

How to Read Your Vision Card

FISCAL YEAR 2024

TOWN OF LUNENBURG BOARD OF ASSESSORS

INTRODUCTION

This guide is to help you understand your property record card with the assessed valuations for the Fiscal 2024 tax year. State law requires that the assessed valuation established for a property should represent fair market value as of that date. In other words, property assessments reflect a past value, and are not a prediction of an anticipated sale price.

Fair market valuation is almost always based on sales that occurred in calendar 2022, the calendar year that precedes the valuation date. An exception occurs when there are not enough qualified samples in a year to create a large enough sample size. In that scenario, the last six months of calendar year 2021 and the first six months of calendar year 2023 are used to create a larger sample size, per department of revenue regulations. Standards of assessment practice set by the Division of Local Services (DLS) of the Department of Revenue (DOR) require a median assessment to sale price ratio of plus or minus 10% of 100% of market value for these sales. Note that 2023 sales activity will be reflected in the FY25 tax year values and are not used for FY24, with one exception. In 2022, there were few qualified lake property sales, so sales from the last six months of 2021 and the first six months of 2023 were used to increase the sample size for lake properties.

WHAT IS THE VALUATION CRITERIA?

The DOR requires communities to value all property each year. Every fifth year is a complete re-certification. This year, the re-certification data was collected and calculated by a contractor, Vision, and was accepted and reviewed in open meeting with the Board of Assessors. Both a re-certification and an interim year adjustment (the four years in between the 5 year re-certification) include a detailed analysis of the appropriate sales data as a basis for adjusting the property values. The goal is to keep the values as close as possible to 100% of market value and avoid an excessive swing in the assessments in one year. A re-certification year includes intense examination by the DOR of all the community's assessment

policies and procedures. FY24 is a re-certification year for Lunenburg. The DOR has reviewed the re-evaluation data submitted for this fiscal year, and has recommended the release of the preliminary values to the community.

WHAT CHANGES HAVE BEEN MADE FOR FY2024?

Many of the changes are described below as each section of the property record card is explained. The CAMA (Computer Aided Mass Appraisal) system is used to calculate the values. CAMA tables, with the factors used to calculate the values, are updated each year based on the sales analysis. The factors are adjusted so that the median assessment to sale price ratio is within 10% of 100% of fair market value of the sample. The computer model created is then applied to all the properties in town to arrive at a new value for each property. For FY24 there were several adjustments to factors in the tables including a change in the base rate land value table and building base rates.

WHY DOES EVERY PROPERTY GO UP (OR DOWN) IN DIFFERENT PROPORTIONS?

The characteristics of your property will determine how the adjustments to the factors will affect your valuation. Items such as location, style, size, quality of construction, age, condition of the house, and lot size of the properties that were sold in 2022 are analyzed to derive multipliers which are then applied to all properties town-wide. The relative importance of these characteristics in the marketplace determines whether an owner's valuation changes. A field review is done to check the application of these characteristics for consistency and uniformity. Properties with renovations or new construction between July 1, 2021, and June 30, 2022, will usually show an increase in their valuation.

WHEN MY NEIGHBOR'S HOUSE SELLS, WILL THEIR PRICE DETERMINE MY ASSESSMENT?

A single sale does not establish the market value of all the properties in that area. It is only by examining ALL of the arms-length sales (a willing buyer and a willing seller acting in an informed manner in the open market, also referred to as a qualified sale), that the Board of Assessors can begin to discern the characteristics of the market. If the sale of your neighbor's property is an arms-length sale and if it occurred in the appropriate year, it will be included in the analysis of all sales town-wide and will be part of the data that determines the multipliers to be used to arrive at the new valuations.

HOW WILL THIS NEW VALUATION AFFECT MY TAX BILL?

The increase in the town-wide total tax levy required to fund the budgets approved at the 2023 Annual Town Meeting is approximately 2.5% + the new growth in our community. This increase will affect all property owners. However, the changes in your bill will also depend on changes in the assessed value of your home. The Board of Assessors does not determine how much the Town will spend for the many services it provides, but apportions the share of these costs as fairly as possible among all property owners in town.

