

THE IMPORTANCE OF INTERIOR AND EXTERIOR PROPERTY INSPECTIONS IN THE VALUATION & ASSESSMENT OF PROPERTY

The Town of Scarsdale completed a town-wide revaluation of all property for the June 1, 2014 and June 1, 2016 tentative assessment rolls, representing the first revaluation since June 1, 1969.

Revaluation is multifaceted, but is essentially a two-step process. Step one is the standardized and systematic collection of property-specific data for all properties, which are also referred to as property inventory, or property characteristics. This becomes the foundation, or basis for Step 2, which is the valuation of each property. For assessment purposes, valuation is performed through a 'mass appraisal' process, which involves the statistical analysis and modeling of recent arm's length residential sales transactions.

After a revaluation, the inspection of property and the monitoring of new sales data and their physical characteristics are on-going processes that are critical to the maintenance, accuracy and currency of property-specific inventory.

Property characteristics are best obtained by interior and exterior inspections. Without property inspections, accurate valuation and assessment of property, as well as the overall equity and fairness of an assessment roll, are compromised.

As an analogy, prospective homebuyers do not buy property without first making interior and exterior inspections to ascertain condition, quality, functional utility and other characteristics, aspects, or features of a property. Absent an interior and exterior inspection, characteristics of a property must be assumed in the valuation equation. When property inventory assumptions are made based only on observable qualities and information obtainable from other sources, the reliability and accuracy of the final value estimate and assessment are reduced.

In summary, interior and exterior property inspections provide for the most accurate property inventory on which property value is estimated. In addition, they help to ensure that taxpayers are paying only their fair share of the tax burden.