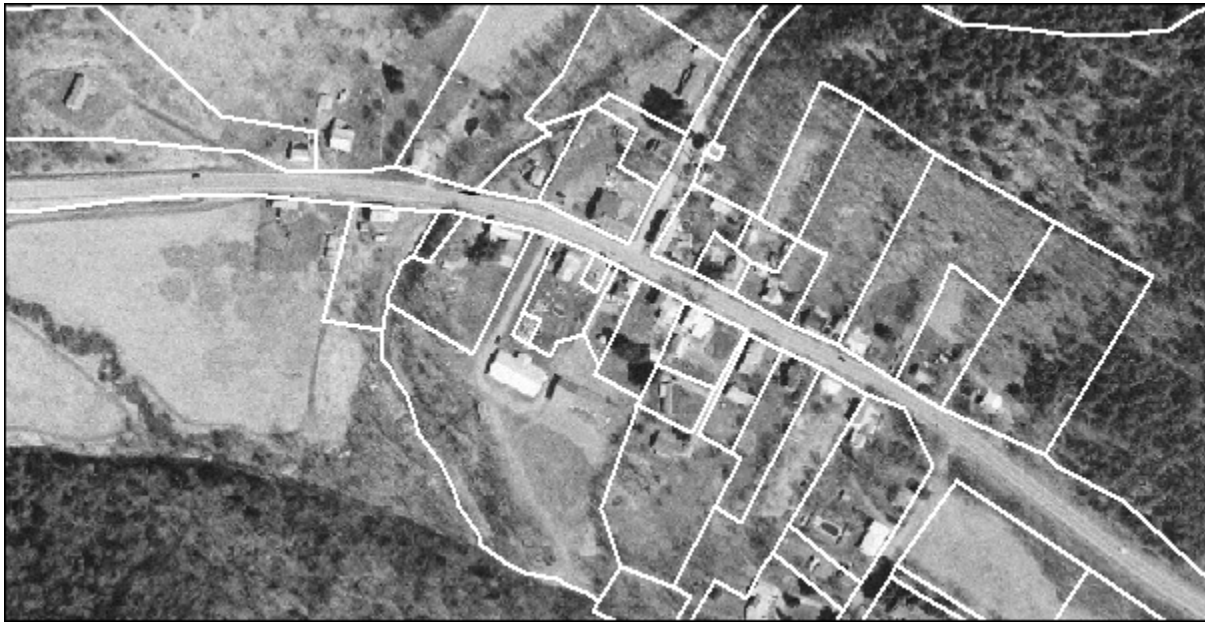


# ***A Special Report on Assessment Equity in the Town of Broome***

*Schoharie County, New York*



*Prepared by:*

***Bob Breglio***  
***Chairman, Board of Assessors***  
***Town of Broome***

September, 2010

## *Executive Summary*

- ❑ Assessment roll equity has an inverse relationship with time and it has been seventeen years since the town has performed a town-wide re-assessment of properties.
- ❑ While Town of Broome housing still appears to be equitably assessed in many cases, the overall roll is marginally inequitable. Values were set when the town did a revaluation in 1993 but those properties have not all appreciated at the same rate over the past 17 years.
- ❑ Some inequities have crept into the residential portion of the roll due to the fact that not all types of housing have been appreciating at the same rate since the 1993 revaluation. The breakdown of price per square foot values for different types of housing reveals that all housing needs to be reviewed to insure that each owner pays his or her fair share of property and school taxes, ***no more and no less***. Different styles of home have not appreciated at the same rate, which is resulting in a rising inequity in the residential portion of the roll.
- ❑ Reviewing all properties at the same time is required to insure that the town assessment roll is returned to equitability. Looking at individual properties will not insure that all properties are equitably assessed unless **ALL** properties are reviewed within the same narrow time frame.
- ❑ Since sales seem to have reached equilibrium in the past year, and there seems to be no upward pressure on sales at this time, this is the perfect time to perform an update revaluation.
- ❑ The town has the money for a revaluation already put away so the Board of Assessors feels strongly that now is the time to update the roll to insure our roll becomes the most equitable in the county.
- ❑ The New York State Office of Real Property Tax Services has published Uniform Assessment Standards, one of which states that an update revaluation should be conducted every four years to maintain equity. The Board of Assessors need adequate resources to comply with this standard.

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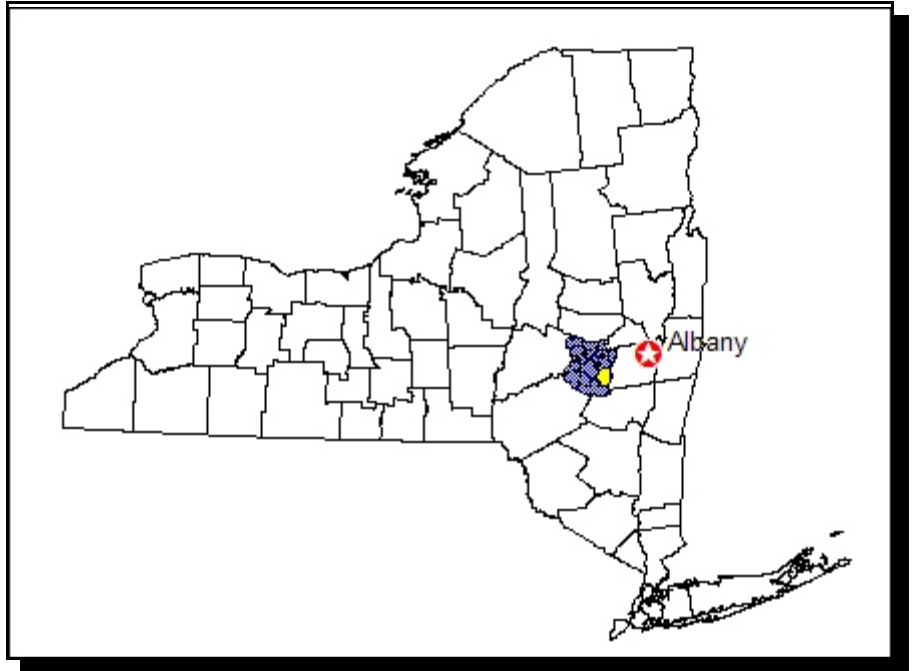
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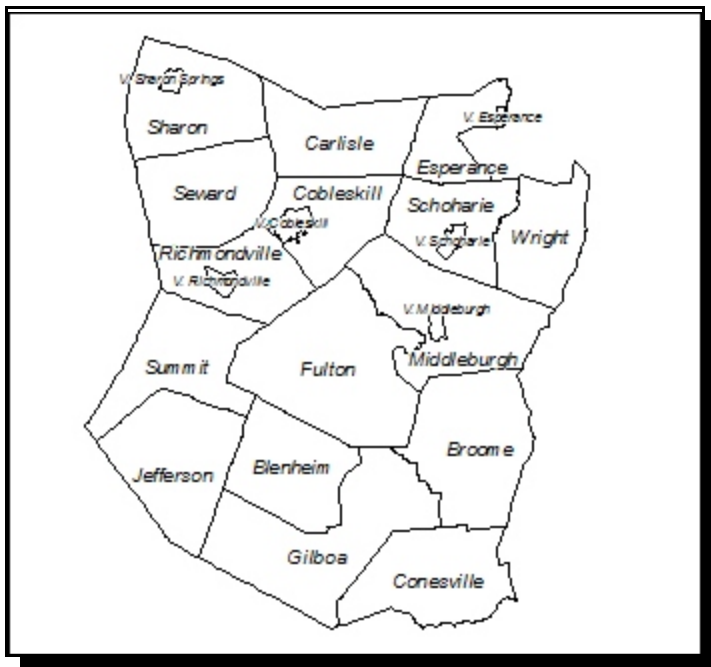
## Introduction

The Town of Broome is located in the southeast of Schoharie County [Figure 1]. Broome population rose slightly from 926 in 1990 to 947 in 2000. The location of the town within the county is shown in Figure 2, below.

This report is an outgrowth of assessment equity reports for other municipalities. This study was conducted by the Chairman of the Board of Assessors of the town. The chairman is also a Geographic Information System [G.I.S.] professional with wide experience with Real Property System data throughout upstate New York.



**Figure 1 - Location Map**



**Figure 2 - Schoharie County Municipalities**

The report will be used as the baseline for presentations to the Town Board and the public about the need for an update revaluation or some other taxing strategy that insure that assessment equity is maintained.

The data used in this analysis are from the property assessment roll prepared by the Town of Broome Assessor's Office and stored in the *Real Property System [RPS]* database at the county level. Parcel shapes and Real Property System [RPS] data were obtained from the *Schoharie County Real Property Tax Services Agency*.

Maps are displayed using MapInfo Geographic Information Systems [GIS] software.

## ***Understanding Real Property System [RPS] Data***

The Real Property System has a wealth of systematically collected data for a municipality. Land use is detailed in the property classification codes while housing condition is contained in the residential sub-module of the system. Land use codes are updated on a yearly basis while property condition is usually from the year a municipality conducted its most recent revaluation. Since the vintage [age] of housing condition data varies greatly across municipalities, a visual verification of a housing sample should be done where the housing data are over three years old.

