35
Row 36
Row 37
Row 38
Row 39
Row 40
Row 41
Row 42
Row 43
Row 44
Row 45
Row 46
Row 47

Year built = 1950 CDU = AV
 $1994 - 1950 = 44$
 $44 + 1 = 45$
 Row 45 / Column 4 = 72
 $\$113,790 \times .72 = \$81,930$

Valuing 106 Killingly Drive

- All we have left is our 240 sq ft Detached Garage built in 1990.
- Table 401 – OBV Pricing Setup tells us a couple of things.
- Line 2 tells us that there is a flat rate of \$1,810.
- Line 4 tells us that we should add \$7.25/sq ft to the flat rate.
- Line 5 tells us that the Grade is used in the calculation.
- Line 6 tells us which column in the depreciation schedule we're to use.

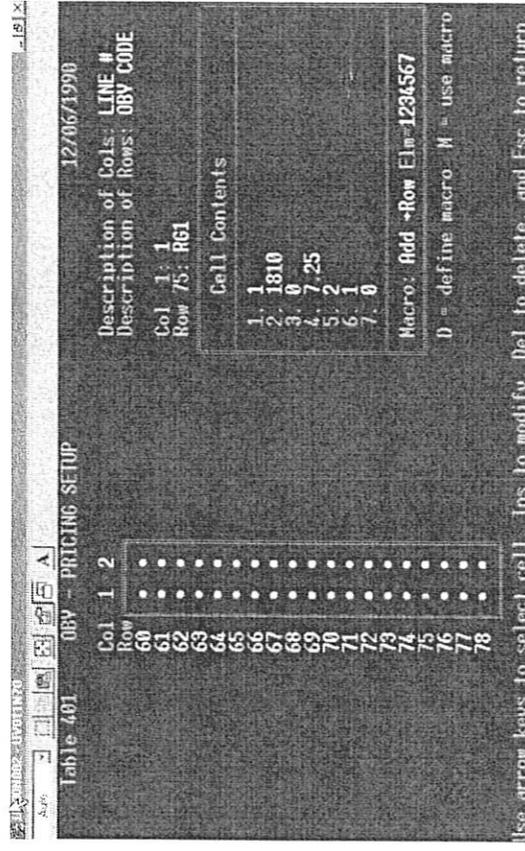


Table 401 - OBV - PRICING SETUP

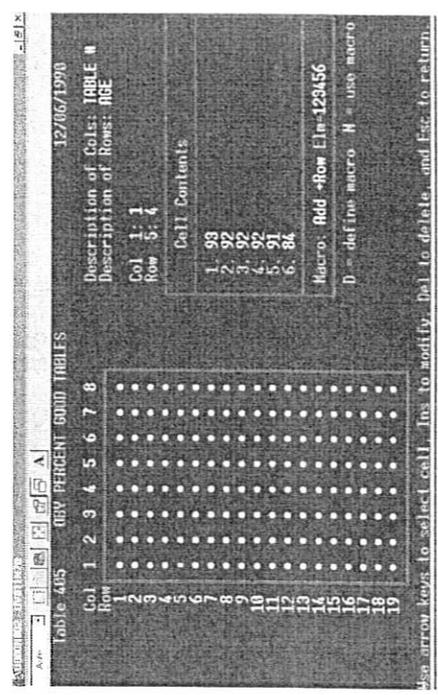
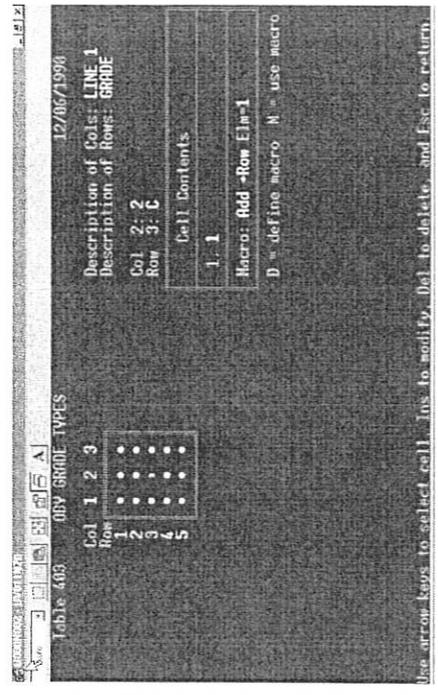
Row	Col	Cell Contents
60	1	1
61	2	1810
62	3	0
63	4	7.25
64	5	1
65	6	1
66	7	0

