



ASSESSMENTS 2021

TRENDS IN RESIDENTIAL & COMMERCIAL PROPERTIES – THE IMPACT ON ASSESSMENTS



STATISTICAL UPDATE

Per RSA 75:1, The Selectmen shall appraise all taxable property at its market value with a few statutory exceptions.

The assessment date per RSA 74:1 of April 1st maintains consistency, fairness and considers all factors affecting value for each property on that snapshot of time.

STATISTICAL UPDATE

As the market changes, the City of Concord reviews, analyzes, and updates its property assessments to reflect those market value changes as of April 1st for the tax year

Concord reviewed properties that were sold over the past 15 months in order to analyze and determine assessments for all properties in the city as of April 1st. The review includes deed research, MLS and other online listing service documents, property record card information, and/or conversations with property owners, real estate agents/brokers, and property visits.

HOW IS VALUATION DETERMINED?

- Inspection of sold properties
- Research and analysis of all qualified sales
- Request and analyze rents, expenses, and interest rates of commercial/industrial properties
- Changes from analysis results are applied uniformly to every parcel within the community

HOW DOES THE CITY DETERMINE MARKET INCOME AND EXPENSES?

- Mail Income and Expense Forms to Commercial and Industrial Property Owners
- Real Estate Income and Expenses (Not Business Income and Expenses)
- The Information is Kept Confidential
- Recent Appraisals
- Rental Listings/ Sale Advertisements
- Property Visits and Conversations with Property Owners and Tenants

WHERE DOES THE CITY OBTAIN INFORMATION ABOUT SALES?

- Deeds
- Questionnaire Responses
- Fee Appraisals
- State of NH PA-34 Forms
- Property Inspections
- Conversations with Brokers / Realtors
- Conversations with Property Owners

WHAT MAY CAUSE PROPERTY VALUES TO CHANGE

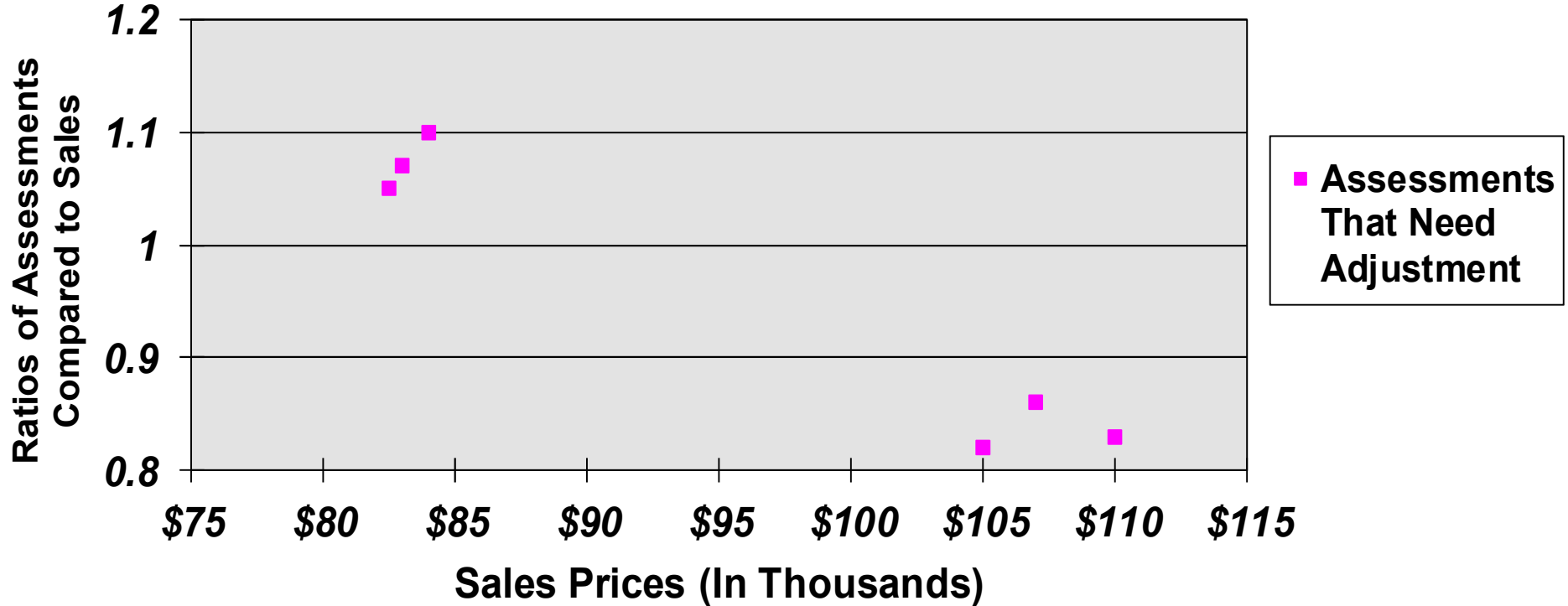
- Physical changes or corrections to building and land
- Changes in zoning
- Land use approvals
- Subdivisions
- Changes in market
- Neighborhood changes