Land use and housing condition were obtained from the Real Property System [RPS]. In order to better understand the structure of the property classification system and how overall housing condition is estimated, excerpts from the *Assessor's Manual - Volume 6 - Commercial, Residential, Farm and Vacant Land Data Collection* and the *Assessor's Manual - Volume 7 - Valuation Reference Manual* were obtained from the State Office of Real Property Services [ORPS] website [<http://www.orps.state.ny.us>].

### ***Property Classification System***

The system of classification consists of numeric codes in nine categories. Each category is composed of divisions, indicated by the second digit, and subdivisions (where required), indicated by a third digit. The total number of property classes runs to hundreds.

The nine categories are:

- 100 - Agricultural* - Property used for the production of crops or livestock.
- 200 - Residential* - Property used for human habitation. Living accommodations such as hotels, motels, and apartments are in the Commercial category - 400.
- 300 - Vacant Land* - Property that is not in use, is in temporary use, or lacks permanent improvement.
- 400 - Commercial* - Property used for the sale of goods and/or services.
- 500 - Recreation & Entertainment* - Property used by groups for recreation, amusement, or entertainment.
- 600 - Community Services* - Property used for the well being of the community.
- 700 - Industrial* - Property used for the production and fabrication of durable and nondurable man-made goods.
- 800 - Public Services* - Property used to provide services to the general public.
- 900 - Wild, Forested, Conservation Lands & Public Parks* - Reforested lands, preserves, and private hunting and fishing clubs.

To illustrate the divisions [second digit] and subdivisions [third digit], the 200 class [residential] is further broken down into subcategories, as follows:

- 210 - One Family Year-Round Residence* - A one family dwelling constructed for year-round occupancy (adequate insulation, heating, etc.).

*NOTE: If not constructed for year-round occupancy, see code 260.*

*220 - Two Family Year-Round Residence* - A two family dwelling constructed for year-round occupancy.

*230 - Three Family Year-Round Residence* - A three family dwelling constructed for year-round occupancy.

*240 - Rural Residence with Acreage* - A year-round residence with 10 or more acres of land; it may have up to three year-round dwelling units.

*241 - Primarily residential*, also used in agricultural production

*242 - Recreational use*

*250 - Estate* - A residential property of not less than 5 acres with a luxurious residence and auxiliary buildings.

*260 - Seasonal Residences* - Dwelling units generally used for seasonal occupancy; not constructed for year-round occupancy (inadequate insulation, heating, etc.). If the value of the land and timber exceeds the value of the seasonal dwelling, the property should be listed as forest land (see category 900).

*NOTE: If constructed for year-round occupancy, see code 210.*

*270 - Mobile Home* - A portable structure built on a chassis and used as a permanent dwelling unit.

*271 - Multiple Mobile Homes* - More than one mobile home on one parcel of land; not a commercial enterprise [Note: commercial mobile home parks are coded as 416].

*280 - Residential - Multi-Purpose/Multi-Structure*

281- More than one residential dwelling on one parcel of land. May be a mixture of codes 210's, 220's, and 230's, or all one type.

283 - A residence which has been partially converted or adapted for commercial use (e.g., residence with small office in basement). Primary use is residential.

## ***Housing Condition***

Overall housing condition is estimated as *Poor, Fair, Normal, Good or Excellent* for assessment purposes.

### ***Condition***

This is used to record an estimate of the interior and exterior condition of the main residence structure. The following codes are used to estimate interior condition:

***1 - Poor*** - Severely dilapidated structure with no functional utility and considerable physical

deterioration. This structure is uninhabitable and is often found abandoned.

**2 - Fair** - Interior will require some maintenance. Some major repairs may be necessary but the property generally is inhabitable even though physical deterioration is evident and functional utility is reduced.

**3 - Normal** - Most properties exhibit this condition. Normal "wear and tear" is evident with only minor signs of deterioration. Functional utility is normal, as are the living conditions present.

**4 - Good** - This is a "like new" appearance. Many new homes which have only been inhabited for a short period exhibit this condition. No repairs of any consequence exist. Recent renovation is usually the cause of this condition in older properties.

**5 - Excellent** - Indicates the interior of the structure is new in appearance and use. New construction and renovation just completed usually are the only residence interiors in this condition. Few, if any other structures will exhibit this condition because no physical deterioration or diminished functional utility can exist.

When determining the interior condition consider the following items:

walls and ceilings; interior finish; flooring; fixtures in bath and kitchen areas;  
electrical, heating and plumbing systems.

When determining exterior condition consider the following items:

exterior finish; roofing; foundations; chimneys; windows and doors.

After considering both the exterior and interior condition separately, the Depreciation Tables should be consulted. In most cases both the interior and exterior condition will be similar and the resultant remaining percentage good will be evident. If the rare case of different conditions for interior and exterior exists, average the resultant remaining percentage good from the Depreciation Tables to calculate an overall rate.

### ***Overall Condition***

This utilizes all of the information gathered for interior and exterior conditions in one lump estimate of condition. It is applicable to commercial and yard improvements and farm structures. Since only one overall condition estimate is made for both interior and exterior, only one depreciation table must be consulted for the resultant remaining percentage good.

## ***Broome Land Use and Various Housing Data***

The author used inventory data from the Real Property System [RPS]. A cursory look shows there is some missing inventory, despite a data entry project done last year in collaboration with the county. Each map will show missing data as a separate category, where appropriate.

Land use for the *Town of Broome* is shown in **Figure 3** on page 14. **Residential** housing accounts for fifty-seven percent of the almost 1,300 parcels in the town. **Vacant land** is second, at over thirty-two percent of the total. **Forest lands** are over seven percent of the total. **Agricultural** and **community services** are each over one percent of the total. All other uses are less than one percent of the parcels.

From an acreage perspective, the land breakdowns are somewhat different. **Residential** is at forty-eight percent of all acreage. **Forest lands** are second, at almost twenty-five percent of all the acreage. **Vacant land** is third, at twenty-two percent. **Agricultural** pursuits are over four percent.

**One family homes** are less than forty-one percent of residential housing, with **rural residences** at almost twenty-four percent of the residential housing stock in the town. **Manufactured housing/s** are almost twenty-three percent. **Seasonal residences** are about ten percent.

There are only nine parcels coded as **commercial** in the town, with none shown as commercial housing. Home ownership is the preponderant means of living in the town with only a few of these homes being rented out, rather than being lived in by an owner.

Residential housing condition for the town is portrayed in **Figure 4** on page 15. **Normal** condition was reported for over seventy-one percent of residential housing while another twenty-two percent were described as in **Fair** condition. Twenty-eight homes [less than four percent] are shown as in **Good** condition while twenty-two homes [3%] are described as in **Poor** condition.

**Figure 5** [page 16] displays housing style for the town. **Old style** and **ranch** homes are the most often reported housing style, at twenty-six and fifteen percent of the total, respectively. This is followed by **cottages**, at nine percent. **Colonial** style homes are over six percent of the total, followed closely by **cape cods**, at almost six percent, and **log homes**, at five percent. Twenty-six percent of the homes had no style entered in RPS but the vast majority of these are manufactured housing, which do not have a style entered in the inventory section of RPS.

The year a structure is built can impact its value in the market, so **Figure 6**, on page 17, breaks down the age of residential housing in the town. Almost fifty-one percent of housing in the town was built between 1960 and 1999, followed by those built before 1900, at over fourteen percent. Interestingly, sixty-eight percent of the town's housing has been built since 1940. Thirty-six residential parcels had no year built in the RPS database but most of these are manufactured housing where year built is not collected in the inventory section.

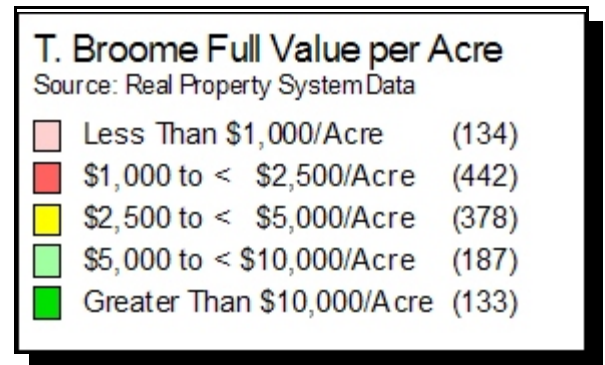
**Figure 7** [page 18] shows the square footage of housing in town. Homes that are between 750 and 1,250 square feet are the largest grouping in town, at thirty-one percent of all housing. Homes that between 1,250 and 1,750 square feet are the next largest cohort, at twenty-six percent of the housing. Homes that are between 1,750 and 2,500 square feet are almost sixteen percent of homes in the town. There were 33 homes [<5%] that had no square footage in RPS but most of these are manufactured housing where square footage is not collected in the inventory section but had to be added during the analysis.



**Figure 8**, on page 19, displays the full value of land per acre. This figure was determined by taking the land value for a parcel and dividing it by 77.00 [the current equalization rate] and multiplying the number by 100. The result was then divided by the acreage to obtain a full value estimate.

