

Ashburnham Land Valuation (continued)

Large acreage parcels – special discounts for parcels with large acreages have been removed. The absence of market sales support no longer permits our office from discounting values of these types of property. Owners may wish to investigate one of the chapter land programs for forestry, agriculture, or recreation.

Undeveloped land discounts – past assessments on vacant land may have included special discounts. These discounts were not uniformly applied, nor did they have market support.

Waterfront parcels – we have addressed complaints from property owners that land was not consistently valued at the applicable rates for waterfront properties. Homes fronting on one of Ashburnham's lakes are now consistently valued.

Land with unexplained site influences – many properties benefited from discounts for various site features that either cannot be supported by market sales analysis, or were not equitably applied to other parcels having the same site characteristics.

Properties not valued according to the prevailing land schedule – situations where land was not valued using an approved land schedule. For example, we found that a number of unbuildable land parcels were valued using buildable land rates with artificial adjustments to lower the value to a desired level. Unbuildable land must now be valued according to the DOR approved residual and/or undevelopable land rates – whichever applies.

Transition to a standard land valuation method with consistently applied rates will be painful. Our office anticipates that a number of property owners facing valuation increases may file for an abatement. Once we transition to a simpler, transparent, and fairer land value system we will have reduced the number of complaints over tax equity.

Understanding the Concept of Land Segmentation

In order to understand how assessors establish land values, the concept of land segmentation must be understood. Land segmentation is a means of recognizing the value associated with a parcel's use or uses. Each land parcel and the total acreage it embraces may be divided into one of several categories for land valuation purposes:

Primary Site – up to the first 60,000 square feet (1.38 acres) of land area required by zoning for an existing or potential home site

Secondary Sites – frontage and land area permitting, this category accounts for additional building sites

Residual Acreage – excess acreage with minimal or no frontage beyond that area already categorized as primary and secondary sites.

Undevelopable – land area covering certified wetlands or extreme topography

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Developing Land Value Rates

There are 2 principal techniques assessors use in developing land valuation rates; an analysis of land sales having sold during the relevant sales period, and an analysis of home sales wherein estimated building values are subtracted from sale prices to yield a land "residual" value. If properly developed, both analyses provide support for the tables used to value land.

Prime Land Values

Assessors value prime acreage on a site-value basis rather than on a per-acre rate. Values for lots having a land area below the standard 60,000 square feet required by Ashburnham residential zoning are valued on a sliding scale that recognizes only minimal diminishment of value as land size decreases. For example, a ½-acre building lot is not valued at half the price of a 1-acre lot. Both properties support a house. A potential buyer might pay a bit more for the larger site, but not twice the price of the smaller lot.

Prime lot values are also adjusted for relative location desirability. Most lots across town are rated as having average site desirability. Parcels having both substandard and above-standard location desirability may be placed in an appropriate site or neighborhood category. The attached land schedule shows rates adjusted for general site desirability with category 3 representing an average Ashburnham location, categories 1 and 2 below average locations, and neighborhoods 4 thru 6 above average locations. Location ratings are assigned based on both sales history and field observation. In general, more expensive homes tend to benefit from higher underlying land values and are therefore given a higher site rating.

Our office has established that waterfront properties command higher selling prices than similar properties not benefiting from this feature. Waterfront land rates can be found under site category 6 on the attached land schedule.

Ashburnham's Land Schedule

The attached land schedule shows the rates certified by the DOR for use in valuing Ashburnham's land.