



State of New Hampshire
Department of Revenue Administration

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MUNICIPAL AND PROPERTY
DIVISION
Stephan W. Hamilton
Director

Lindsey M. Stepp
Assistant Commissioner

December 4,, 2017

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

RE: USPAP 2017 Report for Town of Allenstown

Dear Honorable Board:

In accordance with RSA 21-J:14-b,I(c), the Department of Revenue Administration has reviewed the Uniform Standards of Professional Appraisal Practice (USPAP) Standard 6 report submitted by Avitar Associates of New England, Inc. for the Town of Allenstown for the 2017 tax year.

I have enclosed a copy of the USPAP Standard 3 review report of the USPAP mass appraisal. I have concluded that the appraisal under review **complies** with all requirements set forth in Standard 6 of USPAP and applicable laws and regulations.

These results are reported annually to the Assessing Standard Board (ASB) in accordance with RSA 21-J:11-a,II. If you have any questions, please do not hesitate to contact me at 419-9794.

Sincerely,

Charles K. Reese
East District Supervisor
Municipal and Property Division

cc: Avitar Associates of New England, Inc. (Enclosure)
File

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.

MASS APPRAISAL REVIEW REPORT
Compliance Checklist

**Prepared by the NH Department of Revenue Administration
Municipal and Property Appraisal Division**

USPAP

Client:	NH Department of Revenue Administration (Department)	SR 3-2(a) SR 3-5(a)
Intended Users:	NH Assessing Standards Board (ASB), the Municipality, Company/Appraiser of the work under review, and the Department	SR 3-2(a) SR 3-5(a)
Intended Use:	1) To evaluate compliance with USPAP Standard 6 and applicable laws and regulations. 2) To provide feedback to the preparer of the Mass Appraisal under review.	SR 3-2(b) SR 3-5(b)
Purpose of the Assignment:	To measure how closely the Mass Appraisal under review conforms to the most recent iteration of USPAP Standard 6 and applicable laws and regulations, in effect as of the date of the appraisal. This review does not include the development of the reviewer's own opinion of value(s).	SR 3-2(c) SR 3-3(c) SR 3-5(c) SR 3-5(i)
Effective Date of Value:	April 1, 2017	SR 3-2(d)(ii) SR 3-5 (d)(iii)
Date of Work Under Review:	October 10, 2017	SR 3-2(d)(ii) SR 3-5(d)(ii)
Date of Last Revision Submitted to Department:	N/A	
Company / Appraiser(s) who completed the work under review:	Avitar / Loren Martin	SR 3-2(d)(iii) SR 3-5(d)(iv)
Type of Revaluation: (Choose one)	Cyclical Update	SR 3-2(d)(iv) SR 3-5(d)(i)
Work Under Review:	2017 USPAP Report	SR 3-2(d)(iv) SR 3-5(d)(i)
Effective Date of Reviewer's Opinions and Conclusions:	December 4, 2017	SR 3-2(e) SR 3-5(e)
Extraordinary Assumptions:	See attached Assumptions and Limiting Conditions.	SR 3-2(f) SR 3-5(f)
Hypothetical Conditions:	None.	SR 3-2(g) SR 3-5(f)
Scope of Work:	See attached Scope of Work.	SR 3-2(h) SR 3-5(g)

Pursuant to RSA 21-J:14-b, I(c), the Department in its assessment review process shall review all mass appraisals to ensure compliance with USPAP Standard 6 and applicable laws and regulations. The purpose of this appraisal review is to advance the legislative objective of bringing greater credibility, uniformity, transparency, and accountability to statewide assessment practices. In so doing, this document serves as an analytical tool for identifying and documenting compliance with recognized assessment methods and techniques. This document also provides a mechanism for communicating the results of the review to the appropriate municipalities, assessors, and contractors.