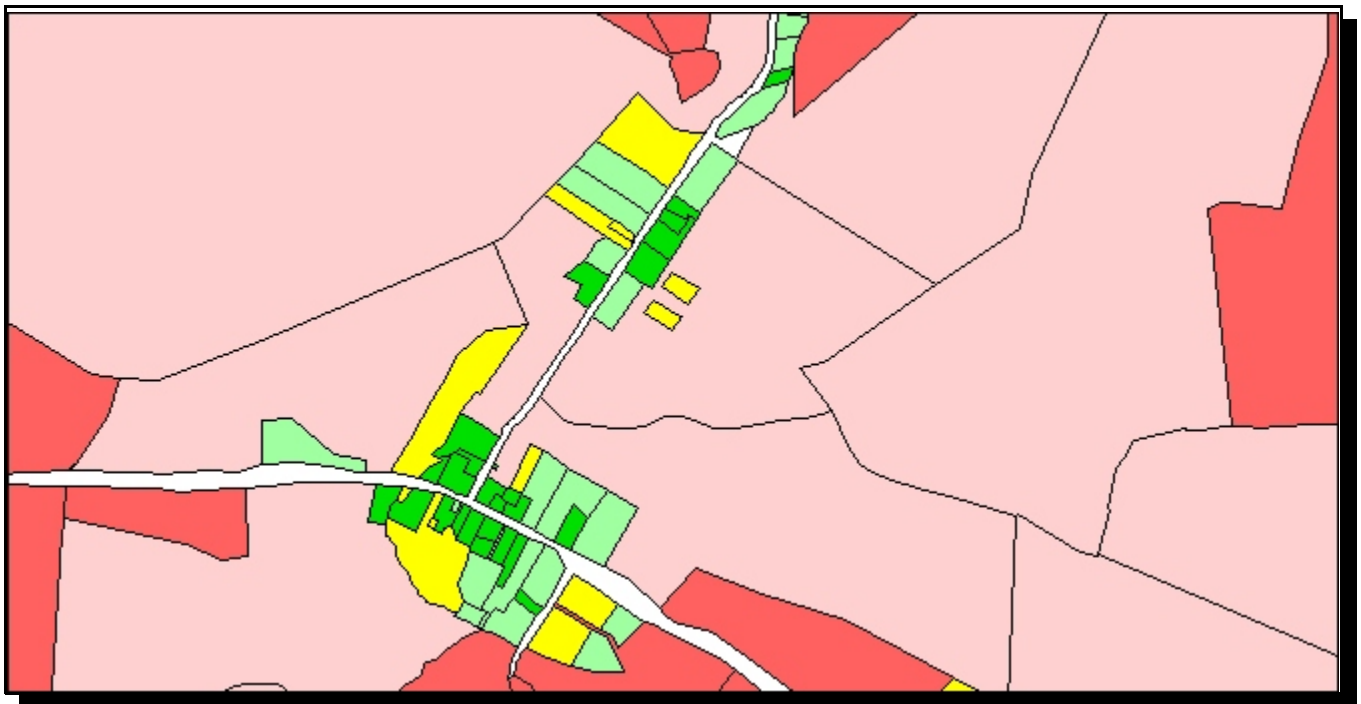
Almost thirty-five percent of parcels were valued at between \$1,000 and \$2,499 an acre. Almost thirty percent of parcels had a full value between \$2,500 and less than \$5,000 an acre. Almost fifteen percent were valued between \$5,000 and \$9,999 an acre. Over ten percent had a value less than \$1,000 an acre, while another ten percent had a value of greater than \$10,000 an acre.

One would expect areas of similar lot size to have a similar value per acre and that seems to be mostly the case in the town. The full value land breakdown is shown in the box on the right [**Figure 8-1**].



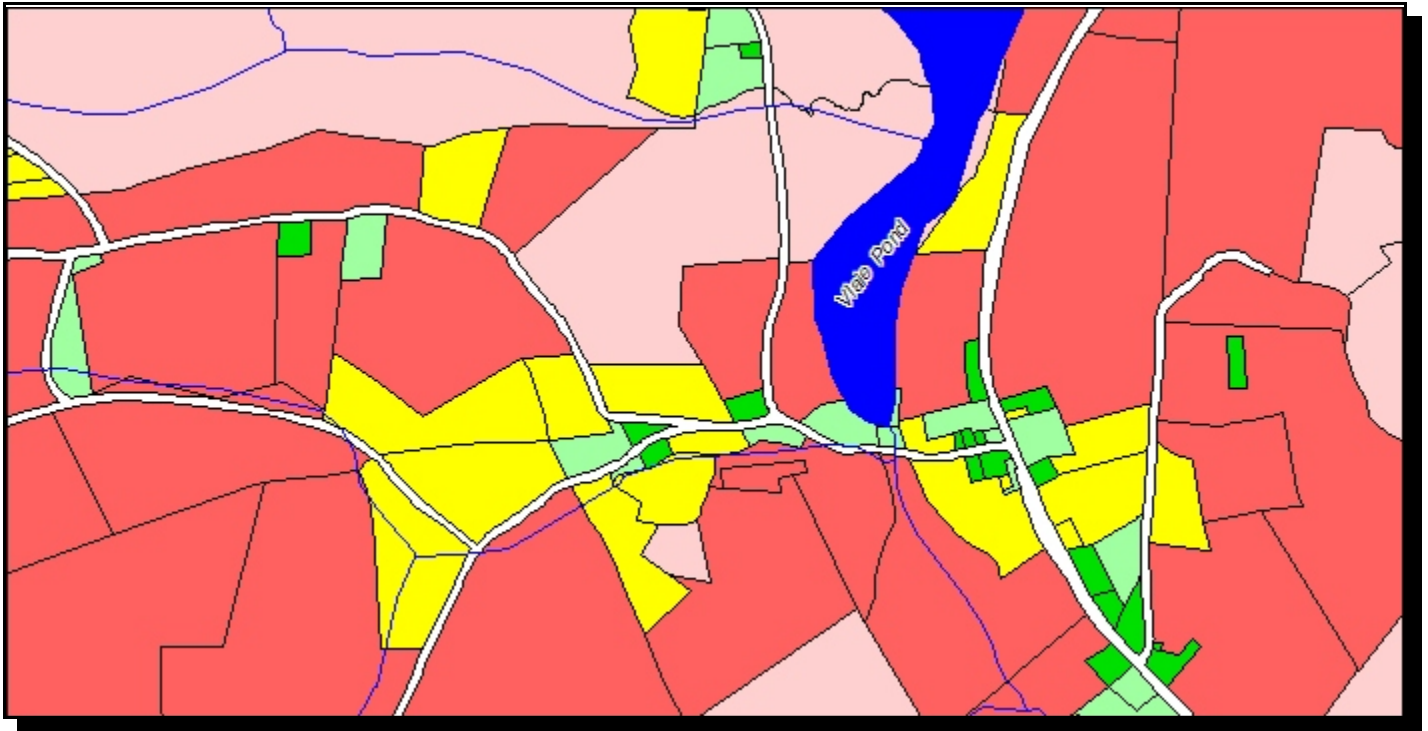
**Figure 8-1**, Full Value per Acre

The Hamlet of Livingstonville area is shown in **Figure 8-2**, below. A majority of the smaller housing parcels are between \$5,000 and more than \$10,000 an acre while vacant land, which does not have a well and a septic are valued lower per acre. Larger acreage is shown as less an acre. There seems to be good uniformity in the hamlet.



**Figure 8-2**, The Hamlet of Livingstonville Area

**Figure 8-3**, below, displays the Hamlet of Franklinton area of the town. Here again, there seems to be uniformity in the hamlet with vacant land showing for less an acre.



**Figure 8-3, The Hamlet of Franklinton Area**

**Figure 9** [page 20] looks at the full value price per square foot of housing in the town. The numbers run the gamut from less than \$25 per square foot to more than \$250 per square foot. Sixty-eight percent of houses that had a value per square foot computation were between \$25 and \$75 per square foot.

**Figure 9-1**, below at right, shows the legend from the Figure 9 map.

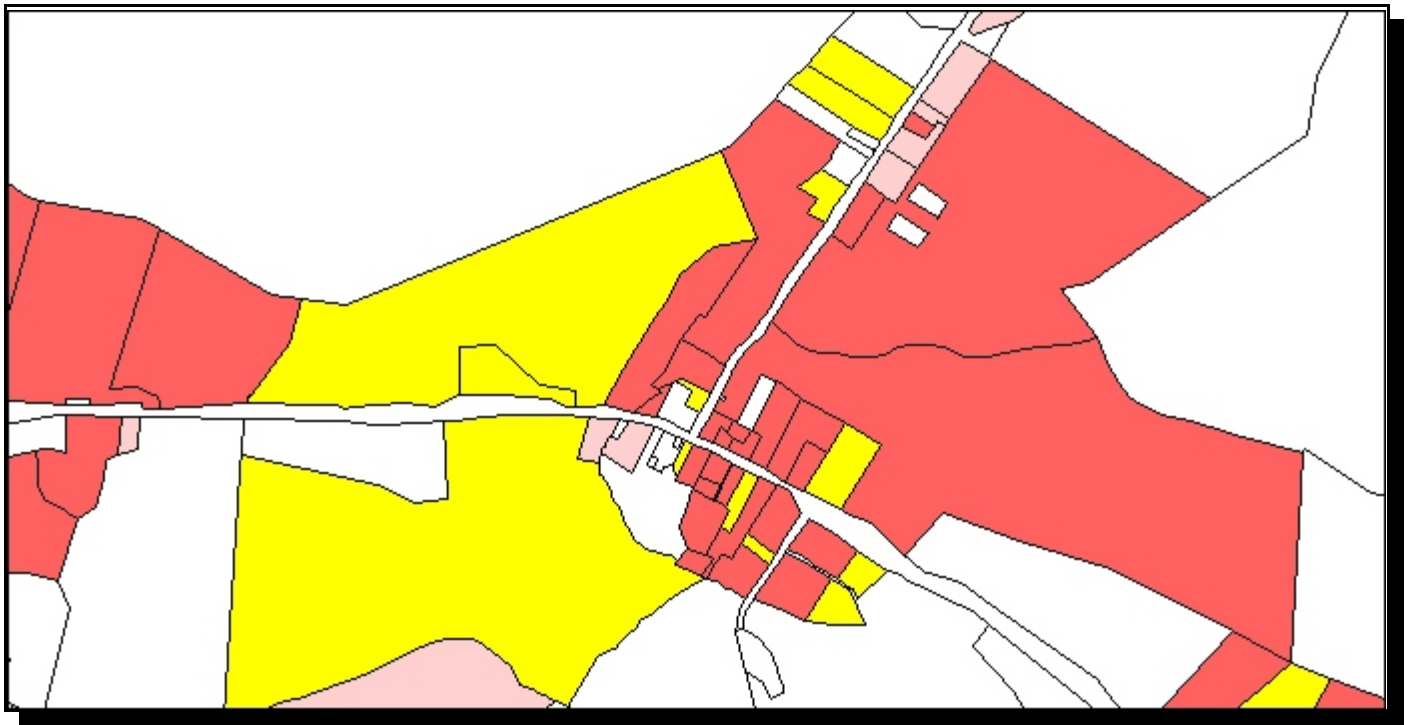
**Figure 9-2**, on the next page, looks at the Livingstonville area. The full value price per square foot varies from less than \$25 a square foot to less than \$75 a square foot on some of the parcels.

