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City of New Haven Announces 2021 Citywide Property Revaluation

NEW HAVEN, Conn. – The City of New Haven Tax Assessor and Vision Government Solutions have been contracted to complete the 2021 Citywide property revaluation and are in the process of sending letters to City property owners. The 2021 Revaluation, effective October 1, 2021, will be reflected on the property tax bills due July 1, 2022 (first installment), and on January 1, 2023 (second installment).

To ensure public confidence, property owners must play an active and important role in monitoring the quality of the data that is to be used as the basis of the Revaluation. Certain information concerning your property has been compiled from the existing Town Records and property inspections.

Information from the supplied questionnaires will be utilized during the data collection phase of this revaluation process. Please note that if no changes are needed property owners do not have to return the form. Mail recipients will have within ten days from receipt of the letter to reply should they have any changes needed. For more information, New Haven property owners can access the [New Haven, CT Online Assessment Database](#), or visit the [FAQ on the City's Tax Assessor Hub](#) and [FAQ on the City's Tax Collector Hub](#).

The full list of frequently asked questions to the City Tax Assessor's Office regarding the 2021 Revaluation are listed below:

What is a Revaluation?

A revaluation is the periodic process of reviewing the assessments of all properties and re-assessing them to ensure uniformity and equality. Property values are assessed as of a particular date, October 1st, and change over time with many different types of property appreciating and depreciating at different rates; the State of Connecticut's requirement that all properties are revalued every five years ensures the 2021 assessments are updated to reflect changing market conditions that may have developed since the last revaluation in 2016.

Why is New Haven revaluing all properties?

The last revaluation for the City of New Haven was done in 2016, meaning that all assessments covering years 2016 through 2020 are set at the 2016 level. As a result of property values changing due to new sales and construction activity driven by market demand since 2016, inequities have emerged. The 2021 revaluation seeks to equalize these inequities caused by the market and estimate the current fair market value as of October 1, 2021 of each real estate parcel in the city. This, by design, ensures that all classes of property owners are paying their fair share of the tax burden.

What happens during a revaluation?

State law mandates the revaluation of real estate by field review at least every five years and a full inspection once every ten years (CGS 12-62). During these revaluations often referred to as "full revaluations", measurements are taken by field inspectors and dimensions and characteristics are noted via scheduled home inspections and other physical observation. In some cases, data mailers are sent out whereupon taxpayers may check the Assessor's records of their property and verify or deny the accuracy of the information contained. As properties were last fully inspected during the 2011 revaluation, New Haven is currently conducting what assessors term a "full revaluation." Typically during a full revaluation the revaluation company will work with property owners and attempt to visit and do an internal inspection of every taxable property in the city. However, due to the COVID-19 pandemic, inspections will only be carried out on properties that necessitate a change in physical characteristic as indicated by returned data mailers or determined by the Assessor or revaluation company. Employees of the revaluation company study the current sales, trends, and data, determine where the actual increases and decreases in value are occurring and develop a mass appraisal model to value all properties.

How are properties appraised?

In the mass appraisal of real estate, the Assessor must consider each of the three approaches to value. These methods include the sales comparison approach, the cost approach, and the income approach.

The Sales Comparison Approach to Value

A procedure to conclude an opinion of value for a property by comparing it with similar properties that have been sold in the relevant marketplace by adjusting prices based on marketplace conditions and the properties' characteristics of value. This is often the most applicable method of valuing residential properties.

The Cost Approach to Value

This approach seeks to determine how much a property would cost to replace (by creating a replica or similar substitute) after subtracting accrued depreciation. Accrued depreciation is the reduction in actual value of property over a time as a result of wear and tear or obsolescence. This replacement cost (less depreciation) is added to the land value to arrive at the market value of the subject property.

The Income Approach to Value

The income approach is procedure to conclude an opinion of present value by calculating the anticipated monetary benefits (such as a stream of income) for an income-producing property. Connecticut assessors must consider both the actual and market income and expenses of commercial properties. This income stream is converted into market value by utilizing a factor know as a capitalization rate. These rates are

gathered from the market as well as developed from analyzing sales. This method values commercial properties as an investor would look at them.

What is Fair Market Value?

The most common definition of fair market value is the most probable price a property is likely to sell for given a knowledgeable buyer and seller, no indication of duress or undue stimulus, an open and competitive market and no special concessions of financing, meaning the transaction is arm's length. For this reason, foreclosures, short sales, estate sales, bank sales and sales between family members are often excluded from this definition. In determining what sales to analyze, the appraiser or assessor ensures that each sale falls within this definition, thereby ensuring fairness and equity amongst properties and comparability amongst transactions. The accuracy of this information is of the utmost importance, as analysis of these sales is used to develop mathematical models utilized in estimating the market values of all properties in a community.

How will the homeowner be notified of the new assessment?

Prior to the completion of the revaluation, each homeowner will receive a preliminary notice of assessment change. As the entire Grand List is public record, property owners can also view the assessments of their neighbors and other similar properties in the city for comparison.

