Valuation Trends In Downtown

September 20, 2016

Economic Development Strategies

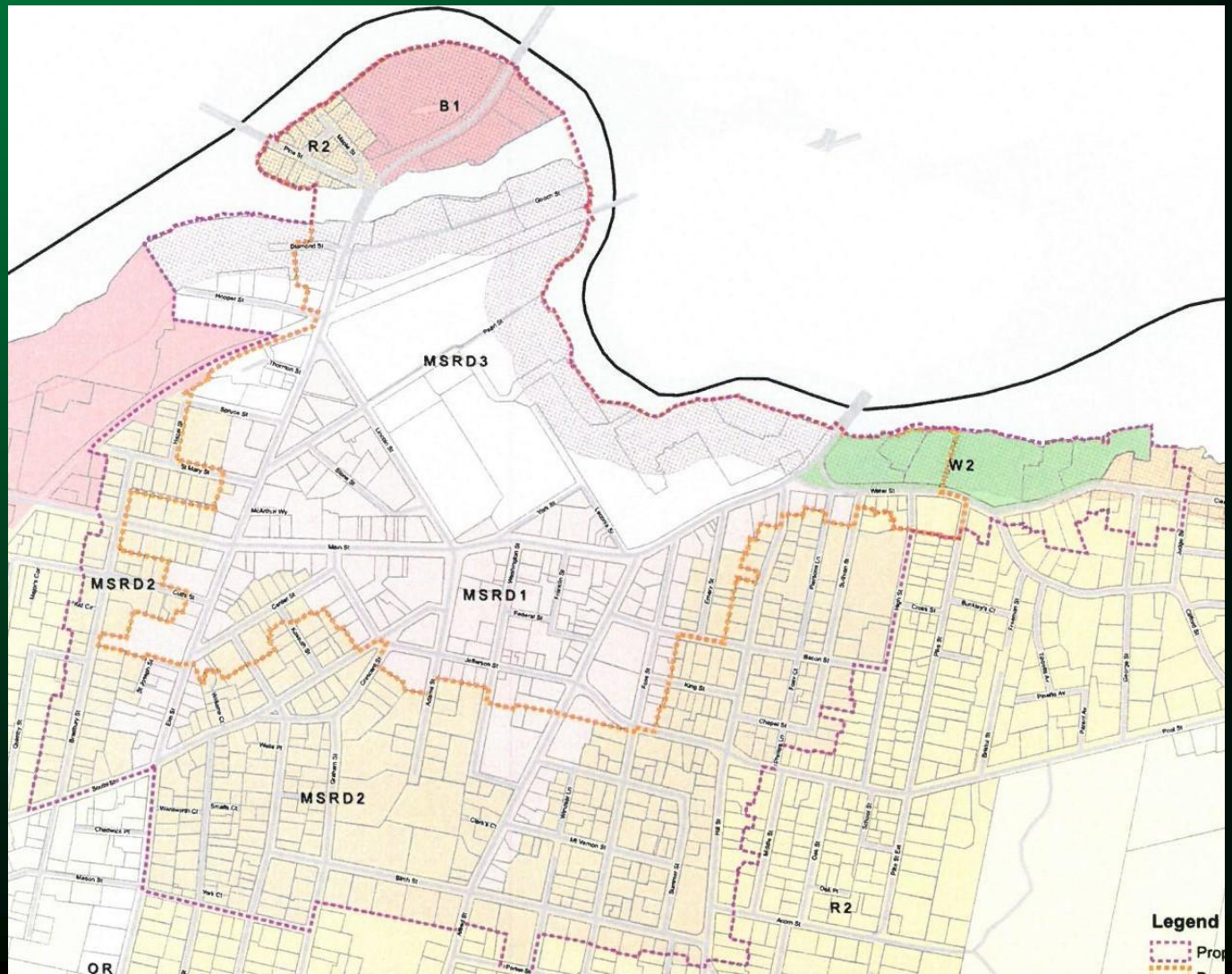
- Two major ways to create additional tax value:
  - Create opportunities for new real property (buildings)
  - Enhance the attractiveness of community and/or neighborhoods in the community to increase the value