ASSESSING STANDARDS BOARD REQUIREMENTS

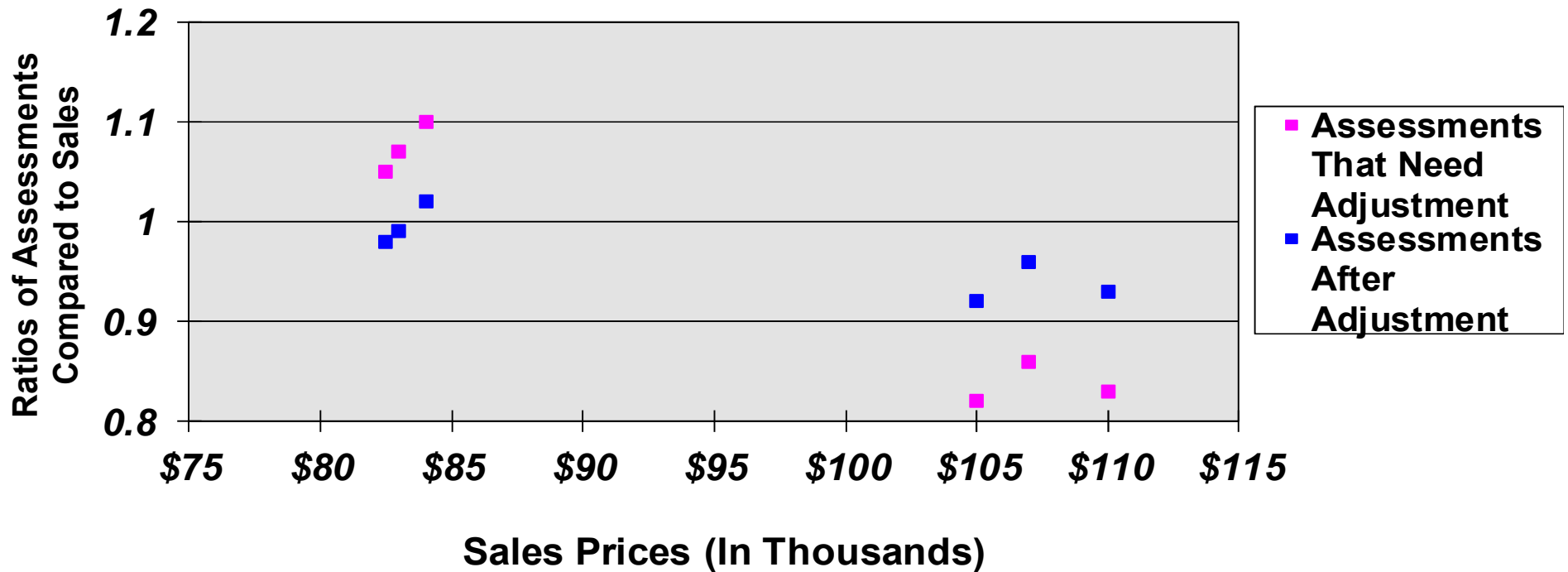
Each major strata group should be appraised within 5 percent of the overall level of appraisal of all properties

If the overall level is 95% each property class, type, or location (residential, commercial, condos, colonials, capes, south end, west Concord, east Concord, etc.) should be appraised between 90.25% and 99.75%

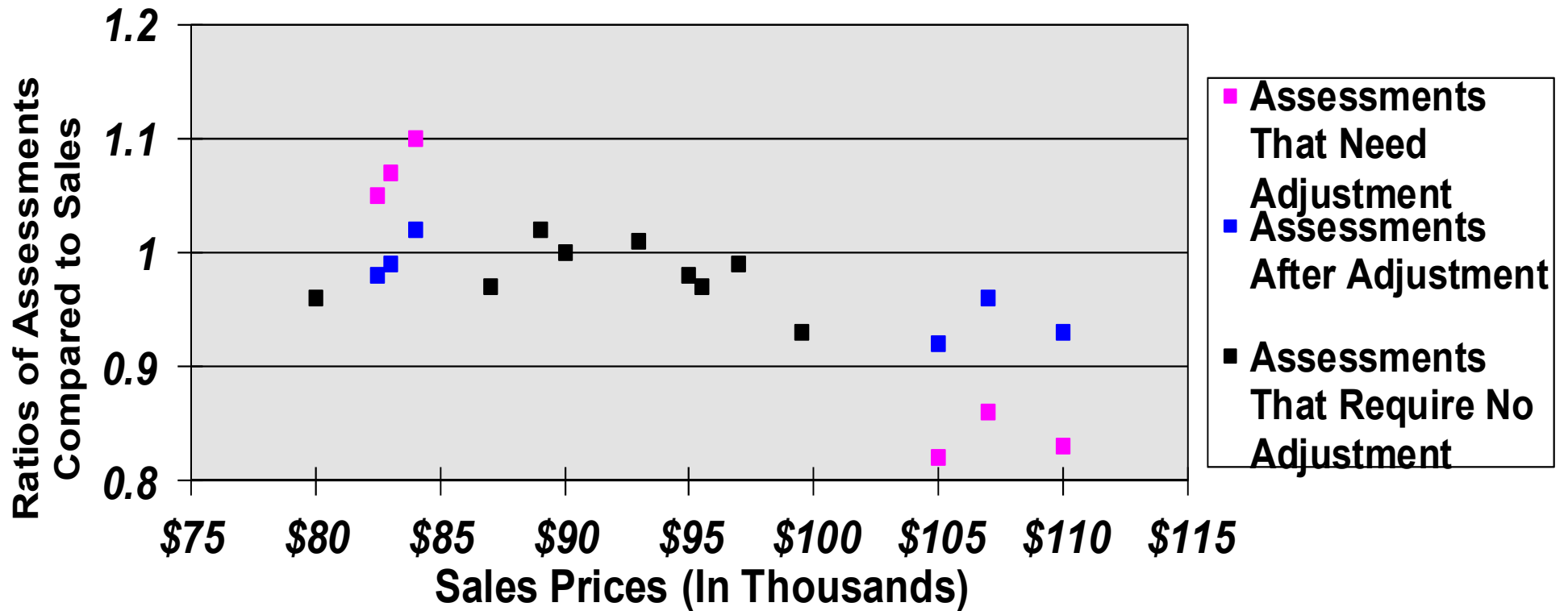
RATIO COMPARISON OF ASSESSMENTS TO SALES



RATIO COMPARISON OF ASSESSMENTS TO SALES



RATIO COMPARISON OF ASSESSMENTS TO SALES



WHAT'S HAPPENING IN THE CITY'S REAL ESTATE MARKET?

COMMERCIAL AND INDUSTRIAL PROPERTIES

The commercial and industrial market in the Concord submarket (Bow, Concord, Hooksett, & Pembroke) has been relatively stable over the past 18 months despite the impacts of Covid-19. The vacancy rates among commercial and industrial properties including warehouses, distribution facilities, research and development facilities, flexible commercial buildings with hybrids of office and industrial space, and manufacturing facilities have remained low.

