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, 2017 to June 30, 2018.

This period is called Fiscal Year 2018.
Sale Study Period

• Real estate sales which occurred from July 2015 thru June 2016 received the most weight in our analyses; sales thru March 2017 were reviewed.

• The department used over 375 sales.
What is a Sales Ratio?

- Sales Ratio = \text{Assessed Value} \text{ divided by Sale Price}
- For example, the property’s assessment is $90,000 and it sells for $100,000. The ratio is 90% or Under-assessed.
- \textit{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 the Sales Ratio studies showed a Median Ratio either below 91% or above 103%.
Federal Housing Finance Agency reports the following

- House Price Index for Bangor increased 3.78% from 3rd Qtr. 2015 to 3rd Qtr. 2016; a one year period.

- Source: www.fhfa.gov
- Select HPI Calculator
What has happened to Sale Prices?

There is an indication of a slight downward trend in both the Median and Average Sale price, but that is caused by the distribution of sales. From the 2014-2015 time period to the 2015-2016 time period, the number of sales below $160,000 increased by 42% and sales above $160,000 increased by only 19%.
The real estate market in Bangor is stable. The Average Sale Price continues to fluctuate around $160,000.

Demand is growing due to continued low interest rates and strength of first-time homebuyers active in the market.

(chart on next slide shows 4 years of change)
All these property types will see 2 to 2.5% increase regardless of their neighborhood so as to move toward 100% of market value.

The Median Ratio for residential properties by type prior to any adjustments:

• Single Family 94%
• Condo/PUD 94%
• Multi-Family 2 to 4 Units 94%
• Mobile Homes 92%
Following the adjustment by property type, some neighborhood’s Median Ratio remained below 91% or increased above 103% and these neighborhoods received additional adjustments either up or down.

Sales from 2014, 2015 and 2016 were considered for this adjustment.

Equity across the City has improved.
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.
Summary of single family home repeat sales

7% average increase in sale price

Average of 23 months between sales

3.6% annualized increase in sale price

Some of the sales are shown on the following slides.
Parker Street

Conventional

Sold 4/2013 for $116,000

Sold 7/2015 for $119,900

+3% change over 27 months
Fruit Street

Sold 6/2014 for $133,000

Sold 6/2016 for $143,900

+8% change over 25 months
Dartmouth Street

Ranch with Finished Attic

Sold 6/2014 for $154,500

Sold 3/2016 for $151,000

-2% change over 22 months
Whisper Drive

Modified Raised Ranch

Sold 10/2014 for $145,900

Sold 6/2016 for $165,000

+ 13% change over 20 months
West Broadway

Conventional

Sold 3/2014 for $160,000

Sold 4/2016 for $174,900

+ 9% change over 26 months
Cortland Circle

Cape – Condo/PUD

Sold 7/2014 for $175,000

Sold 7/2016 for $178,000

+2% change over 24 months
Yankee Avenue

Raised Ranch

Sold 10/2014 for $169,000

Sold 7/2016 for $185,500

+10% change over 21 months
Linden Street

Two Story

Sold 4/2014 for $197,000

Sold 7/2016 for $225,000

+ 14% change over 27 months
Camden Court

Ranch

Sold 10/2015 for $336,000

Sold 12/2016 for $330,000

-2 % change over 15 months
The next few slides show the city’s map along with the impacted neighborhoods.

Neighborhoods group homes by: location, style & age.
In-town West Side

- Court Street
- Ohio Street & Highland Ave.
- 3rd Street & Union Street
- Main Street
- Buck Street

Peach Area 2 to 3% Decrease
Neighborhoods off Ohio & Union Streets

Westland Street – between Union & Ohio

Dunning Blvd.

Ohio Street

16th Street near I-95

Blue Area 2 to 3% Increase
Multi-Family Neighborhood

Blue Area 2 to 3% Increase

Ohio Street & Bolling Drive

Griffin Road

Mitchell Street & Langley Street
Downeast School Area

Old Orchard Drive

Ohio St. & Mt. Desert Drive

Peach Area 2 to 3% Decrease
Outer Ohio and Broadway Subdivision

Blue Area 8 to 9% Increase
Birch Hill Estates Mobile Homes

4 to 5% Increase

Judson Heights Nbhd and Woodland Drive Nbhd

2 to 3% Increase

Broadway & Burleigh Rd.
Morningside Development on Husson Ave

To Husson University

Peach Area 3 to 4% Decrease
Bangor and Kenduskeag Gardens

Blue Area 2 to 3% Increase

Kenduskeag Gardens

Bangor Gardens

Kenduskeag Ave. & Sherman

Falvey & Broadway
Nbhd off Grandview Ave. (near Essex Street)

Blue Area 2 to 3% Increase
Between Broadway and Kenduskeag Avenue In-Town

Linden, Clyde and Poplar Ave.