PA-50 CHECKLIST

REFER TO INSTRUCTIONS

<u>Item #</u>	<u>Section 1 - Letter of Transmittal</u>	<u>Page #</u>	<u>Yes</u>	<u>No</u>	<u>Partial</u>	<u>USPAP</u>
			Select One, and Enter "1"			
1	Identify the appraised properties	7, 13, 85	1			SR 6-8 (i)
2	Identify the effective date of the appraisal	7	1			SR 6-2(d) SR 6-8(g)
3	Identify the intended use of the appraisal	2	1			SR 6-2 (b) SR 6-8(e)
4	Identify the client of the appraisal	2, 13	1			SR 6-2(a) SR 6-8(d)
5	Identify the intended users of the appraisal	2	1			SR 6-2(a) SR 6-8(d)
6	Identify the type and definition of value, and cite source	7, 68	1			SR 6-2(c) SR 6-8(h)
7	Identify the property interests assessed	7	1			SR 6-2(f,iv) SR 6-8(I)
8	Signed and dated Certification of Value	7	1			SR 6-8(q)

Section 1 - "Score"/Compliance:

8 0 0

<u>Item #</u>	<u>Section 2 - Scope of Work</u>	<u>Page #</u>	<u>Yes</u>	<u>No</u>	<u>Partial</u>	<u>USPAP</u>
			Select One, and Enter "1"			
9	Identify type of revaluation performed (partial, cyclical, statistical, full revaluation)	7	1			SR 6-2(j) SR 6-8(i)
10	Identification of any limiting conditions adopted for the development and reporting of value	92, 99	1			SR 6-2(i) SR 6-8(f)
11	Identify any extraordinary assumptions adopted for the development and reporting of value	92, 99	1			SR 6-2(l) SR 6-8(c)
12	Identify the extent of property inspections as reflected in the attached signed contract or in-house work plan	15-16	1			SR 6-4(a) SR 6-5(d)
13	If no physical inspection of sales performed, provide an explanation	16 sect 3.2.5	1			SR 6-1(a) SR 6-5(a)
14	Identify the steps taken to complete the final review	20, 185	1			SR 6-7(a)
15	Provide a definition of highest and best use	70	1			SR 6-1(a) SR 6-8(n)
16	Explain any departures from highest and best use	70; 92	1			SR 6-1(a) SR 6-8(n)
17	Identify approaches to value considered and utilized	67	1			SR 6-2(j) SR 6-8(i)
18	Identify approaches to value <u>not</u> utilized, and explain why not utilized	67	1			SR 6-2(j) SR 6-8(i)

Section 2 - "Score"/Compliance:

10 0 0

PA-50 CHECKLIST

REFER TO INSTRUCTIONS

Item #	Section 3 – Development of Values	Page #	Yes	No	Partial	USPAP
			Select One, and Enter "1"			
19	Brief description of basic valuation theory/mass appraisal	69, 91	1			SR 6-4(a) SR 6-8(b)
20	Identify period of time from which sales were utilized for the development of values (in the sales analysis)	22; 153	1			SR 6-4(a,b)
21	Describe how sales utilized in the sales analysis were selected	17; 70; 153	1			SR 6-4(a,b)
22	Describe extent of sale verification and data collection procedures	15-17; 153	1			SR 6-4(a,b)
23	Identify the number of sales utilized in sales analysis by property type	153	1			SR 6-8(a,b)
24	Provide a brief description of data calibration methods	191	1			SR 6-4 (a,b,c)

Section 3 - "Score"/Compliance:

6 0 0

Item #	Section 4 – Time Trending	Page #	Yes	No	Partial	USPAP
			Select One, and Enter "1"			
25	Provide a brief narrative discussion of the methodology utilized to develop a market-supported time trend analysis	86-87	1			SR 6-2(f,h) SR 6-1(a)
26	Provide documentation and analytical support for the time trending analysis and conclusions	86-87	1			SR 6-2(f,h) SR 6-1(a)

Section 4 - "Score"/Compliance:

2 0 0

Item #	Section 5 - Land and Neighborhood Data	Page #	Yes	No	Partial	USPAP
			Select One, and Enter "1"			
27	Provide supporting explanation and documentation for base land rate, and base land rate adjustment factors	169-172; 347-348	1			SR 6-2(h), SR 6-8(l)
28	Provide supporting explanation and documentation for neighborhood classification and neighborhood adjustment factors	89-90 347-348	1			SR 6-2(h), SR 6-8(l)
29	Provide supporting explanation and documentation to explain the increment of value for "site improvement" above base land value	185	1			SR 6-2(h), SR 6-8(l)
30	Provide land area adjustment table	347-348; 350	1			SR 6-4(b) SR 6-8(b)
31	Provide documentation and support for any other adjustments associated with site specific adjustments	180-182; 185; 369-	1			SR 6-4(b) SR 6-8(b)
32	Provide supporting documentation and support for any positive or negative land adjustments for external influences	185; 236	1			SR 6-3(a) SR 6-4(b) SR 6-8(b)
33	Provide a list of land sales utilized in analysis	155	1			SR 6-4(a,b)
34	Provide a list of land sales <u>NOT</u> utilized in analysis	160	1			SR 6-1(b) SR 6-8(l)

