

## Berlin 2022 Revaluation

June 13, 2022

The New Hampshire real estate market has seen unprecedented increases over the last two years. While there was a lot of uncertainty in March 2020 due to how the market would react to COVID, that uncertainty was quickly answered by August 2020 when sale prices across the state soared. Many buyers were looking for more rural, open space for outdoor activities. Since that time, Berlin has seen the real estate market explode which is shown by the following statistics:

Median Sale Price of a single-family home in 2022: \$149,800  
Median Sale Price of a single-family home in 2020: \$ 82,500  
81% increase in 2 years

Two Family Median Sale Price in 2022: \$110,000  
Two Family Median Sale Price in 2020: \$ 50,000  
120% increase in 2 years

Three Family Median Sale Price in 2022: \$132,800  
Three Family Median Sale Price in 2020: \$ 70,500  
88% increase in 2 years

This is not unique to Berlin; this is seen across the state and across the nation. In a recent article by realtor.com, Manchester and Concord were ranked number 1 and number 2 in the country as having the hottest real estate market for the month of April 2022.

“The New England city of [Manchester, NH](#), ranked as the No. 1 hottest market in April (and for the 10th time this past year), followed by nearby [Concord, NH](#), at No. 2 and [Burlington, NC](#), in third place.”

The full article from realtor.com can be found here:  
<https://www.realtor.com/news/trends/april-hottest-real-estate-markets/>

After the 2020 revaluation, the overall assessment to sale ratio was set at 97.7% by the NH Department of Revenue. The NHDRA looks at the current assessments as compared to the sales that took place over the course of the year. The goal is to achieve as close to 100% as possible, meaning that assessments are equal to the sale prices.

By December 2021, the new assessment to sale ratio had plummeted to 58%. As the market continued to increase in 2022, the end of Quarter 1 2022 (1/1/22 through 3/31/22) the assessment to sale ratio had fallen again to 53%. This indicated that assessments only reflected 47% of market value when compared to qualified sales. The current revaluation will bring values up to full market value as of April 1, 2022.

Residents should be prepared for their assessments to almost double in value in 2022. Residents should also keep in mind that the tax rate should be reduced by the same proportion of increase if the City's budget has remained unchanged. In many cases, tax bills should not be impacted greatly if the tax rate comes down proportionately.

The number one thing to consider when residents look at their new values, "Could I get this value in the market today for my house?".

Our office often gets the question, "What happens if the market goes down? Will you reduce my assessment?". The answer is YES. We have done updates to values if the market goes down. For example, if in 18 months, the market shows the overall values are at 125% of market value, the Assessor's Office would ask the City Council if our office can update values and bring them down to 100%.

The City's Assessing Department will send out notices of new value to all taxpayers in mid-August and taxpayers will be given the opportunity to come and meet with an appraisal representative at City Hall for an informal hearing. This would be the time that taxpayers should provide any supportive documentation to show that the market value is different than what their notice states. This documentation can be in the form of any fee appraisals that have been done over the last six months or a market analysis by a local realtor. After the informal hearing process, second notices will go out to any taxpayer attending a hearing showing a change or no change.

This is just the first step in the process for taxpayers. If taxpayers are still unsatisfied with their value, they can file an abatement with the City after the fall tax bill is issued. Taxpayers will have from that time until March 1, 2023, to file an appeal with the City.