

State of New Hampshire
Department of Revenue Administration

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MUNICIPAL AND PROPERTY
DIVISION
Stephan W. Hamilton
Director

David M. Cornell
Assistant Director

April 25, 2014

Town of Allenstown
Attn. Board of Selectmen
16 School St
Allenstown NH 03275

Dear Members of the Board,

The Department of Revenue Administration, pursuant to RSA 21-J:11, is charged with the responsibility of monitoring statistical updates and supporting municipalities with revaluation and general assessing contract negotiations and compliance. As the Department of Revenue Administration's (DRA), Monitor for the Town of Allenstown (Town), I have reviewed the following list of tasks that Avitar Associates of New England (Avitar) undertook with the town of Allenstown relative to the International Association of Assessing Officers (IAAO) standards for real property revaluations. The Department has checked all the items below for compliance with applicable State Statutes, Revenue 600 Rules and Assessing Standards Board's (ASB) standards. The following is my final report of my review of the 2013 statistical update relative to the report of Uniform Standards of Professional Appraisal Practice's (USPAP) Standard 6.

This final review is not intended to render an opinion on any individual assessment. It is meant to give an overall review of the general assessment procedures utilized by Avitar and compare the end result with the measures of dispersion, bias and central tendency as recommended by the IAAO and typically used in the revaluation process. Those properties with individual assessment issues are best remedied by the abatement process at the local level and with the Board of Tax and Land Appeal or the New Hampshire Superior Court at the county and state level.

PHASE 1 includes the following: Review of the Assessing Contract, public relations plan, tax maps, and list of DRA certified employees, adequate insurance, and adequate bonding.

Avitar entered into a contract with the town of Allenstown in 2013 for a statistical update of the town's inventory. Data verification has been conducted cyclically over a 5 year period. The current cycle started in 2009, however, cyclical inspections have been occurring in Allenstown for approximately 12 years. The DRA received the executed assessing contract in 2013. Contained within the Statistical Update contract was a list of the personnel involved in the revaluation and their respected assessing functions. The Board of Selectmen did not require Avitar to provided the town with a performance bond. It should be noted that Avitar did not conduct the cyclical inspections as the company started assessing services in 2013. Corcoran Consulting was the prior assessing contractor and conducted the cyclical inspections.

TDD Access: Relay NH 1-800-735-2964

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.

PHASE 2 includes: data-collection, quality control procedures and call back compliance.

In accordance with Avitar's listing manual as well as Allenstown's 2013 assessing contract, data collection methods, quality control and call back compliance are defined as follows. A general listing guideline developed by Avitar was used as the standard guideline and adjusted with information relative to the town of Allenstown. During this phase, the DRA had reviewed 12 randomly sampled properties. The results of the sampling were reported to the town as well as Avitar. These properties were selected because they were sold within the last year and were used in the 2013 sales analysis. The DRA utilized a grading sheet (PA-45 & 46) for the various data elements that had an effect in determining individual assessments. These elements include the size, condition and quality of the improvements as well as site value and amenities. The varied data elements are applied to the computer assisted mass appraisal (CAMA) system with the intent of calculating an assessed value.

PHASE 3 includes: valuation analysis, neighborhood delineation, valuation notice, informal hearings, and final valuation adjustments.

The 2013 valuation analysis can be found in the Uniform Standards of Professional Appraisal Practices (USPAP) report submitted by Avitar on October 16, 2013. The valuation analysis is an important tool as it helps in understanding how values were derived for the various strata groups and neighborhoods within the town. The valuation analysis list the property record cards of the sales utilized (qualified) in arriving at the updated assessed values. Also of note and included in the USPAP report are a list of the unqualified sales or, the sales not used. This information is analyzed in order to set assessed values as of April 1 of the year of the revaluation.

A listing of qualified and unqualified sales is noteworthy as it serves to describe the sales that were considered in the analysis as well as the sales that were discarded. The reasons for discarding a sales transfer is typically because it was not representative of the local real estate market or, non "arms length" transactions. It is important to understand the reason for disqualifying a sale as this adds credence that the final value conclusions are reasonable and transparent

A neighborhood delineation map is an assessing tool that denotes individual neighborhoods within a town and a typical site value within the neighborhood. A delineation map helps in understanding location factors unique to separate to defined neighborhoods. These location factors may include neighborhoods with higher value amenities such as views, water frontage or the preponderance of higher end homes. Conversely, the map will indicate neighborhoods that have lower predominant values. As an example, these neighborhoods may include residential sections with a high traffic count or near commercial/industrial zones.

A neighborhood delineation map was included in the supplemental section of the USPAP report.

The Informal hearing process began with a notice of valuation changes sent to each property owner in early June, 2013. At that time, property owners could schedule an appointment to meet with the assessing staff with the intent to answer any questions involved in arriving at the individual assessments. If the property owners were unable to attend the informal hearings during the regularly scheduled times further accommodations were made to meet with the

individuals for a night or week-end appointment. This monitor was not made aware of and did not attend the informal hearings.