Macro: Add +Row Elm=1234567
D = define macro M = use macro

Use arrow keys to select cell. Ins to modify, Del to delete, and Esc to return.

Valuing 106 Killingly Drive

- Our garage is a C grade in Average condition.
- Table 403 - OBY
Grade Types tells me a C grade is 1.00 X the base price.
- Table 405 - OBY
Percent Good Tables under Column 1 tells me that a garage in Ave condition (Line 4) is 92% good.



Valuing 106 Killingly Drive

$$1,810 + (240 \times 7.25) = \$3,550$$

$$\$3,550 \times 1.8 = \$6,390$$

$$\$6,390 \times .92 = \$5,880 \text{ (rounded)}$$

The Value for the Garage = \$5,880

Valuing 106 Killingly Drive

Land Value = 17,580

Building Value = 81,930

Garage Value = 5,880

Total = \$105,390



Thanks!

Abatement: (1) An official reduction or elimination of one's assessed valuation after completion of the original assessment. (2) An official reduction or elimination of one's tax liability after completion of the tax roll.

Abstraction Method: Method of land valuation in the absence of vacant land sales, whereby improvement values obtained from the cost model are subtracted from sales prices of improved parcels to yield residual land value estimates. Also called residual land technique.

Ad Valorem Tax: A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax.

Adjustments: Modifications in the reported value of a variable, such as sale price. For example, adjustments can be used to estimate market value in the sales comparison approach by modifications for differences between comparable and subject properties. Note: Adjustments are applied to the characteristics of the comparable properties in a particular sequence that depends on the method of adjustment selected.

Age/Life method (depreciation): A method of estimating accrued depreciation founded on the premise that, in the aggregate, a neat mathematical function can be used to infer accrued depreciation from the age of a property and its economic life. Another term is "straight-line depreciation" (see depreciation, accrued; and depreciation method, straight-line).

Allocation by Abstraction: A method of separating a whole property value into land and improvement components. The appraiser estimates replacement cost new, subtracts an appropriate amount for depreciation, and subtracts the remainder from the whole property value to estimate the land value.

Allocation Method: A method used to value land, in the absence of vacant land sales, by using a typical ratio of land to improvement value. Also called land ratio method

Appraisal Methods: The three methods of appraisal, that is, the cost approach, income approach, and sales comparison approach.

Appraisal Report: The oral or written communication of a completed appraisal.

Appraisal-Sale Price Ratio: The ratio of the appraised value to the sale price (or adjusted sale price) of a property; a simple indication of appraisal accuracy.

Appraisal Standards Board: The division of The Appraisal Foundation that develops, publishes, interprets, and amends the Uniform Standards of Professional Appraisal Practice on behalf of appraisers and users of appraisal services. The New Hampshire Legislature has empowered New Hampshire's own Appraisal Standards Board, under RSA 21-J:14-b.

Appraiser One who estimates the value of property; more commonly, one of a group of professionally skilled persons holding themselves out as experts in valuation

Appreciation: Increase in value of a property, in terms of money, from causes other than additions and betterments. For example, a farm may appreciate if a shopping center is built nearby, and property of any sort may appreciate as a result of inflation.

Appurtenance: In appraisal, an appurtenance is any addition to a property that becomes a part of that property. Generally, an appurtenance differs from a fixture in that the fixture was once personal property.

Arm's-Length Sale: A sale in the open market between two unrelated parties, each of whom is reasonably knowledgeable of market conditions and under no undue pressure to buy or sell.

Assemblage: The assembling of adjacent parcels of land into a single unit. Compare "plottage".