Section 5 - "Score"/Compliance:

8 0 0

PA-50 CHECKLIST

REFER TO INSTRUCTIONS

Item #	Section 6 - Improved Property Data	Page #	Yes	No	Partial	USPAP
			Select One, and Enter "1"			
35	Provide a brief narrative explanation for types of depreciation utilized	126	1			SR 6-1(a) SR 6-4(a) SR 6-8(b)
36	Provide documentation and support to explain derivation of depreciation utilized in the analysis	126; 227; 358	1			SR 6-5(aii) SR 6-8(b)
37	Provide documentation and support for derivation of effective area factors	228; 355	1			SR 6-4(b) SR 6-8(b)
38	Provide documentation and support for derivation of story height adjustments	229; 356	1			SR 6-1(a) SR 6-8(b)
39	Provide documentation and support for derivation of quality adjustments	237; 385- 392	1			SR 6-1(a) SR 6-8(b)
40	Provide documentation and support for derivation of building cost tables	173-176; 355	1			SR 6-1(a) SR 6-8(b)
41	Provide documentation and support for derivation of building style adjustments	N/A 38	1			SR 6-1(a) SR 6-8(b)
42	If Income Approach is utilized— describe support for income and expense data utilized	N/A 67	1			SR 6-1(a) SR 6-5(b)
43	If Income Approach is utilized— provide documentation and analytical support for vacancy and cap rates utilized	N/A 67	1			SR 6-1(a) SR 6-5(b)
44	Provide list of improved sales utilized in analysis	155	1			SR 6-4(a,c) SR 6-5(aiv)
45	Provide list of Property Record Cards (of improved sales) NOT utilized in analysis	160	1			SR 6-8(a,b)

Section 6 - "Score"/Compliance:

11 0 0

Item #	Section 7 - Statistical Analysis, Testing and Quality Control	Page #	Yes	No	Partial	USPAP
			Select One, and Enter "1"			
46	Ratio study using new assessed values	Section 9	1			SR 6-7(b) SR 6-8 (b,o)
47	Ratio study using old assessed values	63	1			SR 6-7(b) SR 6-8 (b,o)
48	COD study using new assessed values	Section 9	1			SR 6-7(b) SR 6-8 (b,o)
49	COD study using old assessed values	63	1			SR 6-7(b) SR 6-8 (b,o)
50	PRD study using new assessed values	Section 9	1			SR 6-7(b) SR 6-8 (b,o)
51	PRD study using old assessed values	63	1			SR 6-7(b) SR 6-8 (b,o)
52	Provide strata analysis using new assessed values for each strata	Section 9	1			SR 6-7(b) SR 6-8 (b,o)
53	Provide strata analysis using old assessed values for each strata	63	1			SR 6-7(b) SR 6-8 (b,o)

Section 7 - "Score"/Compliance:

8 0 0

CHECKLIST

REFER TO INSTRUCTIONS

Item #	Section 8 - Appendices	Page #	Yes	No	Partial	USPAP
			Select One, and Enter "1"			
54	Appendix A: Copy of contract or in-house work plan, if not already provided	13-27	1			SR 6-8(b,I)
55	Appendix B: Copy of neighborhood map(s) or electronic file, if not already provided	393	1			SR 6-8(b,I)
56	Appendix C: Individuals responsible and/or assisting in the development of the USPAP compliant report	27	1			SR 6-8(b) SR 6-9
57	Appendix D: Identify CAMA System codes. Identify any codes that are unique to your municipality	Sect 1-d; 247-263	1			SR 6-8(b,I)
58	Appendix E: Provide identification of zoning district(s)	71-84	1			SR 6-8(b,I)
59	Appendix F: Provide list of "qualified" and "unqualified" sale codes	8; 9; 363	1			SR 6-8(b,I)
60	Appendix G: Qualifications. Provide copies of the DRA certifying documents for each individual identified in Line #56.	27	1			SR 6-1(a)
61	Appendix H: Definitions. A summary of useful definitions is available from the DRA.	143-149	1			SR 6-8(b,I)

Section 8 - "Score"/Compliance:

8 0 0

TOTAL "SCORE"/COMPLIANCE:

61 0 0

CHECKLIST

COMMENTS

Comment on all subject matters checked as "no" or "partial". Also offer any general comments.