The rents have been stable over the past 18 months within the Concord submarket while increasing slightly in the greater New Hampshire market.

Per CoStar Insight, after 2020's highest rate of retail closures since 2011; 2021 current rate of closures by retailers may result in the lowest rate in seven years.

Sources: Colliers NH Industrial Market Insight 20Q2,
Colliers NH Industrial Market Insight 21 Q2

CoStar – "In Another Sign of Retail Recovery, Announced Store Closures see a Drastic Slowdown" published July 23, 2021.

WHAT'S HAPPENING IN THE CITY'S REAL ESTATE MARKET? ARE WE SEEING THE SAME TREND IN OFFICE BUILDINGS?

The impacts of the Covid-19 pandemic have been more pronounced in the office market in the Concord submarket (Bow, Concord, Hooksett, & Pembroke) and New Hampshire but the vacancy rates remain low.

The rents have remained stable over the past 18 months. However, rents have begun to decline over the over the past two quarters specifically in class A & B office spaces.

Vacancy rates have increased in class types between 2020 and 2021. Class A & B office with the largest vacancy increases.

Source: Colliers NH Industrial Market Insight 20Q2
Source: Colliers NH Industrial Market Insight 21Q2

WHAT DOES THIS MEAN IN CONCORD?

ARE WE SEEING THE SAME TREND IN OFFICE, INDUSTRIAL, AND COMMERCIAL BUILDINGS AS RESIDENTIAL REAL ESTATE?

With stable vacancy rates for industrial and commercial buildings and indications of increasing vacancy rates and decreases in rental rates for office buildings, the market values for these properties will mostly remain stagnant or decrease slightly.

This same trend *has not* been happening in residential and rental residential properties. Since April 2020, there has been a continued high demand for residential property in the City along with fewer properties available for sale. Supply and demand coupled with low interest rates have impacted the current housing market in the City and throughout New Hampshire.

Per Realtor.com's "April 2021 Hottest Housing Markets" list; Concord had the 2nd hottest housing market in the country based on number of unique viewers per property and the number of days the listing was active. The median days for an active listing in Concord was 15 days which was 37 days less than 2020.

Source: <https://www.realtor.com/news/trends/hottest-markets-2>

Source: <https://www.realtor.com/research/april-2021-hottest-housing-markets/>

TOP 20 HOTTEST HOUSING MARKETS

April 2021 – Top 20 Hottest Housing Markets

Metro	Hotness Rank	Hotness Rank YoY	Viewers per Property vs US	Median Days On Market	Days on Market YoY	Median Listing Price
Manchester - Nashua, NH	1	2	2.9	10	-33	\$400,000
Concord, NH	2	22	3.6	15	-37	\$379,000
lafayette-west lafayette, in	3	1	2.1	17	-23	\$303,000
janesville-beloit, wi	4	19	2.5	21	-30	\$258,000
elkhart-goshen, in	5	35	1.8	16	-39	\$150,000
columbus, oh	6	-1	1.7	16	-27	\$315,000
topeka, ks	7	0	1.8	19	-22	\$157,000
portland-south portland, me	8	58	2.1	23	-41	\$462,000
vallejo-fairfield, ca	9	-3	1.6	15	-24	\$545,000
rochester, ny	10	16	1.6	19	-29	\$264,000
springfield, oh	11	17	2.7	26	-27	\$180,000
worcester, ma-ct	12	7	1.7	22	-25	\$390,000
yuba city, ca	13	-1	2.0	24	-21	\$400,000
jefferson city, mo	14	83	1.9	24	-39	\$213,000
springfield, ma	15	40	1.7	24	-35	\$372,000
madison, wi	16	17	1.5	22	-26	\$392,000
eureka-arcata-fortuna, ca	17	97	1.6	24	-48	\$469,000
colorado springs, co	18	-17	1.4	12	-20	\$494,000
stockton-lodi, ca	19	-2	1.5	22	-19	\$499,000
santa cruz-watsonville, ca	20	6	1.4	21	-27	\$1,190,000

Source: <https://www.realtor.com/research/april-2021-hottest-housing-markets/>

MERRIMACK COUNTY

SINGLE FAMILY RESIDENTIAL

	Closed Sales			Median Sales Price			Sales Volume (in Millions)			Days on Market			Pending Sales		
	Apr-19	4-2020*	+/-	Apr-19	4-2020*	+/-	Apr-19	4-2020*	+/-	Apr-19	4-2020*	+/-	Apr-19	4-2020*	+/-
Merrimack	126	106	-15.90%	\$252,500	\$282,000	11.70%	39.8	\$31.20	-21.60%	51	44	-13.70%	201	155	-22.90%
Merrimack Year-To-Date	422	418	-0.90%	\$251,500	\$277,889	10.50%	\$121.30	\$127.20	4.90%	68	55	-19.10%	589	542	-8.00%
	Apr-20	Apr-21	+/-	Apr-20	Apr-21	+/-	Apr-20	Apr-21	+/-	Apr-20	Apr-21	+/-	Apr-20	Apr-21	+/-
Merrimack	109	118	8.30%	\$284,000	\$366,500	29.00%	\$32.10	\$47.10	46.70%	42	25	-40.50%	143	162	13.30%
Merrimack Year-To-Date	421	433	2.90%	\$278,000	\$330,500	18.90%	\$128.10	\$158.80	24.00%	54	35	-35.20%	523	525	0.40%

April 2020 Source: https://www.nhar.org/assets/docs/NHAR_MMI_2020-04.pdf - Preliminary April 2020 values as of May 5, 2020
 April 2021 Source: https://www.nhar.org/assets/docs/NHAR_MMI_2021-04.pdf - Preliminary April 2021 values as of May 5, 2021

*Preliminary numbers as of May 5, 2020.

