Understanding Your Property Assessment

Why Property Values Change and How Assessments Are Determined

Why Does My Assessed Value Change?

Massachusetts law requires local assessors to determine the fair cash value, commonly referred to as fair market value, of all taxable real estate within their communities.

Under **Massachusetts General Laws Chapter 59, Sections 2A and 38**, assessors must establish property values annually based on market conditions as of January 1 preceding the fiscal year of taxation.

Fair market value generally represents the price a property would sell for between a willing buyer and a willing seller under normal market conditions, with neither party under pressure to complete the transaction.

Because the real estate market is constantly changing, property assessments must be reviewed and adjusted each year. These adjustments may result in increased values, decreased values, or relatively little change, depending on market activity and individual property characteristics.

The purpose of these adjustments is not simply to increase property assessments, but to ensure that all properties are valued accurately, consistently, and equitably.

How Are Property Values Determined?

Assessors rely primarily on actual real estate sales to determine how the local market is performing. Sales of comparable properties provide evidence of what buyers are willing to pay for properties with different locations, sizes, ages, conditions, construction qualities, and amenities.

Rather than conducting an individual appraisal of every property each year, assessors use a process known as *mass appraisal*. This method uses standardized valuation models developed from market data to estimate the values of large numbers of properties in a consistent and equitable manner.

Assessors regularly analyze the relationship between sale prices and existing assessments to identify changes in market conditions and determine whether adjustments are necessary.

This process includes:

- **Sales analysis:** Reviewing qualified real estate transactions to determine market trends and identify differences among property types and locations.

- **Neighborhood analysis:** Evaluating how location, market demand, and neighborhood characteristics influence property values.
- **Building characteristics:** Considering living area, building style, age, construction quality, condition, and other measurable physical features.
- **Land valuation:** Reviewing lot sizes, location, zoning, utility availability, and other factors influencing land value.
- **Property improvements:** Accounting for new construction, additions, renovations, and other changes that may affect value.
- **Valuation model adjustments:** Updating land schedules, building cost tables, depreciation factors, and other valuation components to reflect current market evidence.

These adjustments are applied systematically to ensure that similar properties with similar characteristics are treated consistently.

Why Might My Assessment Increase or Decrease?

A change in your property's assessed value may result from one or more of the following factors:

1. Changes in the Real Estate Market

As property sale prices increase or decrease, assessments must be adjusted to reflect those changes. Even if you have made no improvements to your property, its market value may change because of broader real estate market conditions.

2. Different Rates of Appreciation Among Property Types

Not all properties increase or decrease in value at the same rate.

For example, sales may indicate that smaller ranch-style homes have appreciated more rapidly than larger colonial-style homes, or that properties in certain neighborhoods are selling at higher prices relative to their previous assessments.

As a result, some property owners may experience larger percentage adjustments than others, even when their properties have not physically changed.

3. Previously Undervalued or Overvalued Properties

Sales analysis may reveal that certain property types, neighborhoods, or individual properties are assessed significantly above or below their market value.

When these differences are identified, valuation adjustments are necessary to bring assessments into better alignment with market evidence and maintain fairness among property owners.

4. Building Permits and Property Improvements

New construction, additions, finished basements, garages, renovations, and other physical improvements may increase a property's assessed value.

Not every improvement results in a dollar-for-dollar increase in market value. Assessors consider the type and extent of the improvement and how it contributes to the property's overall value.

5. Property Inspections and Updated Records

As part of ongoing inspection programs, assessors periodically review properties to verify the accuracy of assessment records.

These inspections may identify changes or corrections involving building area, condition, construction quality, finished living space, or other characteristics that influence value.

6. Data Quality Reviews and Valuation Model Improvements

Assessors regularly review property records and valuation methods to identify inconsistencies, correct inaccurate information, and improve assessment accuracy.

These reviews help ensure that comparable properties are valued using consistent information and standards.

Why Would My Assessment Increase More Than My Neighbor's?

One of the most common misconceptions about property assessments is that all properties should receive the same percentage adjustment during a revaluation.

In reality, market activity rarely affects every type of property equally.

Consider two homes that were previously assessed at $400,000.

Recent sales indicate that homes similar to Property A have increased in value by 20%, while homes similar to Property B have increased by only 10%.

Their updated assessments might be:

- **Property A:** $400,000 increasing to $480,000
- **Property B:** $400,000 increasing to $440,000

Although both properties started with the same assessed value, market evidence supports different adjustments.

This does not mean one homeowner has been singled out or treated unfairly. It means the assessment changes reflect differences in how the market values those particular types of properties.

Fair assessments do not require identical percentage changes. They require that all properties be valued consistently according to their market value.

Why Is It Necessary to Correct Assessment Inequities?

Over time, changes in the real estate market can cause some properties to become undervalued relative to others.

For example, if one group of properties is assessed at approximately 75% of market value while another group is assessed at 95%, the owners of the more accurately assessed properties may be paying a disproportionately large share of the community's property taxes.

When sales analysis identifies these differences, assessors must make appropriate adjustments to restore equity.

This is particularly important during periods of rapid market appreciation, when different property types and neighborhoods may experience substantially different increases in market value.

Correcting these differences helps ensure that property owners are treated fairly and that the tax burden is distributed according to each property's value rather than outdated assessment relationships.

What Date Does My Assessment Represent?

