

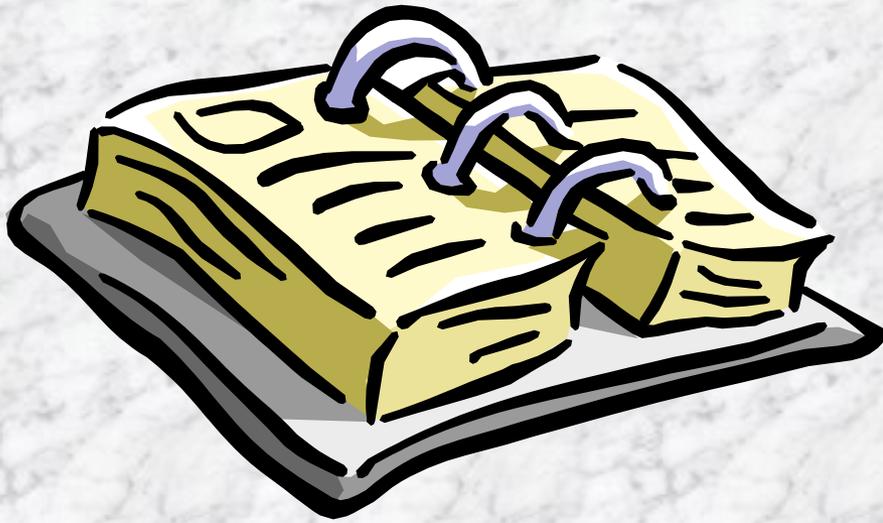
# *City of Bangor Annual Assessment Update*



# Annual Assessment Update



- Quality Market Information
- Supply and Demand Changes
- Market Value Factors
- Equality Adjustments
- Fair and Equitable Assessments



**Maine's Official**  
**Assessment Date**  
**is April 1st**  
**each year**

The City's fiscal year runs from  
July 1, 2015 to June 30, 2016

This period is called Fiscal Year 2016



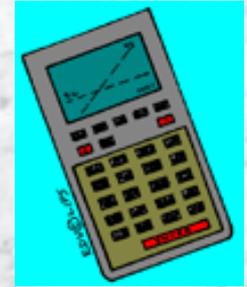
# Sale Study Period



- Real estate sales which occurred from July 2013 thru June 2014 received the most weight in our analyses; sales thru March 2015 were reviewed.
- The department used over 313 sales.



# What is a Sales Ratio?



- Sales Ratio =  $\frac{\text{Assessed Value}}{\text{Sale Price}}$  divided by
- For example, the property's assessment is \$90,000 and it sells for \$100,000. The ratio is 90% or *Under-assessed*.
- *Over-assessed* is when the ratio is above 100% which means the property's assessment is more than the sale price.



# Objectives



- City policy says overall Sales Ratio should be about 100%.
- *Assessor proposes* to make residential changes by neighborhood and property type. The changes are necessary because their Sales Ratio studies showed a Median Ratio either below 95% or above 100%. The target ratio is 100%.

Bangor's market value has begun to move from stable to price appreciation.

Reasons for this change include: low interest rates and growing employment.

Bangor is Eastern Maine's service center community.



# Federal Housing Finance Agency reports the following

- House Price Index for Bangor increased 4.9% from 4<sup>th</sup> Qtr. 2013 to 4<sup>th</sup> Qtr. 2014; a one year period.
- **Source: [www.fhfa.gov](http://www.fhfa.gov)**
- **Select HPI Calculator**



	<input type="radio"/> State	<input checked="" type="radio"/> MSA/MSAD
MSA/MSAD	Bangor, ME	
Purchase Quarter	2013 Quarter 4	
Valuation Quarter	2014 Quarter 4	
Purchase Price	\$100,000	
	<input type="button" value="Calculate"/>	
Estimated Value:	\$104,982	