Assess: To value property officially for the purpose of taxation.

market appraisal produced through mathematical modeling. Credibility of an AVM is dependent on the data used and the skills of the modeler producing the AVM.

Bias: A statistic is said to be biased if the expected value of that statistic is not equal to the population parameter being estimated. A process is said to be biased if it produces results that vary systematically with some factor that should be irrelevant. In assessment administration, assessment progressivity or regressivity is one kind of possible bias.

Board of Tax and Land Appeals: Empowered by RSA 71-B, the Board of Tax and Land Appeals has responsibility for: 1) hearing appeals of individual tax assessments, exemptions or refunds, whether levied by the State or its municipalities; 2) hearing petitions for reassessment and determining the adequacy of reassessments ordered by the board; and 3) determining any appeals of the equalization ratios established by the Commissioner of Revenue Administration.

Capitalization Rate: Any rate used to convert an estimate of future income to an estimate of market value; the ratio of net operating income to market value.

Coefficient of Dispersion (COD): The average deviation of a group of numbers from the median expressed as a percentage of the median. In ratio studies, the average percentage deviation from the median ratio.

Computer Assisted Mass Appraisal (CAMA): A system of appraising property, usually only certain types of real property, that incorporates computer-supported statistical analyses such as multiple regression analysis and adaptive estimation procedure to assist the appraiser in estimating value.

Confidence Interval: For a given confidence level, the range within which one can conclude that a measure of the population (such as the median or mean appraisal ratio) lies.

Encumbrance: Any limitation that affects property rights and value.

Equalization: The process by which an appropriate governmental body attempts to ensure that all property under its jurisdiction is assessed at the same assessment ratio or at the ratio or ratios required by law. Equalization may be undertaken at many different levels. Equalization among use classes (such as agricultural and industrial property) may be undertaken at the local level, as may equalization among properties in a school district and a transportation district; equalization among counties is usually undertaken by the state to ensure that its aid payments are distributed fairly.

Equalized Values: Assessed values after they have all been multiplied by common factors during equalization.

Estate: a right or interest in property.

Expense: A cost, or that portion of a cost, which, under accepted accounting procedures, is chargeable against income of the current year.

External (Economic) Obsolescence: The loss of appraisal value (relative to the cost of replacing a property with property of equal utility) resulting from causes outside the property that suffers the loss. Usually locational in nature in the depreciation of real estate, it is more commonly marketwide in personal property, and is generally considered to be economically infeasible to cure.

Factor: (1) An underlying characteristic of something (such as a house) that may contribute to the value of a variable (such as its sale price), but is observable only indirectly. For example, construction quality is a factor defined by workmanship, spacing of joists, and materials used. Factor definition and measurement may be done subjectively or by a computer-assisted statistical algorithm known as factor analysis. (2) Loosely, any characteristic used in adjusting the sales prices of comparables. (3) The reciprocal of a rate. Assessments may be equalized by multiplying them by a factor equal to the reciprocal of the assessment ratio, and value can be

identifying the most appropriate market, and, second, the most profitable use within that market. The concept is most commonly discussed in connection with underutilized land.

Horizontal Inequity: Differences based on criteria other than value range in the levels of assessment of groups of properties. For example, properties in one neighborhood may have a higher level of assessment than similar properties in another neighborhood. See vertical inequity.

IAAO: International Association of Assessing Officers.

Improvements: Buildings, other structures, and attachments or annexations to land that are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains, and sewers. Note: Sidewalks, curbing, sewers, and highways are sometimes referred to as "betterment," but the term "improvements" is preferred.

Income: The payments to its owner that a property is able to produce in a given time span, usually a year, and usually net of certain expenses of the property.

Income Approach: One of the three approaches to value, based on the concept that current value is the present worth of future benefits to be derived through income production by an asset over the remainder of its economic life. The income approach uses capitalization to convert the anticipated benefits of the ownership of property into an estimate of present value.

