



Portsmouth Partial Update 2018 Results Presentation to the City Council

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Portsmouth Partial Update Valuation Dates and Assessment Ratios

- Valuation Date 4/1/2018
- Sales Utilized 1 Year for Residential
- Sales Utilized 2 Years for Commercial
- 2017 State Equalization Study- Overall Assessment Median Ratio was Approximately at 97% of the Sales Prices
 - 2018 Overall Assessment to Sales Ratio as of 4/1/2018 - 94% Median Ratio

Portsmouth Partial Update 2018 Sales Market Analysis

- In-Depth Study of Qualified Residential Sales
- Determine Building Value and Depreciation
- Determine Land Prices
- Delineated Neighborhoods
- Determine Condo Complex Adjustments
- Develop Computer Models Based On Market
- These Rates and Value conclusions were tested against the sales to ensure that they are at Market Value

Residential Analysis Conclusions

- Base year remains the same
- Review the land curve – Stable
- Review the Building costs - Stable
- All stratifications remained stable except for the neighborhood which indicated a portion of them needed to be reviewed and adjusted
- Below is a breakdown of the Sales Analysis Studies

Sales Analysis Studies- Land Use

4/1/2017- 3/31/2018

Summary by Land Use
PORTSMOUTH, NH

08/30/2018

Land Use Code		Count	Mean Sale Price	Mean Appraised	Mean A/S Ratio	Median SalePrice	Median Appraised	Median A/S Ratio	Median Abs Disp	COD	Weighted Average
101	SINGLE FAM MI	153	550,725	513,065	0.94	495,000	476,700	0.94	0.04	5.04%	0.93
102	CONDO	134	475,595	449,484	0.94	385,000	363,600	0.94	0.02	3.14%	0.95
103	MOBILE HOM	15	169,133	154,700	0.91	185,000	176,200	0.94	0.05	10.07%	0.91
104	TWO FAMILY	4	676,625	621,500	0.91	717,000	673,650	0.92	0.05	6.52%	0.92
109	MULTI HSES MI	2	1,465,000	1,413,000	1.00	1,465,000	1,413,000	1.00	0.05	5.00%	0.96
			507,027	475,203	0.94	430,400	404,700	0.94	0.03	4.50%	0.94

Sales Analysis Studies- Sales Date

4/1/2017- 3/31/2018

Summary by Sale Date
PORTSMOUTH, NH

08/29/2018

Sale Date Quarter	Count	Mean Sale Price	Mean Appraised	Mean A/S Ratio	Median SalePrice	Median Appraised	Median A/S Ratio	Median Abs Disp	COD	Weighted Average
2017, Q 2	42	492,388	473,650	0.96	465,000	479,800	0.97	0.03	4.49%	0.96
2017, Q 3	54	559,052	520,809	0.94	484,500	464,800	0.93	0.04	4.48%	0.93
2017, Q 4	39	655,174	599,323	0.92	544,900	456,500	0.92	0.03	4.24%	0.91
2018, Q 1	24	561,525	517,517	0.93	573,250	503,100	0.93	0.05	7.30%	0.92
		565,393	527,113	0.94	497,000	480,100	0.94	0.03	5.12%	0.93

Sales Analysis Studies- Sale Price

4/1/2017- 3/31/2018

Summary by Sale Price Quartile
PORTSMOUTH, NH

08/29/2018

Sale Price Quartile	Count	Mean Sale Price	Mean Appraised	Mean A/S Ratio	Median SalePrice	Median Appraised	Median A/S Ratio	Median Abs Disp	COD	Weighted Average
1	40	300,498	282,078	0.94	299,700	271,100	0.93	0.04	5.35%	0.94
2	40	433,898	410,652	0.95	435,000	404,700	0.95	0.03	4.42%	0.95
3	40	603,405	567,030	0.94	602,500	572,550	0.94	0.05	5.61%	0.94
4	39	932,962	856,938	0.92	814,900	783,500	0.93	0.03	4.96%	0.92