Tax Assessment Determination: *How Much Taxes Paid?*

Tax Assessor determines *the value* of property based on actual sales

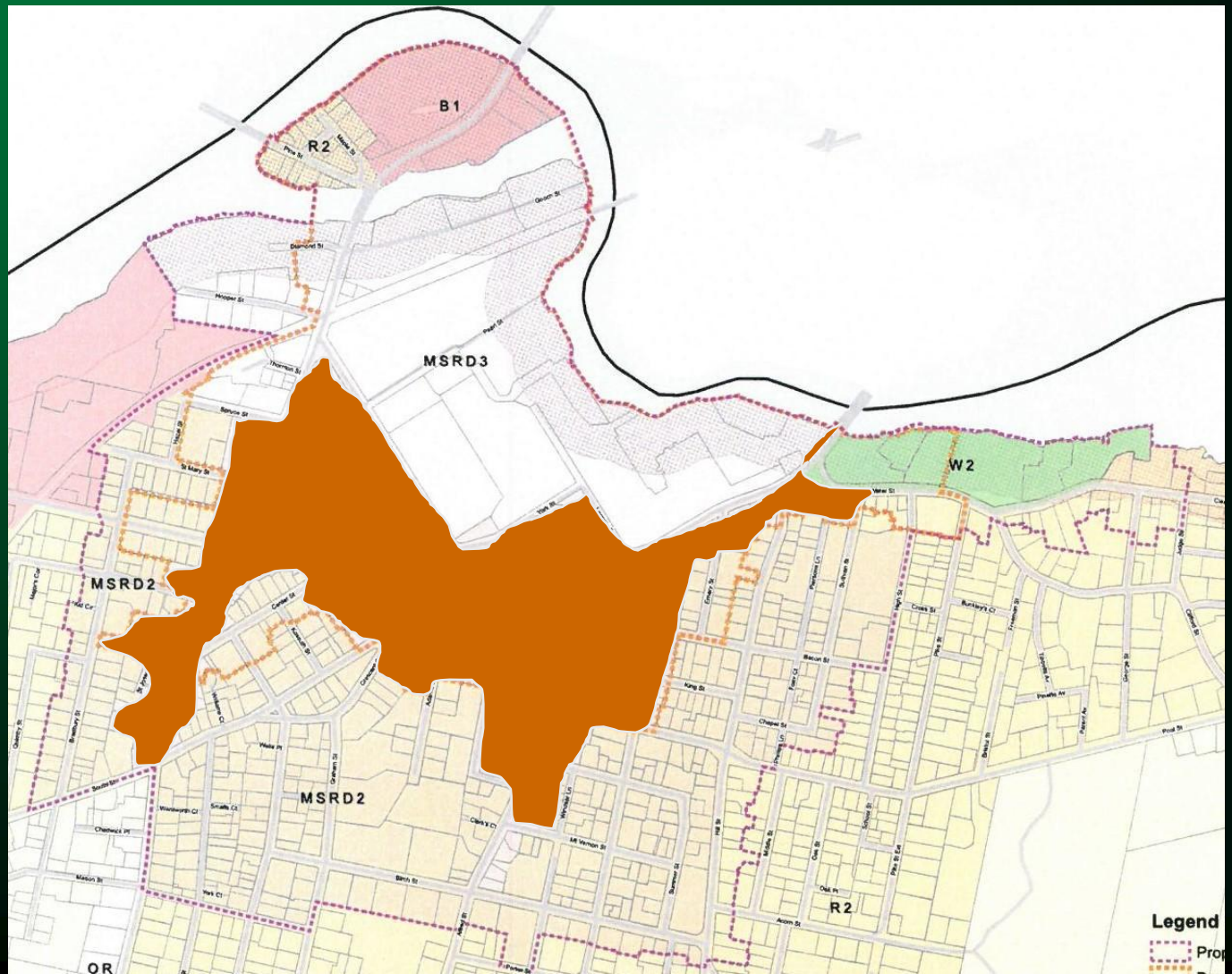
Area Reviewed

Last adjusted on April 1, 2014



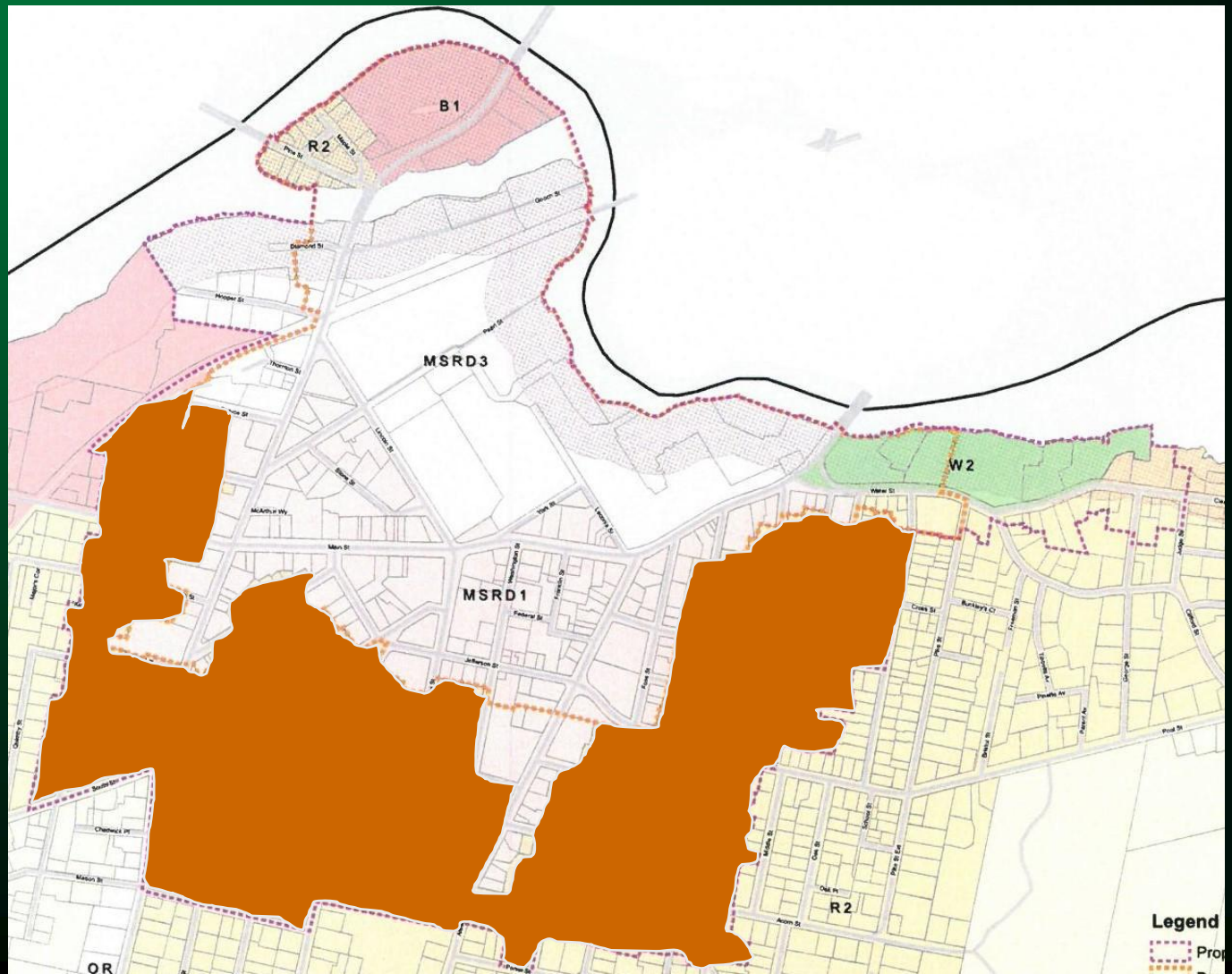
Valuation Information

MSRD-1:
$56,625,600



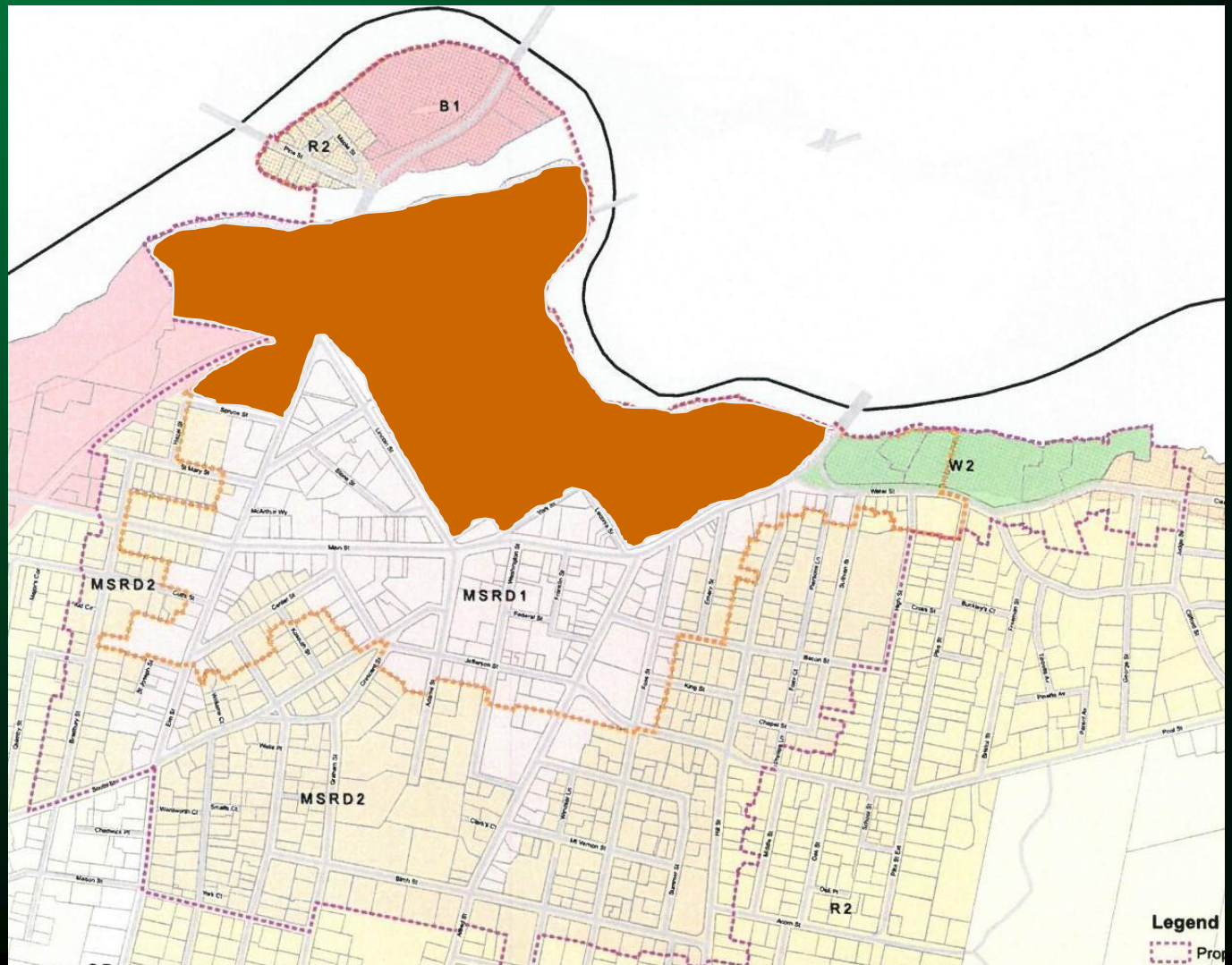
Valuation Information

MSRD-2