The actual tax rate is calculated after the values are finalized, the Select Board votes on the classification of the rate, and the calculation is approved by the DOR. Though the FY2024 tax rate is not yet determined, it is always expressed as a dollar amount per \$1,000 of valuation. The Fiscal 2024 tax year began on July 1, 2023, and three quarterly estimated bills have been issued. The new valuations are the basis for the fourth quarter bills due by May 16th. This bill takes into account the estimated taxes you have already paid.

HOW CAN I GET MORE INFORMATION?

Detailed characteristics for each property are available on the Town's website under the

Assessors Division. There is a link to where Lunenburg's property record cards are available for viewing and printing. This site also has other functions, such as a listing of comparable sales. Maps reflecting the FY2024 information will also be available. These are computerized in the Geographical Information System (GIS) and they are also available on the Town's website.

WHAT HAPPENS IF I DISAGREE WITH MY ASSESSMENT?

If you disagree with your assessment after receiving your third quarter tax bill, you may file an abatement application with the Board of Assessors. Forms are available on the Town's website or you can call our office and we will mail you an application. Also in these same locations is a brochure entitled "Guidelines for Preparing an Abatement Application." By law all abatement applications must be received in the Assessing Office by May 16th, 2024, or postmarked by that same date. Applications received after that date or postmarked later than May 16th, 2024, cannot by law be considered by the Board of Assessors.

HOW TO READ YOUR PROPERTY RECORD CARD

The rest of this document provides a description of the information contained on your property record card with an explanation of how the various numbers are derived. A sample property record card is attached with the areas labeled to correspond with the following explanations. The most significant factors are (1) the size and location of the land, and (2) the size, style, construction quality and condition of the structure(s).

SIDE 1

The information on the front side of the card is legal and historical data about ownership, past sales of the property, previous assessments, inspection history, and current land valuation details. (The areas of the card described below corresponds with the number on the sample card attached.)

Area 1 – Current Owner

Ownership information is as of the most recent sale date known to the Board of Assessors.

The Record of Ownership section shows a history of ownership and sales. The column following the “Sale Date” is headed “q/u” identifying the sale as “qualified” or “unqualified.” All sales are reviewed in detail to identify arms-length transactions that can fairly be used to represent the market (for both the interim year adjustments and the quinquennial certification). If a sale is deemed not to be an “arms-length” transaction, it is marked “U,” and the column headed “V.C.” (verification code) shows a letter code describing the reason for the disqualification according to the DOR Non-Arms Length Codes.

Area 2 – Current Assessment

This area summarizes the valuation generated elsewhere on the card for land, structures, outbuildings and extra features. Usually, the “Appraised Value” and the “Assessed Value” will be the same. In some instances, such as for agricultural land, the “Appraised Value” is the value of the property before the applicable discount. The “Assessed Value” is the taxable value, LESS the total labeled “Exempt” and “Exm Land,” which is the tax exempt portion of the property. If the parcel has multiple cards, each building will be described on a separate card. On multi-building properties, each card might have separate land lines. The summary of assessed value is the same on each card.

Area 3– Sketch

This section shows the assessment history or the three most recent fiscal years.

Area 4 – Building Permit Record and Visit/Change History

This section lists the recent building permit activity and record of visits to the property.

Area 5 – Land Line Valuation

The DOR requires property values to be divided into two parts, building and land. The land is assigned a “Use Code” according to the various property classifications provided by the DOR. These codes include single family residences, condos, multi-family residences, vacant land, commercial, industrial, and exempt properties.

Building Lots

Lot values are derived from the market-based data. Since there are too few vacant land sales in Lunenburg to draw conclusions about the value of developed land, a methodology called “land residual” is used. Using this method, the cost-based value of the structure(s) is taken from the sale price, resulting in a remaining value for the land. The square foot base rate is developed based on zoning districts or on the typical lot size of a given area.

When the base lot area is identified, market data (i.e., land residuals) is plotted to develop a curve known as the “land curve.” The curve is intended to reflect market activity which typically indicates that land is not bought and sold on a square foot basis; rather, the square foot price decreases as the acreage increases. The curve also attempts to establish the extent to which a building lot which is undersized for its’ area will receive a higher price per square foot, but a lower total lot value.

The formula that calculates the land value uses a land curve up to 80,000 square feet or a Prime Lot. The remaining land area if any is considered excess land.

