

TOWN OF CUMBERLAND

2024 PROPERTY REVALUATION

The Assessor in conjunction with Parker Appraisal Company of Falmouth will be revaluing all real property beginning in October of 2022 with an implementation date of April 1, 2024. The revaluation will involve the development of new property valuations by updating existing grading and pricing schedules. The property inventory update conducted in 2018 updated and/or verified existing property conditions. The end goal is for assessments to be adjusted to reflect fair market value as of April 1, 2024. This creates equity and ensures a fair distribution of the tax burden for all property owners.

A revaluation is not a mechanism for increasing taxes. An increase or decrease in the assessed value of a property resulting from the revaluation does not determine that the tax amount will increase or decrease. The overall budget to fund the Municipal, School, and County appropriations is the determining factor in the actual tax that is allocated. The appropriated total budget amount is divided by the total valuation of the Municipality to determine the tax rate that is then applied to individual property assessments.

The revaluation will be completed in four stages: (1) Sales Review and Verification, (2) Market Analysis and valuation, (3) Field Review, and (4) Informal Hearings.

- (1) **SALES REVIEW and VERIFICATION** - During this phase, the Assessor and Parker Appraisal personnel will field review each property that sold between April 1, 2021, and March 31, 2024. The information on the property record card will be reviewed for data accuracy. The assessor/appraiser will make notes regarding the property location, size, condition, quality of construction, and numerous other characteristics that may affect value. The purpose of the review is to get an accurate understanding of the condition and construction of the property at the time of the sale. In conjunction with the Assessor, Parker Appraisal Company will begin the process of qualifying sales as “arm’s length”. Only sales with market exposure between a willing buyer and willing seller (in other words, an “arm’s length” sale) will be used in the analysis. All personnel involved in field review will have an identification badge as well as an introductory letter from the Town of Cumberland. Vehicle license plate numbers will also be registered with the Town of Cumberland Police Department.
- (2) **MARKET ANALYSIS/VALUATION** - A variety of resources are used to analyze the real estate market. The Assessor and Parker Appraisal Co. will be analyzing property sales that occurred between April 1, 2021, and March 31, 2024, to determine which market factors influenced property values. The Assessor and Parker Appraisal Co. will gather and use information from Maine Multiple Listing Service (MLS), property managers, developers, and local real estate professionals. Once all the data is collected and reviewed for accuracy, the Company will determine land values and delineate neighborhoods, based on desirability of locations throughout the Town as determined by actual market activity. Valuation is done using one of the three recognized appraisal methods: Cost Approach, Income Approach and Sales Comparable Approach. Mass appraisal uses a market adjusted cost approach to generate assessments. During

this phase, individual characteristics of the buildings are analyzed to determine improvement values. Each property is compared to other comparable properties with similar characteristics to assure uniformity. The market values of the improvements are added to the land values that were previously determined. This value is the final value estimate for each parcel of property, improvements, and land.

- (3) **FIELD REVIEW** - Field Review is the method of checking and re-checking both the values that have been determined and the accuracy of the data used. During this phase, properties are viewed in the field by experienced appraisers to ensure that the appraisal methodology established from the sale properties is consistently applied to the entire population of properties within the Town.
- (4) **INFORMAL HEARINGS** - Once the Field Review is completed and the values are approved by the Assessor, a notice stating the proposed value will be mailed to each property owner. The goal is for this phase to be completed in March of 2024. At that time anyone with questions concerning the revaluation process or the value established for their property will have an opportunity to meet with the Assessor or a Parker Appraisal Company Appraiser to discuss the valuation and review comparable sales information.

After the Completion of the informal hearing process, the finalized values will be utilized for the 2024 Tax Commitment. Information regarding the revaluation timeline will be available on the Town of Cumberland Website as the project progresses. Questions should be directed to the Assessor at jbrushwein@cumberlandmaine.com.