

**Explanation and Derivation of Time Trending Factors:** Time trending refers to an analysis of market conditions over a specific period, with two objectives: 1) First, the assessor must identify whether the market has appreciated, remained stable, or declined since the last valuation/reporting period; 2) Secondly, the assessor must determine the actual rate of such activity, typically on a percentage basis.

The most useful and direct basis for extracting the rate of market change, whether up, down, or neutral, is to identify property that has sold twice with few changes in the property between the two sale dates. In such situations, the rate is calculated by comparing the change in sale price between the two periods. The reliability of this extracted rate of change is greatly improved when a number of such sales are available.

No valid arms-length resales took place during the period:

Another technique, less direct, but generally more statistically reliable due to the number of sales associated with the annual study, is to extract the rate of change in market conditions from the ratio studies.

To extract a meaningful rate of change, median ratios were looked at from the old assessments on sales for the preceding three years:

For the period they were as follows:

**Portsmouth C/A Old Assessment Ratio**

			4/1/12 - 4/1/13			Old		
Map			Address	Type	Date	Sale Price	Assessed Value	A/S Ratio
105	13	102	68 State St. #102	Retail Condo	4/30/2012	\$310,000	\$274,700	88.6%
126	33	101	51 Islington St. #1	Retail Condo	6/26/2012	\$1,347,133	\$1,148,600	85.3%
241	15	20	1808 Islington St.	Commcl Condo	6/27/2012	\$196,000	\$174,900	89.2%
130	41		186 Miller St.	Apartments	6/29/2012	\$1,150,000	\$997,200	86.7%
107	48	1	123 State St. #1	Office Condo	7/3/2012	\$731,533	\$703,200	96.1%
106	34	F	135 Market St #F	Retail Condo	8/27/2012	\$385,000	\$325,400	84.5%
239	13	1	35 Gosling Rd.	Motel	9/21/2012	\$5,798,533	\$4,809,100	82.9%
118	26	10	Deer St. #8-4	Office Condo	10/9/2012	\$510,000	\$459,100	90.0%
172	8		951 Islington St	Office	11/6/2012	\$1,890,000	\$1,873,900	88.6%
233	4		1200 Islington St.	Apartments	12/3/2012	\$590,000	\$521,700	88.4%
151	6	D7	230 Lafayette Rd. #D7	Office Condo	12/19/2012	\$140,000	\$151,800	108.4%
117	44		76 Congress St.	Retail Office	12/21/2012	\$550,000	\$446,300	81.1%
164	7		601 Islington St	Store	1/15/2013	\$850,000	\$657,600	77.4%
107	68	103	222 State St.	Retail Condo	3/12/2013	\$250,000	\$217,600	87.0%
165	4	B102	871 Islington St.	Bsmnt Condo	4/8/2013	\$29,000	\$27,800	95.9%
						\$14,727,199	\$12,588,900	
<b>Average</b>					10/10/2012			88.7%
<b>Median</b>					10/9/2012			88.4%
<b>Weighted Mean</b>								85.6%
					<b>Avg ABS Deviation</b>			0.049
					<b>COD</b>			5.55
					<b>PRD</b>			1.04

The above represents sales from 4/1/12 – 4/1/13. Therefore, the middle timeframe is 10/1/12. The median ratio from 10/1/12 was 88.4%.