Intangible Personal Property: Property that has no physical existence beyond merely representational, nor any extrinsic value; includes rights over tangible real and personal property, but not rights of use and possession. Its value lies chiefly in what it represents. Examples include corporate stock, bonds, money on deposit, goodwill, restrictions on activities (for example, patents and trademarks), and franchises. Note: Thus, in taxation, the rights evidenced by outstanding corporation stocks and bonds constitute intangible property of the security holders because they are claims against the assets owned and income received by the corporation rather than by the stockholders and bondholders; interests in partnerships, deeds,

ratio, "level of assessment" usually means either the legal requirement or the true ratio, and "assessment ratio" usually means the true ratio or the sample statistic.

Life Estate: An interest in property that lasts only for a specified person's lifetime; thus the owner of a life estate is unable to leave the property to heirs

Listing: The process by which the assessor ensures that records for the taxable property identified during discovery are preserved with integrity, available for use in valuation activities, and ultimately reflected in the assessment roll.

Long-lived Items: Items that are the basic structure of a building and are not usually replaced during economic life. For example: foundation, roof structure, and framing

Market Approach: A valuation term with several meanings. In its broadest use, it might denote any valuation procedure intended to produce an estimate of market value, or any valuation procedure that incorporates market-derived data, such as the stock and debt technique, gross rent multiplier method, and allocation by ratio. In its narrowest use, it might denote the sales comparison approach..

Market-Value: Is defined in RSA 75:1 as: "the property's full and true value as the same would be appraised in payment of a just debt due from a solvent debtor". An expanded definition of "Market Value" as defined within the NH Department of Revenue, Property Appraisal Division's "600 Rules", establishes the market value of a property must meet the following criteria:

- (a) Is the most probable price, not the highest, lowest or average price;
- (b) Is expressed in terms of money;
- (c) Implies a reasonable time for exposure to the market;
- (d) Implies that both buyer and seller are informed of the uses to which the property may be put;
- (e) Assumes an arm's length transaction in the open market;

property for its intended use. The expenses include management fees, reserves for replacement, maintenance, property taxes, and insurance, but do not include debt service, reserves for building additions, or income tax.

Nominal Tax Rate: The stated tax rate, which does not necessarily correspond to the effective tax rate.

Obsolescence: A decrease in the value of a property occasioned solely by shifts in demand from properties of this type to other types of property and/or to personal services. Some of the principal causes of obsolescence are: (1) Changes in the esthetic arts; (2) changes in the industrial arts, such as new inventions and new processes; (3) legislative enactments; (4) change in consumer demand for products that results in inadequacy or overadequacy; (5) migration of markets that results in misplacement of the property. Contrast depreciation, physical; depreciation, economic.

Overall Rate (OAR): A capitalization rate that blends all requirements of discount, recapture, and effective tax rates for both land and improvements; used to convert annual net operating income into an indicated overall property value.

Partial Interest: An interest (in property) that is less complete than a fee simple interest. Also known as a "fractional" interest.

Percent Good: An estimate of the value of a property, expressed as a percentage of its replacement cost, after depreciation of all kinds has been deducted.

Personal Property: Consists of every kind of property that is not real property; movable without damage to itself or the real estate; subdivided into tangible and intangible. Also called "personalty."

Physical Depreciation: Depreciation arising solely from a lowered physical condition of the property or a shortened life span as the result of ordinary use, abuse, and action of the elements.

and, second, to document property appraisals. Use of properly designed property record forms permits an organized and uniform approach to amassing a property inventory

Ratio Study: A study of the relationship between appraised or assessed values and market values. Indicators of market values may be either sales (sales ratio study) or independent "expert" appraisals (appraisal ratio study). Of common interest in ratio studies are the level and uniformity of the appraisals or assessments. See also level of appraisal and level of assessment.

Real Property: Consists of the interests, benefits, and rights inherent in the ownership of land plus anything permanently attached to the land or legally defined as immovable; the bundle of rights with which ownership of real estate is endowed. To the extent that "real estate" commonly includes land and any permanent improvements, the two terms can be understood to have the same meaning. Also called "realty."