MERRIMACK COUNTY

CONDOS

	Closed Sales			Median Sales Price			Sales Volume (in Millions)			Days on Market			Pending Sales		
	Apr-19	Apr-20	+/-	Apr-19	Apr-20	+/-	Apr-19	Apr-20	+/-	Apr-19	Apr-20	+/-	Apr-19	4-2020*	+/-
Merrimack	24	19	-20.80%	\$205,500	\$165,000	-19.70%	\$4.70	\$3.60	-23.40%	27	19	-29.60%	35	21	-40.00%
Merrimack Year-To-Date	89	77	-13.50%	\$191,000	\$215,000	12.60%	\$18.00	\$16.10	-10.60%	44	41	-6.80%	109	102	-6.40%
	Apr-20	Apr-21	+/-	Apr-20	Apr-21	+/-	Apr-20	Apr-21	+/-	Apr-20	Apr-21	+/-	Apr-20	Apr-21	+/-
Merrimack	19	24	26.30%	\$165,000	\$235,000	42.40%	\$3.60	\$5.50	52.80%	19	12	-36.80%	19	33	73.70%
Merrimack Year-To-Date	77	109	41.60%	\$215,000	\$235,000	9.30%	\$16.10	\$25.70	59.60%	41	27	-34.10%	99	111	12.10%

April 2020 Source: https://www.nhar.org/assets/docs/NHAR_MMI_2020-04.pdf - Preliminary April 2020 values as of May 5, 2020.

April 2021 Source: https://www.nhar.org/assets/docs/NHAR_MMI_2021-04.pdf - Preliminary April 2021 values as of May 5, 2021.

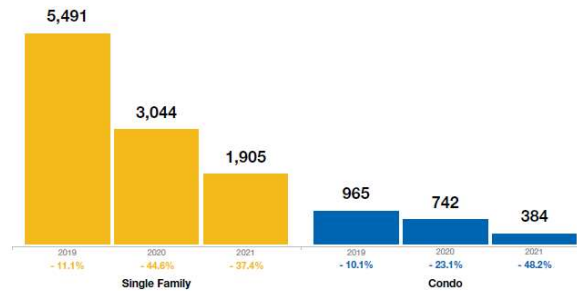
AVAILABLE INVENTORY

NH Inventory of Homes for Sale

The number of properties available for sale in active status at the end of a given month.

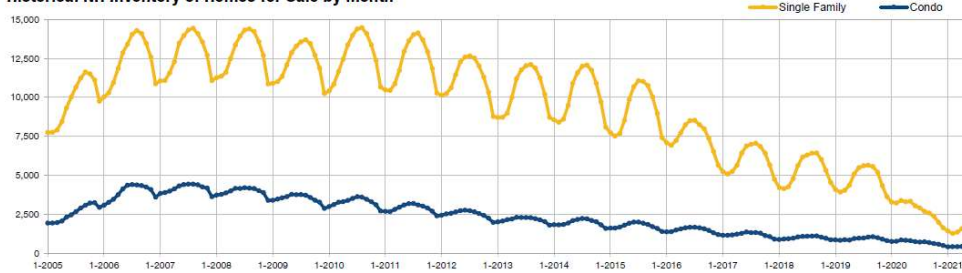


June



Homes for Sale	Single Family	Year-Over-Year Change	Condo	Year-Over-Year Change
Jul-2020	2,907	-48.2%	711	-27.1%
Aug-2020	2,686	-52.5%	732	-28.8%
Sep-2020	2,576	-53.7%	682	-35.3%
Oct-2020	2,370	-54.4%	612	-38.6%
Nov-2020	1,971	-54.5%	578	-35.6%
Dec-2020	1,630	-55.0%	492	-38.7%
Jan-2021	1,418	-56.7%	406	-46.3%
Feb-2021	1,268	-60.6%	414	-45.5%
Mar-2021	1,351	-60.1%	418	-50.5%
Apr-2021	1,569	-52.3%	423	-48.7%
May-2021	1,663	-50.1%	391	-51.5%
Jun-2021	1,905	-37.4%	384	-48.2%
12-Month Avg	1,943	-52.9%	520	-40.5%

Historical NH Inventory of Homes for Sale by Month



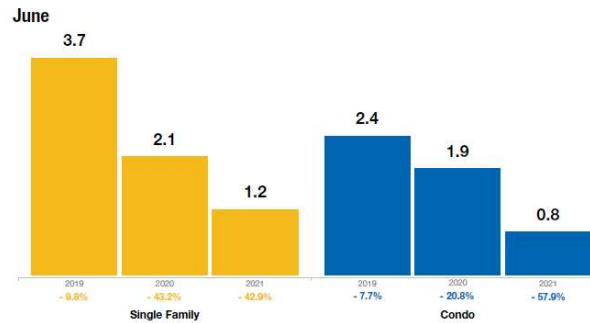
Current as of July 6, 2021. All data from New Hampshire REALTORS®, Inc. and Northern New England Real Estate Network. Report © 2021 ShowingTime. | 11

Source: https://www.nhar.org/assets/docs/NHAR_MMI_2021-06.pdf

SUPPLY OF INVENTORY

NH Months Supply of Inventory

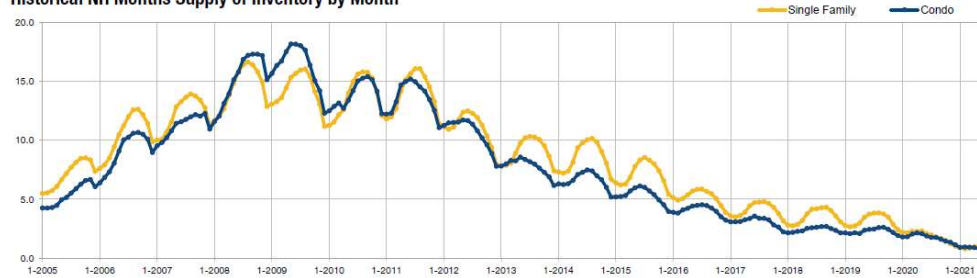
The inventory of homes for sale at the end of a given month, divided by the average monthly pending sales from the last 12 months.