$99,058,700



Valuation Information

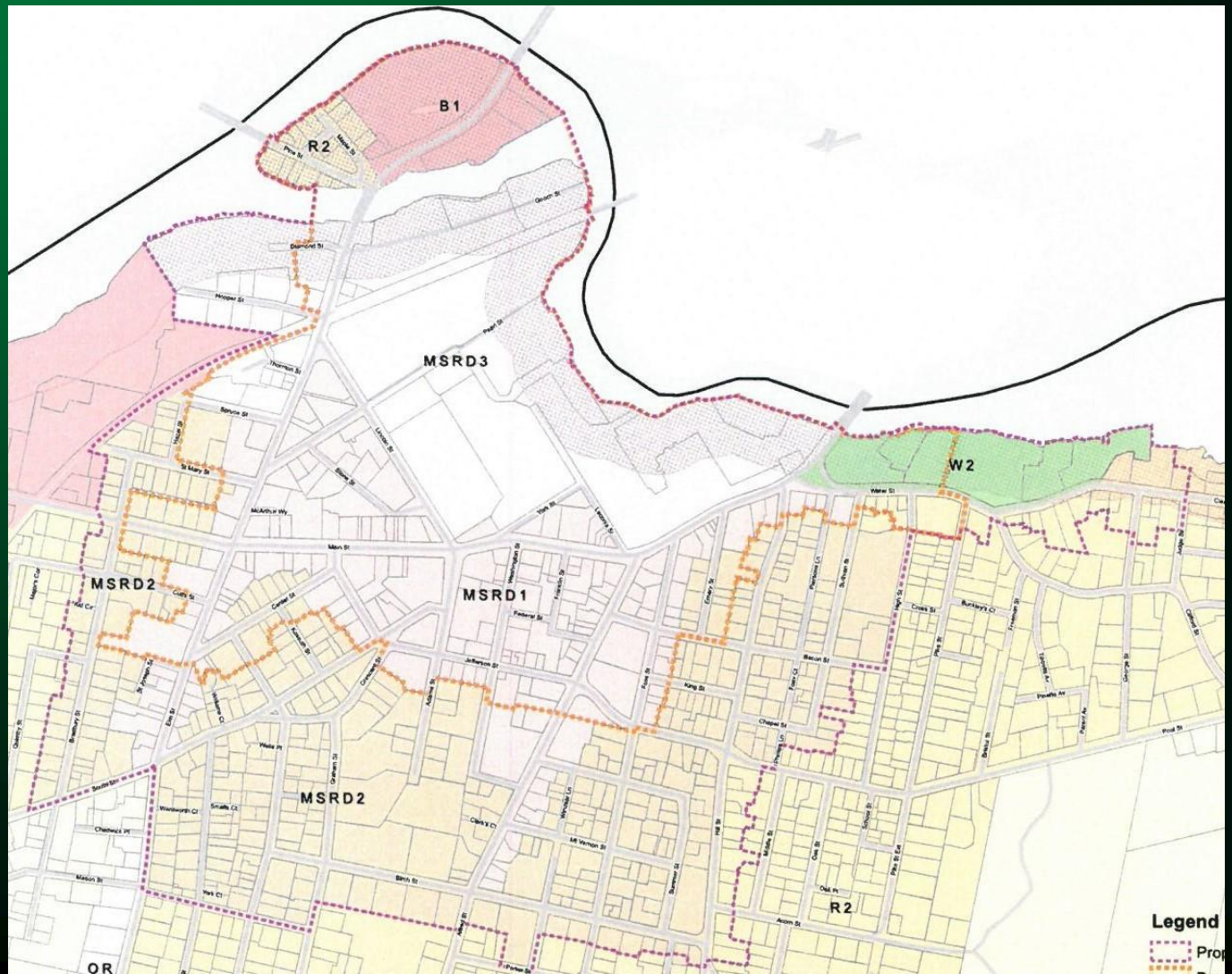
MSRD-3
$30,298,700



Total Valuation in Downtown

MSRD-1:
$56,625,600
MSRD-2
$99,058,700
MSRD-3
$30,298,700

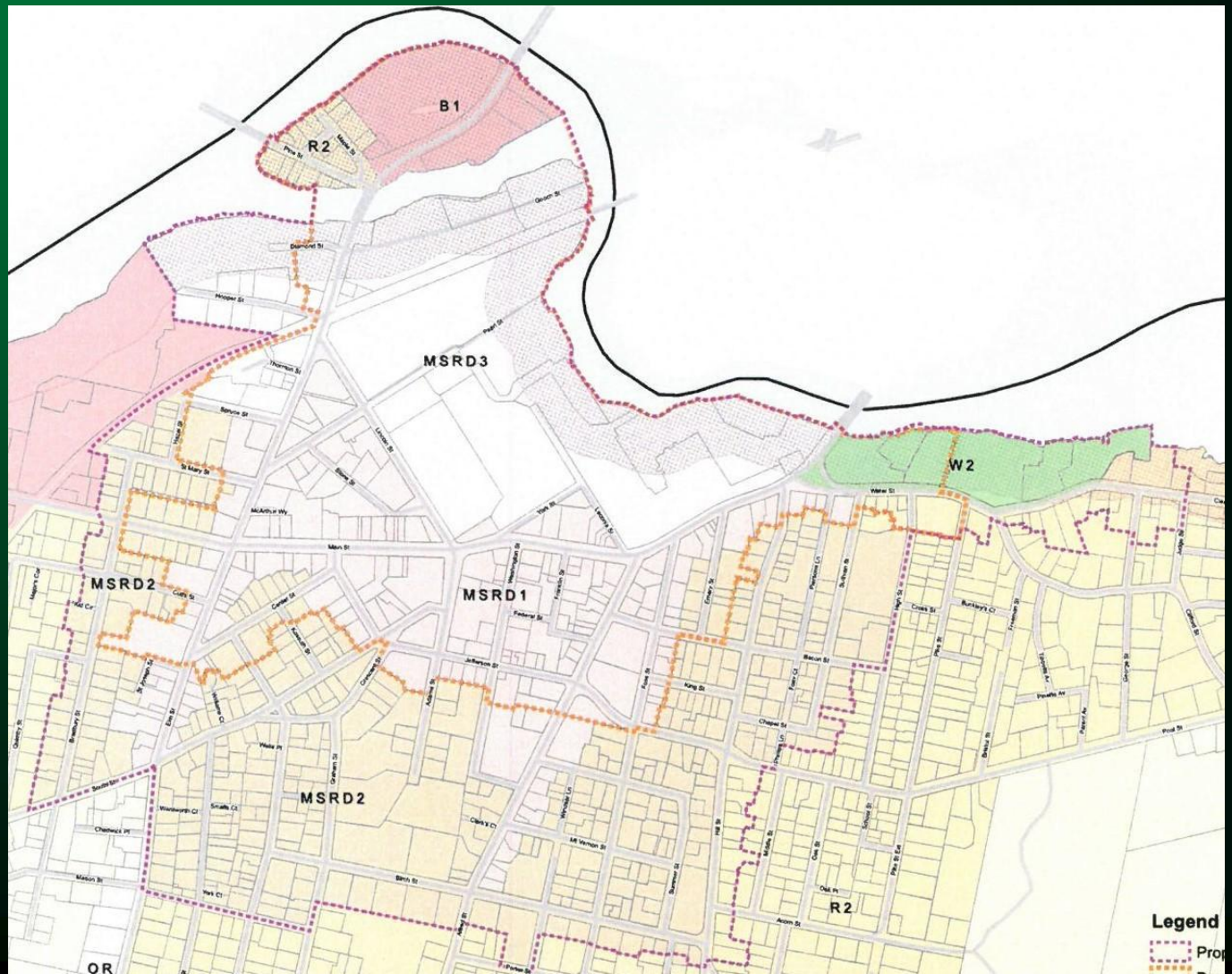
<u>TOTALS</u>
$185,983,000



Commercial Only Valuation

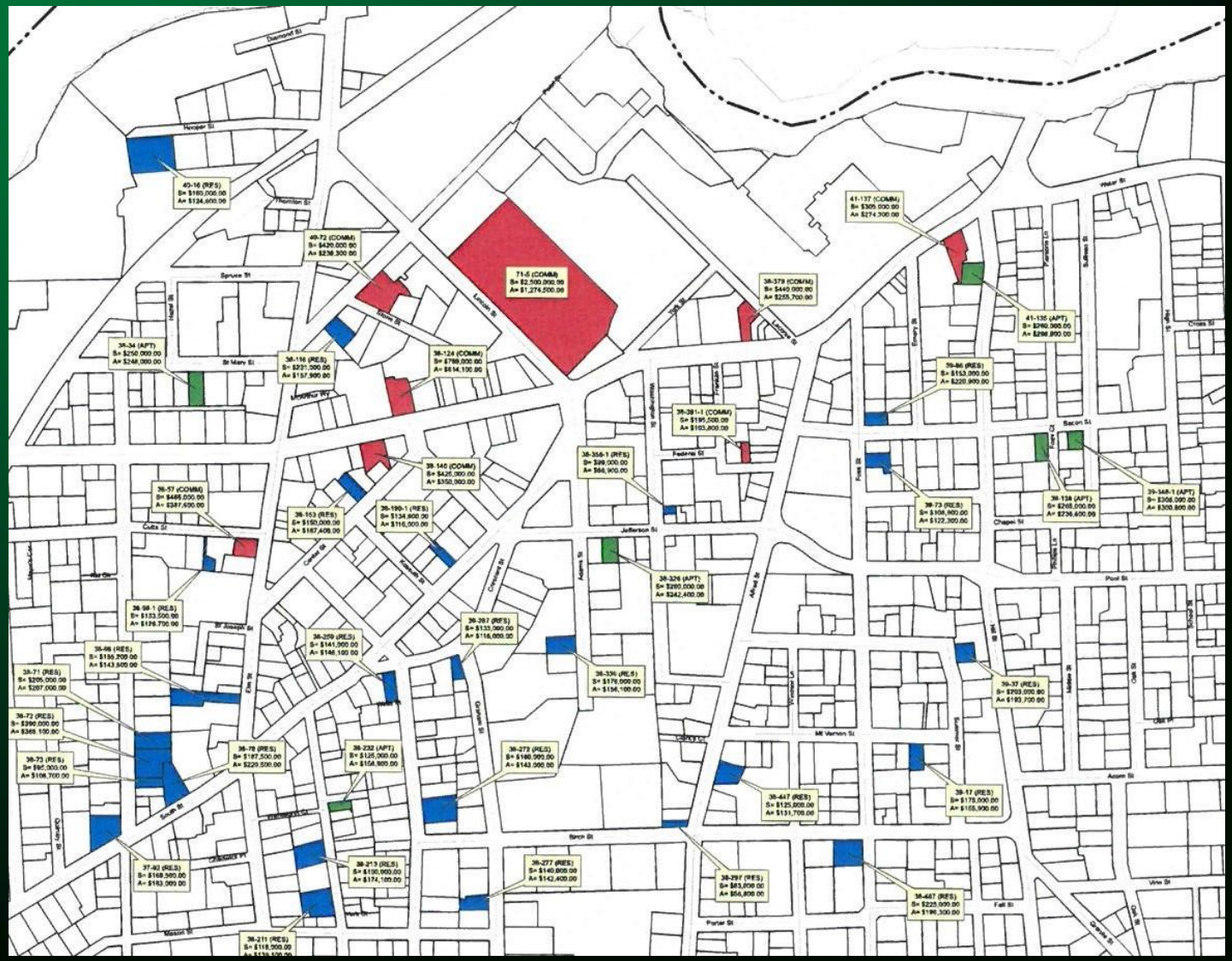
MSRD-1:
$34,657,600
MSRD-2
$7,213,400
MSRD-3
$23,535,200