PHASE 4 includes: USPAP report, sales book, sales ratio studies and timeline adherence.

The sales ratio study is a tool used to gauge the results of the revaluation. Typically and in accordance with the International Association of Assessing Officials (IAAO) the median ratio, coefficient of dispersion (COD) and price related differential (PRD) are developed. As a means of full and true comparison, the DRA ratio study is utilized in order to test the results of the recent update in Allenstown's assessed values. The DRA ratio study is the preferred method of comparison because it typically utilizes the same time period from year to year. With rare exception, the DRA time period extends from October 1, through September 30 of each year.

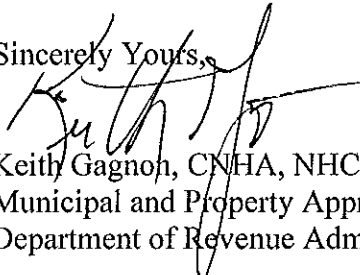
The IAAO recommends the use of the median ratio, which is the midpoint or middle ratio when the sale ratios are arrayed in order of magnitude. The overall level of assessment for all parcels in the Town should be within 10 percent of market value (100%) that is, between 90% and 110%. Allenstown's 2012 median ratio calculated by the DRA prior to the revaluation was 117.92% and the final town wide ratio using the same time period, after the revaluation was reduced to 99.9%. Simply stated, Allenstown's properties were over-assessed by approximately 18% prior to the statistical update in 2013.

IAAO also recommends using the coefficient of dispersion (COD) as the measure of uniformity in a ratio study. Low COD's (15.0 or less) tend to be associated with good appraisal uniformity and COD's above 20 indicate poor uniformity. Allenstown's 2012 COD calculated by the DRA was 21.04 and after the completed revaluation the overall COD was reduced to 8.3.

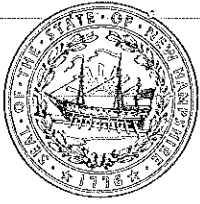
The price related differential or PRD is a measure of vertical equity and test for bias in high or low value properties. A range of .98 to 1.03 is the acceptable IAAO guideline. Allenstown's PRD as calculated by the DRA for 2012 was 1.09. After the revaluation in 2013, the PRD was reduced to 1.02.

In conclusion, it is our hope that the Board of Selectmen recognize that any assistance the DRA provides enables the town to have a reasonable level of assurance that overall uniformity and proportionality among taxpayers was obtained. After extensive field review and the employment of statistical measures of dispersion, bias and central tendency, a reasonable and transparent assessment effort is evident.

Sincerely Yours,

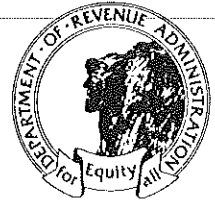

Keith Gagnon, CNHA, NHCR
Municipal and Property Appraisal
Department of Revenue Administration

Cc: DRA File
Avitar Associates of New England



State of New Hampshire
Department of Revenue Administration

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MUNICIPAL AND PROPERTY
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April 24, 2014

Town of Allenstown
ATTN: Board of Selectmen
16 School Street
Allenstown NH 03275

Re: 2013 sales review

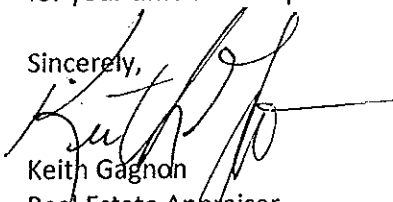
Dear Members of the Board ,

As part of the Department's duty under RSA 21-J:11 II; I am forwarding the final results of my monitoring activity of the sales inspections. Enclosed, please find the PA 45/46 monitoring report. Note, only property record cards with points have been included.

The monitoring report was sent to Avitar Associates of New England for their review on this date.

If you have any questions regarding the enclosed information, please feel free to contact me. Thank you for your time and cooperation.

Sincerely,



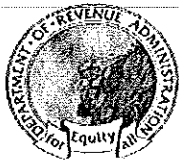
Keith Gagnon
Real Estate Appraiser
Keith.Gagnon@dra.nh.gov
603-419-9795

cc: file

Avitar Associates of New England

TDD Access: Relay NH 1-800-735-2964

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NH DEPARTMENT OF REVENUE ADMINISTRATION
MUNICIPAL and PROPERTY DIVISION
RESIDENTIAL MONITORING OF SALES REPORT