Months Supply	Single Family	Year-Over-Year Change	Condo	Year-Over-Year Change
Jul-2020	2.0	-47.4%	1.8	-28.0%
Aug-2020	1.8	-52.6%	1.8	-30.8%
Sep-2020	1.7	-54.1%	1.6	-38.5%
Oct-2020	1.5	-57.1%	1.4	-41.7%
Nov-2020	1.2	-58.6%	1.3	-40.9%
Dec-2020	1.0	-58.3%	1.1	-42.1%
Jan-2021	0.9	-59.1%	0.9	-50.0%
Feb-2021	0.8	-61.9%	0.9	-50.0%
Mar-2021	0.8	-65.2%	0.9	-55.0%
Apr-2021	1.0	-56.5%	0.9	-57.1%
May-2021	1.0	-56.5%	0.8	-61.9%
Jun-2021	1.2	-42.9%	0.8	-57.9%
12-Month Avg*	1.2	-55.5%	1.2	-44.8%

* Months Supply for all properties from July 2020 through June 2021. This is not the average of the individual figures above.

Historical NH Months Supply of Inventory by Month



Current as of July 6, 2021. All data from New Hampshire REALTORS®, Inc. and Northern New England Real Estate Network. Report © 2021 ShowingTime. | 0

Source: https://www.nhar.org/assets/docs/NHAR_MMI_2021-06.pdf

MORTGAGE INTEREST RATES

Current mortgage rates have also gone down from April 2019 which also impacts the current Real Estate Market

April 2019

	Rate	Points	Change
MBA			
30 Yr. Fixed	4.42%	0.44	-0.17%
15 Yr. Fixed	3.83%	0.43	-0.16%
30 Yr. Jumbo	4.29%	0.25	-0.11%
30 Yr. FHA	4.44%	0.52	-0.15%
5/1 ARM	3.84%	0.28	-0.14%
Freddie Mac			
30 Yr. Fixed	4.16%	0.50	-0.11%
15 Yr. Fixed	3.62%	0.47	-0.10%
5/1 Yr. ARM	3.78%	0.37	-0.05%

June 2021

	Rate	Points	Change
MBA			
30 Yr. Fixed	3.16%	0.39	0.00%
15 Yr. Fixed	2.54%	0.32	0.01%
30 Yr. Jumbo	3.26%	0.39	-0.04%
30 Yr. FHA	3.16%	0.33	0.03%
5/1 ARM	2.69%	0.29	0.01%
Freddie Mac			
30 Yr. Fixed	2.98%	0.68	0.02%
15 Yr. Fixed	2.27%	0.63	-0.01%
5/1 Yr. ARM	2.56%	0.25	-0.06%

Average 30 Year Fixed Mortgage Rates

Mortgage News Daily, MBA, and Freddie Mac

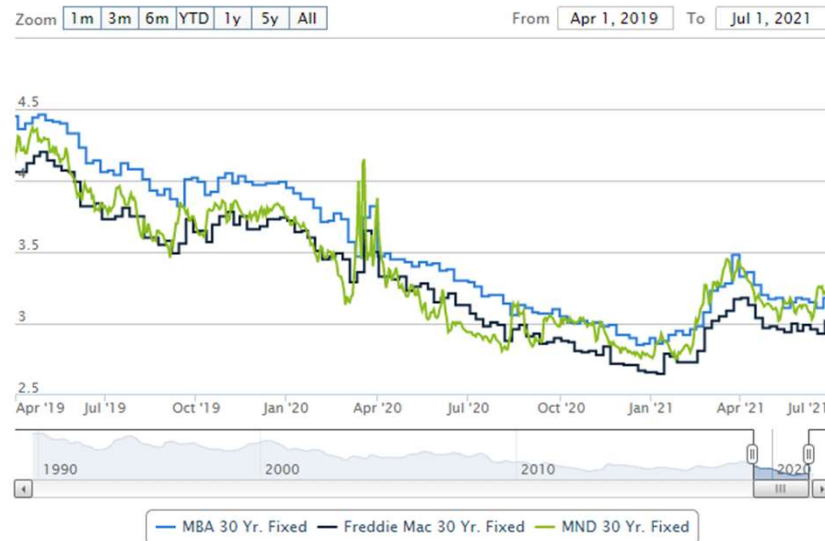


CHART TIPS:

Tooltip Text: Mouse over any series or point.

Zoom: Click and drag area to zoom.

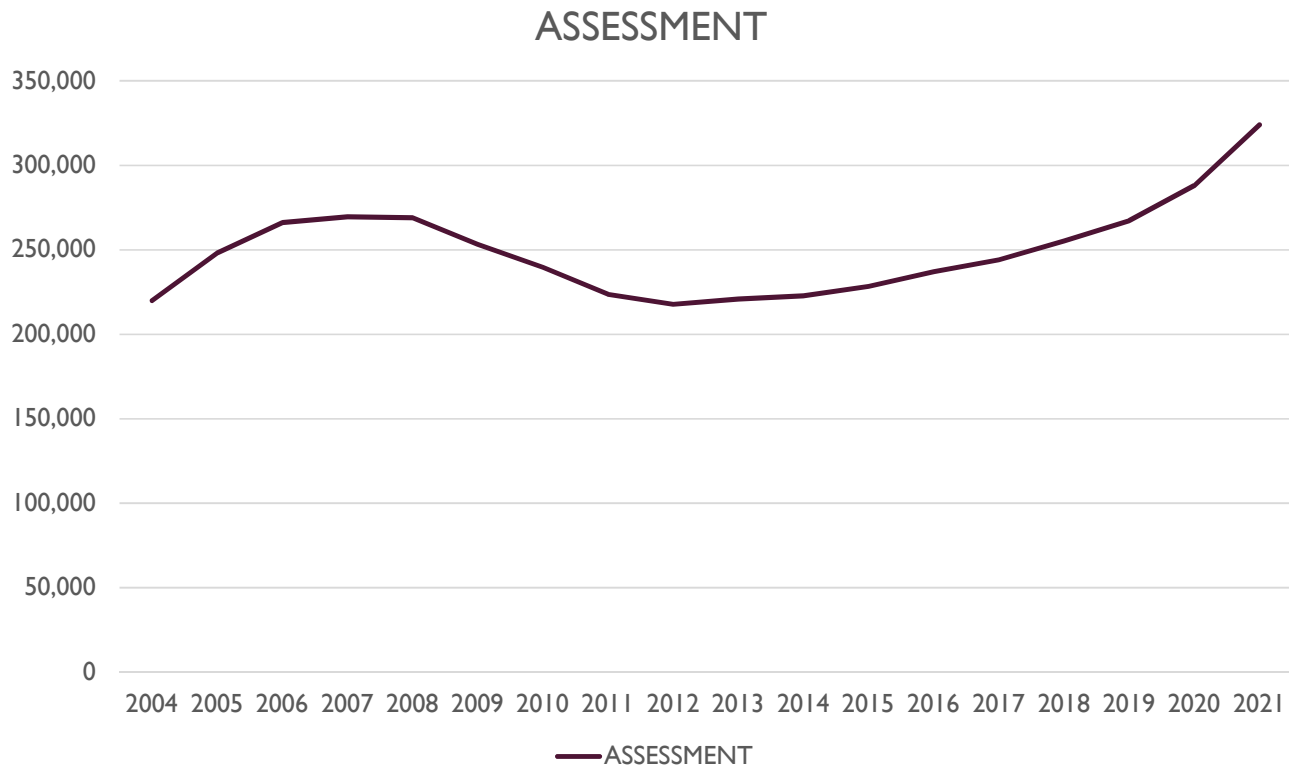
Add / Remove Series: Click series name in the legend.