Peach Area 2 to 3% Decrease

French Street Neighborhood

Blue Area 2 to 3% Increase
In-town East Side

Mt Hope Avenue

Young St. & Meadow brook Road

Kira & Vance Avenue

Hogan Road just off State Street

Blue Areas 2 to 3% Increase
Rural improved properties (typically not located in a subdivision)

Outer Union Street
Outer Ohio Street
Outer Finson Road
Outer Broadway
Pushaw and Church Roads
Outer Essex Street
Kittredge Road
Outer Stillwater Avenue
Chase Road

2 to 3% Increase
Results after all proposed adjustments

47 single family home sales took place from January 1, 2017 to March 31, 2017. The report showed a Median Sales Ratio of 93%.
As mentioned earlier, like other property types, mobile homes will see an increase of 3% prior to adjustments by park/neighborhood.
The next few slides show single family homes that were constructed in 2016.

Included are the properties' general location, building style and likely assessed value.
New home in Birch Hill Estates

Double Wide Home

Likely Assessed Value

$104,000
New Home on off Grandview Avenue

Ranch Home

Likely Assessed Value

$120,000
New Home off Ohio Street

Colonial

Likely Assessed Value

$230,000
New Home on Kittredge Road

Contemp. Ranch

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 Two-Unit on Ohio Street

Likely assessment for complete building $145,000
New Restaurant at Bangor Mall

Likely building assessment $825,000
New Hammond Street  Storage Facility

Likely building assessment $2,000,000
New Emera Maine
Saxl Substation off State Street

New assessed value $2,000,000
“The Queen City” has a stable economy. Total Taxable Retail sales are up 3.7% due in part to: stable employment levels, new restaurants, quality entertainment venues, lodging up 11%, auto transportation slight increase and more apartments/businesses downtown.
The next slide shows how Taxable Retail Sales in Bangor ESA have changed from 2015 to 2016 according to Maine Revenue Services.
## Bangor ESA Economy – Taxable Retail Sales

<table>
<thead>
<tr>
<th>Bangor Taxable Retail Sales</th>
<th>2015-2016 %Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Up 3.7%</td>
</tr>
<tr>
<td>Lodging</td>
<td>Up 11.0%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>Up 5.4%</td>
</tr>
<tr>
<td>Auto Transportation</td>
<td>Up 0.2%</td>
</tr>
<tr>
<td>Food Store</td>
<td>Up 26.2%</td>
</tr>
<tr>
<td>Building</td>
<td>Down 1.0%</td>
</tr>
<tr>
<td>General Retail</td>
<td>Up 6.7%</td>
</tr>
<tr>
<td>Business Operating</td>
<td>Up 4.6%</td>
</tr>
</tbody>
</table>

Source: Maine Revenue Services Review 2016(Bangor ESA)
Employment statistics show total employment in the Bangor region has increased by 1.5% since April 2016. Our region’s unemployment rate is 3.2%, slightly higher than the Maine level of 3%.

The next few slides show that apartment buildings and other commercial/industrial properties also had their real property assessments changed.
<table>
<thead>
<tr>
<th>Commercial Occupancy</th>
<th>Value % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartments &amp; Multi-Family</td>
<td>0.5% to 3%</td>
</tr>
<tr>
<td>Bank &amp; Credit Union</td>
<td>0.5% to 2%</td>
</tr>
<tr>
<td>Hotel &amp; Motel</td>
<td>0.5% to 2%</td>
</tr>
<tr>
<td>Industrial &amp; Warehousing &amp; Garage</td>
<td>0.5% to 2%</td>
</tr>
<tr>
<td>Medical Office</td>
<td>0.5% to 2%</td>
</tr>
<tr>
<td>Office</td>
<td>0.5% to 2%</td>
</tr>
<tr>
<td>Restaurant &amp; Fast Food</td>
<td>0.5% to 3%</td>
</tr>
<tr>
<td>Retail &amp; Big Box</td>
<td>0.5% to 3%</td>
</tr>
</tbody>
</table>
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.
FY2018

Who pays what share of property taxes in Bangor

COMMERCIAL & INDUSTRIAL STRUCTURES AND BUSINESS PERSONAL PROPERTY 55.5%
HOMESTEAD AND BETE REIMBURSEMENT FROM STATE OF MAINE 40%
RESIDENTIAL ONE TO FOUR FAMILY HOMES, CONDOS, PUD, MOBILE HOMES AND RESIDENTIAL VACANT LAND 4.5%
Individual Exemptions

For more information on property tax exemptions like: homestead, veteran or blind, please contact the Assessing Department at 992-4215.

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 $20,000

You will save up to $451.00 in taxes.
Bangor Tax Rates by Year

Bangor Historical Tax Rates

23.35 23.80 23.70 23.45 23.75 23.60 23.35
22.05
20.40
19.40 18.80 19.05 19.05 19.20
19.20 19.65
20.80
21.80 21.95 22.50 21.44

Average Rate
<table>
<thead>
<tr>
<th>Last Year’s Rate</th>
<th>This Year’s Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$22.50</td>
<td>$22.55</td>
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</tbody>
</table>

An increase of 5 cents or 0.2%

The same mil/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 992-4215 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
The End & Thank You