

# REAL ESTATE

May 2005

## THE REAL DEAL

### Real Estate News You Can Use

BY EVI COGLAN



### Interview with the Assessor

In the back of most Westporters' minds – and in the forefront of many currently shopping for homes in our town – is the issue of how Westport property taxes will change when the 2005 reassessment, currently in progress, is finalized later this year.

Those who have lived here awhile will recall that the current revaluation is a “re-do” of the one done back in 2003, which was supposed to have gone into effect on July 1 of last year. However, mass public outcry about the alleged inequities of that reassessment caused it to be thrown out after being deemed “flawed.” It also resulted in the dismissal of the former Tax Assessor after it was discovered that a backlog of over 1500 homes – mostly expensive ones – that had been newly built or recently renovated were under-accounted for in the process. This situation has since been remedied.

Because the last revaluation was thrown out, Westport property taxes continue to be calculated based on the 1999 reassessment – the only benchmark available. But as everyone knows, a lot has changed since then. Luxury homes have increased as a percentage of Westport's total housing stock. And in some parts of town where sale prices have especially skyrocketed, assessed values and taxes are the same as they are for homes at much lower price points in lesser neighborhoods. This is disconcerting for would-be buyers who want to pin down their carrying costs before making a purchase, but who fear that the property they are most interested in is a candidate for a big tax increase.

Enter Bill Gaffney, Westport's Tax Assessor since June 2004. Gaffney has previously overseen four revaluations, in

Milford and Fairfield, prior to taking on the current challenge in Westport. During a recent discussion at his office he was calm, confident and matter of fact about the task at hand. Gaffney gave a clear overview of his philosophy, and the process he has put in place to make Westport taxes fair and equitable for all.

Following is my take on our meeting: *1. Bottom line, Gaffney's objective is for the assessed value of Westport properties to be established “ad valorem” or “according to value.”* As such, properties that are worth the most will be assessed the highest. Properties worth the least will be assessed the lowest. Once these numbers are set, Westport's mill rate – established annually by the Board of Finance – will then be applied to each property's assessed value in order to calculate taxes payable. This is pretty basic stuff.

*2. Given the problems with the last reassessment, Gaffney has employed the most objective process possible to establish value – full physical inspection of each and every property in town.* The inspection process began earlier this year and is just about complete.

The inspectors, from a company called Vision Appraisal, have collected data for every property in Westport including the amount of land...neighborhood characteristics...square footage of dwelling... presence or absence of outbuildings, pools and/or tennis courts...number of total rooms, bedrooms and baths...and grade of finish/degree of updating. A software model is being created from these inputs as well as from the actual sale prices of Westport homes that have recently transacted. Except for one-of-a-kind properties that will be revalued on an individual basis, this software model will calculate the new assessed value of Westport real estate.

*3. The new property assessments will remain in effect for five years per Connecticut law, at which point a new revaluation will be done.* Significant renovation or remodeling of your premises is the only way your assessment could be

amended in between revaluations.

*4. Assessed values will be brought in line with market values.* Gaffney's goal is to make assessed value a meaningful number – unlike at present, when a house listed at \$1.5 million could have an assessed value of only 40-50% of that amount.

*5. With assessed values increased, mill rates will decrease correspondingly.* Gaffney noted that after the 1999 revaluation, Westport's rate went down over 10 mills.

*6. Key milestones for the new assessment are October 1 of this year, when the revaluation will be complete...mid-November, when notices will be sent to Westport property owners informing them of their new assessed values...and July 1, 2006, when the new assessments will go into effect for the 2006-2007 fiscal year.* The mill rate for fiscal '06-'07 will be established next May.

Overall, I was impressed. Although he sits in a very hot seat, Gaffney was decidedly cool and non-bureaucratic. And while no method is perfect – and I'm sure some of the very vocal citizens of our town will take issue with the outcome of the revaluation currently in progress – the plan that's in place seems reasonable and, most importantly, objective. The only factor not considered in the software model that I would like to have seen included is wetlands status – since substantial non-waterfront wetlands can significantly decrease market value.

In the end, if owners of properties with wetlands are the only people who take issue with the reassessment, we'll be far ahead of where we came out the last time.

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