SOURCE:

Mortgage News Daily
Mortgage Bankers Association
Freddie Mac

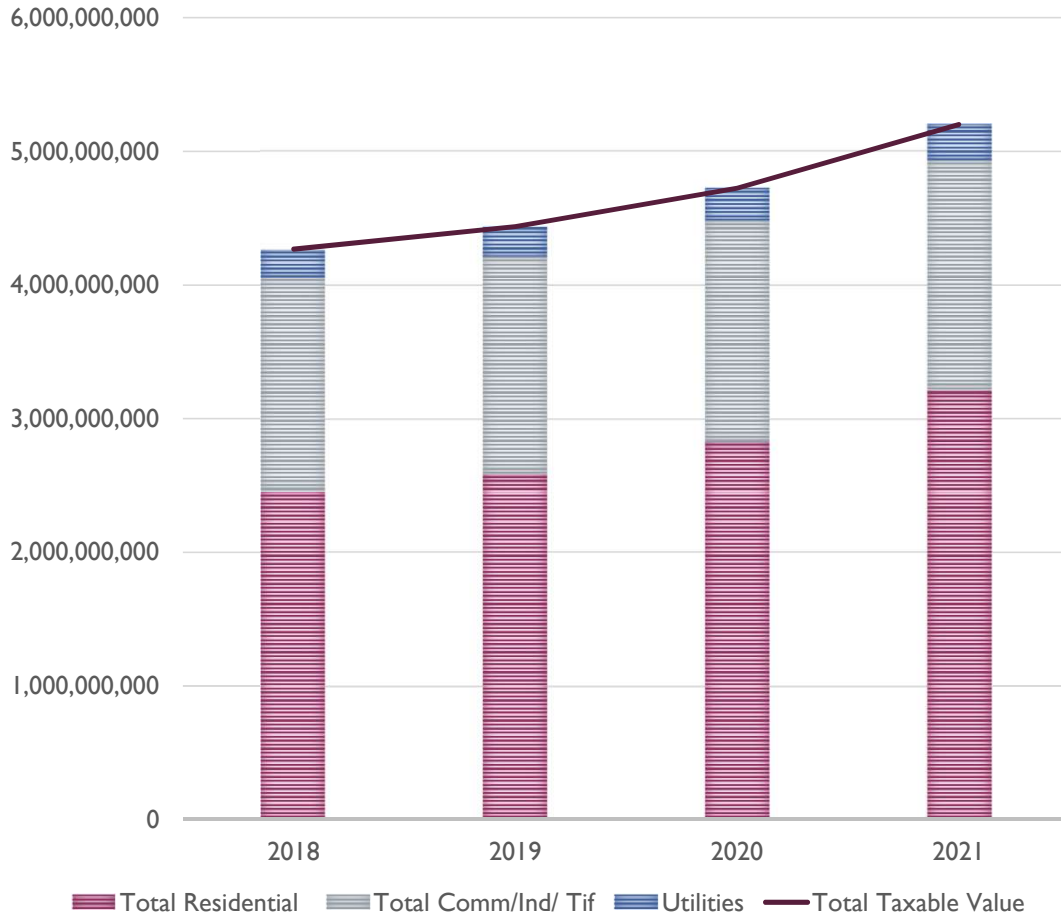
Source: <http://www.mortgagenewsdaily.com/data/30-year-mortgage-rates.aspx>

