

TOWN OF NORTHWOOD

Why a Property Assessment Update in 2022?

Many taxpayers are asking why are we reevaluating property in Northwood this year when we just completed a reevaluation in 2020? The simple answer is the real estate market. Real estate values in Northwood have continued to increase significantly in 2020, 2021 and the first quarter of 2022. Even though the New Hampshire constitution and statutes requires property be reevaluated at least every five years, in order to keep property assessments somewhat close to fair market value, and to avoid the dramatic increases we saw in 2020 from over the 2015 values, a statistical update was contracted for 2022. Besides the constitutional and statutory requirements, there are many beneficial aspects to completing a revaluation. The nature of the value of real estate is that values change, and the reality is it rarely changes for every property type at the same rate or for the same reasons. Basic fairness in property taxation requires that everyone pays based on the value of their property, and the revaluation resets all property to market value. Also, this being a human activity, it is prone to errors. A revaluation provides the opportunity to correct these errors. There may also be valuable property that has not been included through the completion of non-permitted work. The collection of these additional features of property increases the accuracy of the total value of a municipality and will reduce the tax burden on all taxpayers and abatement requests.

Where do the new assessment values come from?

This year we are doing a statistical update of values. In a statistical update our assessors will analyze market sales throughout the entire Town to identify and implement needed value changes to the affected areas or classes of property. For example: if waterfront properties are selling in a certain area of Town for 35% more than their current assessment, then properties in this particular class and section of town will likely see an approximately 35% increase in their assessed valuation for 2022.

How Do I Ask Questions About My New Value?

During the week of September 19th and September 26th informal reviews which is a one-on-one interview between the taxpayer and assessor to review/correct the initially determined assessment information are being scheduled by appointment only. Please call the assessor's office for more information.

Finally, the Big Question Will My Taxes Go Up?

The answer to this question has yet to be determined as we wait for the final assessment numbers, however if your property value was significantly underassessed then the likely answer is yes. If your new property value is staying relatively the same or has gone down, then you won't see a big change, or your taxes will most likely go down. The final tax rate will likely be set sometime in early November. As stated, several times by the Select Board, the use of a portion of the fund balance (fka "the surplus") when setting the Town tax rate will help soften the impact of the increased valuations in this fall tax bills. If interest rates continue to rise and the real estate market cools over the next year or two, a new revaluation may not be necessary until 2025.

Portions of the information was taken from Chapter 7 of the NH Department of Revenue's municipal handbook available at [chapter-7-revaluations.pdf \(nh.gov\)](https://www.nh.gov/sites/default/files/2021-03/Chapter-7-revaluations.pdf)