

Frequently Asked Questions



TOWN OF COVENTRY

TAX ASSESSOR'S OFFICE
1670 FLAT RIVER ROAD
COVENTRY RI 02816
(401) 822-9162

Property Revaluations

What exactly is a "Revaluation"?

A revaluation is the process of estimating new values on real estate based on specific rules and current market data. This process requires: A careful analysis of recent selling prices is conducted to identify and quantify the features that have motivated buyers and sellers in the real estate market. This analysis results in the creation of schedules which are used to value all of the properties in city or town. These schedules are then statistically tested to verify their ability to accurately and uniformly predict estimates of current fair market value. An analysis of current income and expenses supplied by local commercial property owners is utilized in the commercial valuation process. These value estimates are statistically tested and proven.

What is "Fair Market Value"?

The American Institute of Real Estate Appraisers defines fair market value as "the most probable price for which a property will sell in a competitive market with buyer and seller each acting prudently, knowledgeably and for self-interest and assuming that neither is under undue duress". Sales such as foreclosure and family sales are not considered to be "arm's length" or fair market transactions.

I recently purchased my property for a price which is different than the value estimated for this "Revaluation". How is this possible?

The real estate market is not a "perfect market" and price is not always equal to value. Similar properties usually do not sell for exactly the same price because the motivations of buyers and sellers are not always similar. Similar properties usually tend to sell within a "value range" rather than for one specific price. According to the definition of fair market value, your value represents the "the most probable selling price" and tends to be the middle of the range of what similar properties have recently sold for. Therefore, your appraised value could be higher or lower than what you actually paid for your property.

How much will my taxes be following this "Revaluation"?

The amount of your new tax bill is calculated by multiplying your new assessed value by the new tax or mill rate. Be careful not to multiply a new assessment by an old tax or mill rate.

Why are the "Revaluations" performed every three years?

Since all assessed valuations are based on sales as of a certain date, later changes in the market will gradually make a revaluation out of step with the real estate marketplace. The rise and fall of real estate values make certain properties more valuable or less valuable, in relation to each other. Doing a revaluation every three years brings the assessments into line sooner, and provides a quicker correction to assessments when markets boom or quickly lower. It makes the assessment of property taxes fairer, more accurate, and avoids the "sticker shock" of ten year jumps in valuation.

Will Taxes go up?

Not from the revaluation. The tax rate is set at the financial town meeting, so the voters decide if taxes go up. Individually - If the budget stays the same, some property owners will go up, some will go down, some will stay just about the same.

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How are tax rates set?

The Municipality determines the amount of revenue (R) to be raised. The Municipality then totals all the assessments (A). The Municipality divides the revenue (R) by the Assessments (A) to get the actual tax rate: Tax Rate = R/A (or mill rate)

Where do you get the values?

The revaluation company will look at every property that sold for the last 2-3 years and analyze the sales. From these sales, they will generate valuation tables and apply them throughout Town.

How will I find out my new value?

At the end of a revaluation project, a notice will be sent to every property owner advising them of their new value.

Suppose I disagree with my value?

The revaluation company will hold "informal hearings". Your new assessment notice will have information regarding these procedures.

What should I bring to the informal hearing?

Any documents or evidence that supports your claim. This includes: Recent real estate appraisals. Any documents regarding easements, wetlands, etc. Photographs or documents that relate to structural or other problems. (please bring in copies, we cannot return originals)

Then what happens?

Those who attend a hearing will receive a notice indicating whether their assessment has been changed, and, if so, what the new value is.

Suppose I still disagree?

At this point, you still have the traditional remedies available to any taxpayer: File a tax appeal to the Town for abatement. Appeal to the local tax board of review.

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How are properties priced?

They are carefully analyzed based on:

- Land sales
- Building costs
- Condominium sales
- Business Income & Expense statements
- Sales of land with buildings

What about Land values?

Land values can vary dramatically based on:

- Location
- Conformance to zoning
- Waterfront, View
- External or internal factors

How can I tell if my value is correct?

Compare your value to similar properties in your area which have sold. Compare to recent appraisals you have had on your property for mortgages or refinancing. Note that prices have been on an upward trend, so an appraisal greater than 2 years old needs to be adjusted.