Sales Analysis Studies- NBHD

4/1/2017- 3/31/2018

Summary by Land Neighborhood
PORTSMOUTH, NH

08/29/2018

Land NBHD	Count	Mean Sale Price	Mean Appraised	Mean A/S Ratio	Median Sale Price	Median Appraised	Median A/S Ratio	Median Abs Disp	COD	Weighted Average
101	6	739,833	709,050	0.96	660,000	638,000	0.97	0.04	3.95%	0.96
102	7	907,786	802,157	0.91	760,000	718,100	0.92	0.09	9.32%	0.88
103A	5	897,980	816,380	0.91	750,000	700,100	0.92	0.01	2.17%	0.91
103B	16	678,569	642,612	0.95	692,000	634,400	0.95	0.04	5.07%	0.95
104	12	726,592	672,338	0.93	750,300	657,650	0.92	0.05	6.07%	0.93
105	16	592,975	547,538	0.93	587,500	511,650	0.94	0.05	6.58%	0.92
108	1	2,600,000	2,480,100	0.95	2,600,000	2,480,100	0.95	0.00	0.00%	0.95
111	3	980,000	900,900	0.93	850,000	819,000	0.96	0.04	5.56%	0.92
112	1	1,307,500	1,236,500	0.95	1,307,500	1,236,500	0.95	0.00	0.00%	0.95
114	6	414,083	395,033	0.96	398,000	380,600	0.95	0.03	4.21%	0.95
115	5	577,200	551,600	0.96	599,000	572,300	0.95	0.03	3.16%	0.96
117	2	574,950	530,850	0.92	574,950	530,850	0.92	0.05	5.43%	0.92
118	11	328,118	308,045	0.94	320,000	292,500	0.94	0.04	5.71%	0.94
120	2	272,500	245,150	0.90	272,500	245,150	0.90	0.01	1.11%	0.90
121	14	325,186	298,750	0.92	307,450	272,600	0.92	0.03	4.97%	0.92
123	2	299,950	278,250	0.93	299,950	278,250	0.93	0.04	4.30%	0.93
125	7	441,786	417,586	0.94	455,000	446,500	0.93	0.03	3.38%	0.95
127	4	631,175	599,475	0.95	544,850	518,700	0.95	0.01	1.58%	0.95
128	3	443,333	394,200	0.90	472,500	382,600	0.89	0.11	8.99%	0.89
129	16	465,225	443,450	0.96	447,500	422,600	0.95	0.03	4.67%	0.95
130	9	297,444	276,067	0.94	265,000	243,000	0.93	0.04	5.14%	0.93
131	8	492,725	465,275	0.94	473,000	453,700	0.95	0.02	2.89%	0.94
133	2	433,500	393,000	0.91	433,500	393,000	0.91	0.02	2.20%	0.91
134	1	999,000	930,400	0.93	999,000	930,400	0.93	0.00	0.00%	0.93
		565,393	527,113	0.94	497,000	480,100	0.94	0.04	5.12%	0.93

Residential % Change Results from Partial Update

- Single Family 2% average increase
- Residential Condo 2% average increase
- Two Family 4% average increase
- Three Family 6% average increase
- Residential overall Old to New indicates 2% increase

Residential Results from Partial Update NBHD Analysis

- Portsmouth has 29 Residential Neighborhoods
- 16 neighborhoods – 0-2% change
- 2 neighborhoods went down 3-7%
- 9 neighborhoods went up 3-7%
- 2 (104, 105) neighborhoods went up 11-14%

Neighborhood Adjustments Made and % Change

Neighborhood Code	Adjustment Factor	% Change
120	0.90	7%
115	0.95	-7%
118	1.00	0%
119	1.00	0%
121	1.00	0%
132	1.00	0%
114	1.10	-3%
117	1.10	4%
127	1.10	3%
133	1.15	3%
125	1.20	6%
130	1.20	5%
128	1.30	6%
129	1.30	6%
134	1.30	0%
123	1.35	2%
112	1.50	2%
110	1.70	0%
131	1.70	1%
111	2.05	3%
104	2.15	11%
105	2.15	14%
113	2.40	1%
101	2.50	1%
102	2.50	2%
103B	2.50	1%
109	2.50	1%
108	2.70	0%
103A	2.90	1%

Condominiums

- 323 Condo Complexes including 101 Mix use/Commercial Complexes
- Condominiums – Individual complexes reviewed and analyzed
- Complexes that have no sales are reviewed for comparability to complexes with sales
- Waterfront, water view, downtown locations reviewed
- Overall Old to New indicates a 2% increase in Condominium class
- Individual Complex may go up or down depending on the findings of the analysis
- Below is a breakdown of the Condominium Sales Analysis Studies