<u>TOTALS</u>
$65,406,200

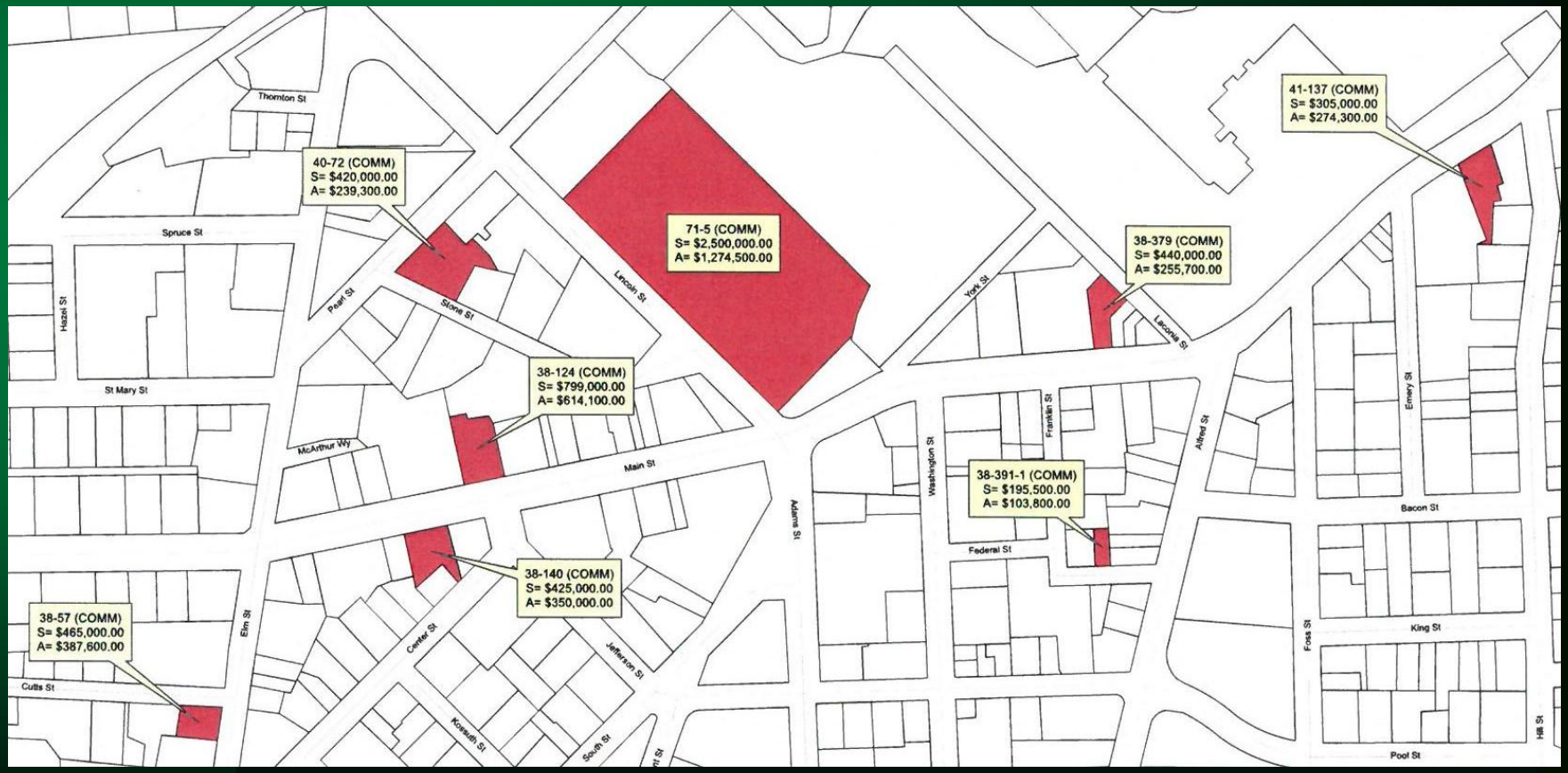


Parcels Sold

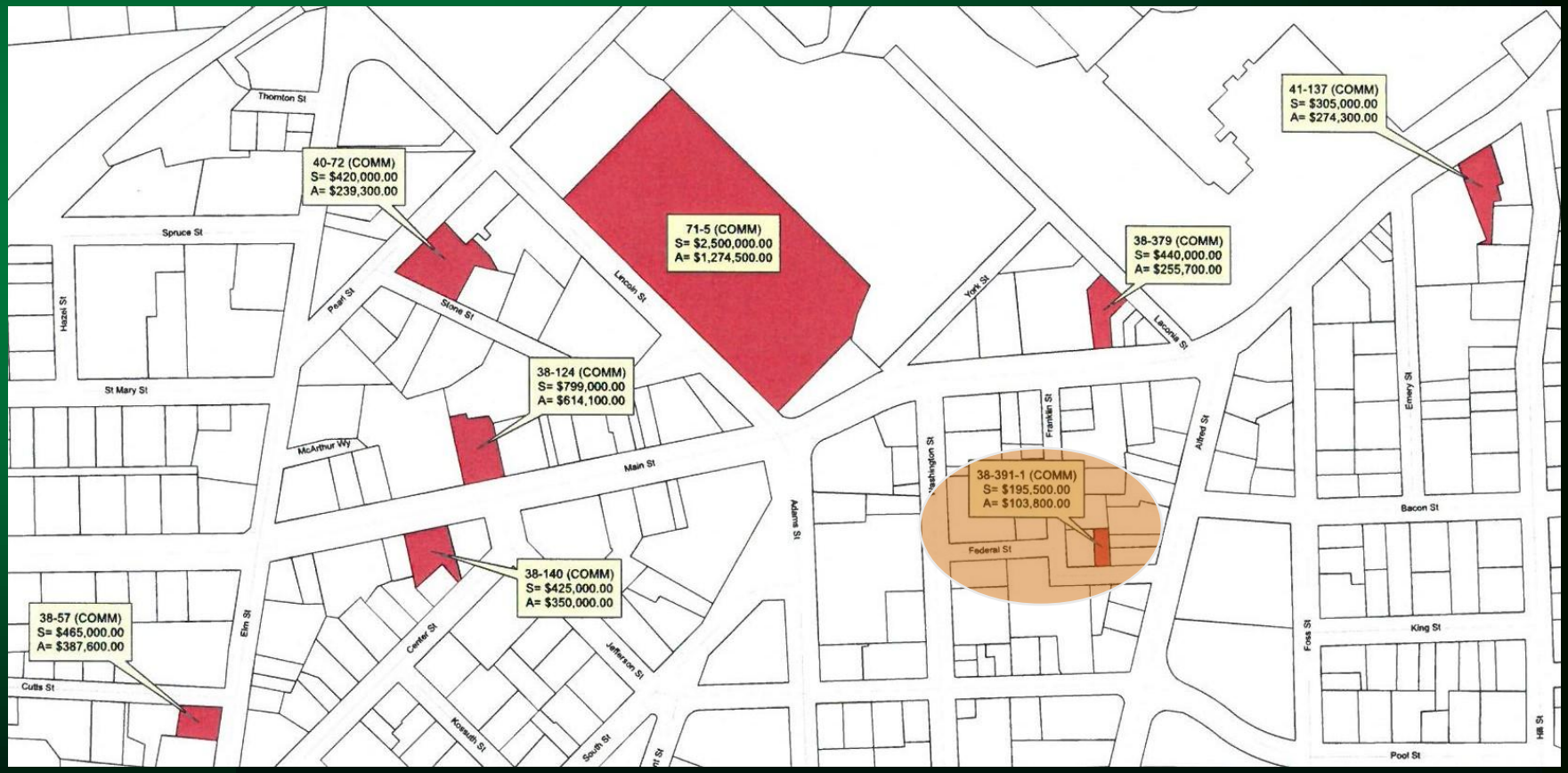
- Commercial
- Apartments
- Residential (4 units or less)