Line #	COMMENT
	Utility Assessments = pages 93-120.

DRA Reviewer: _____

Date: _____

USPAP STANDARD 3 REPORT LETTER OF TRANSMITTAL

DATE: December 4, 2017

CLIENT: NH Department of Revenue Administration, Municipal and Property Division

RE: Review of Mass Appraisal Report In the Town of: Allenstown, NH For the: Cyclical Update

In accordance with RSA 21-J:14-b 1(c) I have completed a review of the mass appraisal report prepared by Mrs. Martin of Avitar Associates of New England, Inc. The purpose of this review is to evaluate the appraisal for compliance with Standard 6 of the Uniform Standards of Professional Appraisal Practice (USPAP), applicable laws and regulations, and to determine if the results of the work under review are credible for their intended use. I have developed an opinion as to the completeness of the report under review, the adequacy and relevance of the data presented in the report and the reasonableness of the conclusions. I have not developed my own opinion of value; this review should not be construed as an appraisal of the subject properties. I have not made a personal inspection of the referenced properties; this is a technical desk review. The original effective date of value of the appraisal under review was April 1, 2017 and the date of that report was October 10, 2017. The effective date of this review is December 4, 2017.

The intended users of this appraisal are the Assessing Standards Board (ASB), the municipality, the company/appraiser of the report under review, and the NH Department of Revenue Administration (Department). The review appraiser is not responsible for unintended use of this report. The opinions contained in this report set forth my best judgment in light of the information available at the time of the preparation of this report. Any use of this review by any other person or entity, or any reliance or decisions based on this review is the sole responsibility of the third party. This letter must remain attached to the report in order for the opinions set forth herein to be considered valid.

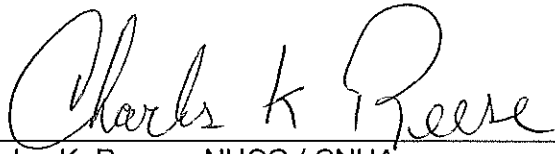
This is an appraisal review which is intended to comply with the appraisal review, development and reporting requirements set forth under Standard 3 of USPAP. Supporting documentation concerning the data, reasoning and analyses is retained in the Department's files. The information in this report is specific to the needs of the client and for the intended use stated in this report.

This is a retrospective review appraisal. It is assumed that the factual data about the subject properties provided by the appraiser in the report under review is accurate unless otherwise stated. This is what USPAP refers to as an extraordinary assumption; if found to be incorrect, it could affect the review conclusions.

This appraisal review is qualified by certain definitions, assumptions and limiting conditions, and certifications that are set forth in the attached report.

After analyzing all relevant facts and opinions expressed in the mass appraisal report reviewed, I have concluded that the appraisal under review does comply with all requirements set forth in Standard 6 of USPAP and applicable laws and regulations.

Respectfully submitted,

A handwritten signature in cursive script that reads "Charles K. Reese". The signature is written in black ink and is positioned above a horizontal line.

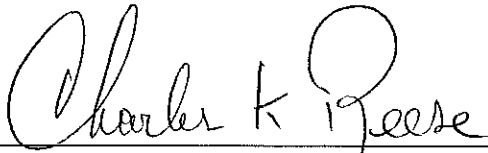
Charles K. Reese, NHCG / CNHA
Municipal and Property Division
DRA-Certified Assessor Supervisor

Cc: Avitar Associates of New England, Inc.
Department File

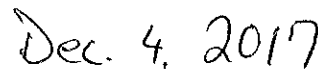
CERTIFICATION (Standards Rule 3-6)

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the properties that are the subject of the work under review and no personal interest with respect to the parties involved.
- I am employed by the New Hampshire Department of Revenue (Department). Per RSA 21-J:11, the Department reviews all revaluations in New Hampshire, and performs assessing oversight and monitoring annually. I have performed no other services, as an appraiser or in any other capacity, regarding the properties that are the subject of the work under review.
- I have no bias with respect to the properties that are the subject of the work under review or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions or conclusions in this review or from its use.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favor the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analyses, opinions, and conclusions were developed, and this review report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have not made a personal inspection of all of the properties that are the subject of the work under review.
- Mr. Keith Gagnon provided significant appraisal or appraisal review assistance to the person signing this certification.