Condo Sales Analysis Studies- Sale Price

4/1/2017- 3/31/2018

Summary by Sale Price Quartile
PORTSMOUTH, NH

08/30/2018

Sale Price Quartile	Count	Mean Sale Price	Mean Appraised	Mean A/S Ratio	Median SalePrice	Median Appraised	Median A/S Ratio	Median Abs Disp	COD	Weighted Average
1	34	193,074	179,512	0.93	175,950	171,800	0.93	0.02	3.29%	0.93
2	33	309,876	287,370	0.93	305,000	277,800	0.93	0.02	3.62%	0.93
3	34	457,771	431,794	0.94	439,950	416,050	0.94	0.01	1.85%	0.94
4	33	950,761	907,979	0.95	790,000	753,000	0.95	0.03	3.35%	0.96
		475,595	449,484	0.94	385,000	363,600	0.94	0.02	3.14%	0.95

Condo Sales Analysis Studies- Sale Date

4/1/2017- 3/31/2018

Summary by Sale Date
PORTSMOUTH, NH

08/30/2018

Sale Date Quarter	Count	Mean Sale Price	Mean Appraised	Mean A/S Ratio	Median SalePrice	Median Appraised	Median A/S Ratio	Median Abs Disp	COD	Weighted Average
2017, Q 2	35	440,723	418,189	0.95	390,000	355,500	0.94	0.01	2.19%	0.95
2017, Q 3	31	455,348	428,532	0.94	380,000	371,200	0.94	0.03	4.15%	0.94
2017, Q 4	33	575,691	542,594	0.94	395,000	375,800	0.94	0.01	1.87%	0.94
2018, Q 1	35	434,023	411,549	0.93	310,000	288,800	0.93	0.02	4.09%	0.95
		475,595	449,484	0.94	385,000	363,600	0.94	0.02	3.14%	0.95

Market Analysis Commercial

- Cost Approach
- Reviewed Land Values; Stable –Minimal Sales, Sales and Income Residuals
- Compared Building Cost Levels Against M&S; Only minor adjustments 1-3% upward adjustment depending on type of property
- Depreciation – Stable
- Income Approach
- Reviewed Actual Income, Expense and Vacancy Information
- Based on local and Regional data increases vary from 0-3%

Market Analysis Commercial

- Income Ave. Rents Major Categories 2017 to 2018
 - Office (NNN) \$13.75 to \$14.00
 - Pease Office (NNN) \$17.85 to \$18.20
 - DT Retail (Net) \$28.50 to \$28.50
 - Retail (NNN)\$16.00 to \$16.00
 - Retail Strip (NNN) \$18.00 to \$18.50
 - Apartments Studio (Gross) & 1 Bed Room 5% Increase in Rents
 - Industrial (NNN)\$6.50 to \$6.50
 - Office/Warehouse (NNN)\$8.00 to \$8.50
 - Service Shop (NNN) \$9.25 to \$9.50
 - Hotel Rental increase 3%, 35%-40% Vacancy decreased to 30%-35%, Expenses decreased 83% to 78%
 - Nursing Homes net income up 2%
- Capitalization Rates- Overall Stable
 - Interest Rates Rising
 - Market Demand still high for the area
- Specialty Properties- Hotels, Nursing Homes, Assisted Living
 - Analyze Specific Income Stream
 - RE Expenses-Distributed, Undistributed, Fixed, Reserves
 - Non-RE Expenses- Business Component, Personal Property

Portsmouth Median Commercial Sales Price & Assessment Ratio

- Review of sales for last two years
- Qualified Commercial, Industrial, Mixed Use, Apartments
 - 4/1/2016- 3/31/2018 39
 - 4/1/2017-3/31/2018 15
- Also reviewing additional sales, such as multiple parcel sales and sales with physical changes
- Below is a breakdown of the Condominium Sales Analysis Studies

Commercial % Change Results from Partial Update

- Commercial overall Old to New +3%
- Office +3%
- Office Pease +4%
- Retail stable
- Mixed use +1%
- Hotels +8%
- Industrial +1%
- Apartment +3%
- Mix Use +1%