**Figure 9-3**, also on the next page, looks at the Franklinton area. Here again, the values per square foot run the gamut from under \$25 a square foot to less than \$100 a square foot. Some parcels could not be computed because of missing inventory data.

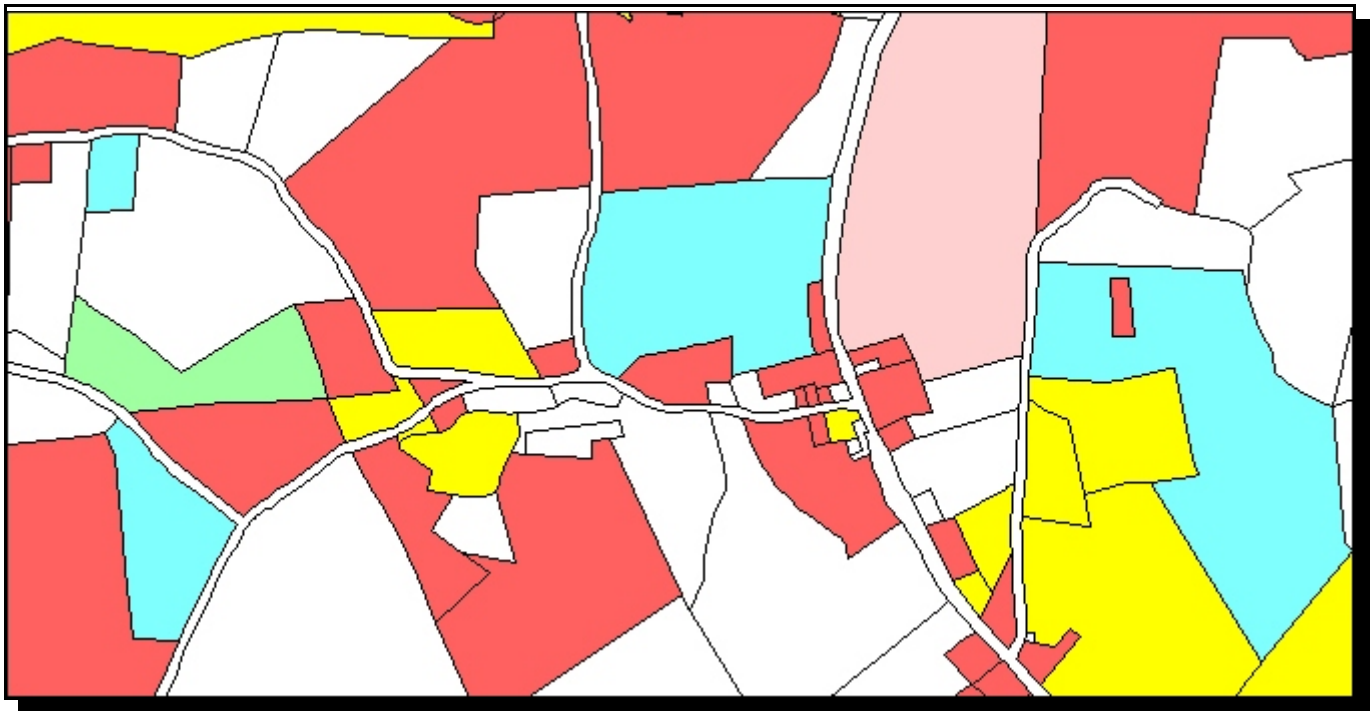
**Figure 9-4**, on page 9, looks at the Route 145 and Windy Ridge Road area of the town. There seems to be more variation in the price per square foot due to the heterogeneous nature of the housing in the area. One parcel could not be computed because of missing inventory data.

<b>Full Value, Sq.Ft. of Improvements</b>	
Source: Real Property System Data	
<span style="color: cyan;">■</span> No Data	(35)
<span style="color: pink;">■</span> Less Than \$25/Sq.Ft.	(104)
<span style="color: red;">■</span> \$25 to < \$50/Sq.Ft.	(299)
<span style="color: yellow;">■</span> \$50 to < \$75/Sq.Ft.	(201)
<span style="color: lightgreen;">■</span> \$75 to < \$100/Sq.Ft.	(57)
<span style="color: green;">■</span> Greater Than \$100/Sq.Ft.	(37)

**Figure 9-1, Full Value /Sq.Ft. Improvements**



*Figure 9-2, The Hamlet of Livingstonville*



*Figure 9-3, The Hamlet of Franklinton*



**Figure 9-4, Route 145 and Windy Ridge Road Area**

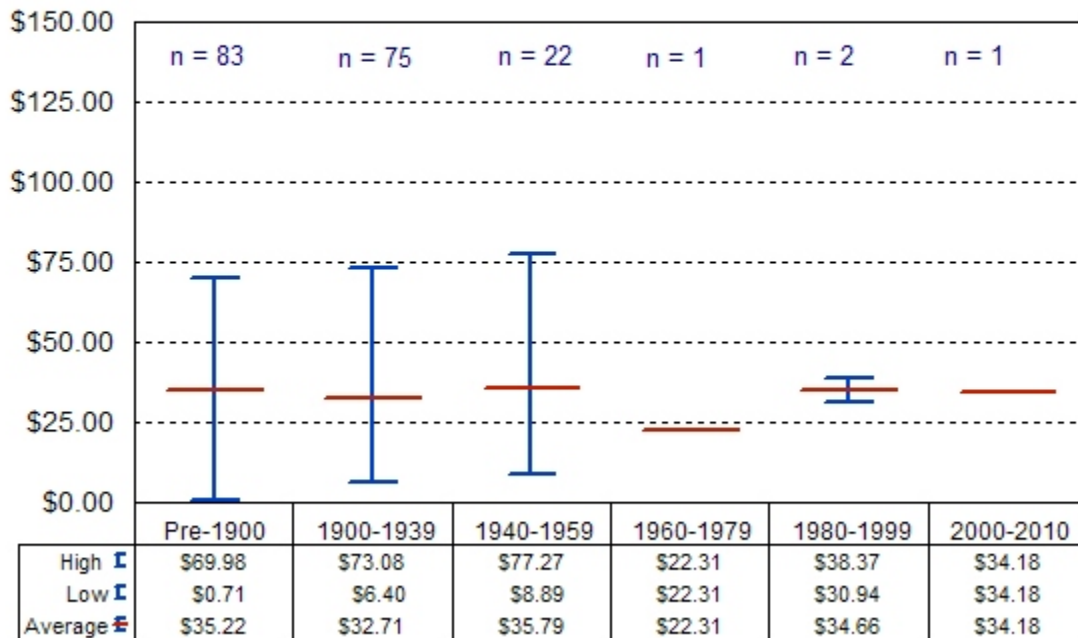
**Tables 1 through 5**, below, look at the full value price per square foot for the five most popular styles of housing in the town. All the values were derived by taking the land value away from the total assessed value to determine the value of the improvements to the land, then dividing by the current equalization rate [77.00] and multiplying the result by 100 and then dividing by the square footage of the house. A more detailed description of the different home styles can be found at:

<http://www.orps.state.ny.us/assessor/manuals/vol6/rfv/sect08.htm#buildingstyle>

**Table 1**, on the next page, displays the low, high and average price per square footage for the 190 homes described as **old style**. The values are broken down into year built periods for ease of analysis. Old style homes built in the pre 1900 period have a high price per square foot of \$69.68, a low price per square foot value of \$0.71, with an average price per square footage of \$35.22. Old styles with a year built of between 1900 and 1939 have high, low and average price per square foot values of \$73.08, \$6.40 and \$32.71, respectively. Old style homes built between 1940 and 1959 have a high, low and average price per square foot of \$77.27, \$8.89 and \$35.79, respectively. The Office of Real Property Services assessor manual describes old style homes as typifying homes built before 1940 but the Town of Broome has homes described as old style homes that were built right up through the 2000 to 2010 time period. There is less variation in the high, low and average values per square foot in these newer homes. These newer “old style” homes data will be reviewed.

