

Tax Board of Review

Minutes – January 25, 2012

Chairwoman Elaine Eccleston called the meeting of the West Greenwich Tax Board of Review to order at 5:50. She introduced herself and the members of the Board that were present – Sandra Bockes and John Howard. She also introduced Charlene Randall, Tax Assessor and Neal Dupuis, President of Certified Revaluation Company. She stated the purpose of the meeting was to review the appeal of Douglas and Theresa Lezette, Plat 8 Lot 43, 58 Weaver Hill Road. Chair Eccleston also mentioned that one of the properties the board reviewed as a comparable, 424 Plain Meeting House Road, belongs to board member John Howard. Mr. Lezette stated he did not use that property as a comparable however the Tax Assessor stated she supplied the information to the board. One of Mr. Lezette's comps (339 Weaver Hill Road) is a reproduction built in 1992 and the assessor included the 424 PMHR comp which better represents the uniqueness of the subject property.

Mr. Lezette stated the assessor had inspected his property and took on the concerns that you really needed to go to the house to view and he was pleased with what she did and was satisfied with all those issues however he felt it was a starting point. Mr. Lezette used 319 Sharpe Street, 959 Hopkins Hill Road and 339 Weaver Hill Road as comparables. He states the Sharpe Street home is the closest comparable. He included the Weaver Hill property even though it is newer, larger and built to different standards; they received a substantial decrease in value even though they added on to the house quite a bit. His value is still up 6% even after the initial appeal when the assessor reduced the value.

Mr. Lezette was still concerned that the value, even after the initial reduction, is still higher than it was prior to the revaluation. His concern is with the grade and depreciation of the house. Mr. Lezette feels the house should have maintained its 1.15 grade instead of increasing to its current 1.25. The physical property did not change from 2010 to 2011. The house just got a year older. The effective age as it relates to depreciation in 2010 was 30. He assumes the effective age of 30 in the comps reflects when drastic updates were done to these properties, presumably 30 years ago. On other properties the effective age actually increased while his decreased. Mr. Lezette also had a handout comparing the depreciation between his property and his 3 comparables. His property being at 5% is much lower than the other properties. In the 2010 revaluation, at least for the comps Mr. Lezette was using, the effective age directly translated to the percent of depreciation.

Neal Dupuis addressed Mr. Lezette's question regarding effective age. The effective age really indicates where the house is along its economic life. In a house where all the mechanicals have been updated, that essentially replaces the portions of the house that depreciation covers. The depreciation is really allocating an adjustment for the loss of value for the short lived items. The effective age shows a relationship with the chronological age. Mr. Dupuis further explained that during the revaluation they did not compare last year's values with the new values. It was a full reval, not a statistical update as was the 2007 reval and all the models and pricing tables were created new. He further explained the previous value was set in 2007, not 2010. Mr. Dupuis mentions three fireplaces being listed as opposed to six. When a property is not inspected internally and the assessment is derived by only looking at the exterior, the character and quality of the house is not fully realized. John Howard asked if the taxes were previously frozen. The assessor indicated that yes they had been. Mr. Lezette indicated the prior owners, being in their

retirement years, were favored by the value of the house increasing year after year. Especially since their taxes were frozen. Mr. Lezette stated if he didn't get the value changed to what he saw as a reasonable correction, it will continue to compound for him. He stated values are not going to keep going down and we may be one cycle away from things going the other way. He stated he felt there were a lot of inequities in these other properties. Chair Eccleston asked if he had been inside any of the comparables and he stated the only one he had been inside of was 319 Sharpe Street.

Mr. Lezette said after the reval he was given a 1.4 grade. Mr. Dupuis stated the grade of a new house would not typically be higher than the grade of an old house. The grade factors the age, the quality of construction, and functionality of the layout, the desirability of the house. It's not the cost of the materials. A cost approach may not reflect market value. Mr. Dupuis again stated that the tables are thrown out and built new with a full revaluation. Mr. Lezette pointed out that the grade of some properties did remain the same. Mr. Lezette asked why does the effective age not reflect the depreciation percentage on his property. He talked about the Hopkins Hill house having new windows. Mr. Dupuis stated in older homes, the original windows and materials are more desirable than replacements. John Howard stated even new houses are going to have depreciation. Mr. Dupuis stated maybe the depreciation could be a little higher but what you need to look at during an appeal is first and foremost, what is the property worth as of the assessment date. Could it be sold for what it is assessed at?

Chair Eccleston then reviewed the timeline of events and the changes that were already made by the assessor. The assessor spoke to the reval setting the assessment as of 12/31/10 and several months later Mr. Lezette paid \$480,000 for the home. She indicated there must have been an appraisal to support that value at the time. Mr. Lezette stated his sale should be irrelevant and should have no bearing on his value. The house was originally listed at \$600,000. Mr. Lezette indicated it must be hard to sit here and say he paid \$480,000 for the house but thinks it's only worth \$295,000. But Mr. Lezette stated there is \$130,000 difference between his house and Sharpe Street. He states you won't find a better comparable. Mr. Lezette expressed concern (regarding taxes) with going forward over the years and what his potential value increases might be considering his house did not depreciate during the down market. Mr. Dupuis stated as an appraiser, he could not use any of these comps to try to establish the value of Mr. Lezette's home because none of them have sold. Nor could he use what their previous values were to try to establish current value.

