

My Neighborhood vs. the Assessor's Neighborhood

The definition of neighborhood from the Webster Dictionary is “a section lived in by neighbors and usually having distinguishing characteristics”. For most people that means the properties to the left or to the right or down the road. However, when the Assessor talks about neighborhoods, it means a completely different thing. Your assessing neighborhood could be one, two, three or more miles away.

Neighborhoods are created and used for comparison values. These categories are based on the sales of properties, or perhaps a type of property. For example, all Townhouses are in the same neighborhood regardless of location. The same is true for Condos. Subdivisions built by the same builder and around the same time may all be lumped together in one neighborhood. This allows for a great apples to apples comparison, as these homes generally have very similar features as far as building grade, etc. Maybe all colonials that are 2200 square feet, selling for \$300,000 in a more rural area could be in the same neighborhood even if they are miles apart. The more unique a property is, the greater chance that it will be included in a geographically diverse neighborhood.

It may seem a little strange because all you hear is location, location, location! This leads you to believe that the value of your property depends on its location. In part this is true, and there are ways to take that information into consideration. What having a neighborhood code does, is it allows us to indicate which properties should be considered for comparison in the valuing of each property. After that list of properties is created, then the other factors (type, size, age, condition, number of bedrooms and baths, etc.) are taken into consideration and the properties most similar to the one being valued are determined. It is then that the adjustments are made for differences and an assessment is generated.

Whenever possible, (usually there has to be a large number of sales in any category), we try to use sales that are as close, physically located, as possible. This helps property owners to have more confidence in and a better understanding of, the comparisons used.

REMEMBER only properties that have sold, can and will be used to determine the new 100% of market value assessment.