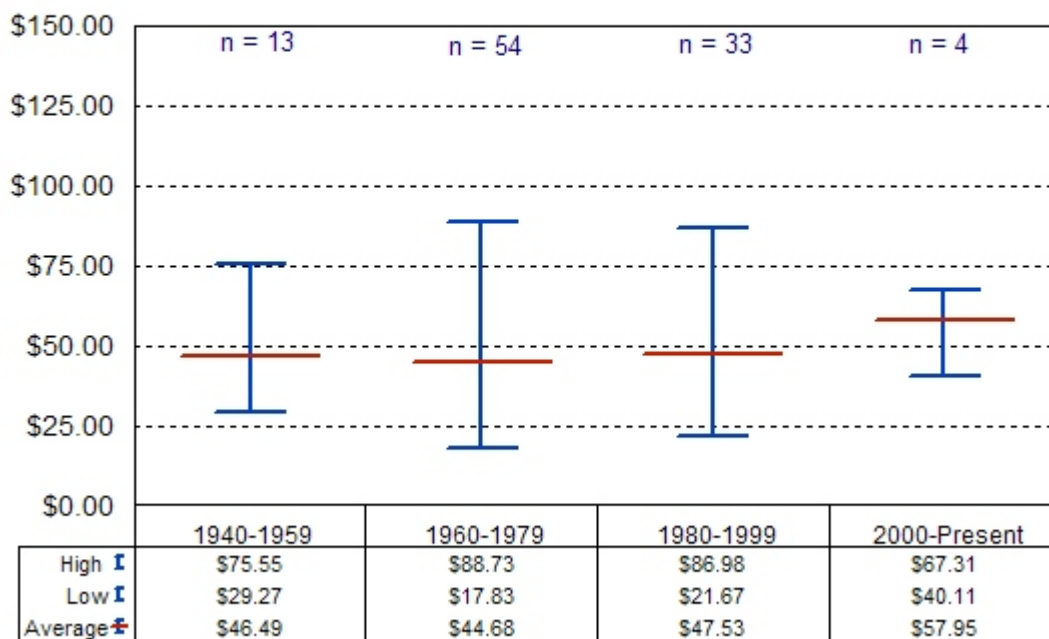
**Table 2**, also on the next page, exhibits the values for homes described as **ranch homes**. Ranches built between 1940 and 1959 show a high, low and average price per square foot of \$75.55, \$29.27 and \$46.49, respectively. Those built between 1960 and 1979 are at \$88.73, 17.83 and \$44.68, respectively. Those built between 1980 and 1999 have a high value of \$86.98, a low value of \$21.67 and an average value of \$47.53. Ranch homes built since 2000 have a high, low and average value of \$67.31, \$40.11 and \$57.95, respectively.

**Table 1**  
**Town of Broome**  
**Full Value per Square Foot - Old Style Homes**



Source: Real Property System Data

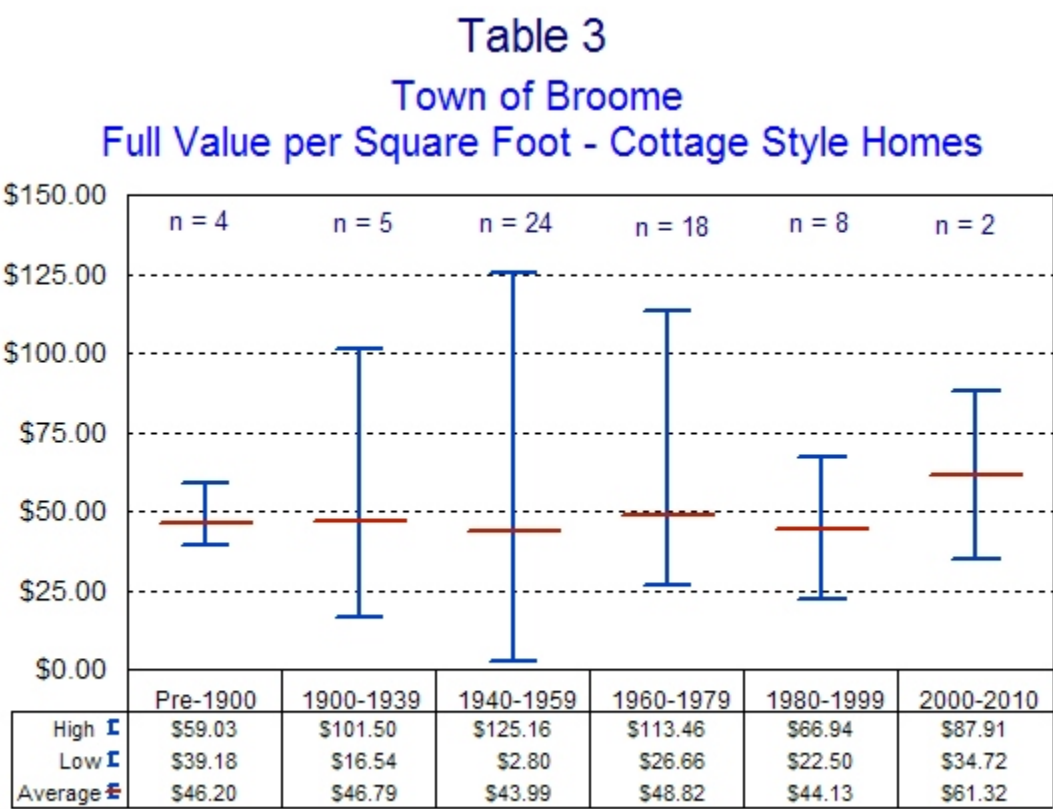
**Table 2**  
**Town of Broome**  
**Full Value per Square Foot - Ranch Style Houses**



Source: Real Property System Data



**Table 3**, below, shows the value assigned to **Cottage** style homes. The style started to become more popular after 1940, as can be seen from the number of homes for each time period. The values for those built before 1900 show a high, low and average value of \$59.03, \$39.18 and \$46.20, respectively. The 1900 to 1939 period numbers are \$101.50, \$16.54 and \$46.79, respectively. The 1940 to 1959 cohort has the highest high number, at \$125.16 and the lowest low number, at \$2.80, with an average number of \$43.99. The 1960 to 1979



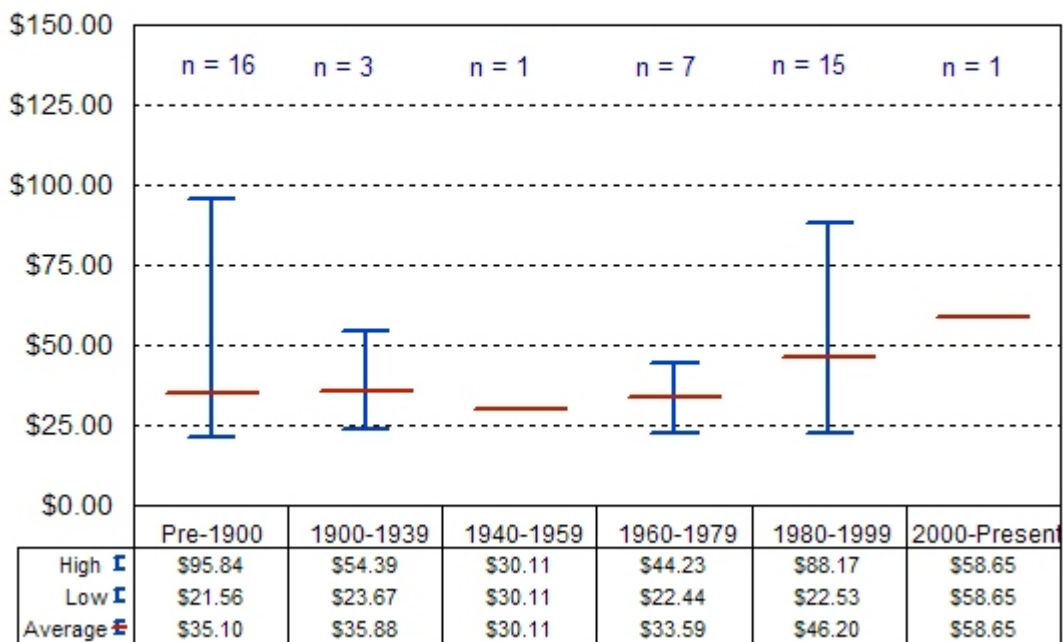
Source: Real Property System Data

group has a high number of \$113.46, a low number of \$26.66 and an average number of \$48.82. Those built since 1980 show less variability in the numbers.

**Colonial** style home full value prices per square foot s are shown in **Table 4**, on the next page. The values show less variation than some of the other style homes. The low values are fairly consistent for all the cohorts but 2000 to 2010 while the high values are more variable. The pre-1900 cohort numbers may need some further study.