# What has happened to Sale Prices?

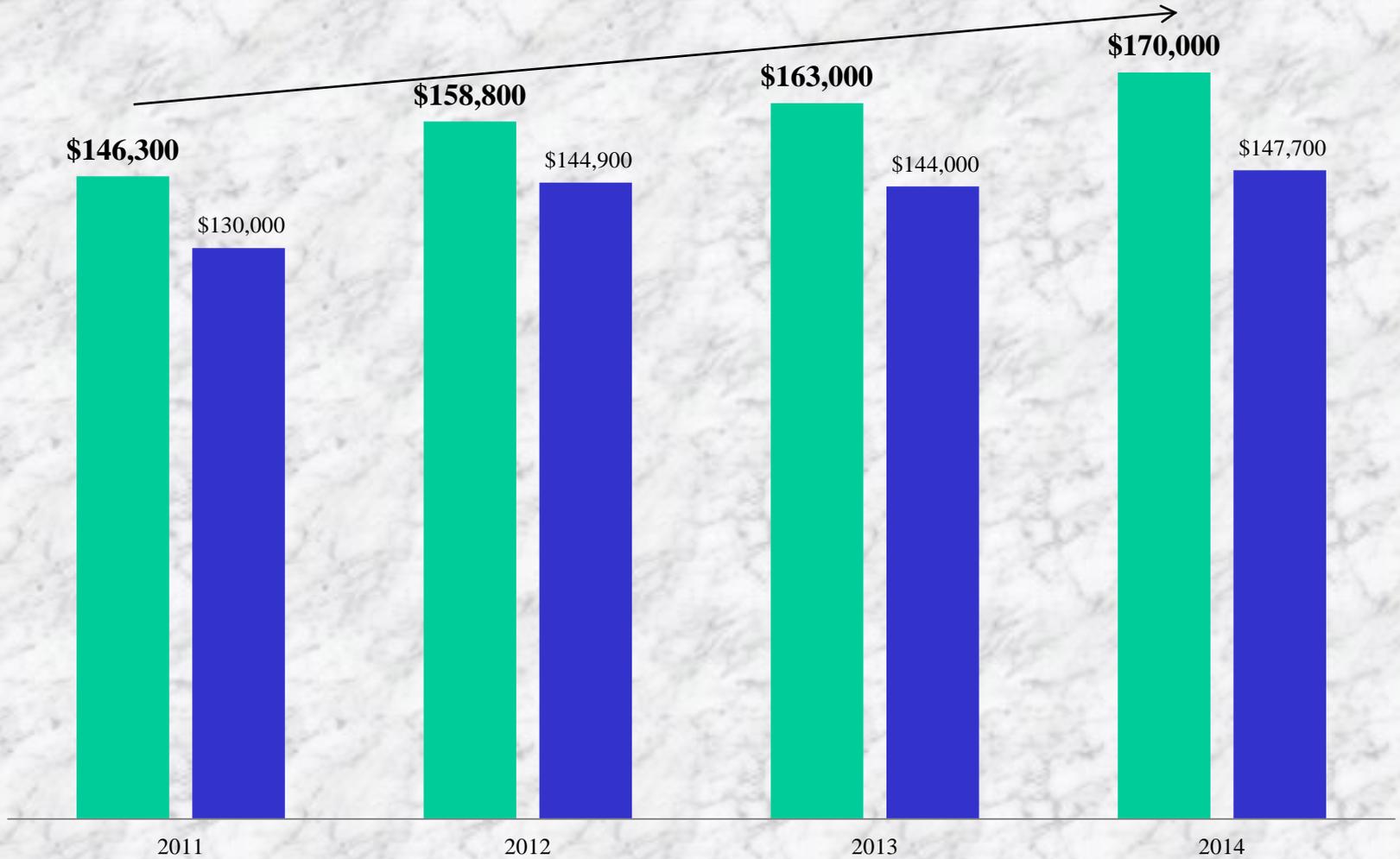
(not including sales of mobile homes, condos, puds, short sales or distressed sales)

- Bangor uses qualified, arm's-length sales of single family homes.
- Sales in 2013 versus 2014.
- Median Sale Price increased 2.6 %
- Average Sale Price increased 4.3%

(chart on next slide shows 4 years of change)

# Bangor - Single Family Home Sales

■ Average Sale Price   ■ Median Sale Price



**The Median Ratio for residential properties prior to adjustments by property type and neighborhood was:**

- Single Family 94%
- Condo/PUD 93%
- Small Multi-Family Units 90%

When a sufficient number of sales have occurred and the median assessment ratio is below 95% for your property type an upward adjustment is necessary.

Valuation model adjustments were made according to property type .

- All residential structures increase up to +1%
- Residential properties in better than average condition up to +1% additional
- Colonial, Cape and Raised Ranch homes up to +1% additional
- Small Multi-Family adjustment of +1% to +2%.

For example, a colonial style home in good condition will see a 2% to 3% increase.

After adjustments were made by property type certain neighborhoods still had low median ratios and further adjustments were necessary.

The next few slides show the city's map along with the impacted neighborhoods. Neighborhoods group homes by:  
location, style & age.



Residential properties in neighborhoods not highlighted will receive the property type adjustments

Residential properties in highlighted neighborhoods will see both the property type and neighborhood adjustments (either up or down).