AVERAGE SINGLE FAMILY ASSESSMENTS CONCORD 2004 - 2021

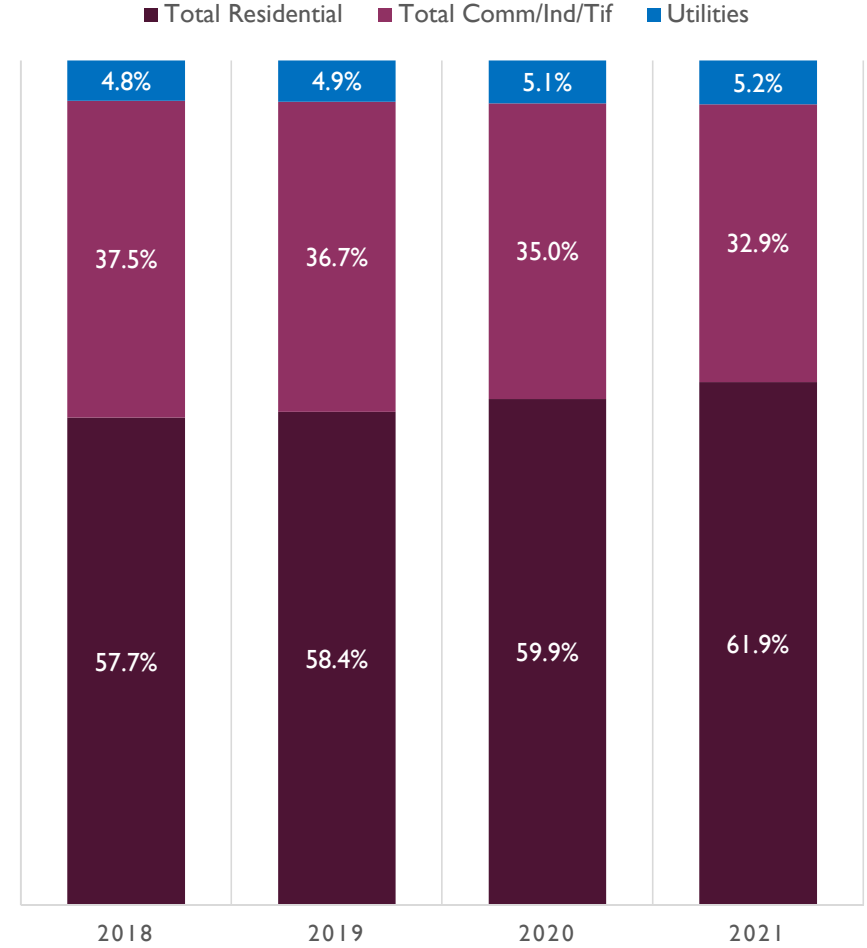


YEAR	ASSESSMENT
2004	219,812
2005	248,081
2006	266,000
2007	269,400
2008	268,900
2009	253,100
2010	239,500
2011	223,600
2012	217,700
2013	220,782
2014	222,700
2015	228,355
2016	237,011
2017	244,011
2018	255,319
2019	267,155
2020	288,067
2021	324,005

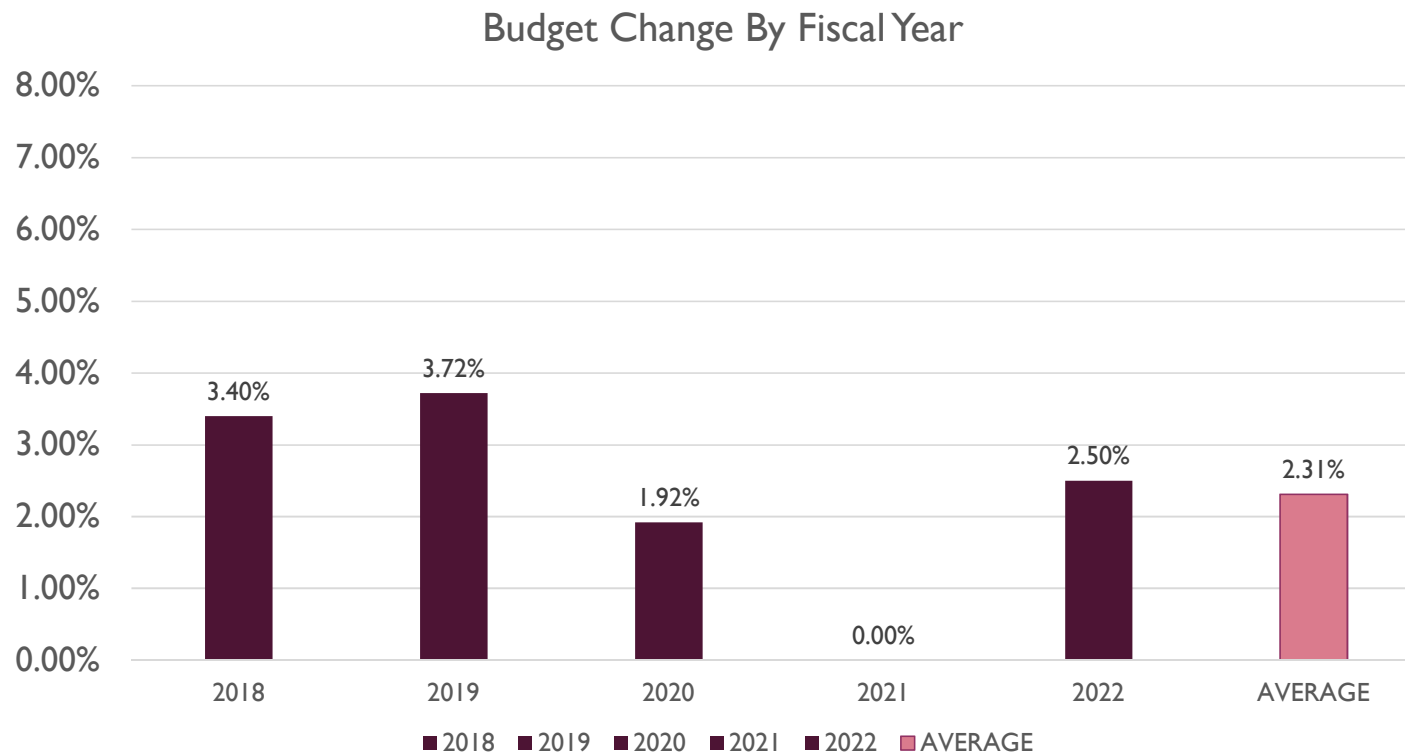
VALUE DISTRIBUTION YEAR OVER YEAR 2018 -2021



