

2025

How to Read Your Vision Card

Fiscal Year 2025

Town of Petersham Board of Assessors

INTRODUCTION This guide is to help you understand your property record card with the assessed valuations for the Fiscal 2025 tax year. State law requires that the assessed valuation established for a property should represent fair market value as of that date. In other words, property assessments reflect a past value, and are not a prediction of an anticipated sale price. Fair market valuation is almost always based on sales that occurred in calendar 2023, the calendar year that precedes the valuation date. An exception occurs when there are not enough qualified samples in a year to create a large enough sample size. In that scenario, for the calendar year 2022 and the calendar year 2023 are used to create a larger sample size, per department of revenue regulations. Standards of assessment practice set by the Division of Local Services (DLS) of the Department of Revenue (DOR) require a median assessment to sale price ratio of plus or minus 10% of 100% of market value for these sales. Note that 2022 & 2023 sales activity will be reflected in the FY2025 tax year values.

WHAT IS THE VALUATION CRITERIA? The DOR requires communities to value all property each year. Every fifth year is a complete re-certification. This year, the re-certification data was collected and calculated by a contractor, Vision, and was accepted and reviewed in open meeting with the Board of Assessors. Both a re-certification and an interim year adjustment (the four years in between the 5 year re-certification) include a detailed analysis of the appropriate sales data as a basis for adjusting the property values. The goal is to keep the values as close as possible to 100% of market value and avoid an excessive swing in the assessments in one year. A re certification year includes intense examination by the DOR of all the community's assessment policies and procedures. FY2025 is a re-certification year for Petersham. The DOR has reviewed the re-evaluation data submitted for this fiscal year, and has recommended the release of the preliminary values to the community.

WHAT CHANGES HAVE BEEN MADE FOR FY2025? Many of the changes are described below as each section of the property record card is explained. The CAMA (Computer Aided Mass Appraisal) system is used to calculate the values. CAMA tables, with the factors used to calculate the values, are updated each year based on the sales analysis. The factors are adjusted so that the median assessment to sale price ratio is within 10% of 100% of fair market value of the sample. The computer model created is then applied to all the properties in town to arrive at a new value for each property. For FY24 there were several adjustments to factors in the tables including a change in the base rate land value table and building base rates.

WHY DOES EVERY PROPERTY GO UP (OR DOWN) IN DIFFERENT PROPORTIONS? The characteristics of your property will determine how the adjustments to the factors will affect your valuation. Items such as location, style, size, quality of construction, age, condition of the house, and lot size of the properties that were sold in 2022 & 2023 are analyzed to derive multipliers which are then applied to all properties town-wide. The relative importance of these characteristics in the marketplace determines whether an owner's valuation changes. A field review is done to check the application of these characteristics for consistency and uniformity. Properties with renovations or new construction between July 1, 2022, and June 30, 2023, will usually show an increase in their valuation.

WHEN MY NEIGHBOR'S HOUSE SELLS, WILL THEIR PRICE DETERMINE MY ASSESSMENT? A single sale does not establish the market value of all the properties in that area. It is only by examining ALL of the arms-length sales (a willing buyer and a willing seller acting in an informed manner in the open market, also referred to as a qualified sale), that the Board of Assessors can begin to discern the characteristics of the market. If the sale of your neighbor's property is an arms-length sale (Qualified) and if it occurred in the appropriate year, it will be included in the analysis of all sales town-wide and will be part of the data that determines the multipliers to be used to arrive at the new valuations.

HOW WILL THIS NEW VALUATION AFFECT MY TAX BILL? The increase in the town-wide total tax levy required to fund the budgets approved at the 2025 Annual Town Meeting is approximately 2.5% + the new growth in our community. This increase will affect all property owners. However, the changes in your bill will also depend on changes in the assessed value of your home. The Board of Assessors does not determine how much the Town will spend for the many services it provides, but apportions the share of these costs as fairly as possible among all property owners in town. The actual tax rate is calculated after the values are finalized, the Select Board votes on the classification of the rate, and the calculation is approved by the DOR. Though the FY2025 tax rate was determined, it is always expressed as a dollar amount per \$1,000 of valuation. The Fiscal 2025 tax year began on July 1, 2024. The new valuations are the basis for the Actual Tax Bills due by May 1st. This bill takes into account the estimated taxes you have already paid.

HOW CAN I GET MORE INFORMATION? Detailed characteristics for each property are available on the Town's website under the Assessors Division. There is a link to where Petersham's property record cards are available for viewing and printing within the Town of Petersham's Board of Assessor Webpage under AXISGIS Maps. These are computerized in the Geographical Information System (GIS). The property record cards are updated on a yearly basis. If you would like a current property record card, please contact the Board of Assessors Office.