# In-Town West Side



Fairmount Park

Webster Avenue & Boutelle Street

**Blue Area 3 to 5% Increase**

# Upper West Side



**Union &  
Hammond  
Street**

**Hammond St**

**West Broadway & Cedar Street**

**Blue Area 3 to 5% Increase**

# Bangor Gardens

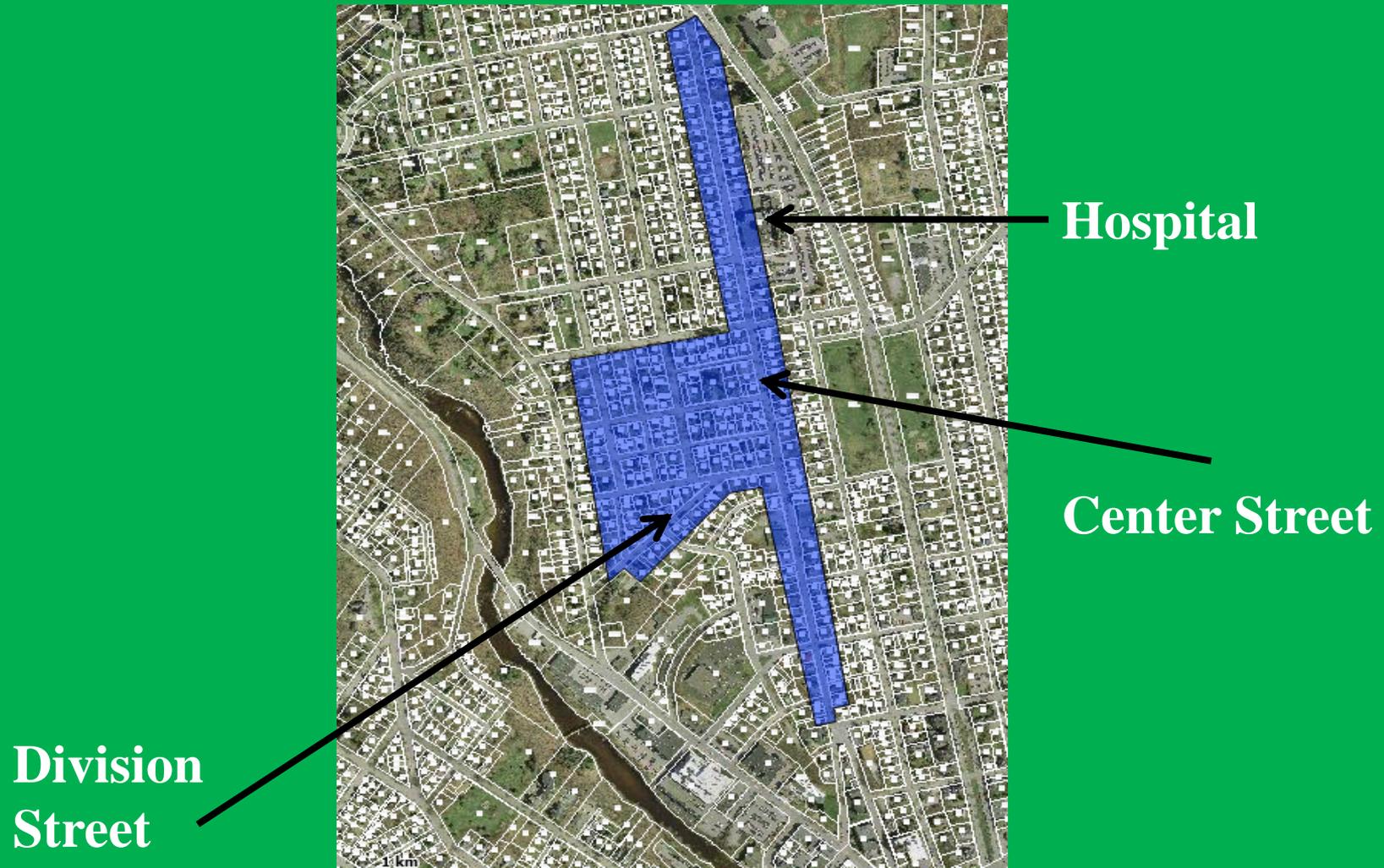