PERCENTAGE OF TOTAL VALUE



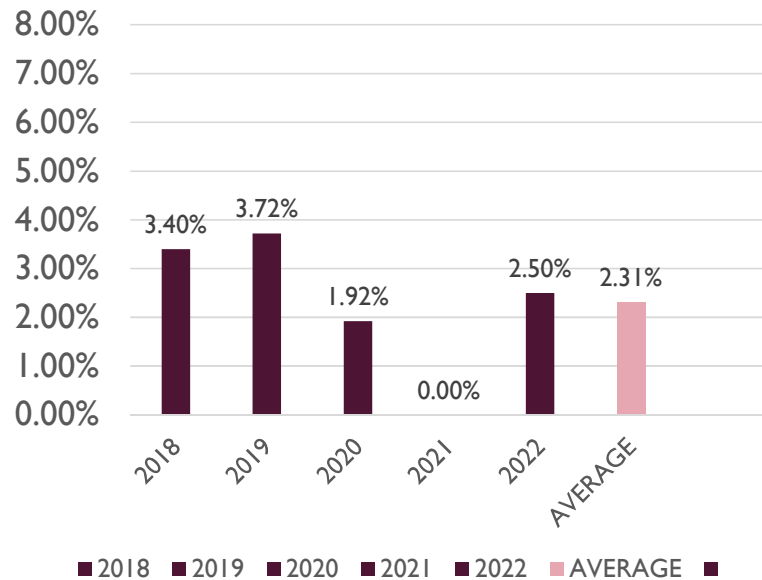
CITY BUDGET CHANGES BY FISCAL YEAR



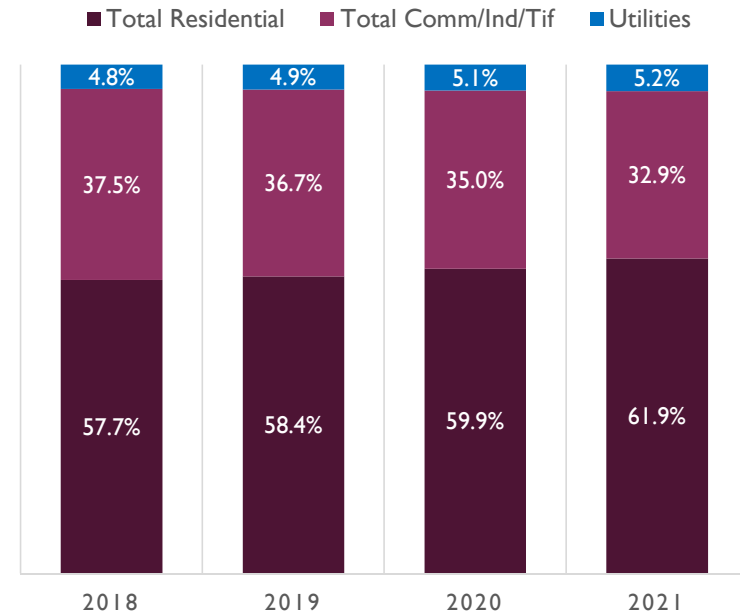
WHAT DOES THIS CHANGE IN VALUE DISTRIBUTION MEAN?

THE TAX BURDEN SHIFT OFF COMMERCIAL TO RESIDENTIAL

BUDGET CHANGE BY FISCAL YEAR



PERCENTAGE OF TOTAL VALUE



BUDGETS AND TAX BILL INCREASES

IS THERE A “WINDFALL” FOR THE CITY?

- Budgets were adopted by Merrimack County, the school districts, and the City prior to setting the tax rate.
- The tax rate is calculated by determining the amount needed to fund the adopted budgets after other sources of revenue are deducted.
- Sum those total dollars needed to fund the four portions of the budget.
- Subtract monies from other revenue sources; motor vehicle registrations, permit fees.
- Remaining number is the amount to be raised by property taxes.
- Tax rate is calculated by dividing the total taxable assessments into the amount to be raised by property taxes.
- No additional monies can be collected over the amount needed to fund the previously adopted budgets.
- There is no “windfall” or extra monies collected when an individual’s property tax bill increases.

WHAT DOES THIS CHANGE IN VALUE DISTRIBUTION MEAN?

DOES THE PERCENTAGE AFFECT ALL PROPERTIES THE SAME?

- The short answer is no.
- The tax burden is redistributed amongst properties based upon their value.
- Generally, those properties with the largest percentage increases will see take on more of the tax burden.
- Properties with the smaller/smallest increases may not take on any additional tax burden or may actually see their portion of the tax burden decrease.
- Properties that saw no increase in valuation would see a reduction of their tax burden.
- Changes in tax burden are dependent on market value and the amount or percentage of change when compared to other properties.

PROPERTY TAX RELIEF PROGRAMS

What tax relief options are there for property owners?

- There are a number of state laws enacted to reduce or postpone payment of property taxes.
- Most of the tax relief programs are targeted to certain categories of tax payers (for example: elderly, blind, low income).
- There are different types of tax relief programs and each program has its own rules.
- You can apply for more than one program!

INDIVIDUAL PROPERTY TAX RELIEF PROGRAMS

- Elderly Exemption (RSA 72:39-a)
- Blind Exemption (RSA 72:37)
- Improvement to Assist Persons with Disabilities Exemption (RSA 72:37-a)
- Solar Energy System Exemption (RSA 72:62)
- Certain Disabled Veterans Exemption (RSA 72:36-a)
- The **deadline** for filing for exemptions is **April 15, 2022**.

PROPERTY TAX RELIEF PROGRAMS

Tax Credits available in Concord, NH:

- Veterans' Tax Credit (RSA 72:28)
- All Veterans' Tax Credit (RSA 72:8-b)
- Surviving Spouse (RSA 72:29-a)
- Tax Credit for Service Connected Total Disability (RSA 72:35)
- The **deadline** for filing for tax credits is **April 15, 2022**

Other Tax Relief:

- Elderly and Disabled Tax Deferral Program (RSA 72:38-a) **Deadline March 1, 2022**

THE APPEAL PROCESS

Property owners/taxpayers can appeal their assessment. The appeal process is their right to demonstrate that their assessment is unfair, incorrect, or not representative of market value as of April 1, 2021.

Property owners/taxpayers can appeal their 2021 assessment after the final bill is mailed; the **deadline** to appeal is ***March 1, 2022***.

A higher tax bill is not grounds for an appeal.

HOW TO CONTACT US

- Telephone: 603-225-8550 Monday through Friday between 8:00 am and 4:30 pm
- In person: Concord City Hall located at 41 Green Street; enter the front doors and we are the first office on the right
- Website: www.concordnh.gov click on Departments and then on Assessing.
- To access the City's online database: <http://www.concordnh.gov/assessing>. Then click on Accessing On-line Database on the far right. Will need to register and create a password.