Signature



Date

SCOPE OF WORK

Scope of Work:

Scope of work defined: *"The type and extent of research and analyses in an assignment."*¹

Unless otherwise stated, I have:

- Read the entire mass appraisal report under review provided by the appraiser to support his/her analyses.
- Reviewed a sample of provided sale data.
- Reviewed a portion of the sales provided to determine whether the data is appropriate, adequate and consistently applied.
- Developed an opinion as to whether the appraiser's methods and techniques are consistent with industry standards.
- Determined if the mass appraisal was completed in compliance with Standard 6 of the version of USPAP in effect as of the date of the appraisal report under review, by comparison to the elements described in the PA-50 checklist.
- Developed an opinion as to whether the report under review is appropriate and not misleading. This takes into consideration the context of the requirements applicable to that work, as described in the contract and/or in-house work plan, and the mass appraisal scope of work.

As the review appraiser, I have not:

- Inspected all properties.
- Utilized the mass appraisal under review to develop my own opinion of value (either individually or collectively).
- Verified all the mathematical calculations in the model.

¹ *The Appraisal of Real Estate, 14th edition, Appraisal Institute, page 87*

ASSUMPTIONS AND LIMITING CONDITIONS

The submitted review report is subject to the following underlying assumptions and limiting conditions:

Extraordinary Assumptions:

An extraordinary assumption is defined as *"an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."*² This review was made under the extraordinary assumption that the data contained in the work under review is accurate. The review appraiser is not responsible for errors in the data or for undisclosed conditions of the properties or the marketplace which would only be apparent from a thorough physical inspection and further research.

Hypothetical Conditions:

This review does not include any hypothetical conditions.

General Assumptions:

- This is an appraisal review which is intended to comply with the appraisal review, development and reporting requirements set forth under Standard 3 of USPAP. Supporting documentation concerning the data, reasoning and analyses is retained in the Department's files. The information in this report is specific to the needs of the client and for the intended use stated in this report. The review appraiser is not responsible for unauthorized use of this report. Possession of a copy of this report by the reader does not make the reader an intended user.
- The purpose of the assignment is to review the mass appraisal for compliance with USPAP and applicable laws and regulations and to determine if the results of the work under review are credible for the intended user's intended use. The review appraiser has developed an opinion as to the completeness of the report, the adequacy and relevance of the data presented in the report and the reasonableness of the conclusions. The review appraiser has NOT developed his or her own opinion of value conclusion and this review should not be construed as an appraisal of the subject properties.
- It has been assumed that all principal and appurtenant buildings or other improvements have been accurately measured and listed; and, all land parcels and any attributes that may affect the market value have been accurately listed. It has been assumed that all elements which may affect market value have been taken into consideration which may include, but not limited to: legal and title matters, encumbrances, restrictions, physical and location issues, known contamination, zoning and use regulations, any depreciation factors or other issues unless otherwise stated in this report.
- The information furnished by others is believed to be reliable. All factual data contained in the appraisal under review is assumed to be accurate. No warranty, however, is given for its accuracy.
- Possession of this report, or a copy thereof, does not carry with it the right of publication.
- The review appraiser herein by reason of this review is not required to give further consultation, testimony, or be in attendance in court with reference to the properties in question unless arrangements have been previously made, or as otherwise required by law.
- This review appraisal has been performed by an appraiser(s) with the experience, competency and education necessary to review mass appraisals. There were no additional steps required to competently complete the attached review report. The review appraiser is a DRA-certified Appraiser Supervisor. Confirmation is available at www.revenue.nh.gov.

² *The Dictionary of Real Estate Appraisal, 5th edition, Appraisal Institute, page 176*