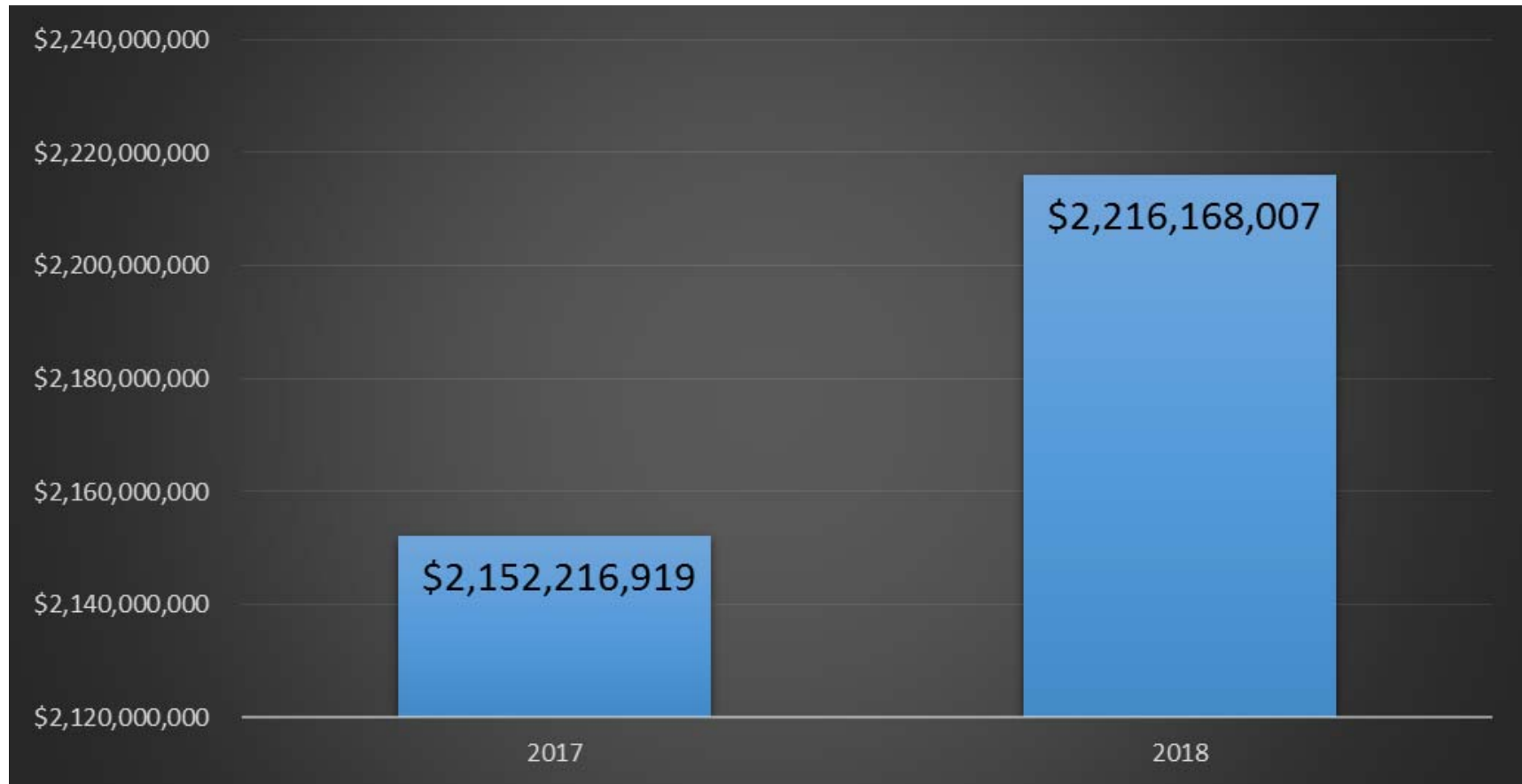
Sales Reports/Web Site

- Detailed Sales reports for Residential, Commercial and Condominiums by various stratifications will be available, at the hearings as well as on the City's website once finalized and approved.
- All new proposed values will be available on the City's web site which links to Vision's website.