Under **M.G.L. Chapter 59, Section 2A**, real property is valued as of January 1 each year for the fiscal year beginning the following July 1.

For example:

Fiscal Year 2027

- Assessment date: January 1, 2026
- Primary sales analysis period: Calendar Year 2025
- Fiscal year: July 1, 2026, through June 30, 2027

Assessors analyze qualified sales transactions from the period preceding the assessment date to determine market conditions and develop appropriate valuation adjustments.

Because assessments represent value on a specific date, they are not intended to predict what a property might sell for several months or years into the future.

A home's assessed value may therefore differ from its current asking price, a recent real estate listing estimate, or an appraisal performed for mortgage lending purposes.

Are Assessments Reviewed Every Year or Every Five Years?

Both, but for different purposes.

Massachusetts municipalities are responsible for maintaining full and fair cash valuations annually.

In addition, **M.G.L. Chapter 40, Section 56** establishes a five-year certification process under which the Massachusetts Department of Revenue reviews municipal assessments to determine whether they meet state requirements.

During this certification process, the Department of Revenue evaluates valuation methods, market support, property data, and assessment uniformity to ensure that property values are developed and applied equitably.

Annual valuation adjustments continue between certification years.

The five-year certification process does not mean assessments remain unchanged for five years. Market-based adjustments are necessary annually, regardless of where a community falls within its certification cycle.

Does a Higher Assessment Automatically Mean Higher Property Taxes?

No. An increase in assessed value does not automatically mean your property taxes will increase by the same percentage.

Property assessments and municipal tax levies serve different purposes.

The assessed value establishes each property's share of the overall tax burden. The tax levy represents the total amount of property taxes the community must raise to fund municipal services, schools, public safety, infrastructure, and other approved expenditures.

The tax rate is calculated based on the amount of revenue to be raised and the taxable property values within the community, subject to applicable laws and property tax classification decisions.

For example, consider a community where overall residential property values increase by 15%.

If your property's assessment also increases by approximately 15%, your share of the residential tax base remains relatively unchanged. A 15% increase in assessed value does not, by itself, produce a 15% increase in your taxes.

However, if your property's value increases more rapidly than the community's overall values, your share of the tax burden may increase. Conversely, if your property's value increases less than average, your relative share may decrease.

Actual tax bills also depend on changes in the municipal tax levy, tax rates, classification decisions, and applicable exemptions.

Revaluation does not, by itself, increase the amount of money a municipality raises through property taxation. Its purpose is to distribute the tax burden fairly among property owners.

What Property Characteristics Are Considered?

Property assessments are based primarily on measurable characteristics that can be documented and applied consistently throughout the community.

Common valuation factors include:

- Location and neighborhood
- Lot size and land characteristics
- Building size and finished living area
- Architectural style and construction type
- Age and effective age
- Construction quality or grade
- Physical condition and depreciation
- Number and types of bathrooms
- Finished basements and additional living areas
- Garages, decks, porches, and other improvements
- Additional features and amenities that contribute to market value

Other factors, such as interior decorating preferences, personal tastes, landscaping choices, and individual buyer preferences, may influence a particular sale but are not always measurable or consistently reflected in mass appraisal models.

Assessors recognize that no two properties are exactly alike. The objective is to account for the characteristics that have a demonstrable effect on market value while applying consistent valuation standards across the community.

Are Assessments Exact Property Appraisals?

No. An assessed valuation is an estimate of a property's fair market value, developed using accepted appraisal practices and supported by available market evidence.

Individual real estate transactions can be affected by circumstances that may not reflect typical market conditions, including unusual financing, buyer or seller motivations, personal preferences, and property-specific circumstances.

For this reason, assessors analyze multiple qualified sales rather than relying on any single transaction.

The objective is not to predict the exact selling price of every individual property, but to develop reasonable market value estimates and maintain consistent relationships among all assessments.

Our Commitment to Fair and Equitable Assessments

The primary responsibility of the Assessing Department is to establish fair, accurate, and equitable property valuations in accordance with Massachusetts law and the standards of the Massachusetts Department of Revenue.

Through ongoing sales analysis, property inspections, data verification, and regular valuation model adjustments, the Assessing Department works to ensure that assessments reflect market conditions and that comparable properties are treated consistently.

Property values may increase or decrease as markets change. These adjustments are necessary to maintain fairness and prevent individual property owners or groups of property owners from bearing a disproportionate share of the community's property tax burden.

Our goal is not to increase assessments. Our goal is to ensure that every property is assessed at its fair market value, using consistent methods supported by actual market evidence.

Massachusetts Legal References

M.G.L. Chapter 59, Section 2A — Annual Real Property Valuation and Classification

Requires assessors to determine the fair cash value of taxable real estate as of January 1 each year and establishes the framework for property classification.

https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter59/Section2A

M.G.L. Chapter 59, Section 38 — Fair Cash Valuation

Requires local assessors to determine the fair cash value of taxable real and personal property.

https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter59/Section38

M.G.L. Chapter 40, Section 56 — Department of Revenue Certification and Tax Classification

Establishes the periodic certification of municipal assessments by the Commissioner of Revenue and provides for the allocation of the tax levy among property classes.

https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter40/Section56

Massachusetts Department of Revenue — Division of Local Services

Provides technical guidance and standards for municipal property valuation, mass appraisal, assessment administration, and certification.

https://www.mass.gov/orgs/division-of-local-services