The following table lists standard lot values for Fiscal year 2024:

<u>Square Ft.</u>	<u>Lot Price</u>	<u>\$/Sq. Ft.20</u>
10,000	\$102300	10.23

20,000	\$115000	5.75
30,000	\$126300	4.21
40,000	\$132000	3.3
50,000	\$136500	2.73
60,000	\$139800	2.33
70,000	\$142800	2.04
80,000	\$146400	1.83

The value of a building lot is then differentiated by location in the town. To determine the value of land in Lunenburg the Board of Assessors divides the town into several, not necessarily contiguous, neighborhoods. Each area groups properties together that behave similarly in the marketplace. Each grouping should be large enough to ensure that the number of qualified sales per area is a meaningful sample. The degree to which market analysis shows variation by location is represented by the “Neighborhood Adjustment” factor. The Neighborhood code is found in the column labeled “ST. Idx,” and the adjustment factor associated with that Neighborhood is in the column labeled “Adj.”

There are 7 Neighborhoods used for residential properties. The streets listed below are examples from the various FY22 Areas.

<u>Neighborhood/Site Index</u>	<u>Land Value Multiplier</u>
1	3.70
1A	2.60
1B	2.45
2	1.05
3	1.00
4	0.95
5	0.80

Neighborhood/Site Index Areas 1, 1A and 1B correspond to lake properties. Areas 2, 3, 4 and 5 are properties not adjacent to lakes.

Excess Land

If there are additional lines in the Land Line Valuation Section, they may reflect additional building lots or “excess land.” Excess Land is that portion of the parcel that is over and above 80,000 square feet (Prime Lot). All excess land is valued at \$8,200 per acre modified by the market area adjustment factor. This price is also a result of the sales analyses undertaken by the Board of Assessors.

In cases where there are unusual circumstances unique to a certain parcel, a further multiplier called a Condition Factor is used. These, too, can be either negative (e.g., railroad, easement) or positive (e.g., river view, vista).

In summary, land value is determined by considering the influence of location within the town and within the Neighborhood, along with any unusual influences requiring the use of a condition factor.

SIDE 2

The second side of the Property Record Card shows all of the details used in valuing the structure(s), including outbuildings (e.g., sheds, pools) and extra features (e.g., fireplaces, jacuzzi). A diagram of the principal structure with the measurements used for the replacement cost calculation is also shown. Abbreviations used in the sketch are explained in the Building Sub-Area Summary Section at the bottom of the card (see Area 8).

There is a lot of information on this card, but there are four elements that can be considered the most important contributors to the structure value.

- A. Effective Area -- used for replacement cost of building
- B. Style – determines base rate per square foot to build that style of building in eastern Massachusetts, as adjusted for Concord based on the market analysis
- C. Grade -- quality of construction
- D. Dep Code – normal physical depreciation based on the current condition of the structure

given the actual year built (AYB).

Area 6 – Construction Detail

Each construction detail has a code and a description. The principal elements are described below.

Style – For single family structures, there are ten basic styles. Each style has a corresponding “base rate” which is the current estimated new construction cost per square foot for this region of the country as reflected in the market. This information is obtained from the published construction industry data commonly used for this purpose, modified by the Lunenburg sales analysis. The styles and base rates for single family residences are listed:

Code	Style	Base Rate
BN	Cttge-Bnglw	\$137.00
36	Camp	\$ 70.00
CL	Colonial	\$149.00
CN	Contemporary	\$148.00
CO	Conventional	\$155.00
CP	Cape Cod	\$157.00
GR	Garrison	\$165.00
RC	Raised Cape	\$168.00
RN	Ranch	\$168.00
RR	Raised Ranch	\$157.00
SL	Split Level	\$154.00

Grade – This element is a measure of the construction quality-the types of materials used and the quality of the workmanship. The grade of a house generally does not change except as a result of major renovations. The exception to this is during a *revaluation* or system upgrade where there are significant changes to this and other tables.

Area 7 – Sketch

The diagram of the principal structure shows outside dimensions. The different areas are identified by codes that are further described in the bottom left section of the card. In some cases a diagram will not appear but a box with the code and square foot area will be used.

Area 8 – Building Sub-Area Summary

Each part of the structure identified in the sketch will appear in the bottom left section of the property record card, showing the Living Area, Gross Area, and Effective Area. Only the Effective Area is used in the assessment calculation. Primary living areas count as 100% of the gross area; all other spaces count at less than 100%.

