

# Comparable Sales

**Paul Maniacek** (Assessor for the Towns of Chester & Horicon)

- **Availability, or lack thereof, of Comparable Sales**

- When looking for comparable sales, I start by looking within my assessing unit and wringing out every good sale possible.
  - The Towns of Horicon and Chester have been a CAP for the past 10 years. The market is similar, and as a result, I can use comparables sales from either town.
  - However, many assessors in the North Country find themselves in small towns, with low parcel counts and a lot of land owned by NYS. So finding an adequate number of comparable sales can be difficult.
- In an effort to find every valid sale possible, I've started to do things that I didn't do in the past, when there were more sales.
  - For example, I had previously taken mobile home sales and valued them as yard improvements within RPS. Now these sales are collected as building style 17 and used as comparables for some of the more modest homes.
  - In the past six years, there have been four large tract sales that included land in my CAP. Two of the sales lapped municipal boundaries and one lapped county boundaries. I was able to use these multi-jurisdiction sales to help with the valuation of other forestland with recreational use.
  - Inventories on multiple parcel sales are now regularly combined to make that sale usable within RPS as a valid comparable sale.
- If there still are not enough sales within the municipality, one must look to adjacent municipalities.
  - ORPS uses market areas when calculating rates. Many of us are dealing with multiple towns and I see the similarities when I look at Schroom Lake (the lower west side is Chester, the lower east side is Horicon, and the north end is Schroom Lake). I would love to have those sales in my database and to be able to work with them.
- If that is not enough, one can go to the county or the data warehouse, and sales web for unique properties.
- Finally, with so much state land in the North Country, it is often difficult to achieve that good sales file.

- **Determining comparability**

- I start with my hands-on analysis where I use my neighborhood designations and my comparable neighborhoods.
- I then use the RPS tools to determine compatibility.
- If I need to go outside my town and if I'm fortunate enough to get sales from neighboring towns, I'm going to have to get my hands dirty and go out and do some field verification to see that their inventories are collected the way the rest of my sales are.
- Effective year built: I don't know how I could do valuation without factoring in the effective year built.
  - For example, the original house may have been a 1950's ranch. However, it was gutted and upgraded to become more like a ranch of 2000. In that case, the house's effective year built is 2000, not 1950.
- Property class 280 (more than one residential dwelling on one parcel of land): In order to glean a few more comp sales out there, I've gone thru my book and pretty much eliminated all 280's.
  - I utilize the designation "dependent residences" as so many of these are little bunk houses or guest homes that had been carried in my files over the years as an independent building record (site).

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- However, I thought that using them as comparable sales in separate sites was inflating value. I now collect them (DR!) as yard improvements and I get comparable sales that I can deal with.
- This is the way a fee appraiser treats them, and is accepted appraisal practice.
- **Establishing a comparability rating system for property types**
  - When I speak about comparable sales, I'm thinking of it in the CAMA world that we know as RPSV4 with all its good sides and limitations. To establish comparability and rating systems, I use V4 with its point systems and comparable neighborhoods. It is not the end all tool; and I was hoping to get more changes in there before the state ran out of money. It was announced by NYS earlier this year that V4 would no longer be enhanced.
  - One thing that I think it really lacks is the ability to pull comps from a value range. I can look at a home, and know that it cost \$500,000 to build. However, when I run it thru RPS, the system starts to pull out \$150,000 sales. Why can't we just bracket the value range and save a lot of time?
- **Investigating consistency in data and data collection**
  - I have no problem with the consistency of data in your own town.
  - If you are going to go out and use data from another town sales, sometimes you are going to just have to completely accept what you find in the other town's file.
    - For example, a camp on the shore of the lake or near the river sells and 90 days later a permit is obtained to demolish and rebuild. By the time you see the sale from outside the municipality, a McMansion sits there. So if you accept those sales from the outside, you will just have to accept them, as they were collected.
  - If you are pulling sales from someone else, are you talking the same language? For example, are the doublewides collected as buildings or are they in as yard improvements?
  - Are you going to field review the sales from out-of-town? Yes, you'd better be thinking about doing that. You will want to delve into the land breakdowns and make them look like your own property inventories.
  - I find myself at fault for not being consistent:
    - At one point in time, I felt that elevated ranches (walk out basement or hillside ranch) should be in as raised ranches (walk in the front door and then climb a half flight of steps to get to the main living floor).
    - The building style is not the same, but they share similar utility and I felt they would comp better.
    - I've gone back the other way after being criticized in court a few times for it.
- **Establishing a network for obtaining and disseminating comparable sales data**
  - On Tuesday at our assessors' meeting, John Stack from ORPS did a demo for us using sales from a different assessing unit. He unloaded sales from a third party file and then imported them into the local RPS file.
    - The sales only appear in the year in which the sale exists and they will have a different Swiss code so they won't get in the way when doing rolls and bills.
    - If imported correctly, one can update or adjust the inventories.

