



State of New Hampshire
Department of Revenue Administration

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www.revenue.nh.gov



MUNICIPAL AND PROPERTY
DIVISION

Lindsey M. Stepp
Commissioner

Carolynn J. Lear
Assistant Commissioner

April 19, 2019

City of Nashua
ATTN: Board of Assessors
229 Main Street
Nashua, NH 03060

RE: 2018 USPAP Report for City of Nashua

Dear Honorable Board:

In accordance with RSA 21-J:14-b,I(c), the Department of Revenue Administration has reviewed the Uniform Standards of Professional Appraisal Practice (USPAP) mass appraisal report submitted by Mr. Tozier for the City of Nashua for the 2018 tax year.

I have enclosed a copy of the Department's mass appraisal review report. I have concluded that the mass appraisal report under review **complies** with all requirements set forth in USPAP, applicable laws and rules.

These results are reported annually to the Assessing Standard Board (ASB) in accordance with RSA 21-J:11-a,II. If you have any questions, please do not hesitate to contact me at 419-9794.

Sincerely,

Charles K. Reese
Real Estate Appraiser Supervisor
Municipal and Property Division

cc: File
KRT

2019 APR 23 AM 10:13
RECEIVED
ASSESSOR'S OFFICE
CITY OF NASHUA
NASHUA, NH

REVIEW OF MASS APPRAISAL REPORT LETTER OF TRANSMITTAL

DATE: April 19, 2019

CLIENT: NH Department of Revenue Administration, Municipal and Property Division

RE: Review of Nashua, NH – 2018 Mass Appraisal Report – Statistical Update

In accordance with RSA 21-J:14-b I(c) I have completed an appraisal review report (Review Report) of the Nashua 2018 mass appraisal report (Original Report) prepared by Mr. Robert Tozier. The purpose of this review is to evaluate the Original Report for compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), applicable laws and rules. I have not developed my own opinion of value. This review should not be construed as an appraisal of the subject properties. This is a technical desk review, and as such I have not made a personal inspection of the referenced properties. The Original Report effective date of value is April 1, 2018 and the certification date is February 25, 2019.

The intended users of this Review Report are the Assessing Standards Board (ASB), the City of Nashua and the NH Department of Revenue Administration (DRA). Neither the DRA nor the review appraiser is responsible for any unintended use of this Review Report. The opinions contained in this Review Report set forth my best judgment, in light of the information available at the time of the preparation of this report.

This Review Report is intended to comply with the appraisal review, development and reporting requirements set forth in USPAP. Supporting documentation concerning the data, reasoning and analyses is retained in the DRA's files. The information in this report is specific to the needs of the client and for the intended use stated in this report.

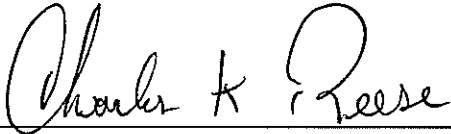
It is assumed that the factual data, about the subject properties, provided in the Original Report is accurate. USPAP refers to this type of assumption as an extraordinary assumption and if it is found to be incorrect, it could affect the results of the Review Report.

This Review Report cannot be properly understood without information contained in the Original Report and therefore it must be used in conjunction with the Original Report. This letter must remain attached to the Review Report in order for the opinions set forth herein to be considered valid.

This Review Report is qualified by certain definitions, assumptions and limiting conditions, and certifications that are set forth in the attached report.

After analyzing all relevant facts and opinions expressed in the Original Report, I have concluded that the Original Report complies with USPAP, applicable laws and rules.

Respectfully submitted,

A handwritten signature in cursive script that reads "Charles K. Reese". The signature is written in black ink and is positioned above a horizontal line.

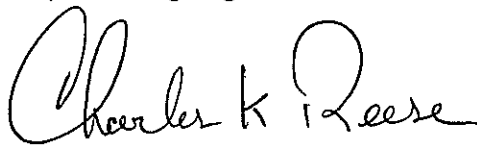
Charles K. Reese, CNHA, NHCG
Real Estate Appraiser Supervisor
Municipal and Property Division

Cc: Department File
KRT

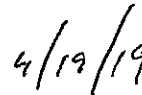
CERTIFICATION
(Standards Rule 4-3)

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the properties that are the subject of the work under review and no personal interest with respect to the parties involved.
- I am employed by the New Hampshire Department of Revenue (Department). Per RSA 21-J.11, the Department reviews all revaluations in New Hampshire, and performs assessing oversight and monitoring annually. I have performed no other services, as an appraiser or in any other capacity, regarding the properties that are the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the properties that are the subject of the work under review or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favor the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analyses, opinions, and conclusions were developed, and this review report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have not made a personal inspection of all of the properties that are the subject of the work under review.
- No other person provided significant appraisal or appraisal review assistance to the person signing this certification.