**Roger Street**

**Broadway & Falvey Street**

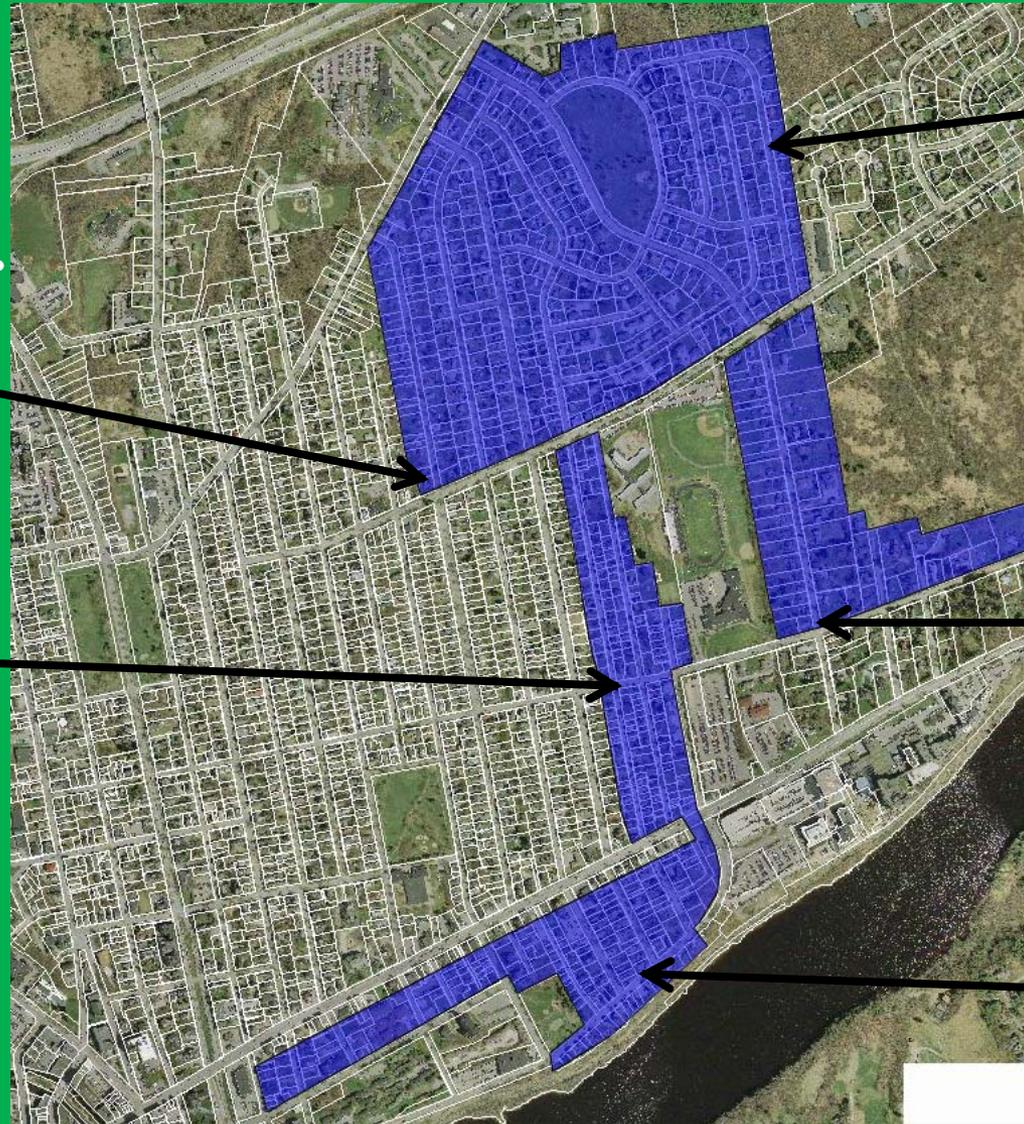
**Blue Area 3 to 5% Increase**

# Center Street Neighborhood



**Blue Area 3 to 5% Increase**

# East Side



Maple Street & Mt. Hope Ave.