Portsmouth C/I Old Assessment Ratio

		4/1/13 - 4/1/14				Old		
Map		Address	Type	Date	Sale Price	Assessed Value	A/S Ratio	
185	4	B102	871 Islington St.	Bsmnt Condo	4/8/2013	\$29,000	\$27,800	95.9%
231	52	B1A	264 Lafayette Rd. B1A	Office Condo	4/12/2013	\$158,000	\$157,400	99.6%
118	26	4	407 Deer St. #6-16	Office Condo	5/7/2013	\$515,000	\$412,100	80.0%
129	17		10 Merrimac St.	Apartments	5/16/2013	\$835,000	\$736,600	88.2%
165	4	B104	871 Islington St.	Bsmnt Condo	5/22/2013	\$25,000	\$25,200	100.8%
291	7		3201 Lafayette Rd.	Mobil Home Park	5/30/2013	\$10,770,000	\$6,378,700	59.2%
146	16		184 Madison St.	Apartments	5/31/2013	\$5,500,000	\$4,706,700	85.8%
229	8B		581 Lafayette Rd.	Movie Theatre	6/6/2013	\$1,515,000	\$1,131,600	74.7%
305	3	4	108 Corporate Dr #4	Office Condo	6/28/2013	\$3,985,500	\$3,225,400	80.9%
101	64		134 South St.	Apartments	7/12/2013	\$1,166,600	\$735,600	63.1%
106	34	C	135 Market St #C	Office Condo	7/19/2013	\$257,500	\$245,000	95.1%
223	34		895 Sagamore Ave.	Store	7/19/2013	\$204,700	\$205,000	100.1%
106	34	G	135 Market St #G	Retail Condo	8/30/2013	\$395,000	\$338,200	85.6%
219	52		1009 Maplewood Ave	Apartments	9/9/2013	\$508,000	\$475,100	93.5%
253	9	8	115 Mirona Rd. #8	Retail Condo	9/12/2013	\$195,000	\$134,200	68.8%
151	6	D8+D9A+D9B	230 Lafayette Rd. #D8+9A&I	Office Condo	9/13/2013	\$319,900	\$285,600	89.3%
103	43		30 Gardner St.	Apartments	10/2/2013	\$575,000	\$553,300	96.2%
168	27		75 Monroe St.	Apartments	10/9/2013	\$918,200	\$639,700	69.7%
106	28		45 Market St	Rettl/Ofc/Apt	10/15/2013	\$525,000	\$502,700	95.8%
102	56		420 Pleasant St.	Apartments	10/23/2013	\$520,000	\$511,000	98.3%
105	1A		121 Bow St #1A	Inn Condo	11/1/2013	\$1,175,000	\$733,200	62.4%
127	1		40 Court St.	Inn/Motel	11/20/2013	\$2,485,000	\$2,378,100	95.7%
106	3		110 Chapel St.	Office/Apt	11/22/2013	\$842,500	\$630,000	74.8%
145	33		404 Islington St.	Inn/Motel	11/22/2013	\$800,000	\$610,500	76.3%
127	4		159 Middle st.	Office	12/13/2013	\$768,000	\$683,900	89.0%
135	45		426 Middle St	Retail/Ofc	1/17/2014	\$450,000	\$391,100	86.9%
117	43		74 Congress St.	Rettl/Ofc/Apts	1/31/2014	\$800,000	\$409,700	51.2%
107	76		92 Pleasant St.	Rettl/Ofc/Apt	2/3/2014	\$710,000	\$546,700	77.0%
309	4	2	205 Flightline Rd U22	Hangar Condo	2/3/2014	\$50,000	\$41,800	83.6%
107	53		110 State St.	Rettl/Apt	2/4/2014	\$750,000	\$643,500	85.8%
309	3	4	203 Flightline Rd U14	Hangar Condo	2/10/2014	\$49,900	\$41,800	83.8%
138	62		Hanover St.	Whrse/Mixed	3/18/2014	\$1,485,066	\$1,397,200	94.1%
240	2	2303	330 Borthwick Ave #303	Office Condo	4/1/2014	\$300,000	\$296,500	98.8%
						\$39,582,866	\$30,231,100	
Average				9/26/2013			84.2%	
Median				10/2/2013			85.8%	
Weighted Mean							78.4%	
				Avg ABS Deviation			0.104	
				COD			12.07	
				PRD			1.10	

The above represents sales from 4/1/13 to 4/1/14. Therefore, the middle timeframe is 10/1/13. The median ratio from 10/1/13 was 85.8%.

The change from 10/1/12 to 10/1/13 was 2.60%. A decreasing ratio indicates an increasing market, but not enough change existed to draw a conclusion yet that the market increased materially from the 10/1/12 to 10/1/13.