Chair Eccleston asked the board members if they had any questions. Sandra Bockes asked Mr. Dupuis if they used comparables when doing the reval. He explained how they use properties that have sold to develop the models and tables and then those tables are used to price similar properties. There were no historic houses that sold during 2010 although they did look for sales outside West Greenwich as well. He does say that the subject house selling in April of 2011 for \$480,000 does speak to the accuracy of the original assessment on 12/31/10 which was \$444,300.

Chair Eccleston reviewed the changes the assessor made including bath count, square footage due to unfinished attic space. Mr. Lezette stated he knew he should not be assessed as low as Sharpe Street but should be lower than what he is. Chair Eccleston asked if Mr. Lezette had any further information or questions for the board. He did not. She asked the board members if they

had any additional questions for Mr. Lezette. They did not. Chair Eccleston then closed the public comment portion of the meeting and asked to take a five (5) minute break.

Chair Eccleston reconvened the board at 6:49 pm. She asked for comments and discussion from the board members. Mr. Howard stated he felt Mr. Lezette presented a very interesting case and it appears that his property is an anomaly when it comes to his property increasing in value. Mrs. Bockes stated she reviewed the packet thoroughly. While reviewing 319 Sharpe Street she noticed the condition on that house had been listed as E (excellent) and dropped down to A (average). Mr. Lezette's house had a G (good) condition after initially being raised to E which she thought was fairer. The Hopkins Hill Road house, other than age, is much smaller, 2 bedrooms, 1 bath and lacking a number of things. Mr. Howard mentioned the skylights which of course weren't originally there in the 1700s which changes the character. That house also has modern windows.

The assessor stated she was surprised to find the footprint of the Sharpe Street house was just about the same as the subject house. Being tucked away on the corner and by not having the attic space, the house appears to be smaller than and not as grand as the subject house. She stated that although the space is unfinished, there is the potential to finish it and the Sharpe Street house will never have that potential without destroying the character and integrity of the 1700's house by raising the roof. Mrs. Bockes notes the difference is bathroom count between the subject and Sharpe Street as well as the condition of the kitchens – average for Sharpe and high quality for subject. Mrs. Bockes noted the effective age had increased to 25 for the subject from 15 and the percent of basement was different which the assessor said was due to the root cellar under the dining section as opposed to a full basement. Mrs. Bockes noted the owner did not feel what he paid for the house had any bearing on the value and she noted that the assessor had mentioned the owner said they had spent \$17,000 remodeling the kitchen. The assessor said she had not seen the kitchen as of the assessment date and could only speak to what was there at the time of her inspection. Mrs. Bockes stated the \$480,000 purchase price and \$17,000 in kitchen renovations calculates to an investment of \$497,000 and the current assessment of \$376,900 is over \$120,000 less. The assessor already gave a reduction of \$67,400 from \$444,300 to \$376,900.

Chair Eccleston noted the difference in value from 2007 to 2010 and that the board cannot say if the value in 2007 was correct. If it was too low, there would be a huge impact on the difference in values. She then stated that she has reviewed all the information brought forward by the tax assessor who inspected the house in December of 2011 and made a reduction in value based on grade, square footage, basement adjustment and effective age reducing the value from \$443,000 to \$379,900. And the \$379,900 is still considerably less than the market indicated during that particular time. Mr. Howard stated he agreed with the comments made by Mrs. Bockes and he felt we should stay with the value given by the assessor. The assessor mentioned that although Mr. Lezette stated he had looked at 424 Plain Meeting House Road, she was surprised that he did not use it as a comp because there are so few comparables and wondered if it had anything to do with the fact that it had a value of \$477,500. Mr. Howard stated he felt we should stay with the current assessment. Mrs. Bockes agreed.

Chair Eccleston made a motion that the appeal be denied and the current adjusted value of \$376,900 remain the same based on: The fact that the assessor has already taken into

consideration the adjustment for square footage, the overall grade, outbuilding adjustment and the effective age; and the appraiser's explanation of the pricing guidelines between the two revaluations. Motion was seconded by John Howard. Sandra Bockes – aye; Elaine Eccleston – aye; John Howard – aye. Motion approved unanimously.

Sandra Bockes asked if we should be approving prior meetings' minutes. Charlene Randall said yes, however it was not put on the agenda so it will have to wait until the next meeting.

Chair Eccleston made a motion to adjourn at 7:02 pm. Motion seconded by Sandra Bockes. John Howard – aye; Sandra Bockes – aye; Elaine Eccleston – aye. Motion approved unanimously.

Respectfully submitted,

Charlene Randall
Secretary