

**Board of Selectmen
Meeting**

Enfield

**Lake Front &
Water Access
Property**

11-2-09

Enfield Town-wide Revaluation

- **Assessor's used 92 sales transactions as comparables to establish current assessments**
- **Lake Property represented 17 transactions as follows:**
 - **Properties sold between 4/1/07 and 8/31/09 :**
 - **2007 10 comparables**
 - **2008 5 comparables**
 - **2009 2 comparables**

Enfield Town-wide Revaluation (cont)

- **No comparables were done on land sales**
- **Assessment targets on average are to be 95% of Market Value**

Significant Factors Negatively Affecting Enfield Lake Front and Water Access Property Values

- **Severe Economic Recession**
- **NH Shore Line Protection Act reduces buildable area**
- **Milfoil**
- **Front Page & TV Headlines of ALS Risk from Lake Bacteria**

The impact from these significant negative factors

- **Lake Homes and Cottage Sale Prices are dropping below Current Assessments (e.g. 7 of the last 9 sales)**
- **Many properties have been on the market over 2 years**
- **Unsold inventory at a high**

Comparable Properties

- **Tax Assessor Evaluated
29 Months of Sales
4-1-07 to 8-31-09**
- **Today's market dictates that:**
 - **Banks will accept Comparable Appraisals that are no more than 6 months old, because of the volatility.**
 - **FHA regulations – comps must be within the last 3 months**
 - **Ledyard Bank- comps must be within the last 6 months**
 - **Citizen's Bank—within last 6 months**

Comps Used By Town

- Only 1 comp out of 17 was within generally accepted time frame
- Sale Price \$195,000
- Current Assessment \$277,000
- The 1 Qualifying Comp was SOLD \$82,000 BELOW the Current Assessment

Enfield Waterfront and Water Access Homes & Cottages have declined in value since 2008

- **Prices continue to decline**
- **There is an oversupply of inventory**
- **Days on Market (DOM) is 575 plus**
- **6 out of 7 sales in 2009 sold under their Current Assessment value**

First Issue Facts

- Only 2 out of 7 properties sold in 2009 were used in calculating the new appraisals.
- 6 out of 7 properties sold less than assessment.
- Total sales price of properties \$1,733,000
- At 95% value, these properties would be assessed at \$1,646,000
- Actual assessment \$2,224,000 or 35% OVER Fair Market Value at 95%

Second Issue

Why were Land Sales NOT USED to Establish Land Values?

- July 3, 2008 Lockhaven Rd.
1.55 Acres Lake Front sold
for \$250,000
- Property was assessed
significantly below
neighbors at \$259,000
- Neighbors assessed at:
 - A. .46 AC \$331,000
 - B. .96 AC \$317,000
 - C. 1.0 AC \$367,000

Third Issue

Why was the Following Acceptable Sale NOT USED to Establish Land Values?

- August 29, 2009 – .33 Acres Shaker Blvd assessed at \$312,000, sold for \$243,000
- At 95% the Assessment, should be revised to \$231,000
- This property is assessed **35% OVER** the actual sales price @ 95%.

Fourth Issue

**Selective
Water Front Properties
were adjusted to the
Sales Price
but not applied in the
overall Appraisal
process**

Examples:

- **April 2009 - Water Front House**
 - Assessed at \$364,000;
 - Sold for \$250,000
 - Current Assessment
REDUCED 31% to \$250,000
- **May 2008 – Water Front House**
 - Sold for \$169,000
 - Current Assessment \$164,000
 - Old Assessment \$168,000

Fifth Issue

- **7 Sales in 2009 meet NH State Guidelines without increasing the old assessment**
 - **Total Sales Price \$2,278,000**
 - **90% of Sales Price \$2,050,000**
 - **Old Valuation \$2,020,000**
 - **Current Valuation \$2,596,000**
 - **Current Valuation increased 28.5%**

It appears that Land Assessments of Enfield Lakes are treated equally

Acreage	Crystal	Acreage	Mascoma
1.0	\$367	.9	\$354
.46	\$331	.42	\$315
.32	\$300	.35	\$302

Therefore, reductions should be applied equally

TRENDS

- **NH Towns are lowering valuations:**
 - Meredith letter to Property owners;
“Overall valuation decreased 5.9%”
 - Bow decreased total town evaluation by
\$83,700,000
- **Enfield Lake properties average selling price declined 34% since 2007, and continues to decline**
- **Days on market increasing**
- **Government extending \$8500 1st time home buyers credit to April 2010**

Summary Facts

- **Home trends are all negative**
 - **Worse economic times in 80 years**
 - **Old rules do not apply**
- **Several undisputed negative factors are driving these declines**
- **Banks, FHA & Investors only accept comps 3-6 months old**

Summary

Facts

(continued)

- Very few properties sold received adjustments in accordance with the sale price
- Majority of lake property on average have been assessed:
35 - 40% ABOVE
market value at 95%
- 6 of the 7 sales in 2009 were sold significantly LESS than their current assessment

Our Expectations

- **That you will do the right thing.**
- **Be consistent in applying changes to all Lake Properties**
- **Look exclusively at 2009 YTD Sales**
- **Follow Federal Government & Banking Protocol**
- **Follow State Guidelines of Market Value**
- **Strongly consider all significant factors**

RECOMMENDATION

- Based on current market conditions and
- Meeting State Standards of Market Value and
- Using 2009 Sales Transactions

That

REDUCTIONS

of

30-40%

be applied

**Thank you
for
this Meeting**