WHAT HAPPENS IF I DISAGREE WITH MY ASSESSMENT? If you disagree with your assessment after receiving your Actual Tax Bill, you may file an abatement application with the Board of Assessors. Forms are available on the Town's website or you can call our office and we will mail you an application. By law all abatement applications must be received in the Assessing Office by May 1st, 2025, or postmarked by that same date. Applications received after that date or postmarked later than May 1st, 2025, cannot by law be considered by the Board of Assessors.

HOW TO READ YOUR PROPERTY RECORD CARD The rest of this document provides a description of the information contained on your property record card with an explanation of how the various numbers are derived. A sample property record card is attached with the areas labeled to correspond with the following explanations. The most significant factors are (1) the size and location of the land, and (2) the size, style, construction quality and condition of the structure(s).

SIDE 1 The information on the front side of the card is legal and historical data about ownership, past sales of the property, previous assessments, inspection history, and current land valuation details. (The areas of the card described below corresponds with the number on the sample card attached.)

Area 1 – Current Owner

The Record of Ownership section shows a history of ownership and sales. The column following the “Sale Date” is headed “q/u” identifying the sale as “qualified” or “unqualified.” All sales are reviewed in detail to identify arms-length transactions that can fairly be used to represent the market (for both the interim year adjustments and the quinquennial certification). If a sale is deemed not to be an “arms-length” transaction, it is marked “U,” and the column headed “V.C.” (verification code) shows a letter code describing the reason for the disqualification according to the DOR Non Arms Length Codes.

Area 2 – Current Assessment This area summarizes the valuation generated elsewhere on the card for land, structures, outbuildings and extra features. Usually, the “Appraised Value” and the “Assessed Value” will be the same. In some instances, such as for agricultural land, the “Appraised Value” is the value of the property before the applicable discount. The “Assessed Value” is the taxable value, LESS the total labeled “Exempt” and “Exm Land,” which is the tax exempt portion of the property. If the parcel has multiple cards, each building will be described on a separate card. On multi-building properties, each card might have separate land lines. The summary of assessed value is the same on each card.

Area 3– Sketch This section shows the assessment history or the three most recent fiscal years.

Area 4 – Building Permit Record and Visit/Change History This section lists the recent building permit activity and record of visits to the property.

Area 5 - The DOR requires property values to be divided into two parts, building and land. The land is assigned a “Use Code” according to the various property classifications provided by the DOR. These codes include single family residences, condos, multi-family residences, vacant land, commercial, industrial, and exempt properties.

Building Lots - Lot values are derived from the market-based data. Since there are few to draw conclusions about the value of developed land, a methodology called “land residual” is used resulting in a remaining value for the land. The square foot and/or acreage base rate is developed based on zoning districts or on the typical lot size of a given area. When the base lot area is identified, market data (i.e., land residuals) is plotted to develop a curve known as the “land curve.” The curve is intended to reflect market activity which typically indicates that land is not bought and sold on a square foot and/or acreage basis; rather, the square foot and/or acreage price decreases as the acreage increases.

There are 2 Neighborhoods used for residential properties. The streets listed below are examples from the various FY24 Areas. Neighborhood/Site Index Land Value Multiplier Neighborhood/Site Index Areas R-2 correspond to Northern Sections of Petersham. R-5 correspond to all the other properties.

Residential Neighborhood Adjustments remained at the FY 2024 Rates

R2	Low	.95
R5	Predominant	1.00

Excess Land If there are additional lines in the Land Line Valuation Section, they may reflect additional building lots or “excess land.”

Excess Land is that portion of the parcel that is over and above 1.5 Acres (Prime Lot). All excess land is valued at \$3,000 per acre modified by the market area adjustment factor. This price is also a result of the sales analyses undertaken by the Board of Assessors. In cases where there are unusual circumstances unique to a certain parcel, a further multiplier called a Condition Factor is used. In summary, land value is determined by considering the influence of location within the town and within the Neighborhood, along with any unusual influences requiring the use of a condition factor.

The following chart illustrates the base land parameters used for various size improved building lots. The following shows the land curve for all classes of properties as follows: Neighborhood index R5 represents a base value with no adjustment. The land curve will remain unchanged from FY 2024

Acre Curve	FY2024	FY2025
Class C,E,I,O,R,S	Base Value	Base Value
.01	34125	34125
.10	42630	42630
.30	45780	45780
.50	48510	48510
.75	52290	52290
1.00	55755	55755
1.50	59325	59325

SIDE 2 The second side of the Property Record Card shows all of the details used in valuing the structure(s), including outbuildings (e.g., sheds, pools) and extra features (e.g., fireplaces, jacuzzi). A diagram of the principal structure with the measurements used for the replacement cost calculation is also shown. Abbreviations used in the sketch are explained in the Building Sub-Area Summary Section at the bottom of the card (see Area 8). There is a lot of information on this card, but there are four elements that can be considered the most important contributors to the structure value.