Signature



Date

SCOPE OF WORK

Scope of Work:

Scope of Work is defined as: *"The type and extent of research and analyses in an assignment."*¹

In this Review Report assignment:

- I read the entire Original Report provided by the appraiser to support his analyses.
- I reviewed a sample of the sales provided to determine whether the data is appropriate, and consistently applied.
- I reviewed the Original Report for compliance with the version of USPAP in effect as of the date of the appraisal report under review, by comparison to the elements described herein.
- I reviewed the Original Report for compliance with the applicable laws and rules.
- I reviewed the Original Report for consistency with industry recognized mass appraisal techniques.
- I reviewed the Original Report's Scope of Work for consistency with the contract terms.
- I did **not** inspect all properties.
- I did **not** utilize the mass appraisal under review to develop an opinion of value.
- I did **not** verify all the mathematical calculations in the model.

¹ *The Appraisal of Real Estate, 14th edition, Appraisal Institute, page 87*

ASSUMPTIONS AND LIMITING CONDITIONS

This Review Report is subject to the following underlying assumptions and limiting conditions:

Extraordinary Assumption:

The Appraisal Institute's *The Dictionary of Real Estate Appraisal, 5th edition (p. 176)* defines an extraordinary assumption as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

This review was made under the *extraordinary assumption* that the data contained in the work under review is accurate. The review appraiser is not responsible for errors in the data or for undisclosed conditions of the properties or the marketplace which would only be apparent from a thorough physical inspection and further research.

The use of this *extraordinary assumption* might have affected the results of this review assignment.

Hypothetical Conditions:

This review does not include any hypothetical conditions.

General Assumptions:

- This Review Report is intended to comply with USPAP's appraisal review, development and reporting requirements. Supporting documentation concerning the data, reasoning and analyses is retained in the DRA's files. The information in this report is specific to the needs of the client and for the intended use stated in this report. The review appraiser is not responsible for unauthorized use of this report. Possession of a copy of this report by the reader does not make the reader an intended user.
- It has been assumed that all principal and appurtenant buildings or other improvements have been accurately described; and, all land parcels and any attributes that may affect the market value have been accurately described.
- It has been assumed, unless otherwise stated herein, that all elements which may affect market value have been taken into consideration which may include, but are not limited to: legal and title matters; encumbrances; restrictions; physical and location issues; known contamination; zoning and use regulations; depreciation factors; or other issues.
- The information furnished by others is believed to be reliable and accurate.
- **Limiting Conditions:**
 - Possession of this report, or a copy thereof, does not carry with it the right of publication.
 - The review appraiser herein by reason of this review is not required to give further consultation, testimony, or be in attendance in court with reference to the properties in question unless arrangements have been previously made, or as otherwise required by law.

Competency:

- I am a DRA-Certified Property Assessor Supervisor. I have the experience, competency and education necessary to review mass appraisal reports. There were no additional steps required to competently complete the Review Report. Confirmation of my certification is available at www.revenue.nh.gov.

**MASS APPRAISAL REVIEW REPORT
USPAP Compliance Checklist**

Prepared by the NH Department of Revenue Administration
Municipal and Property Appraisal Division

SUMMARY		USPAP Std. Rule #
Client:	NH Department of Revenue Administration (Department)	3-2(a) 4-2(a)
Intended Users:	NH Assessing Standards Board (ASB), the Municipality, Company/Appraiser of the work under review, and the Department	3-2(a) 4-2(a)
Intended Use:	1) To evaluate compliance with USPAP and applicable laws and regulations. 2) To provide feedback to the preparer of the mass appraisal under review.	3-2(b) 4-2(b)
Purpose of the Assignment:	To evaluate how the mass appraisal under review complies with the most recent iteration of USPAP and applicable laws and regulations, in effect as of the date of the appraisal. This review does not include the development of the reviewer's own opinion of value(s).	3-2(c) 3-3(c) 4-2(c) 4-2(i)
Municipality Where Appraised Properties Are Located:	Nashua, NH	3-2(d:iv)
Effective Date of Value:	April 1, 2018	3-2(d:ii) 4-2(d:iii)
Date of Work Under Review:	February 25, 2019	3-2(d:ii) 4-2(d:ii)
Company Name and Name of Appraiser Who Completed the Report Under Review:	KRT Appraisal / Robert A. Tozier	3-2(d:iii) 4-2(d:iv)
Type of Revaluation Under Review: (Check One)	<input type="checkbox"/> Partial Update <input checked="" type="checkbox"/> Statistical Revaluation <input type="checkbox"/> Full Revaluation <input type="checkbox"/> Cyclical Revaluation	3-2(d:iv) 4-2(d:i)
Work Under Review Per Contract OR In-House Work Plan:	Report of Statistical Update	3-2(d:iv) 4-2(d:i)
Date of Reviewer's Appraisal Review Report:	April 19, 2019	4-2(e)
Reviewer's Extraordinary Assumptions:	See attached assumptions and limiting conditions.	3-2(e) 4-2(f)
Reviewer's Hypothetical Conditions:	None	3-2(e) 4-2(f)
Reviewer's Scope of Work:	See attached scope of work.	3-2(g) 4-2(g)