Size Adjustment Factor – This factor does not display on the card but is used in the calculation of value of the building. It is based on economies of scale and market inclination. Typically, if all else is equal, the smaller the structure, the greater the cost per square foot, and vice versa. However, this factor is also affected by the market indications and what is desirable to current buyers. This factor increases the square foot price at the low end and reduces it at the high end. The baseline used is the median home size in Lunenburg of 2200 sq. ft. of effective area.

Area 9 – Cost/Market Valuation

This box, in the middle of the card and to the left of the sketch, shows the calculation of the depreciated building cost. The Adjusted Base Rate is derived by multiplying the Base Rate, as adjusted for certain elements under the Construction Detail section, by the size adjustment factor and the Grade Factor. The Adjusted Base Rate is multiplied by the Effective Area, and flat value amounts for certain items under the Construction Detail, such as bedrooms and bathrooms, are added to the total. This results in the Replacement Cost New (RCN).

Actual Year Built (AYB) and Effective Year Built (EYB) – The EYB is derived from the AYB according to the Dep. (Depreciation) Code. Very old structures may have been renovated over the years. Newer structures might have deteriorated beyond their normal wear and tear. This value is a judgment of the relative “age” of the structure for depreciation purposes. It is further refined based on the observed condition of the improvements,

resulting from a field inspection. The condition is identified alphabetically and is linked to a depreciation table for consistency. Depreciation is a curve with minimum percent's for each level of condition below which no property would normally ever fall, displayed as Dep %. Depreciation Codes are:

Code	Description
S	Superior
E	Excellent
V	Very Good
G	Good
A	Average
F	Fair
P	Poor

On the sample card the depreciation is Good, which results in normal physical depreciation of 10% based on 2002, the year of construction.

Sometimes unusual circumstances require a further discount for Functional Obsolescence (something significant is wrong with the structure that is too costly to fix) or for Economic Obsolescence (an external influence that has a negative effect on the property). These discounts are rarely used.

The total Appraised Value of the structure (rounded) is derived by multiplying the RCN by the Overall % Condition (100% - Dep %). A more detailed cost report showing the formula used for each property is available in the Assessors' office.

Area 10 – Outbuildings (L) and Extra Features (B)

This section lists the additional structures on the parcel or extra features within the building. The Units column is either the size in square feet or the quantity of the described feature, and the Unit Price is either its cost per square foot or the unit value. For outbuildings, the year (Yr) is the year the structure was built. For extra features (e.g., fireplaces), the year is assumed to be the same EYB as the primary structure.

Area 11 – Appraised Value Summary(Side 2)

This section on the front of the card, on the right,

totals the Appraised Bldg. Value, XF, OB, and Land to arrive at the total parcel value.

A NOTE ON THE VALUATION OF CONDOMINIUMS

There are 17 residential condominium units in town. Condominium valuation differs from the “market adjusted cost approach” employed for the single-family residences. Generally, condominium units will not have a land assessment. Since the land is held in common, all of the market value of the condominium must be reflected in the per square foot price applied to the effective area of the structure. The calculation of value is based on location, unit size, bed/bath count, grade, construction detail, condition, etc., similar to single family residences as described above.

Condominium valuation is also based on the sales approach to value. Individual units are matched to similar units that have sold and factors adjusted accordingly.

Condominiums in converted houses cannot be compared to single family or two-family buildings, but must be valued based on sales of similar types of property. The creation of a condominium generates a new form of ownership which usually adds value to the building.

Just like single family buildings there is a base rate for the style of residential condominium. The condominium base rate is \$50 per square foot. This rate is then modified by condition, grade, age and finally by location. The location adjustment is called a complex factor and varies for each condominium complex.