Allenstown		2013				Sales
Keith Gagnon		August, 2013			J Babon	
Data Item	Points	Map/Lot Numbers of Samples				Comments:
		113 7	109 462	109 51	105 24	
Owner/Land Section		1	2	3	4	113 7
Address; if applicable	1					
Topography	1					
Parcel ID	1					
Lot Size	1					
Card Number (of)	1					
Land-Use Code/Neighborhood	1/1					
Sale History Section						
Sale Date	2					
Sale Price	2					109 462
Sale Validity	2					
Sales Notes if Non-Valid	1					
Improvement Section						
Style Type	2					
Incorrect Photo	1					
Date of Visit / ID / Entry Code	1					
Foundation Type	2					
Story Height	2					
Exterior Wall	1					
Roof Style	2					109 51
Roof Cover	1					
Interior Wall	1					
Interior Floor	1					
Heating Type	1					
Central A/C	2					
Bedrooms	1					
Bathrooms	2					
Fixture Count	1 per					
Depreciation / Func. Code / UC	2					
Year Built	2					105 24
Condition	2					
Grade	2					
Comments / Notes	1					
OB's if < 200 SF	1 per					
OB's if > 200 SF	3 per					
Extra Features	1 per					
Sketch Accuracy Up To 2'	1 Pt					
Sketch Accuracy > 2'	1Pt/Ft					
Sketch Labeling < \$5,000 impact	2					
Sketch Labeling > \$5,000 impact	4					
Interior Inspection						
By Company Lister Y/N		y	n	y	y	
By DRA Monitor Y/N		n	n	n	y	
Total Points		0	0	0	0	

Points on Residential monitoring should total less than 6



NH DEPARTMENT OF REVENUE ADMINISTRATION
MUNICIPAL and PROPERTY DIVISION
RESIDENTIAL MONITORING OF SALES REPORT

Allenstown		2013				Sales
Keith Gagnon		August, 2013			J Babon	
Data Item	Points	Map/Lot Numbers of Samples				Comments:
		4074050	4093325	407123	112 47	
Owner/Land Section		1	2	3	4	4074050
Address; if applicable	1					
Topography	1					
Parcel ID	1					
Lot Size	1					
Card Number (of)	1					
Land-Use Code/Neighborhood	1/1					
Sale History Section						
Sale Date	2					4093325
Sale Price	2					
Sale Validity	2					
Sales Notes if Non-Valid	1					
Improvement Section						
Style Type	2					407123
Incorrect Photo	1					
Date of Visit / ID / Entry Code	1					
Foundation Type	2					
Story Height	2					
Exterior Wall	1					
Roof Style	2					
Roof Cover	1					
Interior Wall	1					
Interior Floor	1					
Heating Type	1					
Central A/C	2					
Bedrooms	1					
Bathrooms	2					
Fixture Count	1 per					
Depreciation / Func. Code / UC	2					
Year Built	2					
Condition	2					
Grade	2					
Comments / Notes	1					
OB's if < 200 SF	1 per					
OB's if > 200 SF	3 per					
Extra Features	1 per					
Sketch Accuracy Up To 2'	1 Pt					
Sketch Accuracy > 2'	1Pt/Ft					
Sketch Labeling < \$5,000 impact	2					
Sketch Labeling > \$5,000 impact	4					
Interior Inspection						
By Company Lister Y/N		n	n	n	n	
By DRA Monitor Y/N		n	y	n	n	
Total Points		0	0	0	0	

Points on Residential monitoring should total less than 6



NH DEPARTMENT OF REVENUE ADMINISTRATION
MUNICIPAL and PROPERTY DIVISION
RESIDENTIAL MONITORING OF SALES REPORT

Allenstown		2013		Sales		
Keith Gagnon		August, 2013		J Babon		
		Map/Lot Numbers of Samples				
Data Item	Points	112 37	112 40	113 2	1063839	Comments:
Owner/Land Section		1	2	3	4	112.37
Address; if applicable	1					
Topography	1					
Parcel ID	1					
Lot Size	1					
Card Number (of)	1					
Land-Use Code/Neighborhood	1/1					
Sale History Section						
Sale Date	2					
Sale Price	2					112.40
Sale Validity	2					
Sales Notes if Non-Valid	1					
Improvement Section						
Style Type	2					
Incorrect Photo	1					
Date of Visit / ID / Entry Code	1					
Foundation Type	2					
Story Height	2					
Exterior Wall	1					
Roof Style	2					113.2
Roof Cover	1					
Interior Wall	1					
Interior Floor	1					
Heating Type	1					
Central A/C	2					
Bedrooms	1					
Bathrooms	2					
Fixture Count	1 per					
Depreciation / Func. Code / UC	2					
Year Built	2					1063839
Condition	2					
Grade	2					
Comments / Notes	1					
OB's if < 200 SF	1 per					
OB's if > 200 SF	3 per					
Extra Features	1 per					
Sketch Accuracy Up To 2'	1 Pt					
Sketch Accuracy > 2'	1Pt/Ft					
Sketch Labeling < \$5,000 impact	2					
Sketch Labeling > \$5,000 impact	4					
Interior Inspection						
By Company Lister Y/N		n	n	n	n	
By DRA Monitor Y/N		y	n	y	n	
Total Points		0	0	0	0	

Points on Residential monitoring should total less than 6