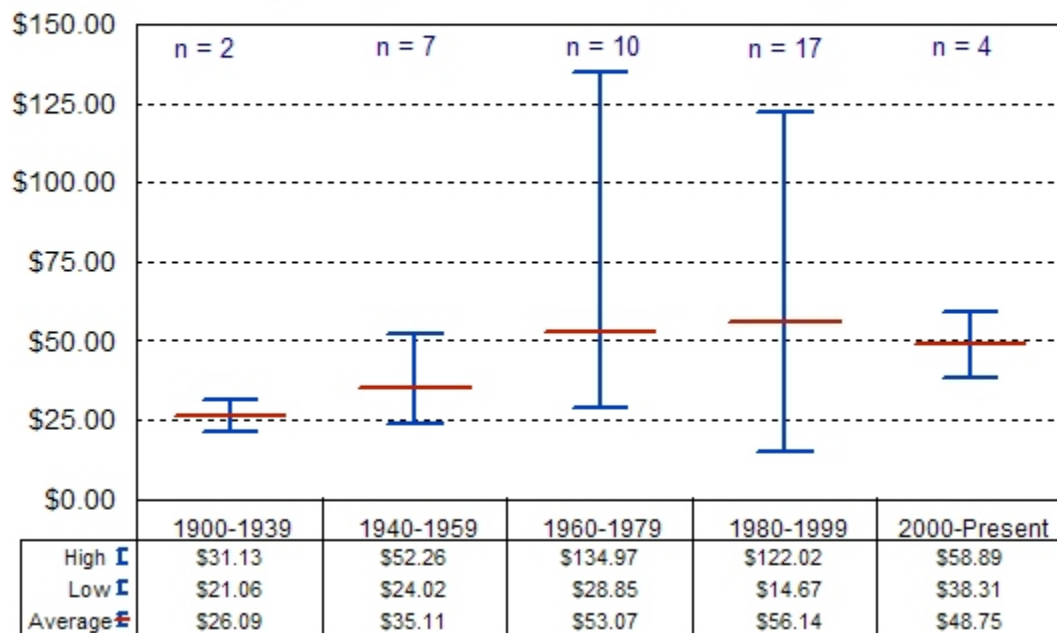
**Cape Cod** style home full value prices per square foot are shown in **Table 5**. There seems to be large variations in the 1960 to 1979 and 1980 to 1999 cohorts that need further study.

**Table 4**  
**Town of Broome**  
**Full Value per Square Foot - Colonial Style Homes**



Source: Real Property System Data

**Table 5**  
**Town of Broome**  
**Full Value per Square Foot - Cape Cod Style Homes**



Source: Real Property System Data

## *Initial Impressions*

The Town of Broome appears to still have a somewhat equitable assessment roll but some areas that need further analysis are also apparent. Some basic information should be imparted before discussing the analysis.

The New York State Office of Real Property Services [ORPS] publishes various assessment statistics each year. One of the reasons for publishing equalization rates is that tax bills for school and counties need to be computed using full value estimates. The Town of Broome has an equalization rate for 2010 of 77.00. This means that, on average, ORPS statistical programs have determined that the town's assessments are at 77.00% of full value. These numbers are arrived at using field appraisals by ORPS staff as well as an analysis of actual arms' length sales in the town compared to their assessment at the time of sale.

ORPS also computes Coefficients of Dispersion [COD] each year to determine the equity of an assessment roll. It is impossible for sales to mirror assessments exactly, since assessing is a craft and not an absolute science. The COD estimates the variability in a roll. A rural town such as Broome is assumed to be equitable if the COD is 20% or less. This means that a property with a \$100,000 value is actually assessed somewhere between \$80,000 and \$120,000. The COD for Broome for 2009, using sales and appraisals was 20.88% for all properties and 14.09% for residential properties. This means that a home worth \$100,000 is assessed anywhere between \$85,910 and \$114,090. That is not a very large spread and shows that housing is still equitably assessed. The 20.88% COD for all properties shows that there is more variation with other types of properties than for residences. These variations occur over time since not every property appreciates at the same rate. The overall roll is now marginally inequitable. It has been 17 years since the town has done a revaluation and it is time to re-collect and/or verify all inventory and do an update revaluation. Since all homes are not appreciating at the same rate, clearly seen when analyzing sales in the town, what equity remains in the roll will continue to erode over time.

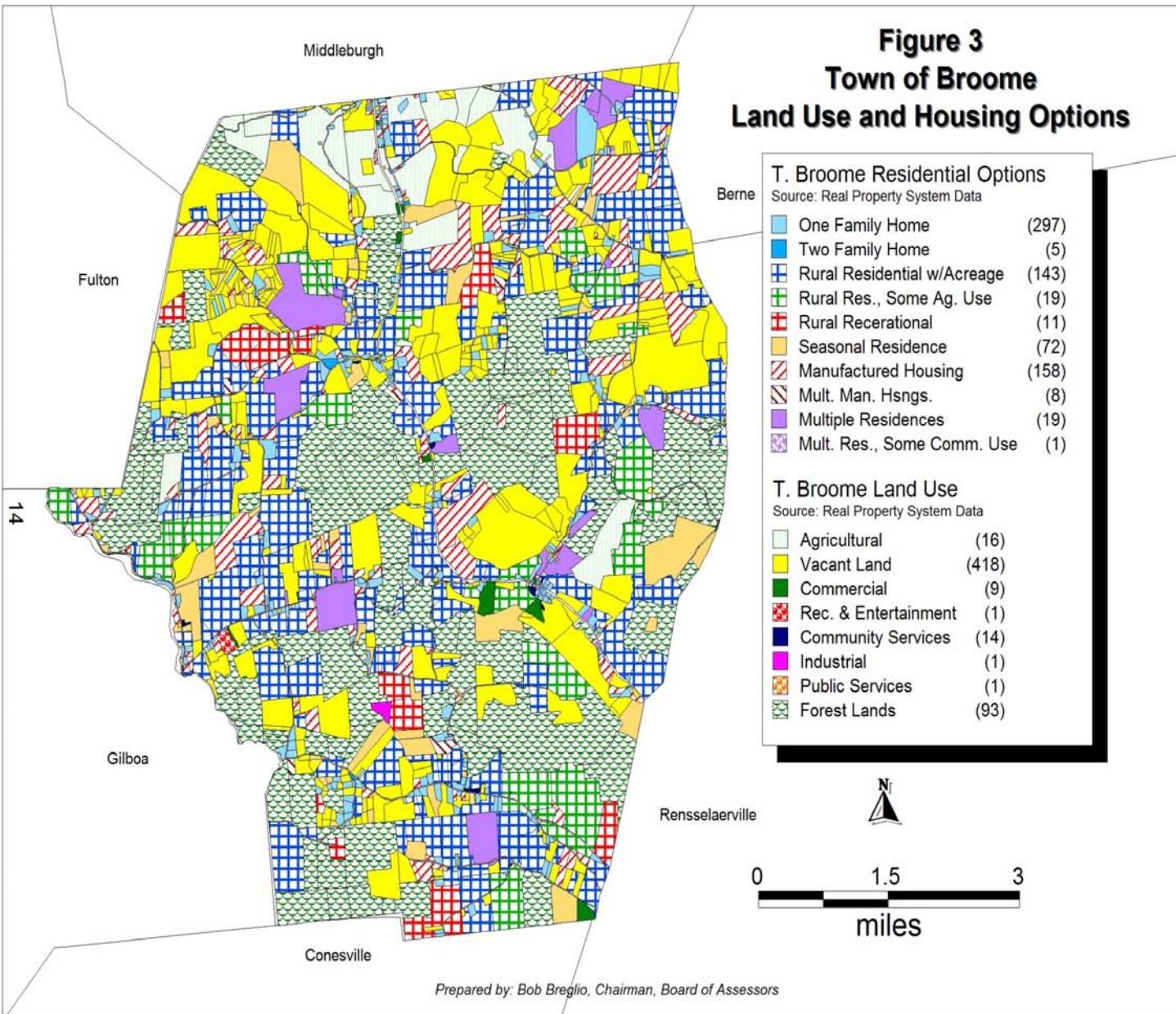
The inventory data analyzed in this report come from the Real Property System [RPS]. There are some properties where there is no inventory in RPS. Where all data is available, there is some variability, either in land values or the full value per square foot of homes without factoring in the land value. While all areas of the town should not have the same land values, there should be some uniformity within smaller neighborhoods which there appears to be on first analysis. But land values are only one part of the equity equation.

The town has not done a full revaluation since the 1993 assessment roll but most of the inventory has been kept up and this report has highlighted those parcels where inventory needs to be re-entered into the Real Property System as a first step towards a more comprehensive analysis. Because of the large number of older manufactured housing in the town, a focused analysis is going to be done for the 2011 assessment roll to make sure these properties are still fairly assessed.