Portsmouth C/I Old Assessment Ratio

			4/1/14 - 4/1/15		Old		A/S	
Map			Address	Type	Date	Sale Price	Assessed Value	Ratio
240	2	2303	330 Borthwick Ave #303	Office Condo	4/1/2014	\$300,000	\$296,500	98.8%
107	37		49 Pleasant St.	Reti/Ofc/Apt	5/20/2014	\$1,575,000	\$901,900	57.3%
309	4	5	205 Flightline Rd U25	Hangar Condo	5/23/2014	\$60,000	\$41,800	89.7%
238	16		1600 Woodbury Ave.	Shopping Center	6/2/2014	\$24,186,000	\$21,434,700	88.6%
243	56		290 Peverly Hill Rd.	Day Care	6/11/2014	\$268,500	\$280,200	104.4%
125	8		285 Hanover St.	Apartments	6/16/2014	\$386,000	\$327,900	84.9%
123	9		335 Maplewood Ave	Apartments	6/27/2014	\$795,000	\$688,600	86.6%
116	12		402 State St.	Office	7/22/2014	\$875,000	\$913,700	104.4%
216	1	10	155 Commerce Way	Office	8/1/2014	\$4,500,000	\$3,280,200	72.9%
307	1		68 New Hampshire Ave	Warehouse	8/22/2014	\$1,450,000	\$1,428,100	98.5%
126	6	105	107 Congress St #1-5	Retail Condo	8/25/2014	\$650,000	\$584,000	89.8%
117	31		44 Market St.	Reti/Ofc/Apts	8/28/2014	\$1,599,000	\$847,500	53.0%
309	2	7	201 Flightline Rd	Hangar Condo	9/10/2014	\$45,000	\$41,800	92.9%
161	43		806 US Rte 1 Bypass	Restaurant	9/15/2014	\$405,000	\$496,400	122.6%
156	5		536 Islington St.	Apartments	9/19/2014	\$460,000	\$394,500	85.8%
146	24	3	100 Albany St. #C	Retail Condo	10/8/2014	\$185,000	\$125,900	68.1%
126	30		45 Pearl St.	Retail/Apts	11/1/2014	\$625,000	\$449,400	71.9%
124	8		111 Maplewood Ave	Office	11/5/2014	\$8,000,000	\$6,123,900	76.5%
124	5	C3	118 Maplewood Ave C3	Office Condo	11/21/2014	\$170,000	\$149,500	87.9%
259	12	B04+B05	875 Greenland Rd. #B4+B5	Office Condo	11/26/2014	\$340,000	\$298,800	87.9%
107	52	1	102 State St.	Store	12/18/2014	\$365,000	\$381,400	104.5%
285	13	2	2600 Lafayette Rd. #2	Restaurant Condi	12/30/2014	\$1,200,000	\$857,600	71.5%
284	7	7	280 Heritage Ave #G	Indust Condo	12/31/2014	\$256,200	\$346,700	135.3%
275	7		Heritage Rd.	Vacant Indust	1/15/2015	\$615,000	\$402,600	65.5%
229	8		599 Lafayette Rd.	Shopping Center	1/30/2015	\$6,451,000	\$4,946,000	76.7%
212	26		1 Falkland PL	Office	2/6/2015	\$450,000	\$474,000	105.3%
						\$56,211,700	\$46,513,800	
Average					9/16/2014			87.0%
Median					9/12/2014			87.3%
Weighted Mean								82.7%
					Avg ABS Deviation			0.146
					COD			16.78
					PRD			1.05

The above represents sales from 4/1/14 to 4/1/15. Therefore, the middle timeframe is 10/1/14. The median ratio from 10/1/14 was 87.3%.

The change from 10/1/12 at 88.4% to 10/1/14 at 87.3% was only 1.10%. A decreasing ratio indicates an increasing market, but not enough change existed to draw a conclusion that the market increased materially from 10/1/12 to 10/1/14. In fact, this is a period of 24 months, therefore, this would indicate a rate of change of well less than 1% per year at only 0.55% per year.

**So based on the rate of change to the ratios over the three year period of sales, no time adjustment to the sales was deemed necessary.**