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- So if one does a proper field review, makes any changes they deem appropriate (E.g. It is more a raised ranch than a hillside ranch), and gets the land schedule correct on the added sales, this capability is quite a tool. It has just become available.
- Establishing a network: The state association has tried to establish a network, but I think in their case they were looking for unique sales, not just any sales,
  - If we were going to do this, then under what umbrella do we do it? Is it county association? In my case, my towns sit on the county line and I want to jump across to another county.
  - The Adirondack Association of Assessment Administrators (AAAA) was formed around 1998 at the request of the AATV. It was in response to the governor's proposal to rewrite the way taxes on state owned land were going to be calculated. The state wanted to go to \$ per acre and totally disregard waterfront. It was a horrible idea and fortunately, it didn't come to pass.
  - Assessors did get together and had some discussions last September at an AATV meeting in Lake George. Assessors from across the region attended.
  - The question remains: Is there interest out there to get back together? Given today's turnout, I guess there is interest to do this.
- **Acceptance of utilizing comparable sales located in adjoining towns or from outside the subject county**
  - In today's market, I think that we will often have no choice, but to look outside our town to find enough comparable sales.
  - The newly adopted uniform assessment standard has a section specifically aimed at comparable sales approaches. I've made some copies so that when we do the breakout we can also look at that and see if there is anything there that we should be considering and making part of the workshop.
- **Questions and Answers**
  - Question from Dave Briggs: Have you had problems from the taxpayers using sales from outside their own municipality?
    - Answer from Paul Maniacek: Not at all. It's been seamless. It's two miles to one town hall and two miles to the other town hall off Interstate 87 and the public does not seem to care that I have one blended database and that is how I do valuation.
    - Sue Otis noted that 70% of the appraisals used by the taxpayers in their grievances included sales from outside their municipality.
    - Dave Briggs said that in his area, a number of people have grieved using appraisals from outside their towns and that the assessors had been adamant that they could only use comps within their own town. As a result, education of the assessors may be required.
    - Sue Otis pointed out that if there are plenty of sales within a town, there should be no reason to go outside the town.
    - Another assessor said that he was told that the only difference in values between towns (of similar properties) was the land value. He has found this to be true and uses the same tables in his towns.

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- Question from Doug Tichenor: Does ORPS now have a method to import sales? I've tried and have failed miserably in that. For example, I include sales from outside the municipality, but I can't show them as comps to property owners.
  - Answer from Paul Maniacek: Yes. There is a script (version 20.10). In his demo, John Stack pulled sales out of the Town of Hague and added them to the Bolton/Lake George database and did a comp.
  - Curt Schoeberl: The ability to import sales probably depends on the I/T support in the town and/or county. In Ulster County, I can look thru sales in any other town in the county. Why don't we have this in all communities? It's a godsend. Each region in NY in ORPS acts independently. That is part of the problem.
  - David Briggs concurred with Curt. He said that it depends on your I/T and how the admin rights are set up. Perhaps the counties could set the admin rights so that all assessors within the county could have access to each other's comparable sales.
- Paul Maniacek: I've always troubled with the inability to freeze a sale especially photography wise. The only way around it currently is to create a dummy parcel.
  - For example, one gets a sale, a demolition, and a McMansion. When the sale comes up on the comp sheet, the photo is that of a McMansion and the public looks at it and concludes that it's not a good comp.
- **Afternoon Breakout Session Results**
  - Problem: How can the current system be improved regarding comparable sales?
    - Solution:
      - Ensure consistent and uniform data throughout region. E.g. St. Lawrence County has a county wide sales file.
      - Train all assessors on V-4 on how to do sales analysis, and comparable sheet generation; some are trained and some are not.
      - Ensure verification of sales price and inventory