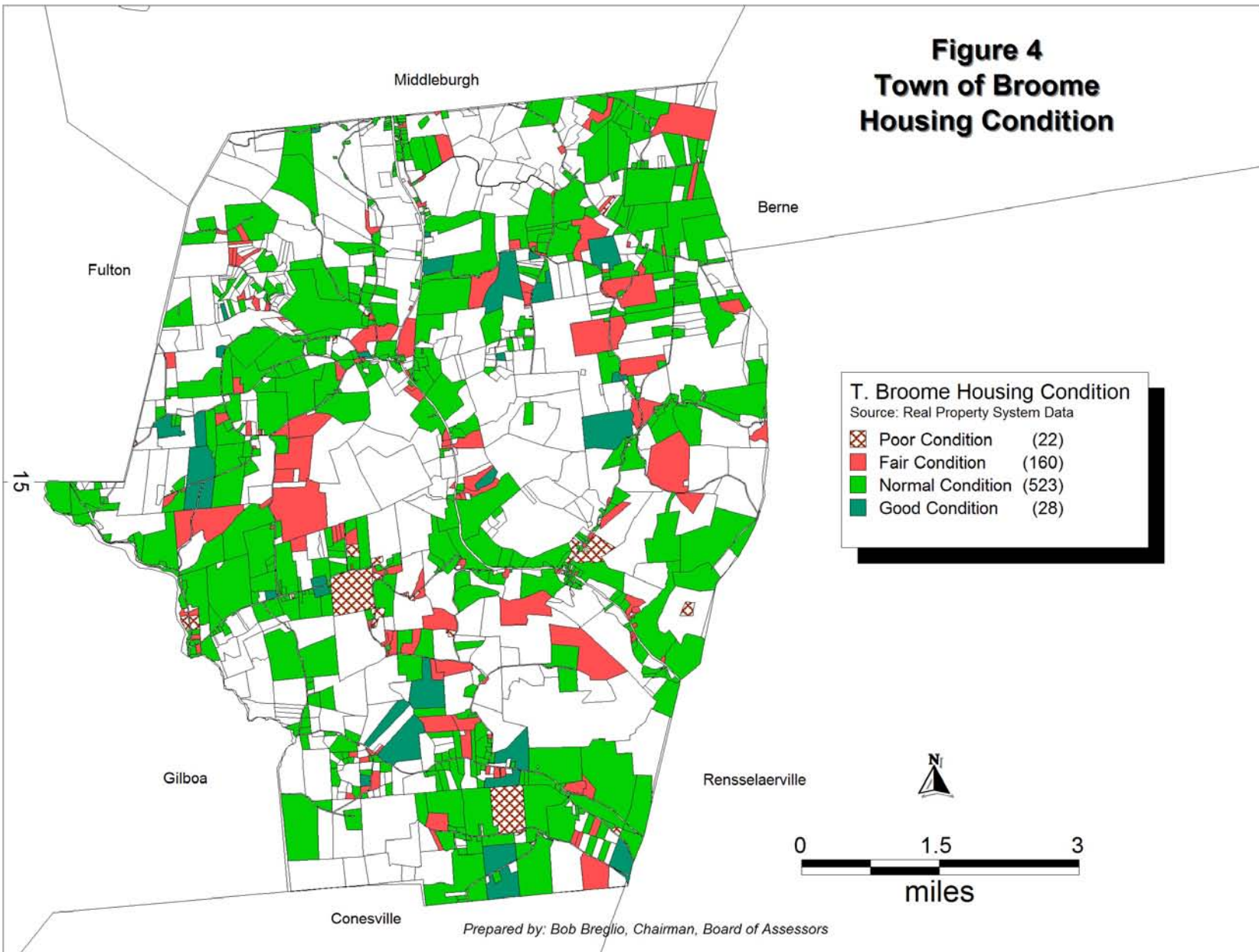
A comprehensive revaluation should be started in the near future to bring the Coefficient Of Dispersion back down to 10% or less.