The complex factors are as follows:

No.	Complex	Factor
1	Emerald Place	1.0
3	Emerald	0.75
4	Farmers Row	1.15
5	Flat Hill Village	1.20

6	Sunset Lane Condominium	1.10
7	Lake Shirley Condominium	1.45
8	Stone Farm Estates	1.11
9	The Woodlands	1.12
10	White Woods	1.00
11	Oak Avenue Condominium	2.00
12	Deer Run	0.95
13	William Dr	1.00
14	New West Townsend Road	1.00
15	Chase Road Condominium	1.12
16	Elizabeth Street Condo	1.35
17	Kilburn Woods Condominium	1.00
18	Main St 50	1.20

Property Location 1023 MASS AVE LT 1
Vision ID 1593

Account # 162060000540000

Map ID 060.0/ 0054/ 0000.0/ /
Bldg # 1

Bldg Name
Sec # 1 of 1

Card # 1 of 1

State Use 9311
Print Date 2/28/2024 6:09:34 PM

CURRENT OWNER		TOPO	UTILITIES	STRT / ROAD	LOCATION	CURRENT ASSESSMENT									
LUNENBURG, TOWN OF			W Lunenbrg Wat	H Highway		Description	Code	Appraised	Assessed	326					
NEW LIBRARY			S Sewer	P Paved		BUILDING	9310	3,788,800	3,788,800	LUNENBURG, MA					
1023 MASS AVE				H Heavy		LAND	9310	116,300	116,300						
		SUPPLEMENTAL DATA				OUTBLDG	9310	31,300	31,300						
LUNENBURG MA 01462		Alt Prcl ID 1620600005400000	User Field					2							
		Parcel ID 1620600005400000	User Field												
		Tax Class E:EXEMPT	User Field												
		Tot Finishe 15694	Assoc Par 162053000000951												
		Tot Land A 1.770	Assoc Par PL BK 445/18 5/0												
		Flag 1	Assoc Pid#												
		GIS ID M_181755_927317				Total		3,936,400	3,936,400						
RECORD OF OWNERSHIP		BK-VOL/PAGE	SALE DATE	Q/U	V/I	SALE PRICE	VC	PREVIOUS ASSESSMENTS (HISTORY)							
LUNENBURG, TOWN OF		1586 79	07-08-1987	U	V	0	1F	Year	Code	Assessed	Year	Code	Assessed		
1								2023	9310	3,594,500	2022	9310	3,678,000		
									9310	91,000		9310	91,000		
									9310	22,500		9310	22,500		
								Total		3,708,000	Total		3,791,500		
											Total		153,300		
EXEMPTIONS				OTHER ASSESSMENTS				This signature acknowledges a visit by a Data Collector or Assessor							
Year	Code	Description	Amount	Code	Description	Number	Amount	Comm Int							
Total			0.00												
TAX ROLL															
Tracing															
NOTES															
Total Appraised Parcel Value 3,936,400															
BUILDING PERMIT RECORD															
Permit Id	Issue Date	Type	Description	Amount	Insp Date	% Comp	Date Comp	Comments	Date	Id	Cd	Purpost/Result			
145	05-08-2018	AD	ADDITION			100		SIGN: LUNENBURG	01-16-2024	RT	13	EXTERIOR FIELD REVIEW			
64	03-25-2015	RM	REMODELING			100		WATER DAMAGE	12-09-2015	RB	C	Complete-Ins			
200	09-09-2008	AD	ADDITION			100		SHED	12-09-2015	AO	00	Meas And Listed			
142	06-06-2007	MN	MAINTENANC	38,700		100		REROOF							
349	11-15-2004	NC	NEW-CONSTR	2,950,000		100		PUBLIC LIBRARY							
4															
LAND LINE VALUATION SECTION															
B	Use Code	Description	Zoni	Land Type	Units	Unit Price	I. Factor	Site Index	Cond.	Nbhd.	Nhbd Adj	Notes	Location Adjustment	Adj Unit Pric	Land Value
1	9311	Lunenbrg Impro	RA	PRIMARY	77,101 SF	1.89	0.80000	5	1.00		1.000	5		0	116,300
Total Card Land Units					2 AC	Parcel Total Land Area: 2					Total Land Value 116,300				

State Use 9311
Print Date 2/28/2024 6:09:35 PM

7

BAS

Dimensions (clockwise from top): 24, 5.7, 22, 2.24, 7.6, 34, 40, 34, 41, 10, 23, 10, 28, 10, 2, 14, 2, 10, 32, 24, 12, 9, 6, 18, 6, 12, 9, 32, 24, 10, 2, 14, 2, 10, 28, 10, 23, 10, 41, 34, 40.01, 24.

1023 LT 1 MASS AVE