Review of Commercial Sales



Review of Commercial Sales



Review of Commercial Sales

41 Franklin St

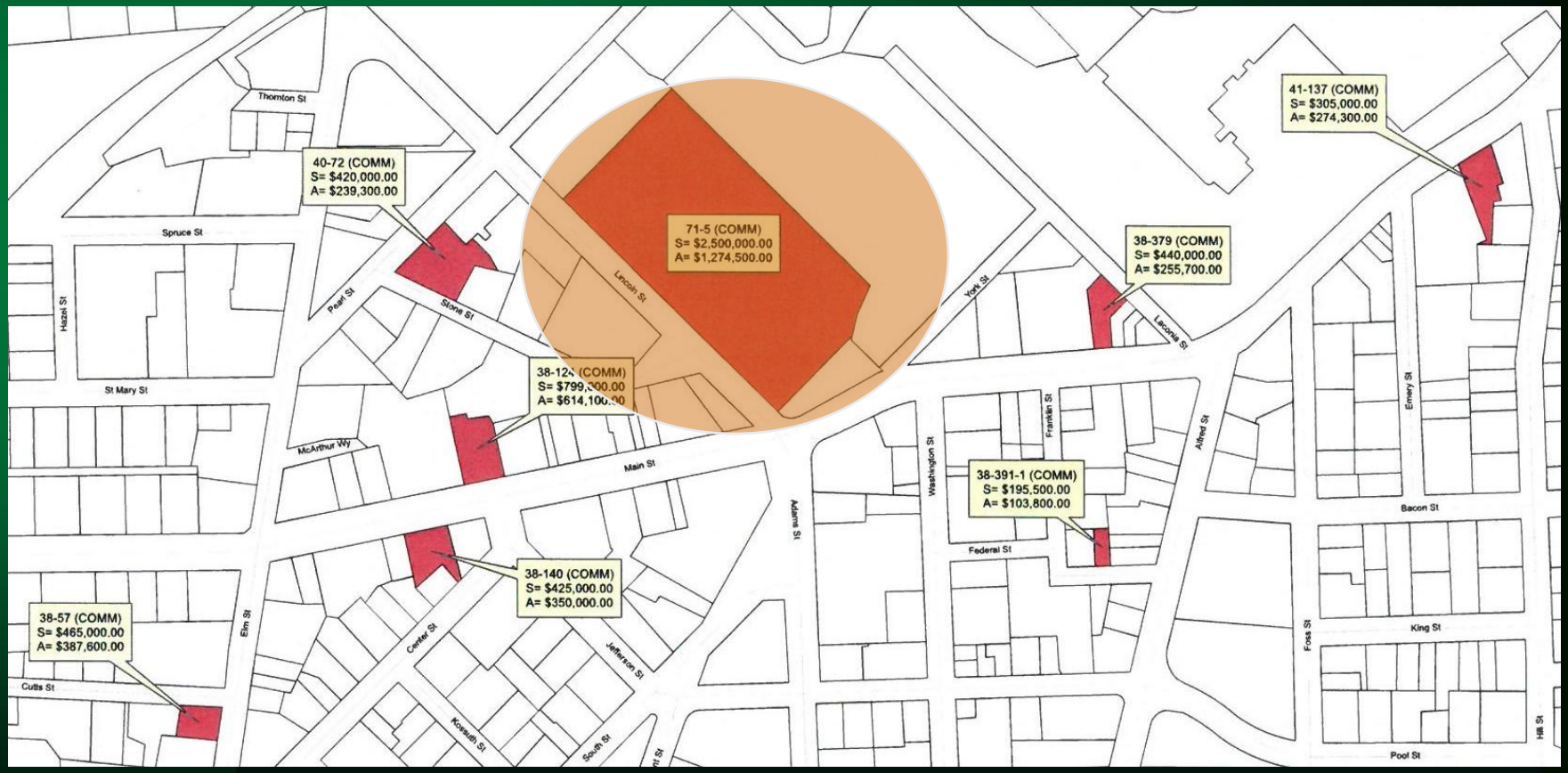
Assessed Value: $103,800

Purchased Price: $195,500

Percent Change: + 88.34 %

Sales Date: May 30, 2014

Review of Commercial Sales



Review of Commercial Sales

17 Lincoln St

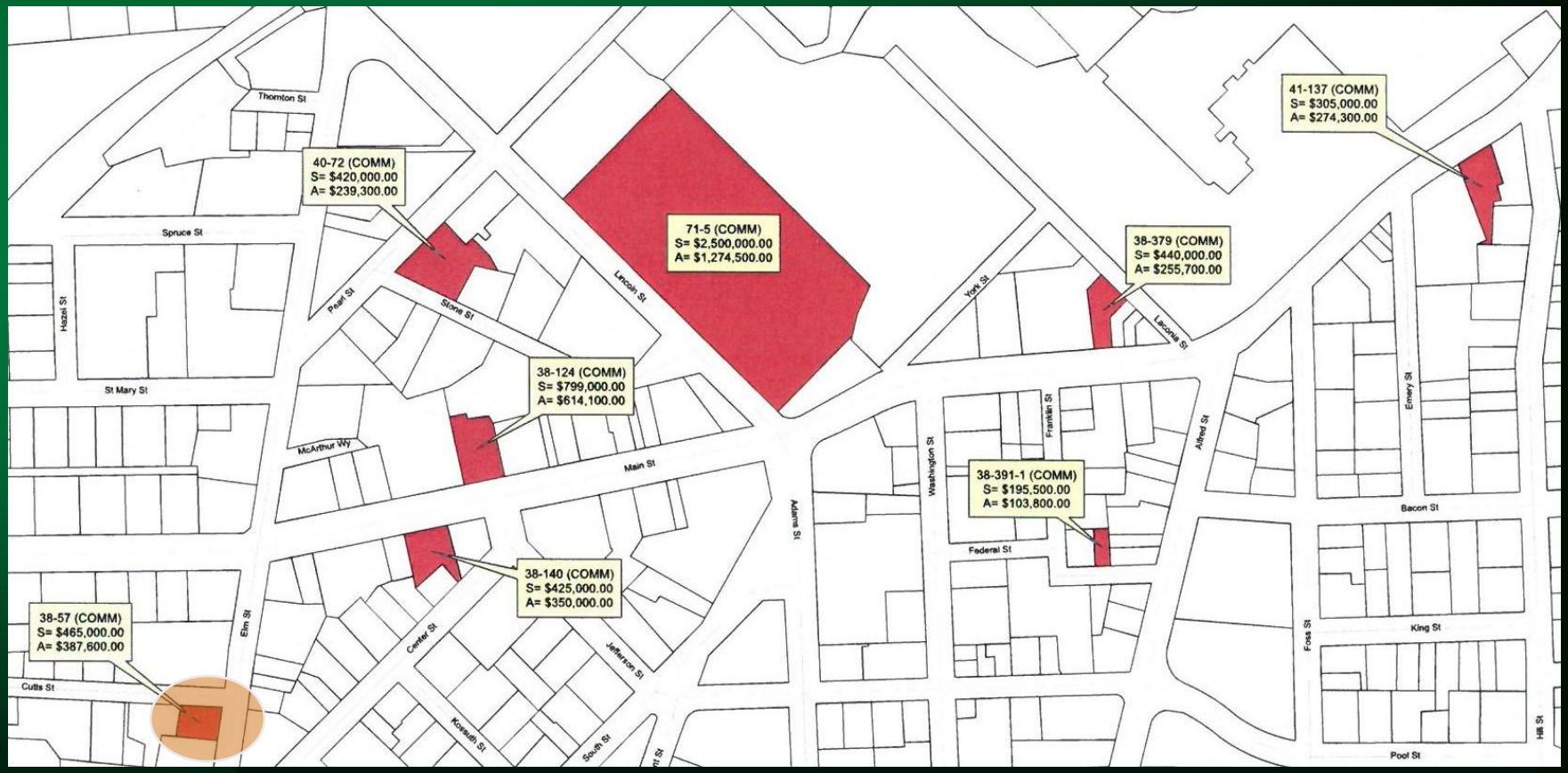
Assessed Value: $1,274,500

Purchased Price: $2,500,000

Percent Change: + 96.15 %

Sales Date: January 16, 2015

Review of Commercial Sales



Review of Commercial Sales

170 Elm St

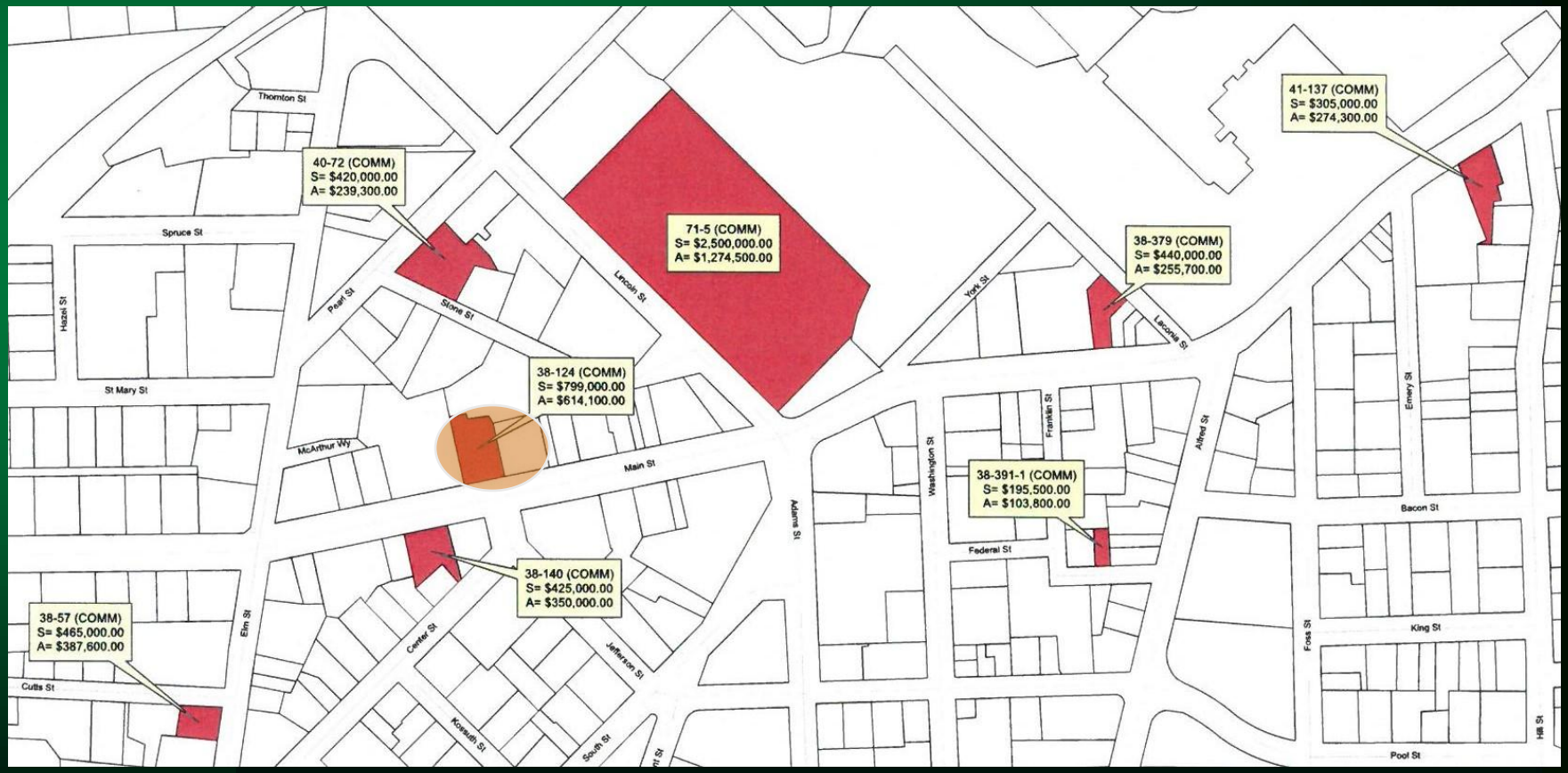
Assessed Value: $387,600

Purchased Price: $465,000

Percent Change: + 19.96 %

Sales Date: April 8, 2015

Review of Commercial Sales



Review of Commercial Sales