Dartmouth Street

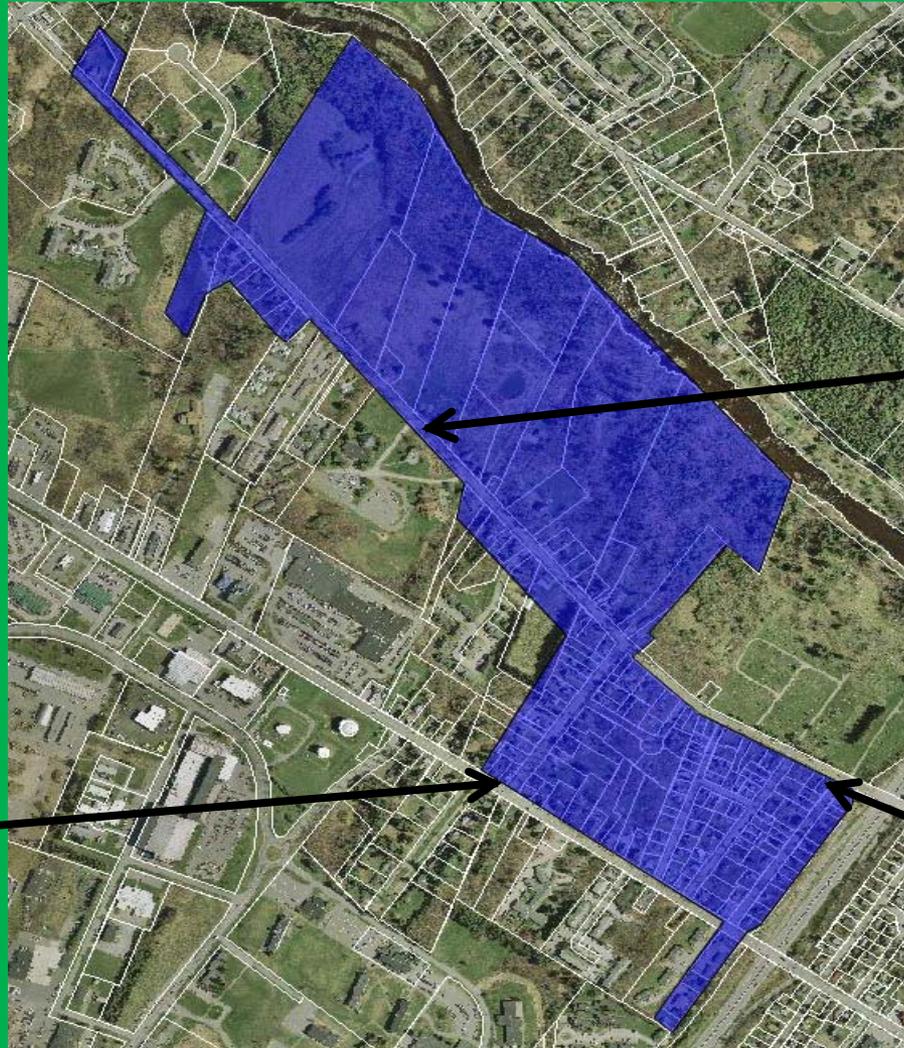
Howard & Garland Street

Pearl Street & Garland Street

Hancock Street

**Blue Areas 3 to 5% Increase**

# Neighborhood Ohio to Union.



Ohio Street

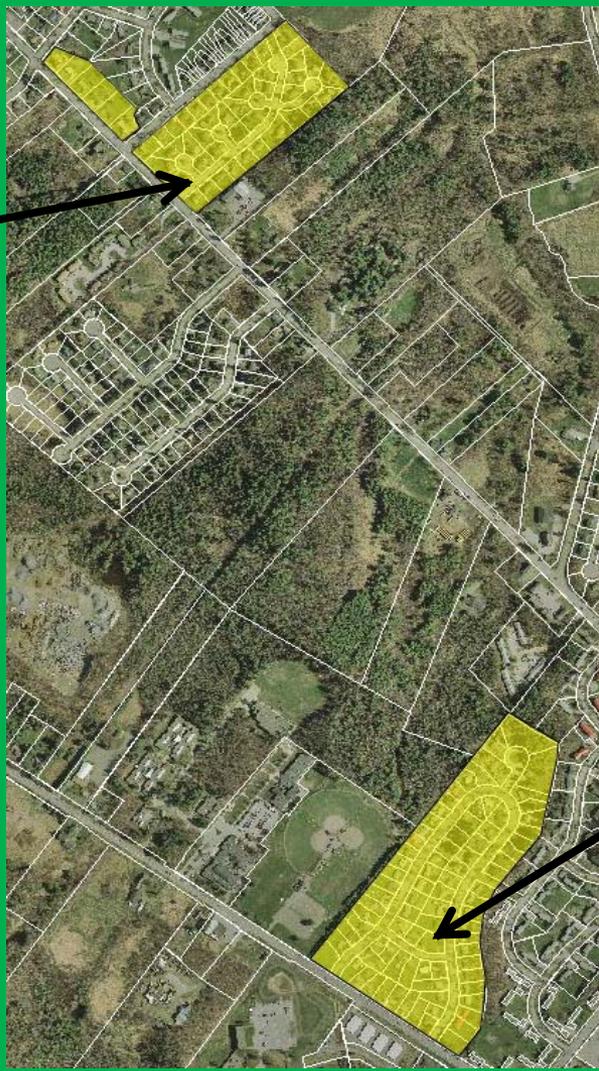
Union Street  
& Westland

Ohio &  
Sixteenth Street

**Blue Area 3 to 5% Increase**

# Neighborhoods off Outer Union and Outer Ohio

**Birchwood  
Avenue and  
Ohio Street**



**Randolph Drive  
Off Union  
Street**

**Yellow Area 3 to 5% Decrease**

# **Results after all proposed adjustments**



**34 single family home sales took place from January 1, 2015 to March 29, 2015. The report showed a Median Sales Ratio of 100%.**

**The analysis uses the proposed April 1, 2015 assessment divided by the most recent sale price.**

The next few slides show a small number of properties that have sold twice over the past few years. Please note the % change and the time period.

# Court Street



Cape

Sold 10/2012  
for \$72,000

Sold 1/2014  
for \$66,700

- 7 % change  
over 15  
months

# Bomarc Road Unit



Condo/PUD

Sold 8/2012  
for \$121,000

Sold 9/2014  
for \$124,000

+ 2 % change  
over 25  
months

# Kenduskeag Ave.



Conventional

Sold 10/2012  
for \$177,500

Sold 1/2014 for  
\$171,900

- 3 % change  
over 15 months

# Leighton Street



Colonial

Sold 6/2013  
for \$176,000

Sold 11/2014  
for \$185,000

+ 5% change  
over 17  
months

# Virginia Lane



Ranch

Sold 8/2012  
for \$193,000

Sold 12/2014  
for \$229,000

+ 19 %  
change over  
27 months

# Hillview Drive



Colonial

Sold 5/2012  
for \$250,000

Sold 11/2014  
for \$258,750

+ 4% change  
over 30  
months

# Chestnut Trail



Colonial

Sold 6/2012  
for \$422,000

Sold 8/2014  
for \$490,000

+ 16 %  
change over  
26 months

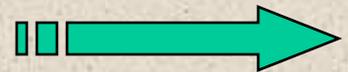


## **Mobile Homes in Parks**

**Mobile Homes in Birch Hill Estates were adjusted up to 4 - 5% based upon recent sales. The typical expected tax change is between \$15 - \$30 dollars.**

The next few slides show single family homes that were constructed over the past year.

Included are the properties' general location, building style and likely assessed value.



