

Revaluation – Statistical Update of Assessment Values

Frequently Asked Questions

What is a revaluation?

According to Maine Revenue Service, "Revaluation" means the development of new property valuations by a firm through the introduction of new grading and pricing schedules, the updating of existing grading and pricing schedules, or the maintenance of an existing valuation system.

KRT Appraisal and the City of Rockland will be updating existing grading and pricing schedules for property valuations and maintaining the existing valuation system by performing a statistical update of assessment values. To do this, we will complete 5 phases: (1) Sales Review/Validation, (2) Market Analysis, (3) Valuation, (4) Field Review, and (5) Informal Hearings. During these phases many tasks will be completed to ensure the Statistical Update is successful. Below is a general outline and explanation of each phase of the project.

PHASE 1: SALES REVIEW/VALIDATION

During this phase, KRT appraisers will field review each property that sold between April 1, 2008 and March 31, 2010 and review the information on the property record card for data accuracy. The appraiser will make notes regarding the property location, size, condition, quality of construction, and numerous other characteristics that may affect value. The goal is to gain a clear understanding of what sold and for what price. In conjunction with the Assessing Office, KRT will begin the process of qualifying sales as "Arm's Length". Only qualified sales with market exposure between a willing buyer and willing seller (in other words, an "arm's length" sale) will be used in the analysis.

KRT Field Representatives will carry Picture IDs, Municipal letters of Introduction, and have their vehicles listed with both the Assessor's Office and Police Department.

PHASE 2: MARKET ANALYSIS

A variety of resources are used to analyze the real estate market. KRT will be analyzing property sales that took place over the last two years to determine which market factors influenced property values. KRT Appraisal will gather and use information from Maine Multiple Listing Service (MLS), property managers, developers, and local real estate professionals. Once all the data is collected and reviewed for accuracy, the appraiser will determine land values and delineate neighborhoods, which rate the desirability of locations throughout the City as determined by actual market activity.

PHASE 3: VALUATION

Valuation is done using one of the three recognized appraisal methods: Cost Approach, Income Approach and Sales Comparable Approach. Mass appraisal uses a market adjusted cost approach to generate assessments.

During this phase, individual characteristics of the buildings are analyzed using information gathered in both phases 1 and 2. Each property is compared to other comparable properties with similar characteristics. Then the market values of the improvements are added to the land value that was previously determined. This value is the final estimate for each parcel of property, building and land.