<u>260 Main St</u>

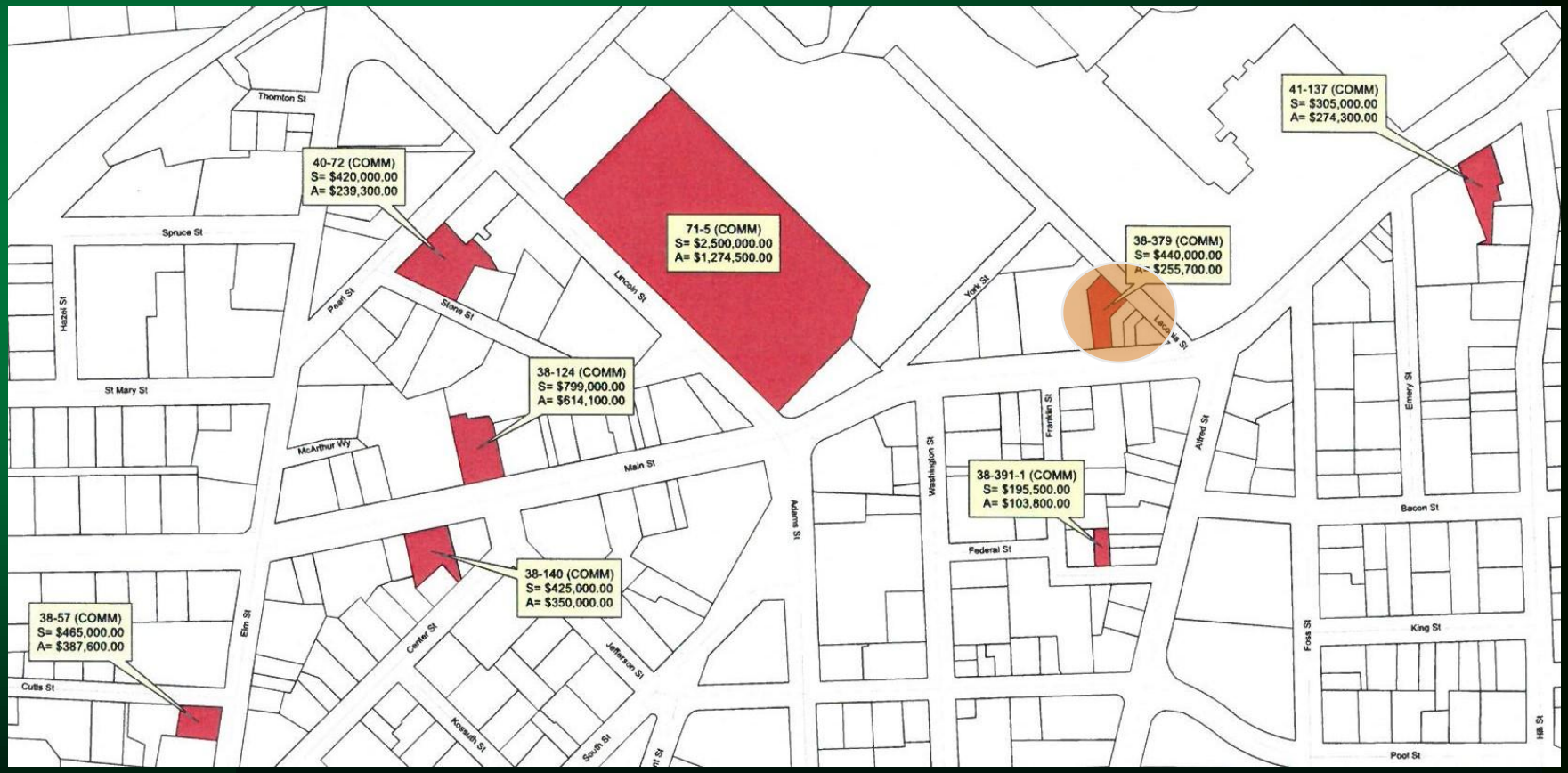
Assessed Value: $614,100

Purchased Price: $799,000

Percent Change: + 30.01 %

Sales Date: August 13, 2015

Review of Commercial Sales



Review of Commercial Sales

<u>128 Main St</u>

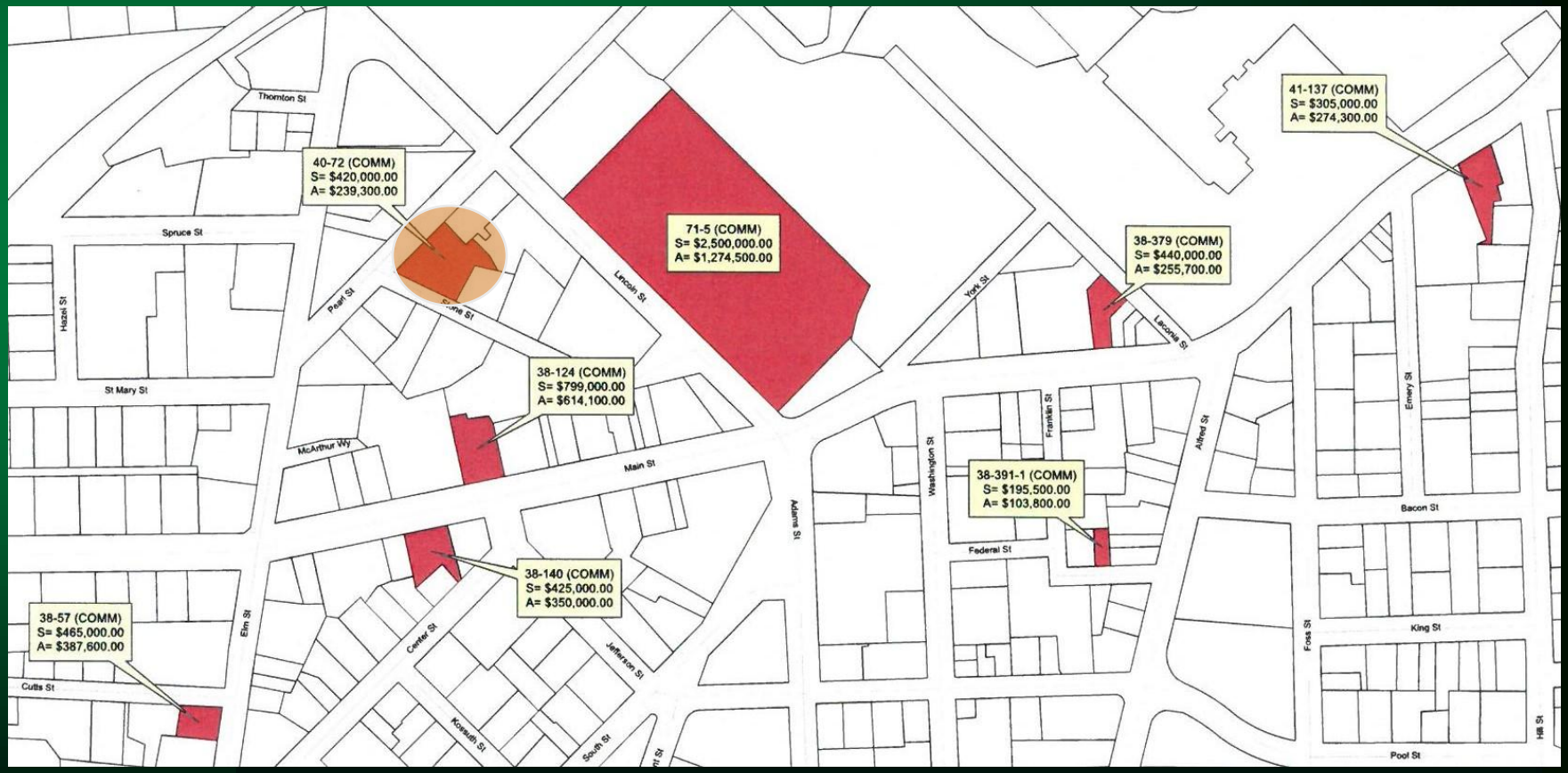
Assessed Value: $255,700

Purchased Price: $440,000

Percent Change: + 72.07 %

Sales Date: Sept 10, 2015

Review of Commercial Sales



Review of Commercial Sales

12 Pearl St

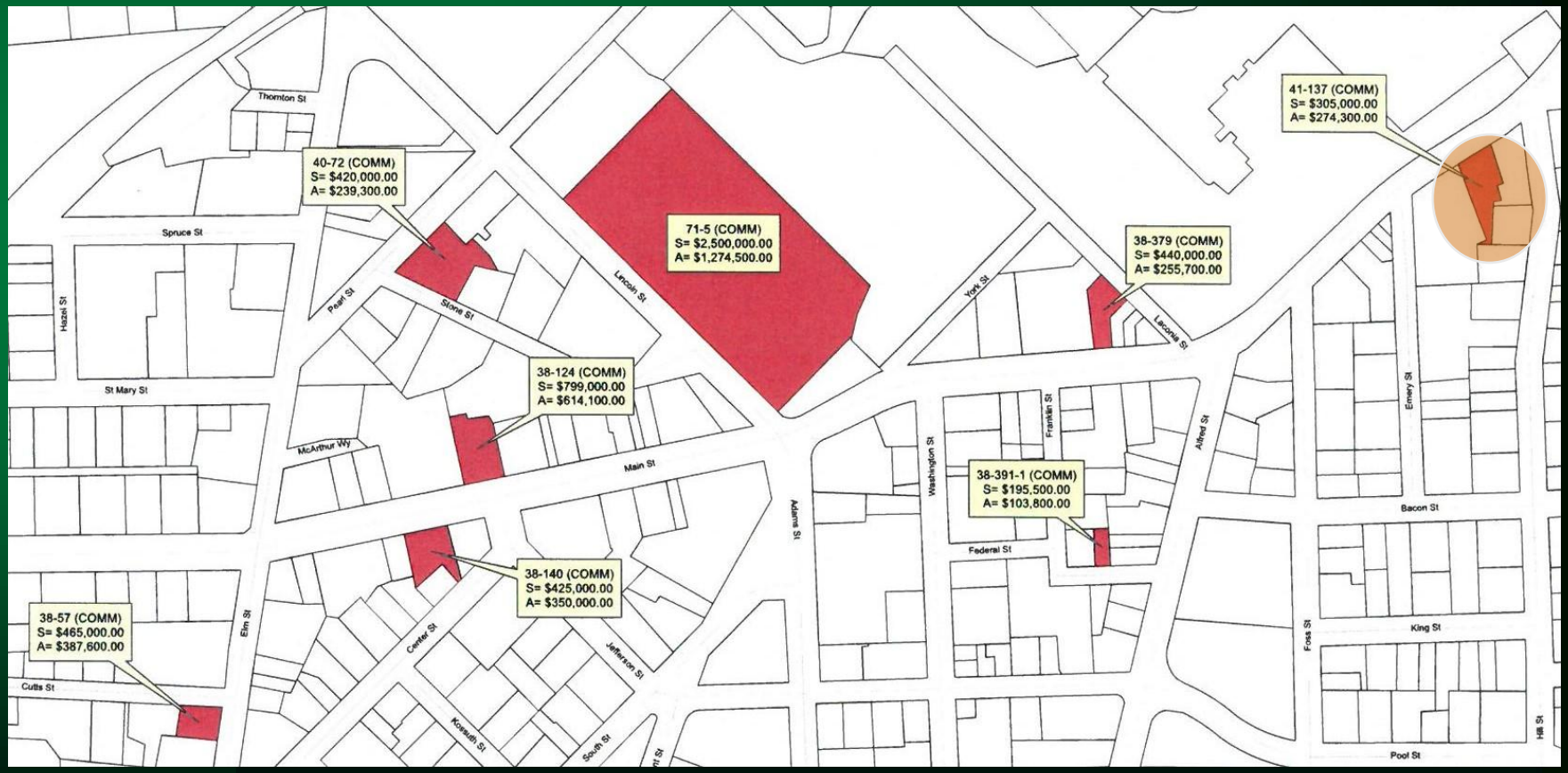
Assessed Value: $239,300

Purchased Price: $420,000

Percent Change: + 72.07 %

Sales Date: Sept 10, 2015

Review of Commercial Sales



Review of Commercial Sales

35 Main St

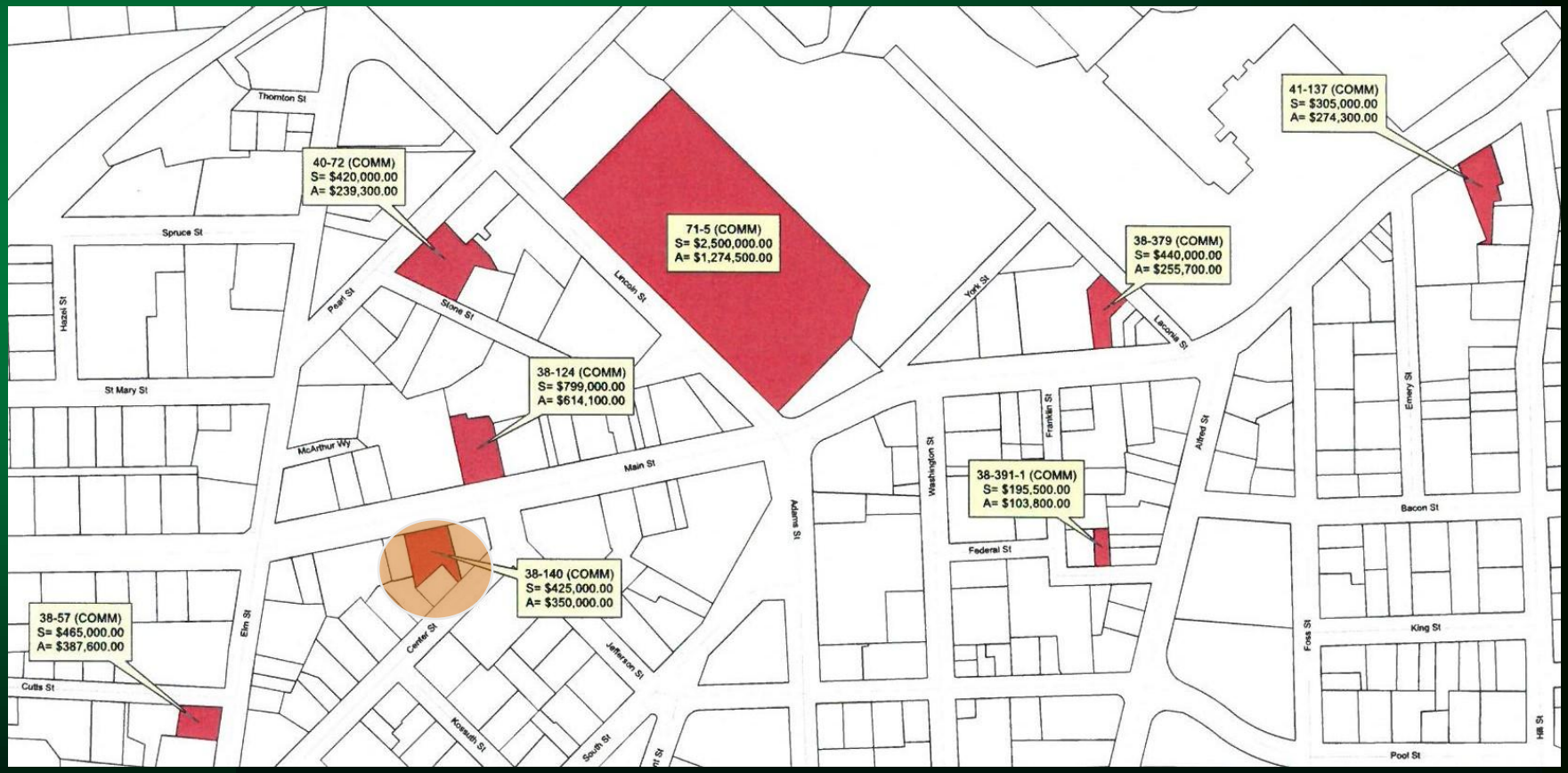
Assessed Value: $274,300