FOR DRA USE:			
Date Initial USPAP Report Received by Department:	3/11/19	Date of Last Revision Submitted to Department:	5-Apr-19
Reviewer's Name:	Charles K. Reese		

USPAP CHECKLIST

Item #	Section	Page #	Yes	No	USPAP Std. Rule #
Section 1 - Letter of Transmittal					
1.1	Identifies the properties appraised.	13	x		6-2 (f)
1.2	Identifies the effective date of the appraisal and the date of the report.	6	x		5-2(d); 6-2(d)
1.3	Identifies the intended use of the appraisal.	6	x		5-2 (b); 6-2(b)
1.4	Identifies the client of the appraisal and any other intended users.	6	x		5-2(a); 6-2(a)
1.5	Identifies the type and definition of value, and cite source.	6	x		5-2©; 6-2(e)
1.6	Identifies the property interests assessed.	7	x		6-2(f)
1.7	Signed certification of value, including names of individuals providing significant mass appraisal assistance.	8	x		6-2(n); 6-3
Section 2 - Scope of Work					
2.1	Identifies type of revaluation performed (partial, cyclical, statistical, full revaluation).	Cover	x		5-2(j); 6-2(g)
2.2	Identifies any limiting conditions adopted for the development and reporting of value.	10	x		6-1©; 6-2(c)
2.3	Identifies any extraordinary assumptions and/or hypothetical conditions adopted for the development and reporting of value.	10	x		5-2(i); 6-1(c)
2.4	Identifies the need for and the extent of any physical property inspections.	7	x		5-4(a); 5-5 (a&d)

USPAP CHECKLIST

Item #	Section	Page #	Yes	No	USPAP Std. Rule #
2.5	Provides an explanation if no physical inspections of sales were performed.	7	x		5-5(a&d); 6-2 (i)
2.6	Identifies the steps taken to complete the final review, testing procedures and techniques.	12	x		5-7(b); 6-2(i&l)
2.7	Provides a definition of highest and best use (HBU) that references case law and statutes and that describe HBU requirements.	13	x		5-3(a); 6-2(k)
2.8	Provides an explanation for any exceptions from HBU (such as actual use).	13	x		Jurisdictional Exception Rule
2.9	Identifies approaches to value considered, utilized and not utilized. If not utilized, explain why.	14	x		5-2(j); 6-2(g)
Section 3 – Development of Values					
3.1	Provides a brief description of basic valuation theory/mass appraisal.	16	x		5-4; 6-1
3.2	Identifies the characteristics of the market that are relevant to the purpose and intended use of the mass appraisal including location, physical, legal and economic attributes.	Whole Report	x		5-2(e&f)
3.3	Provides a brief description of data calibration methods used in the revaluation.	21	x		5-4(b&c); 6-2 (h&j)
3.4	Identifies and explains period of time from which sales were utilized for the development of values.	19	x		5-2(f&g)
3.5	Describes extent of sale data collection and verification procedures.	20	x		5-4(a); 5-5(a&d); 6-2(i)
3.6	Describes how qualified sales were selected for use in the sales analysis process.	20	x		5-4(a); 5-5(a); 6-2(i)

USPAP CHECKLIST

Item #	Section	Page #	Yes	No	USPAP Std. Rule #
3.7	Identifies the number of sales utilized in sales analysis by property type.	20	x		5-4(a); 5-5(a); 6-2(i)
3.8	Provides the source of income and expense data utilized if an income approach to value is utilized.	47	x		5-2(j); 5-4(b) 5-7(a); 6-2(g)
3.9	Provides the source of vacancy rates, cap rates and/or income multipliers utilized, and a reconciliation by class if an income approach to value is utilized.	47	x		5-2(j); 5-4(b) 5-7(a); 6-2(g)
3.10	Identifies and explains the reconciliation performed, approaches to value, and the applicability and relevance of the approaches, methods and techniques.	14	x		5-7(a); 6-2(i)
Section 4 – Time Trending					
4.1	Provides a summary of the methodology utilized to develop a market-supported time trend analysis.	28	x		5-2(e,f&h); 5-3(a); 6-2(h,j)
Section 5 - Land and Neighborhood Data					
5.1	Provides documentation and support for base land rate(s) utilized. Provides documentation for any unimproved or vacant land adjustments.	32	x		5-2(h); 5-4; 5-6(b); 6-1(a,b); 6-2(i,m)
5.2	Provides a description of all zones and/or neighborhoods codes utilized and the reasoning behind the neighborhood delineations.	33	x		5-2(h); 5-4; 5-6(b); 6-1(a,b); 6-2 (i, m)
5.3	Provides documentation and support for neighborhood and or zone adjustments.	33	x		5-2(h); 5-4; 5-6(b); 6-1(a,b); 6-2 (i, m)
5.4	Provides land area adjustment table(s) and land curve table(s).	32	x		5-4; 5-6(b,d); 6-1(b)
5.5	Provides documentation for any other adjustments associated with site specific adjustments.	35	x		5-2(g;iv,v); 5-4; 5-6(b,d); 6-1(b)
5.6	Provides a list of all external site influences (positive or negative) and corresponding adjustment ranges or amounts (% or \$).	35	x		5-3(a); 5-4 5-6(b); 6-1(b)