Reconciliation: The final step in the valuation process wherein consideration is given to the relative strengths and weaknesses of the three approaches to value, the nature of the property appraised, and the quantity and quality of available data in formation of an overall opinion of value (either a single point estimate or a range of value). Also termed "correlation" in some texts.

Replacement Cost New Less Depreciation (RCNLD): In the cost approach, replacement cost new less physical incurable depreciation.

Residual Value of Improvements: A value ascribed to improvements on a parcel of land by deducting from the total value of land and improvements (as determined by composite appraisal) the value of the land alone (as determined by comparison with other parcels). Contrast residual value of land. Note: A residual value of improvements is usually estimated only when the land is obviously not improved to its highest and best use.

Residual Value of Land: A value ascribed to land alone by deducting from the total value of land and improvements (as determined by composite appraisal) the value of the improvements

Statistics: (1) Numerical descriptions calculated from a sample, for example, the median, mean, or coefficient of dispersion. Statistics are used to estimate corresponding measures, termed parameters, for the population. (2) The science of studying numerical data systematically and of presenting the results usefully. Two main branches exist: descriptive statistics and inferential statistics.

Stratification: The division of a sample of observations into two or more subsets according to some criterion or set of criteria. Such a division may be made to analyze disparate property types, locations, or characteristics, for example.

Subdivision: A tract of land that has been divided into marketable building lots and such public and private ways as are required for access to those lots, and that is covered by a recorded plat.

Tax-Exempt Property: Property entirely excluded from taxation because of its type or use. The most common examples are religious, charitable, educational, or governmental properties. This definition omits property for which the application of a partial exemption reduces net taxable value to zero.

Tax Map: A map drawn to scale and delineated for lot lines or property lines or both, with dimensions or areas and identifying numbers, letters, or names for all delineated lots or parcels.

Tax, Progressive: (1) A tax in which the effective rate is higher for a taxpayer subject to taxation on a large tax base than for a taxpayer subject to taxation on a small tax base. (2) Loosely used to refer to any tax that absorbs a larger proportion of the wealth or income of the well-to-do classes than of the poorer classes. Contrast tax, proportional; tax, special property; tax, graduated.

Tax, Proportional: A tax in which the effective tax rate is the same for all taxpayers regardless of the sizes of the tax bases on which they are subject to taxation. Contrast tax, progressive; tax, regressive

Tax Rate: (1) The amount of tax stated in terms of a unit of the tax base, for example, 30 mills per dollar, 2 percent, 2 cents per gallon. (2) For the property tax, the percentage of assessed

sometimes also, but not necessarily, the effects of changes in the demand for microlocational goods and services.

Uniform Standards of Professional Appraisal Practice: Annual publication of the Appraisal Standards Board of The Appraisal Foundation: "These Standards deal with the procedures to be followed in performing an appraisal, review or consulting service and the manner in which an appraisal, review or consulting service is communicated. . . .STANDARD 6 sets forth criteria for the development and reporting of mass appraisals for ad valorem tax purposes or any other universe of properties"

Uniformity: The equality of the burden of taxation in the method of assessment.

Unweighted Mean: A mean in which each value is considered only once. See weighted mean.

Use Code: A code (used on a property record form) to indicate a property's use class or, less often, potential use.

Use Class: (1) A grouping of properties based on their use rather than, for example, their acreage or construction. (2) One of the following classes of property: single-family residential, multifamily residential, agricultural, commercial, industrial, vacant land, and institutional/exempt. (3) Any subclass refinement of the above-for example, townhouse, detached single-family, condominium, house on farm, and so on. See also property use category.

Vacancy and Collection Loss: The amount of money deducted from potential annual gross income to reflect the effect of probable vacancy and turnover, or nonpayment of rent by tenants. Vacancy and collection loss is commonly expressed as a percentage of potential annual gross income, and it should be based on market research, not actual rental history of a property.

capitalization rate (or discount rate or mortgage-equity overall rate) that must be separately specified in band-of investment analysis and mortgage equity analysis.

Zoning: The exercise of the police power to restrict land owners as to the use of their land and/or the type, size, and location of structures to be erected thereon.