Purchased Price: $305,000

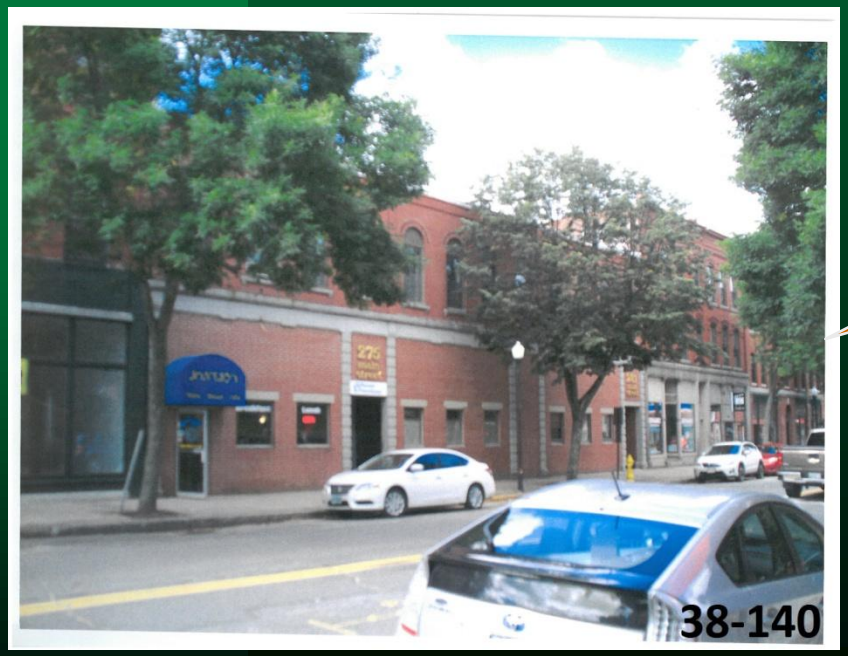
Percent Change: + 11.19 %

Sales Date: March 10, 2016

Review of Commercial Sales



Review of Commercial Sales



275 Main St

Assessed Value: $350,000

Purchased Price: $425,000

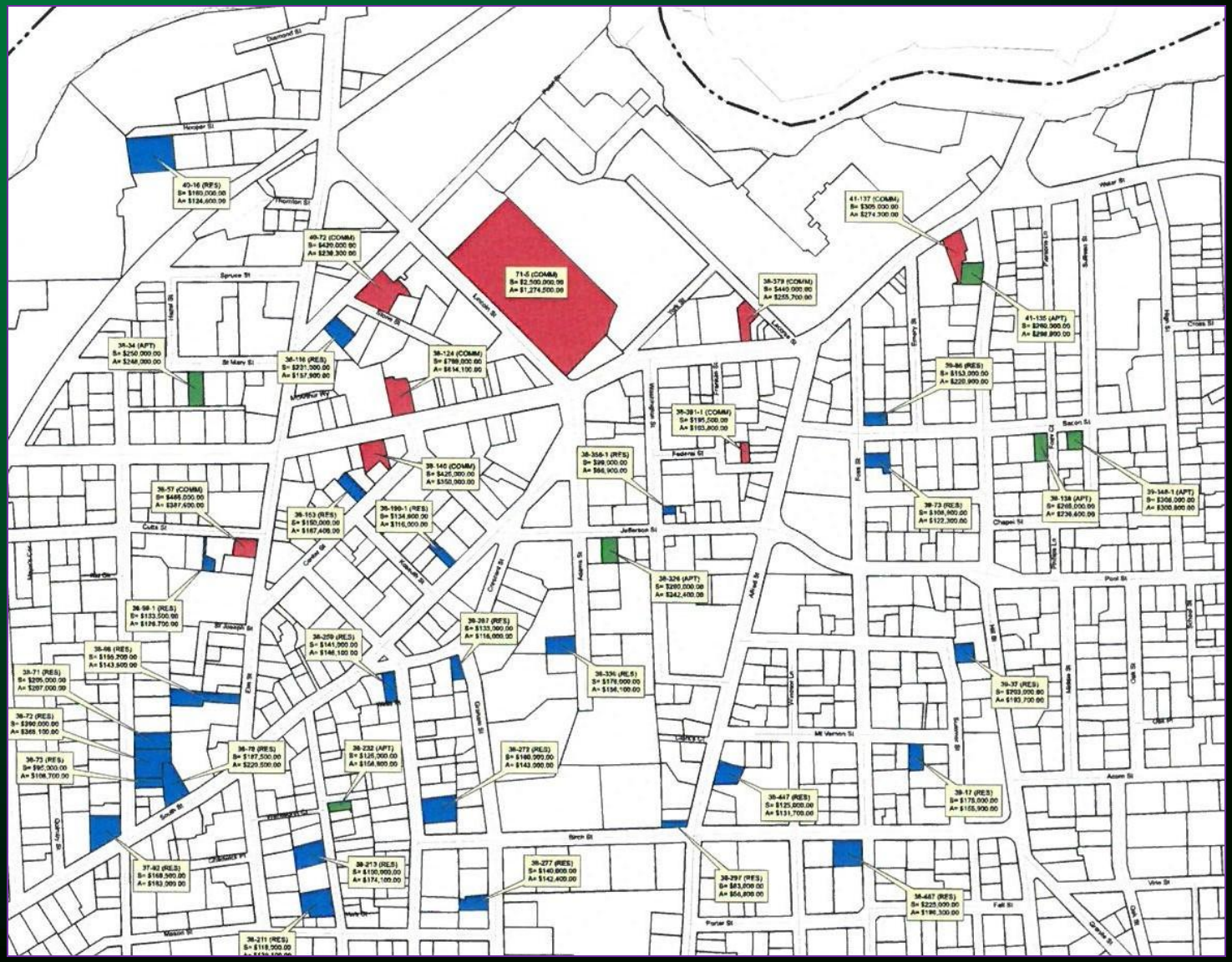
Percent Change: + 21.42 %

Sales Date: May 3, 2016

What the Sales Are Suggesting?

- On average, the commercial values are selling at 58.59% above assessed value
- Certified ratio: 69%
- Adjusting the values:
  - $38,321,434 in new value;
  - $716,063 in additional tax

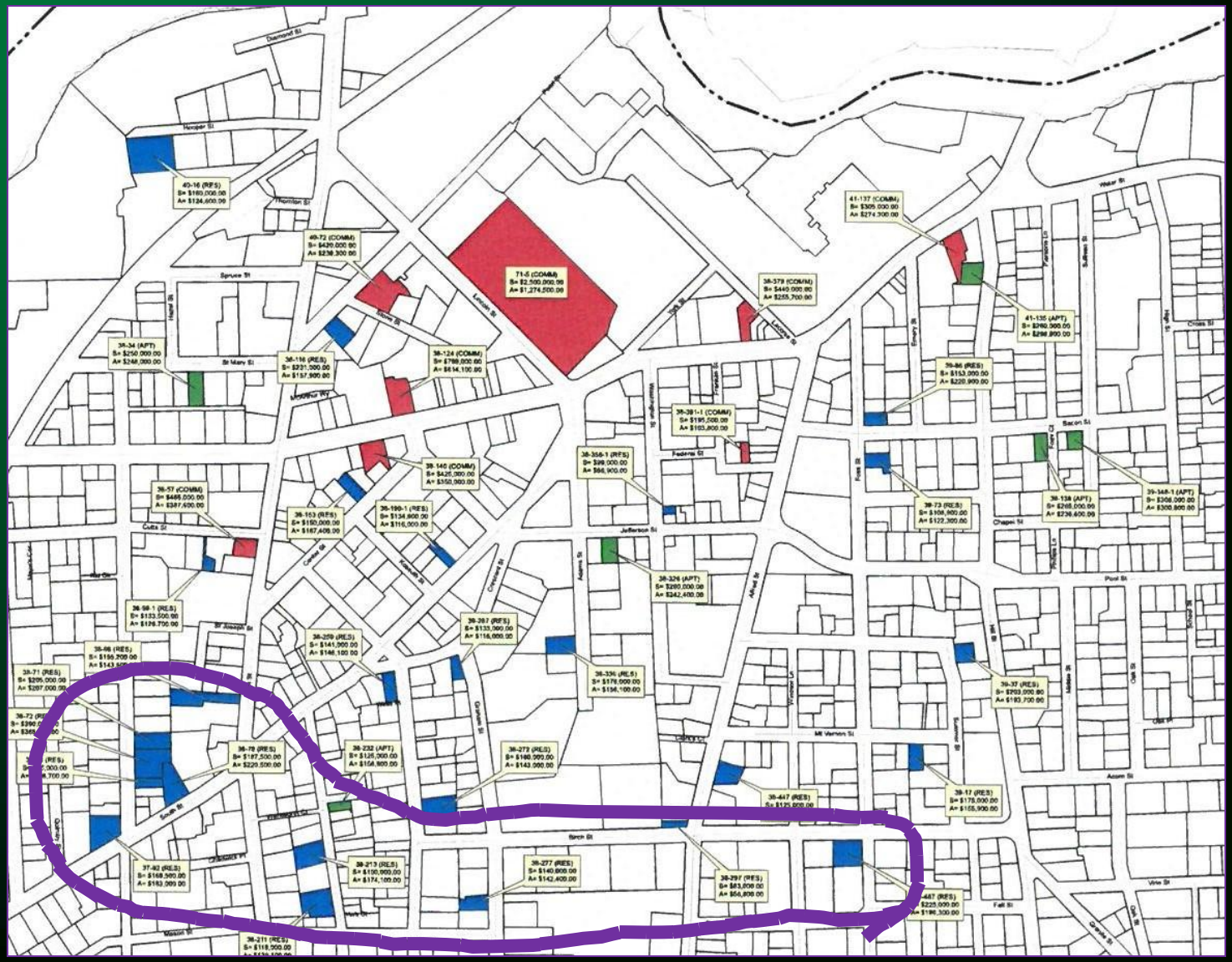
Positive Trend in Residential



Positive Trend in Residential

- All residential properties (be definition, up to a four unit)
  - Primarily the non-single family homes
  - Selling at 12% above assessed value
  - Certified ratio: 94%
  - Implications:
    - $14,469,228 in additional value
    - $287,358 in additional taxes

Positive Trend in Residential



Deeper Analysis

- Removing the neighborhood farthest from downtown
  - Increases average sales to 24% above assessment
  - Certified ratio: 88%

Conclusions

- Significant increases in values in downtown
- Downtown strategy is working from an economic development/valuations perspective
- Only one measure of community/economic development, i.e. job creation

Final Thoughts

- Based on today's analysis:
  - $52,790,662 of new value
  - $1,048,422.55 in new property taxes
- Today's snap shot; not a forecast of actual adjustments in FY18

BIDDEFORD

Leading The Way