**Figure 3**  
**Town of Broome**  
**Land Use and Housing Options**

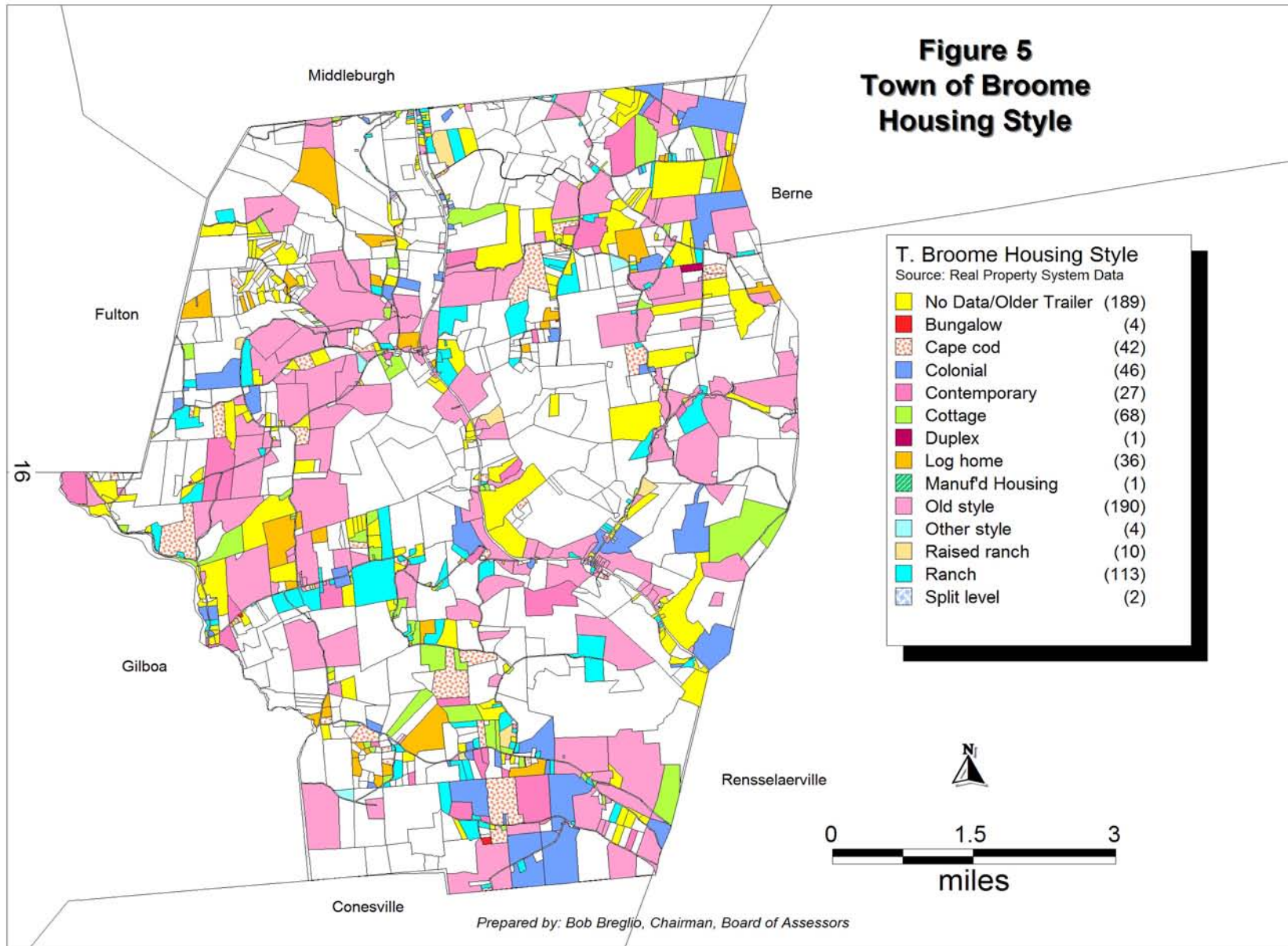


**Figure 4**  
**Town of Broome**  
**Housing Condition**

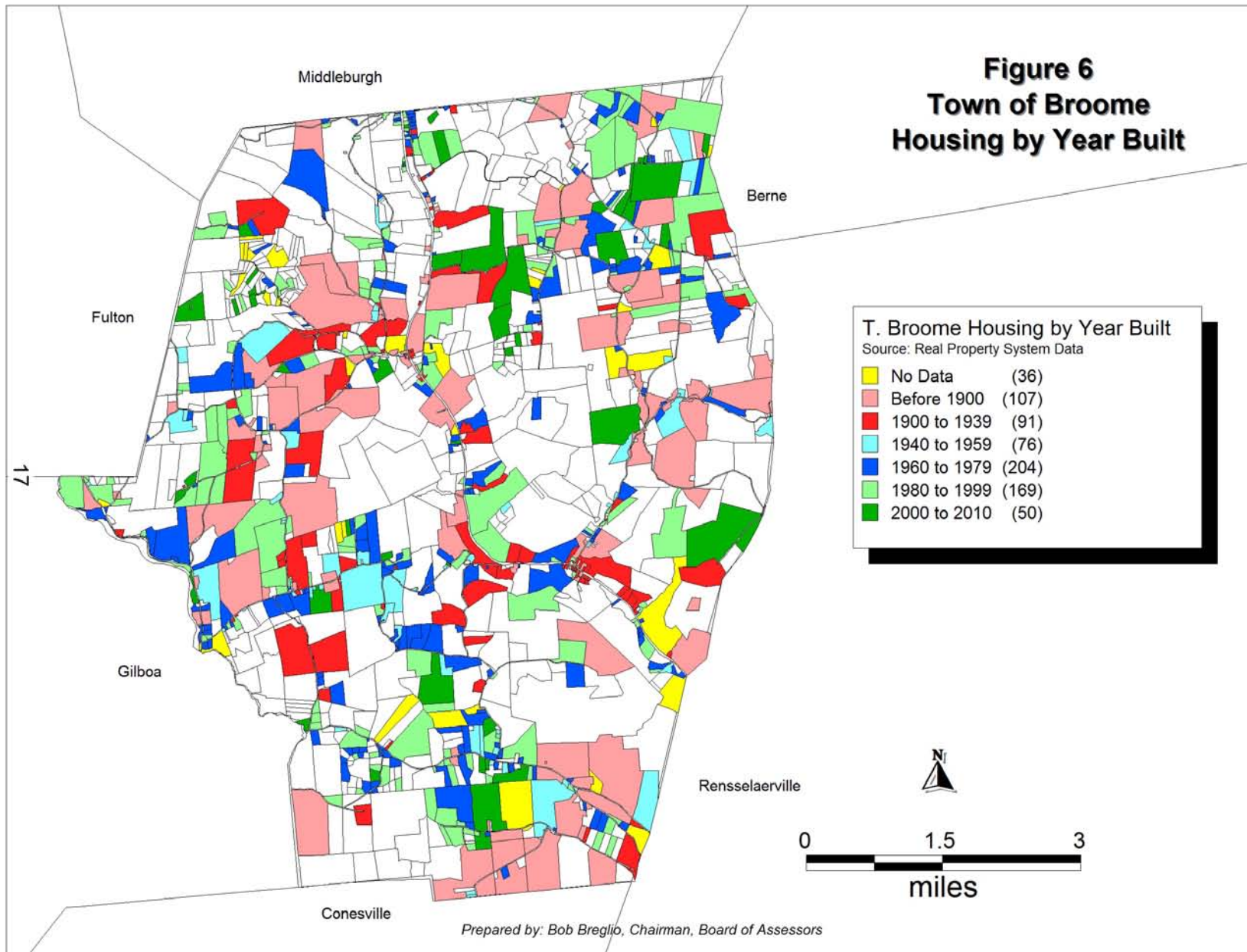




**Figure 5**  
**Town of Broome**  
**Housing Style**

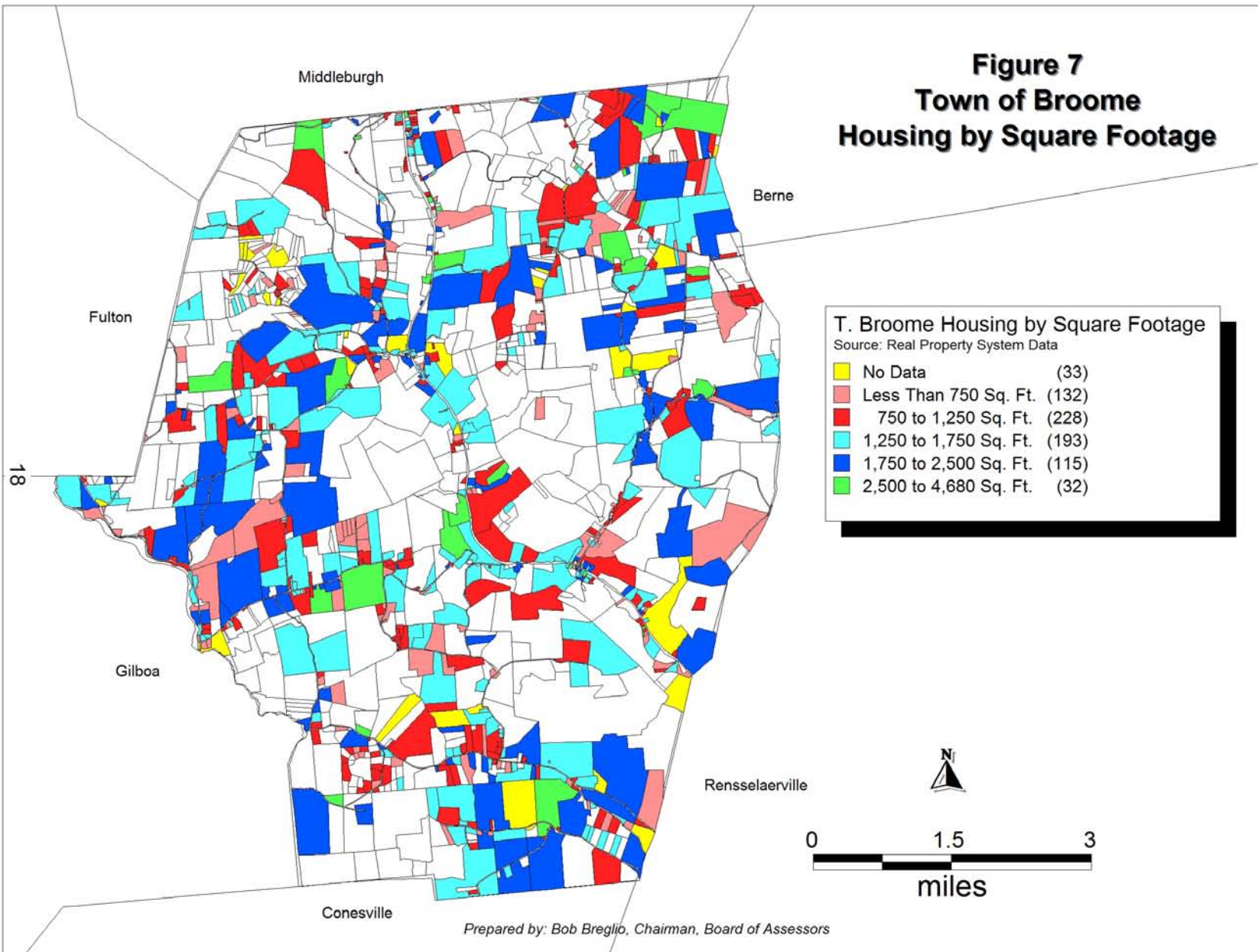


**Figure 6**  
**Town of Broome**  
**Housing by Year Built**

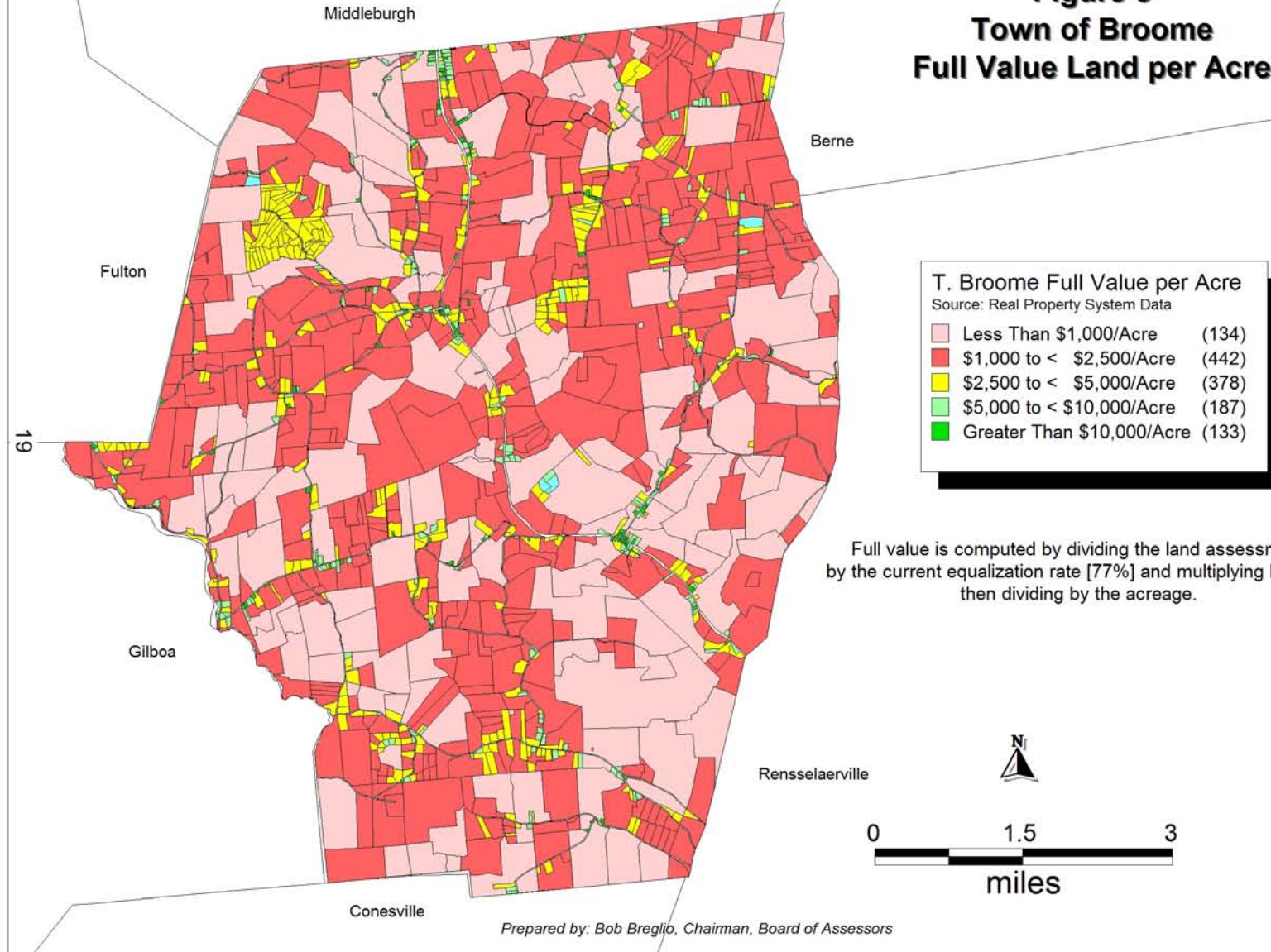




**Figure 7**  
**Town of Broome**  
**Housing by Square Footage**



**Figure 8**  
**Town of Broome**  
**Full Value Land per Acre**





**Figure 9**  
**Town of Broome**  
**Full Value**  
**per Square Foot of Improvements**