# New Home in Holiday Park



Single -Wide  
Mobile  
Home

Likely  
Building  
Assessed  
Value  
\$35,000

# New Home in Cedar Falls Park



Double-Wide  
Mobile  
Home

Likely  
Building  
Assessed  
Value  
\$72,000

# New Home off Ohio Street



Raised Ranch

Likely  
Assessed  
Value  
\$179,000

# New Home on Essex Street



Modular  
Colonial

Likely  
Assessed  
Value  
\$290,000

# New Home off Stillwater Avenue



Colonial

Likely  
Assessed  
Value  
\$380,000

What about the new apartment,  
retail, warehouse and hotel  
buildings built in Bangor?

Are they being assessed at  
reasonable values?

The answer is YES !

# New warehouse off Dowd Road



Likely building assessment \$250,000

# Remodel of Retail Store on Union Street



Likely building assessment \$360,000

# New Retail Buildings on Stillwater



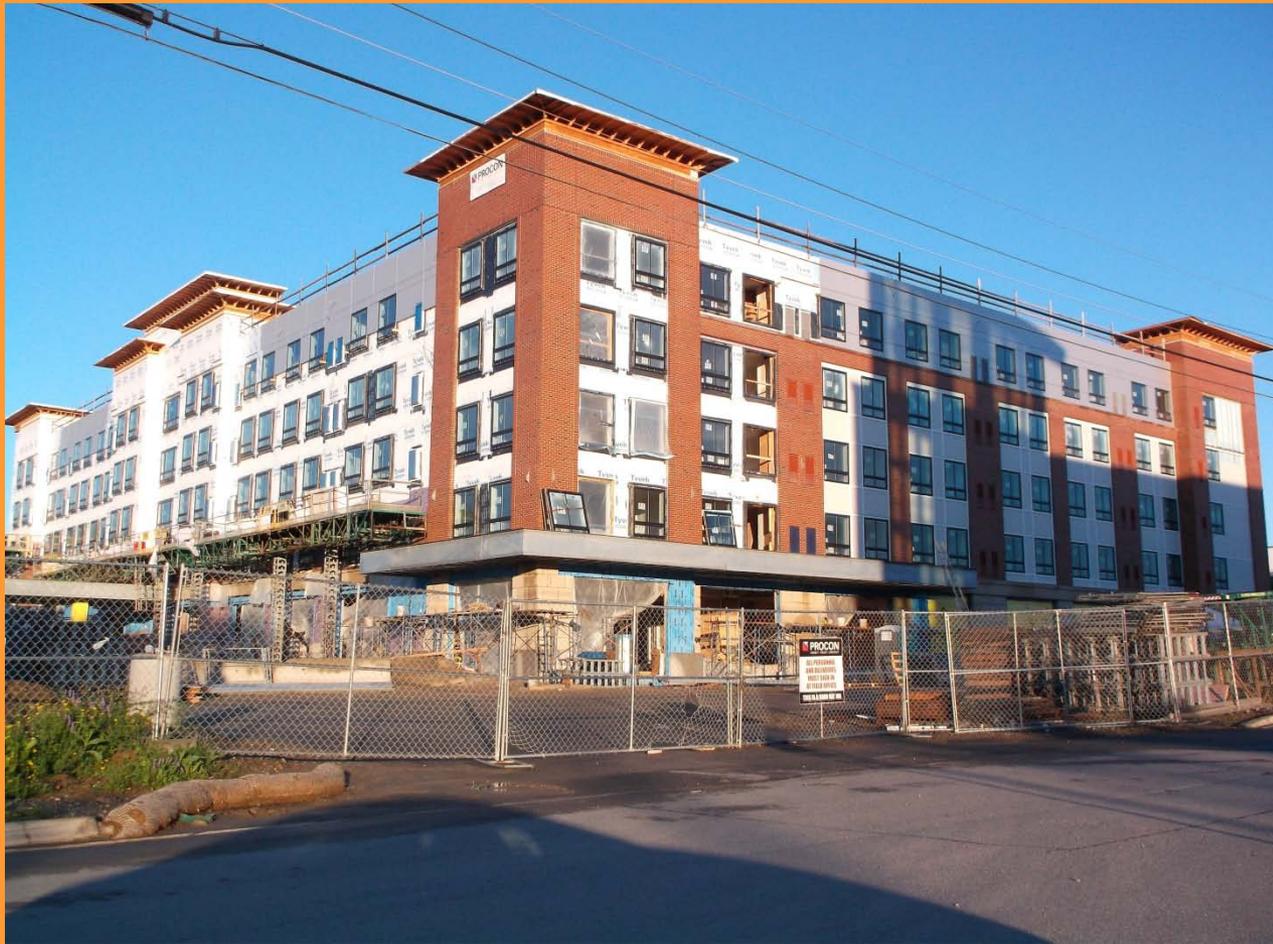
Likely building assessment \$620,000

# New Convenience Store/Car Wash Facilities



Major investments in both structures and equipment.

