

## **ADDITIONAL INSTRUCTIONS REGARDING COMPARABLE SALES**

If you are submitting comparable sales as part of your appeal process, you must provide copies of this information to this Tax Board office, to your Tax Assessor and to your municipal Clerk at least 7 days prior to the date of your hearing. If you do not do this, the comparable sales may not be considered as part of the appeal hearing. It is best to submit any comparable sales at the same time that you file your appeal, as you may miss the deadline if you do not do so.

Comparable sales are closed sales, involving properties that would be viewed as being competitive with your property if they were to be offered for sale at the same time. In other words, a sale is comparable if a typical purchaser would view it as offering the same attributes as your home, such as basic design (try to compare Colonials with Colonials and Capes with Capes, for example), overall size, number of bedrooms, number of baths, similarity of location (the closer the comparable is to your home, the better), age of the home, etc.

Listings of properties currently available for sale are not usable for this purpose. As the valuation date for all assessments in 2014 is October 1 of 2013, the comparable sales should have closed during the one year period preceding October 1 of 2013. Sales which have closing dates after October 1st may be considered providing sales prior to October 1 are also presented to establish a pattern of values. The more recent sales may be used to confirm the established values occurring in your neighborhood, but may be challenged by the municipal attorney if they are your only evidence. If necessary, sales dated prior to 10/1/2012 may be considered, but such sales may not be sufficient to prove your value, especially if more recent sales are available.

When selecting comparable sales, you can use several sources for information. You may have noticed "for sale" signs posted in your neighborhood. You can contact a real estate agent who handled these sales and ask for assistance. The agent may be willing to provide some comparable sales information from the local multiple listing service or "MLS". This is something they are generally willing to do as part of their efforts to market their services to the public. A real estate agent can also be helpful in providing sales of homes which are comparable, as they are very familiar with this terminology. Many of the assessors maintain a list of sales at their offices; feel free to contact them or to stop by their office during their regular hours. Finally, there are some websites which may be helpful in this process, such as NJACTB.com, where you may be able to confirm some details of sales.

It is vital that you confirm the details of any sale you intend to use as a comparable sale, prior to the hearing. The purpose of confirming the sale is to be certain that you are using valid and legally permitted information. The municipal attorney will want to know that you have done this. You can do this by speaking directly with a sales agent who handled the transaction, or directly to the seller or buyer of the property, or to an attorney who represented the seller or buyer. You will also need to know some facts about the properties, such as the age of the building, the size of the lot, the size of the building, the room count (number of rooms, bedrooms and baths), the general condition of the building interior and whether there are garages, outbuildings, swimming pools or other factors that may have a bearing on the sale price. You will want to be able to discuss how each comparable sale is similar to your property as well

as in what ways the sale is different from your property.

The size of all homes is reported as square feet of living area. This measurement is based on the exterior gross dimensions of the structure. The assessor has this information for your property and for any property you may be using as a comparable sale, and is the best source for this information.

An important fact for you to discover before attempting to use any sale is whether the local tax assessor has classified the sale as being a “usable” sale. A usable sale is one which meets a definition which specifies that it is an open market transaction between a willing buyer and a willing seller, both being fully informed and both acting in their own best interests, but not under any duress. The price paid cannot be influenced by any personal relationships, special financing, or undue pressure such as would exist if a property owner is facing potential foreclosure. Sales involving third parties such as banks or other lending institutions, or sales from an estate, are typical examples of “non-usable” sales. Your local tax assessor will be willing and able to help you choose comparable sales which are “usable” sales. At the time of hearing, the assessor, through the municipal attorney, will challenge your use of any “non-usable” sales, which the tax board may not be able to consider in hearing your appeal. Each year, many property owners submit appeals which rely solely upon such “non-usable” sales as evidence; virtually none of these appeals are successful.

There may be an instance where a sale the assessor has indicated to be “non-usable” for sales ratio study purposes may, in fact, be usable in your tax appeal. For example, a sale labeled as “non-usable, No. 7,” involves a property which includes a new or substantially improved dwelling. This sale may be accurately used in an appeal provided you have obtained and verified information about the condition of the dwelling at the time of sale. At times, some other sales labeled as “non-usable” may also be accurately used in an appeal, but you will need to be able to investigate such a sale thoroughly to document and support your position, because the assessor and municipal attorney may challenge your use of such a sale. Questions on the use of sales labeled as “non-usable” should be directed to your assessor or to the county tax administrator.

As part of your evidence, you should submit photographs of your own property as well as of any comparable sales you are using. If the comparable sales are in your neighborhood, ask the owner if you could walk through the building and be sure to ask them about the condition of the building at the time they purchased it. Never attempt to use a sale if you have not personally viewed it and either inspected it or made a verifiable attempt to inspect it. You may be asked questions about this at the time of the hearing.

Finally, remember that a well prepared appeal which includes “usable” comparable sales is helpful to you and to the assessor, who may be willing to make an adjustment to your assessment based upon your submitted information, prior to the hearing date. You should be very willing to sit down with the assessor to discuss the possibility of doing this, using what is referred to as a “stipulation of assessment” form. If this is done, the assessor will prepare this form, sign it and also ask you to sign it, along with the municipal attorney. The assessor will then submit this form to the Tax Board and your appearance at a formal hearing will be unnecessary. Roughly 50% of tax appeals are handled in this manner.