USPAP CHECKLIST

Item #	Section	Page #	Yes	No	USPAP Std. Rule #
5.7	Provides reasoning and support for adjustments of any water, view or other significant site influences (site specific or external).	35	x		5-4; 5-5(a) 5-6(b)
5.8	Provides a list of land sales utilized in analysis and a separate list of any land sales not utilized in analysis.	36	x		5-1(b); 6-2(i)
Section 6 - Improved Property Data					
6.1	Provides a brief narrative explanation for types of depreciation utilized.	40	x		5-1(a); 5-4(a); 5-5 (a:ii); 5-6(a); 6-1(b)
6.2	Provides depreciation tables by property class, and support for depreciation utilized.	41	x		5-4; 5-5(a:ii); 5-6(a); 6-1(b)
6.3	Provides a table of effective area factors and explain how they are used in the model.	42	x		5-4; 5-6(a); 6-1(b)
6.4	Provides a table of story height adjustments, if applicable, and explain how they are used in the model.	42	x		5-4; 5-6(a); 6-1(b)
6.5	Provides a table of quality/grades, their adjustment factors, and narrative description of each.	43	x		5-4; 5-6(a); 6-1(b)
6.6	Provides documentation, support and/or source of building cost base rates.	46	x		5-1(a); 5-5(a:i) 5-6(a); 6-1(b)
6.7	Provides a table of base building costs by type and/or style.	45	x		5-1(a); 5-5(a:i) 5-6(a); 6-1(b)
6.8	Provides a list of improved sales utilized in analysis and a separate list of improved sales not utilized in analysis.	Sect G	x		5-4(a,c); 5-5(a:iv); 5-6(a); 6-1(b)
Section 7 - Statistical Analysis, Testing and Quality Control					
7.1	Provides a ratio study using new assessed values.	Sect H	x		5-4; 5-7(b) 6-1 (b); 6-2(1)
7.2	Provides a ratio study using old assessed values.	Sect H	x		5-4; 5-7(b) 6-1 (b); 6-2(1)
7.3	Provides a COD study using new assessed values.	Sect H	x		5-4; 5-7(b) 6-1 (b); 6-2(1)

USPAP CHECKLIST

Item #	Section	Page #	Yes	No	USPAP Std. Rule #
7.4	Provides a COD study using old assessed values.	Sect H	x		5-4; 5-7(b) 6-1 (b); 6-2(1)
7.5	Provides a PRD study using new assessed values.	Sect H	x		5-4; 5-7(b) 6-1 (b); 6-2(1)
7.6	Provides a PRD study using old assessed values.	Sect H	x		5-4; 5-7(b) 6-1 (b); 6-2(1)
7.7	Provides strata analysis using new assessed values for each strata, if applicable.	Sect H	x		5-4; 5-7(b) 6-1 (b); 6-2(1)
7.8	Provides strata analysis using old assessed values for each strata, if applicable.	Sect H	x		5-4; 5-7(b) 6-1 (b); 6-2(1)
Section 8 - Miscellaneous					
8.1	Provides a copy of contract or in-house work plan.	Sect J	x		6-1 (b); 6-2 (f&i)
8.2	Provides a copy of neighborhood map(s) or electronic file with map(s).	Appn dx F	x		6-1 (b)
8.3	Provides CAMA System codes and tables. Identify and explain any codes that are unique to this municipality.	23	x		6-1 (b)
8.4	Provides a list of zoning district(s) and corresponding description(s).	26	x		6-1 (b)
8.5	Provides list of unqualified sale codes.	Appn dx E	x		6-1 (b)
8.6	Provides qualifications and DRA certifying documents for each individual listed in the USPAP certification (Line #1.7).	Appn dx C	x		Competency Rule
8.7	Provides a table of definitions. A summary of useful definitions is available from the DRA.	Appn dx D	x		6-1 (b)

NOTE: If any item numbers in above sections are checked "NO," the report is considered non-compliant.

Reviewer's Conclusion	Yes	No
Report is compliant.	X	