# New Hotel on Bass Park Blvd.



Likely assessment for partially complete  
hotel building \$3,000,000

# Urban Improvements on Pier Street



Picture before being  
razed

Picture after  
construction



# Expanded Healthcare Facility



**Exempt owner making Payments In Lieu Of Tax  
(PILOT)**

# Downtown Activity



Major Retail &  
Apartment  
Improvements

“The Queen City” has a growing economy. Retail sales are up due in part to: higher employment levels, new restaurants, quality entertainment, new lodging facilities and a wonderfully robust downtown.

The next slide shows how  
Taxable Retail Sales in Bangor  
have changed from  
2013 to 2014  
according to  
Maine Revenue Services.

# Bangor Economy – Taxable Retail Sales

<u>Bangor Taxable Retail Sales</u>	<u>2013-2014 %Chg</u>
Total.....	Up 2.7%
Lodging .....	Up 1%
Restaurant .....	Up 3.2%
Auto Trans.....	Up 5.4%
Food Store .....	Up 4.8%
Building.....	Up 10.4%
General .....	Down 2.7%
Other .....	Down 1.3%

**Source: Maine Revenue Services Review 2014 (Bangor ESA)**

Labor statistics show  
total employment in the Bangor  
area has increased 1.4%

Total employment:  
April 2014 – 65,500  
April 2015 – 66,400  
increase of 900

**Source: Federal Reserve of Boston Statistics for State of  
Maine – Bangor (necta) [www.bostonfed.org](http://www.bostonfed.org)**

The next few slides show that apartment buildings and other commercial/industrial properties also had their real property assessments changed.

# Commercial Apartments



# Commercial & Industrial Properties



	<u>Value % Increase</u>
<u>Commercial Occupancy</u>	
Apartments & Multi-Family	1% to 3%
Bank & Credit Union	1% to 2%
Hotel & Motel	1% to 3%
Industrial & Warehousing & Garage	.5% to 2%
Medical Office	2% to 3%
Office	.5% to 2%
Restaurant & Fast Food	1% to 3%
Retail & Big Box	2% to 3%

# **Business Personal Property Exemptions**

**For more information on:**

**BETE – Business Equipment Tax  
Exemption or**

**BETR – Business Equipment Tax  
Rebate, please contact the**

**Assessing Department at 992-4212.**

**An exemption or rebate will help reduce  
the amount you pay in actual tax dollars.**

# **Summary of Changes**

- **Changes are Market Based**
- **Fairness and Equity have both Improved**
- **Adjustments are Necessary**

# **Is my assessment equitable?**

**There are two very good methods of determining this. First, compare your property to similar properties that sold in the previous year. Second, if no recent sales are available, compare your assessment to other similar properties in your area. Remember, very few properties are exactly alike.**

# **Your Tax Bill**

**Individual tax bills are based on your property's taxable assessed value multiplied by the City's Tax Rate .**

$$\text{Tax Rate} = \frac{\text{Net Amount to Raise}}{\text{Total Taxable Value}}$$

**Net Amount to Raise = Net to be raised by local property tax less State of Maine reimbursement for Homestead and BETE exemptions plus the overlay amount.**

FY2016

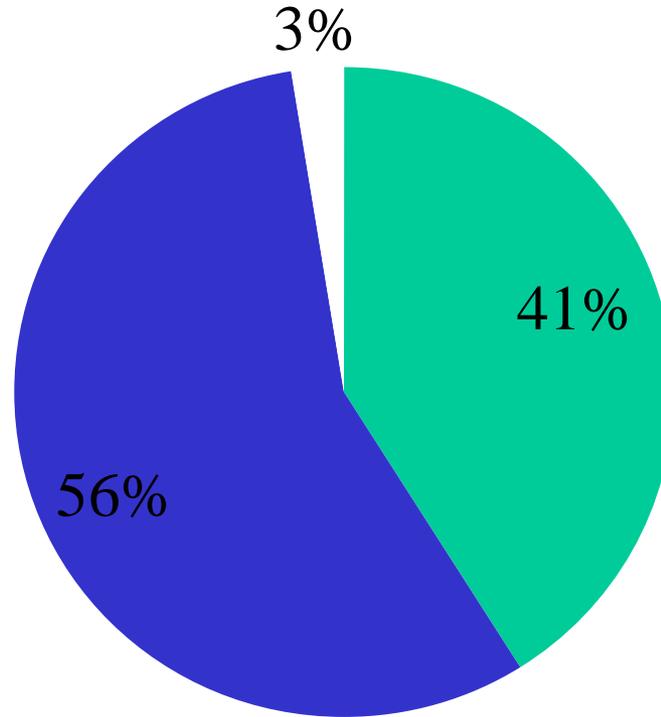
# Who pays what share of property taxes in Bangor

COMMERCIAL &  
INDUSTRIAL  
STRUCTURES AND  
BUSINESS  
PERSONAL  
PROPERTY

**56%**

HOMESTEAD AND  
BETE  
REIMBURSEMENT

**3%**



RESIDENTIAL  
ONE TO FOUR  
FAMILY HOMES,  
CONDOS, PUD,  
MOBILE HOMES  
AND  
RESIDENTIAL  
VACANT LAND



**41%**

# **Individual Exemptions**

**For more information on property tax exemptions like: homestead, veteran or blind, please contact the Assessing Department at 992-4212.**