A. Effective Area -- used for replacement cost of building

B. Style – determines base rate per square foot to build that style of building in central Massachusetts, as adjusted for Concord based on the market analysis

C. Grade -- quality of construction

D. Dep Code – normal physical depreciation based on the current condition of the structure given the actual year built (AYB).

Area 6 – Construction Detail Each construction detail has a code and a description. The principal elements are described below.

Style – For single family structures, there are fourteen basic styles. Each style has a corresponding “base rate” which is the current estimated new construction cost per square foot for this region of the country as reflected in the market. This information is obtained from the published construction industry data commonly used for this purpose, modified by the Petersham sales analysis. The styles and base rates for single family residences are listed:

The building rates have been adjusted as follows:

STYLE	FY2024 RATE	FY2025 RATE
Ranch	146	148
Split-Level	130	146
Colonial	130	136
Cape Cod	136	136
Bungalow	130	136
Conventional	141	145
Modern/Contemporary	128	128
Raised Ranch	130	148
Family Flat	92	92
4-8 Family	92	92

Family Conversion	92	150
Mobile Home	57	60
Camp	46	50
Antique	134	136

Grade – This element is a measure of the construction quality-the types of materials used and the quality of the workmanship. The grade of a house generally does not change except as a result of major renovations. The exception to this is during a revaluation or system upgrade where there are significant changes to this and other tables.

Area 7 – Sketch The diagram of the principal structure shows outside dimensions. The different areas are identified by codes that are further described in the bottom left section of the card. In some cases a diagram will not appear but a box with the code and square foot area will be used.

Area 8 – Building Sub-Area Summary Each part of the structure identified in the sketch will appear in the bottom left section of the property record card, showing the Living Area, Gross Area, and Effective Area. Only the Effective Area is used in the assessment calculation. Primary living areas count as 100% of the gross area; all other spaces count at less than 100%.

Size Adjustment Factor – This factor does not display on the card but is used in the calculation of value of the building. It is based on economies of scale and market inclination. Typically, if all else is equal, the smaller the structure, the greater the cost per square foot, and vice versa. However, this factor is also affected by the market indications and what is desirable to current buyers. This factor increases the square foot price at the low end and reduces it at the high end.

Area 9 – Cost/Market Valuation This box, in the middle of the card and to the left of the sketch, shows the calculation of the depreciated building cost. The Adjusted Base Rate is derived by multiplying the Base Rate, as adjusted for certain elements under the Construction Detail section, by the size adjustment factor and the Grade Factor. The Adjusted Base Rate is multiplied by the Effective Area, and flat value amounts for certain items under the Construction Detail, such as bedrooms and bathrooms, are added to the total. This results in the Replacement Cost New (RCN). Actual Year Built (AYB) and Effective Year Built (EYB) – The EYB is derived from the AYB according to the Dep. (Depreciation) Code. Very old structures may have been renovated over the years. Newer structures might have deteriorated beyond their normal wear and tear. This value is a judgment of the relative “age” of the structure for depreciation purposes. It is further refined based on the observed condition of the improvements, resulting from a field inspection. The condition is identified alphabetically and is linked to a depreciation table for consistency. Depreciation is a curve with minimum percent’s for each level of condition below which no property would normally ever fall, displayed as Dep %.

Depreciation Codes are:

Code Description

E Superior Excellent

VG Very Good

G Good

A Average

F Fair

P Poor

RE Real Estate

VP Very Poor

On the sample card the depreciation is Good, which results in normal physical depreciation of 30% based on 1994, the year of construction. Sometimes unusual circumstances require a further discount for Functional Obsolescence (something significant is wrong with the structure that is too costly to fix) or for Economic Obsolescence (an external influence that has a negative effect on the property).

These discounts are rarely used. The total Appraised Value of the structure (rounded) is derived by multiplying the RCN by the Overall % Condition (100% - Dep %).

Area 10 – Outbuildings (L) and Extra Features (B) This section lists the additional structures on the parcel or extra features within the building. The Units column is either the size in square feet or the quantity of the described feature, and the Unit Price is either its cost per square foot or the unit value. For outbuildings, the year (Yr) is the year the structure was built. For extra features (e.g., fireplaces), the year is assumed to be the same EYB as the primary structure.

Area 11 – Appraised Value Summary(Side 2) This section on the front of the card, on the right, totals the Appraised Bldg. Value, XF, OB, and Land to arrive at the total parcel value.