Commercial

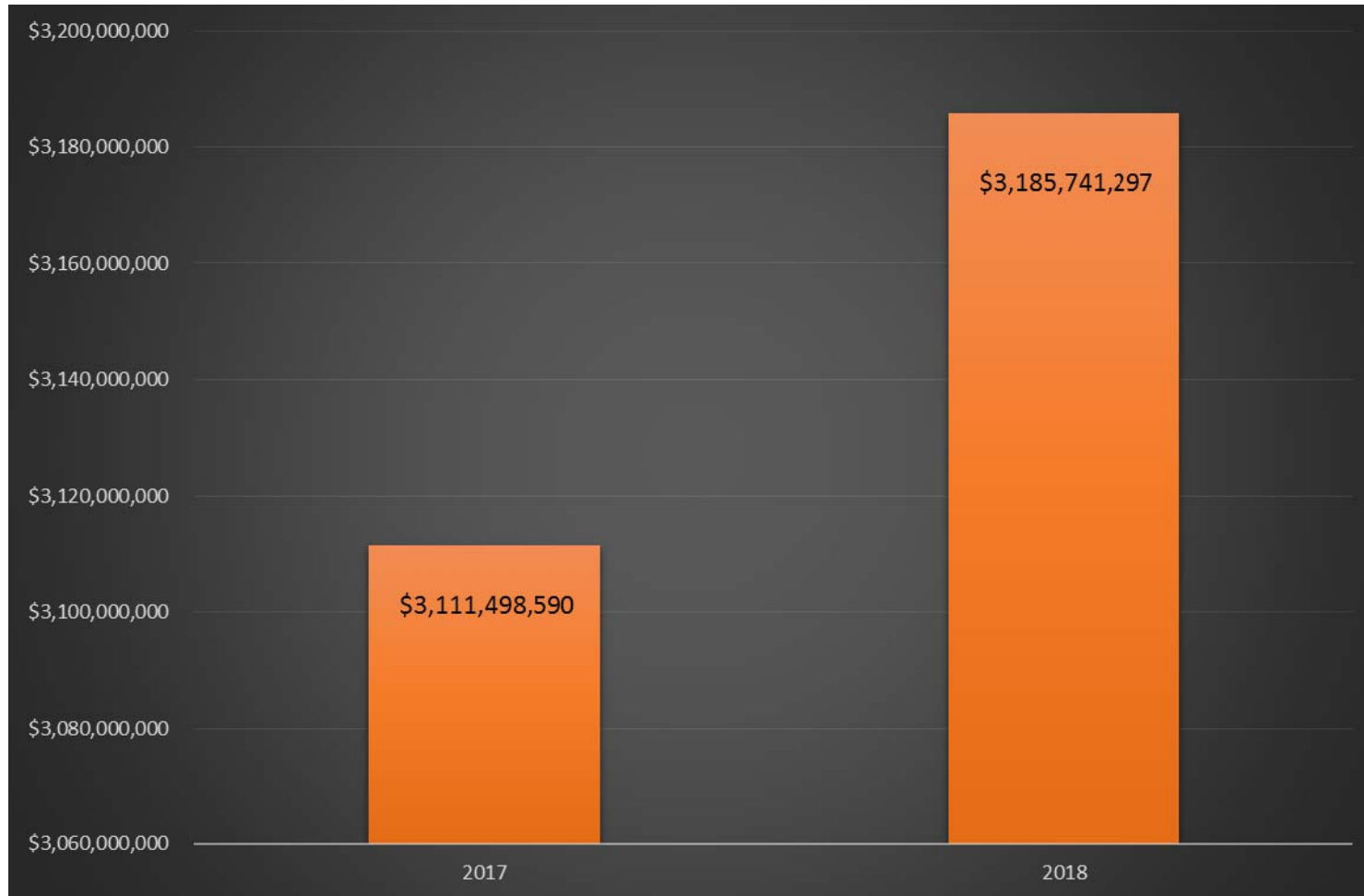
Estimated Increase 3%

Does not include Utilities and not Net of Exemptions

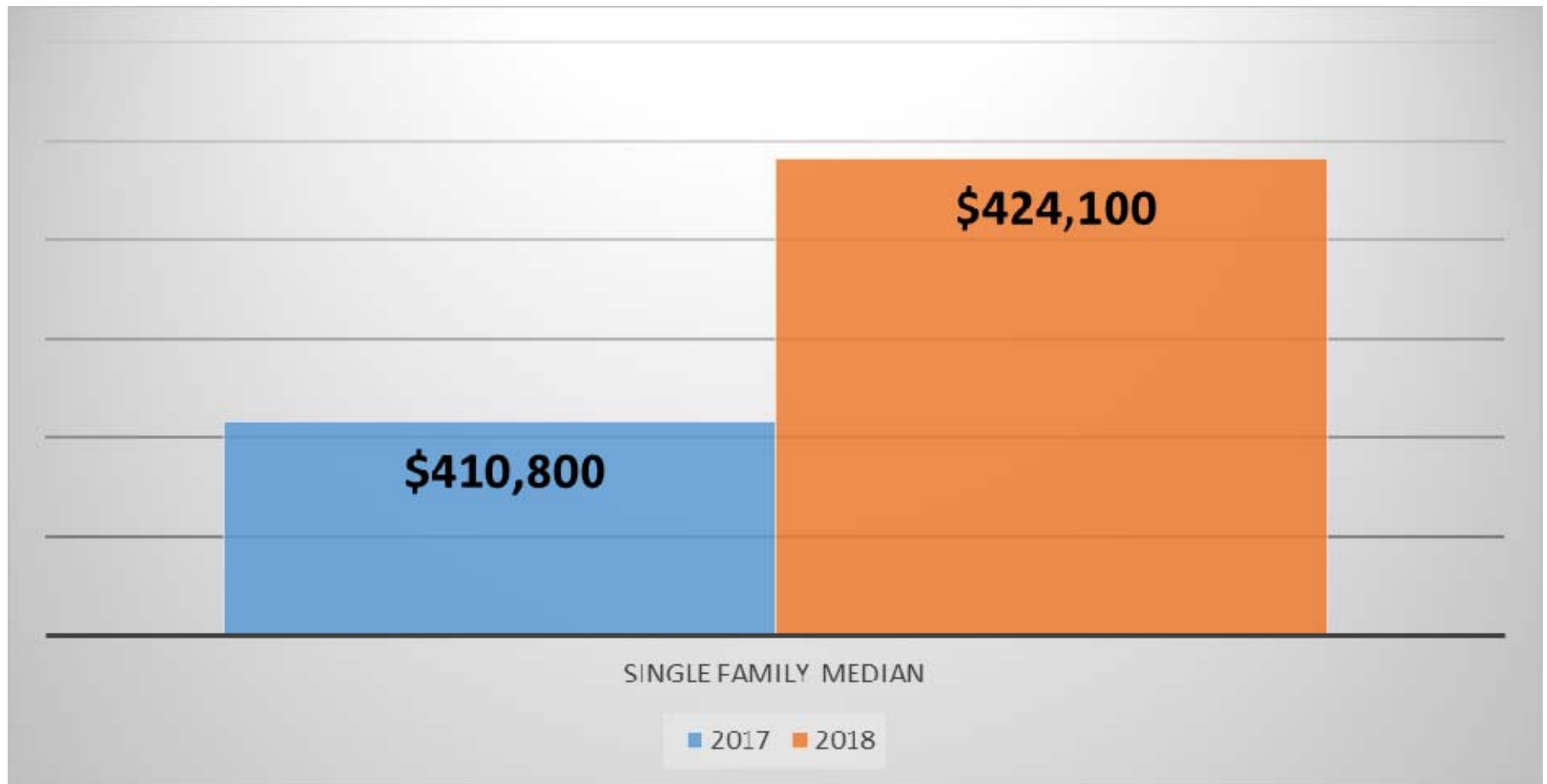


Residential Estimated Increase 2%

Not Net of Exemptions



Median Single Family Estimated Increase 3%



Timetable

- Values finalized August 27th, 2018
- Web update August 30th, 2018
- Impact notice mailed - August 30th, 2018
- Appointments taken for hearings Aug 31st, – September 17th, 2018
- Follow up Council Meeting – September 4th – 6:30 pm
- Taxpayer Forum Meeting – September 10th – 6:30 pm
- Informal Hearings September 6th – September 20th, 2018
- Project Completed and database turned over to the Assessor's Office by October 12th, 2018
- Second Impact Notices mailed by October 16th, 2018