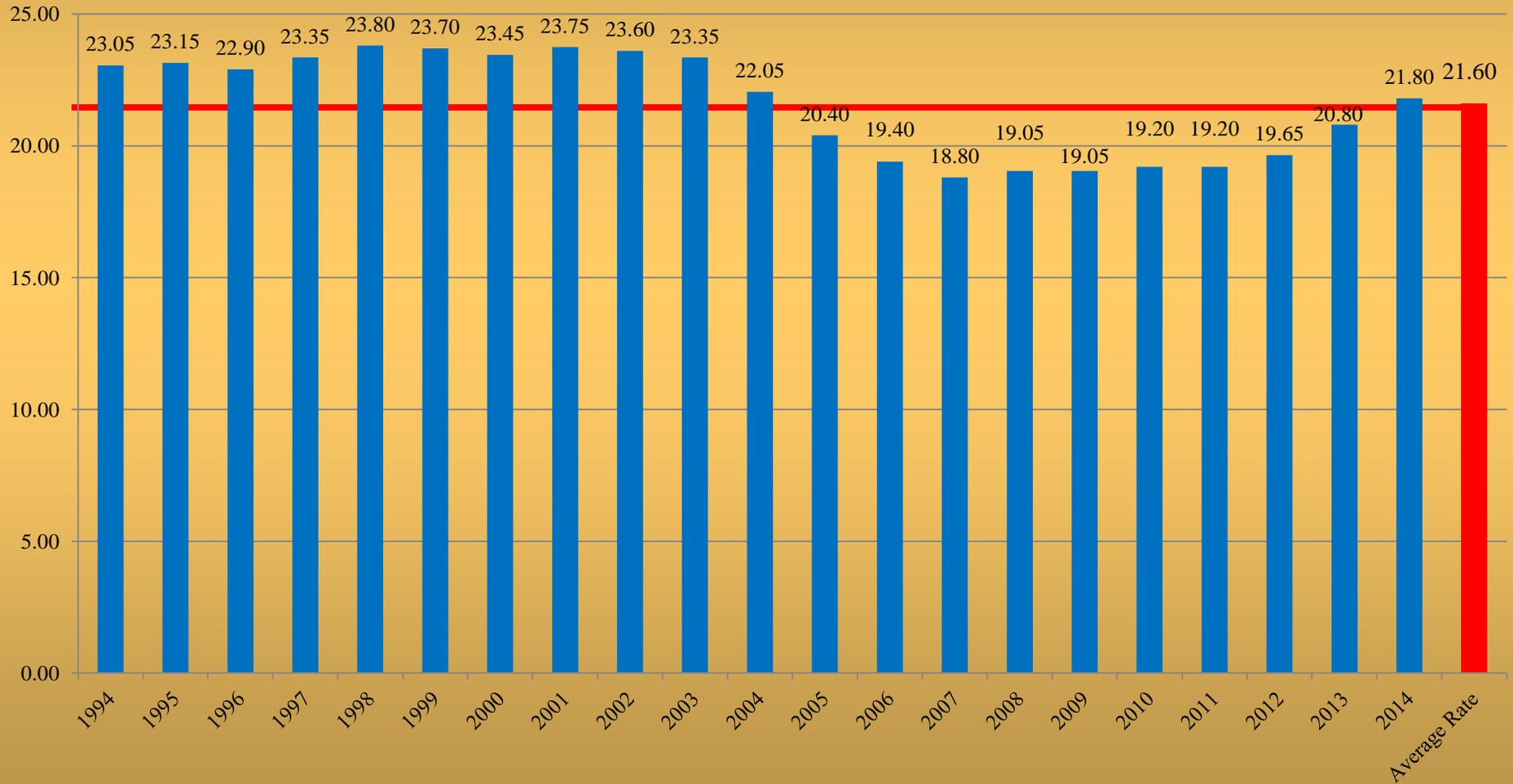
**An exemption will help reduce the amount you pay in actual tax dollars.**

# Homestead Exemption

**Your total assessed value will be reduced by up to \$10,000.**

**You will save up to \$219.50 dollars in taxes.**

# Bangor Tax Rates by Year



# Bangor's Current Tax Rate

Last Year's Rate

This Year's Rate

**\$21.80**      **—————>**      **\$21.95**

**An increase of 15 cents or less than 1%.**

**The same tax rate is used for all classes of property; both real and personal.**

**We welcome all questions and  
comments about this presentation**

**Please call our office at 992-4212 or  
stop by to see us between**

**8:00 a.m. & 4:30 p.m. - M-F**

**We are located on the first floor of  
City Hall - 73 Harlow Street.**



**This annual assessment update is  
also available on the  
city assessor's webpage.**

**Please go to**

**[www.bangormaine.gov](http://www.bangormaine.gov)**

**The End**  
**&**  
**Thank You**

