

What Are the Steps in Revaluation?

Step 1: Market Research and Analysis

The local market is reviewed by assessment staff in order to analyze current trends. The research includes analyzing current land sales, current residential and commercial sales and commercial income and expense data. After this research is concluded, the information is loaded into valuation models to be taken to the field for an appraiser to review the value for each property.



Step 2: Field Review and Valuation

After all of the computer-assisted research is done, qualified appraisers go to the field to compare the values and property information and to make sure the correct values are assigned to each property. Any necessary corrections are recorded and taken back to the office for final data input and a final value is determined. In summary, the computer was a tool, but appraisers set value.

The goal of the revaluation project is to estimate "fair market value" for all of the residential and commercial properties in Franklin. Assessors use three traditional approaches to determine value: (1) the sales comparison approach, (2) the cost approach, and (3) the income approach.

The **sales comparison** approach is used in markets where adequate sales exist. In this approach, the appraiser compares similar properties to the subject and then adjusts the value according to the differences.

The **cost** approach is typically used in cases of new or special purpose structures or where limited sales or rental data exist. In this approach, the appraiser determines either the reproduction or replacement cost of the improvements, subtracting all depreciation, and then adding the value of the land.

The **income** approach is used when an active rental market exists. In this approach, the appraiser estimates the net rent that the subject property could generate, and then capitalizes the rent by an appropriate rate.

All available data and all three approaches to value are considered. Usually more than one approach applies to a particular property; however, the assessor chooses the most appropriate approach after considering the type of property.

Step 3: Mail Value Notices and Schedule Informal Review Meetings

In July 2010, property owners will receive a notice of the new assessed value.



Property owners are encouraged to evaluate whether the assessment appears to be reasonable. If it is, no further action is required. If it is believed that the proposed value

is not an accurate appraisal of market value, instructions will be provided with the notice on how to arrange an Open Book review of the value with a member of the assessment staff. These reviews give the property owner a simple and efficient means for resolving any discrepancies. This is also an opportunity for property owners to ask questions about how the value was determined. Property owners are welcome to schedule a meeting, even if they agree with the new value.

Step 4: If Necessary, Schedule a Board of Review Hearing

If property owners are not satisfied with the results of the informal review or if they do not schedule an informal review, they will be able to appeal to the Board of Review in September 2010.