My assessment is different than the true value of my property. Does this mean I am over or under assessed?

No. All real property is currently assessed at 70% of its market value as of October 1st, 2016, as outlined in the CT General State Statutes. After the revaluation, all properties will be assessed at 70% of fair market value as of October 1, 2021. Changes in assessment that occur as a result of this revaluation will serve to equalize the tax burden, meaning some tax bills will increase and others will decrease depending on whether or not the property has gone up in value since 2016 relative to all other properties. If you believe your property is not assessed at 70% of your property's true fair market value, your first step would be to attend an informal hearing with the revaluation company.

What is an informal hearing?

Every real estate owner will receive, towards the end of November, a notice of his or her proposed valuation based on the revaluation data and schedules established for 10/1/2021, however, these values only become final after the informal hearings have concluded. By and scheduling an informal meeting with the revaluation company, homeowners can ask questions about their valuation and provide any additional data they feel is necessary. It is important to note that informal hearings are not meant as a session to discuss displeasure with tax increases, but to identify if, in fact, a property has legitimately not been assessed at its true fair market value. Homeowners are asked to come prepared with questions and have appraisals, surveys, or comparison analysis of their property vs. similar properties in their neighborhood. It is important to note that many properties on a street may seem identical, but possess different amenities, square footage, or extra features which a thorough review of the field card often brings to light. All changes to value that occur due to a hearing will be reflected in the change notice that is sent after hearings are complete.

If I disagree with my assessment after a hearing, what are my options?

If any property owner believes the assessment on their property is in excess of its fair market value they should file an appeal with the Board of Assessment Appeals by February 20th and wait to receive a hearing date by mail; if a significant amount of time has passed with no response it is advised that taxpayers call the Assessor's Office. After the Board of Assessment Appeal hearings,

property owners who still feel the assessment is incorrect may appeal to the Superior Court for the judicial district in which the municipality is located within sixty days.

When will the reassessment first appear in tax bills?

The reassessment will be reflected in tax bills issued for July 1, 2022. Do not multiply your new assessment by the previous year mill rate, as a new mill rate will be set in the spring of 2022.

Will this mean the City is going to collect more taxes as a result of the Revaluation?

Cities do not necessarily collect more taxes as a result of revaluation as the purpose of revaluation is to redistribute the property tax burden by equalizing all taxable property to the same 70% level. For example, if the Grand List increases and the City continues to operate with the same budget as the prior year, the mill rate would decrease. The purpose of revaluation is to value all properties by the same standard and as of the same point in time.

Do Property Values Change Uniformly During a Revaluation?

The changing economic climate as well as factors within the cityscape often cause different types of properties (i.e. apartments vs. single family homes) to be bought and sold at different rates, thereby varying assessment changes between property classes. In short, the value of properties of different types, or in different neighborhoods rise and fall at different rates as a result of a host of factors. For instance, in one hypothetical scenario, lower rates on commercial mortgages can spur urban economic development in a downtown area which in turn causes rents on downtown apartments to increase as people want to be part of the resurgence. This could feasibly cause the value of commercial apartment buildings to rise at a rate higher than residential homes.

What Happens When the Tax Burden Shifts?

The tax burden of a city is shouldered primarily by two property classes, the residential class and the commercial/industrial class. When values of the two classes change at different rates, one class may experience a proportionally higher increase in their contribution to the Grand List; i.e. all things being equal, if commercial properties pay proportionally less, residential properties will pay proportionally more, and vice versa. This burden shift can occur even if all properties have a decrease or increase in their assessment because it concerns the distribution of taxes rather than the total net tax.

How is the Mill Rate established?

The Board of Alders, through the adoption of the city's budget, establishes the mill rate annually. The basic formula for determining the rate is as follows:

The Grand Levy (or "how much money the city needs to collect in property taxes") divided by the Taxable Grand List (the value of all non-exempt real estate, motor vehicles and business personal property) equals the rate at which each property owner must be taxed in order to fulfill the levy requirements. In short, the levy is simply the amount of money the city needs to generate through property tax in order to provide town services, and the mill rate is the rate by which we multiply our assessments in order to reach this goal.

How is my Tax Bill Calculated?

Tax bills are calculated by a simple formula of multiplying a taxpayer's assessment by the mill rate set by the City and Board of Alders. The mill rate is called such because it represents the

amount of taxes per thousand dollars at which your property is assessed. As an example, a mill rate of 40 would mean you are paying forty dollars for every thousand dollars at which your property is assessed; at a 40 mill rate, a house assessed for \$200,000 would have an \$8,000 tax bill.

What about elderly and veterans' exemptions?

While all properties in CT are assessed at fair market value, there are many benefit programs permitted by state statute and local ordinance for which certain taxpayers, including but not limited to veterans, the elderly, disabled, blind, and active duty servicemen and women may be eligible for. Homeowners who have questions about their eligibility for programs should contact the Assessor's Office or refer to our pamphlets outlining the specific programs available in New Haven.

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