



Town of Carlisle

MASSACHUSETTS 01741

BOARD OF ASSESSORS

Minutes

Tuesday, January 17, 2023, 8:00 a.m.

Clark Room, Town Hall

Members Present

Ken Mostello, *Chair*, David Boardman, Karen C. Yeyinmen (arriving late)

Staff Present

Brian McDonald, *Principal Assessor*, Ryan McLane, *Town Administrator*, Barney Arnold, *Select Board Chair*

Others Present (partial list from sign-up sheet; approximately 45 attendees)

Laura Baliestiero	153 Log Hill Rd	Alex Mccollom	280 Stoney Gate
Gordon Cheng	222 Stoney Gate	Daniel Metraux	246 Heald Rd
Yishan Cheng		Ann Miller	118 Pheasant Hill Dr
Kathleen Chick	35 Suffolk Lane	Nancy Pirman-Weiss	523 Brook St
Richard Chick		Kathy Plavner	149 Judy Farm Rd
Miriam Feder	59 Nowell Farme Rd	Seth Plavner	
Ann Hoffman	285 Stoney Gate	John Roberts	188 Pheasant Hill Dr
John Kaufman	128 Heald Rd	Laurelyn Roberts	
Ruben Klickstein	51 Indian Hill	Deena Scaperotta	109 Judy Farm Rd
Ronald Kmiec	94 Bingham Rd	Deborah Stevenson	39 Stoney Gate
Leslie Kmiec		Elizabeth Wang	125 Judy Farm Rd
David Kulik	109 Judy Farm Rd	Harald Wilhelmsen	391 Heald Rd
Mark Levitan	105 Wolf Rock Rd	Elizabeth Wilhelmsen	
Jacki Lin	419 Heald Rd		

8:00 a.m. Ken Mostello called the meeting to order.

Routine Business

Assessor Brian McDonald presented monthly reports to the Board for review and signatures: one property tax exemption, a commitment for excise tax from year 2002, a list of taxes to be abated for motor vehicle and trailer excise tax for the month of December 2022 and a schedule of uncollectable excise taxes.

Minutes Approval

Motion to approve January 10, 2023, minutes made by David Boardman, Ken Mostello seconded. The motion was approved 2 to 0.

Property Abatement Application Backlog

There have been 20 applications to date primarily for Deck houses. Brian has completed six properties inspections as part of the abatement process.

Assistant Position Hire

The recent posting for the position has generated more interest than the previous two listings. There are a number of qualified candidates, and the hope is that the position will be filled soon.

Ken proposed a motion to allow Ryan McLane, Town Administrator to take the lead in vetting the applicants with the understanding that the Board will make the final selection. David Boardman moved the motion and Ken Mostello seconded it. The motion was approved 2 to 0.

Board of Assessor's and Principal Assessor's Public Forum Presentation

The meeting was attended by approximately 45 property owners of which the majority likely were Deck House owners. Before conducting a Q&A session, the BOA members and Brian Macdonald described the responsibilities of the BOA, the process of real estate assessment, the reasons for the recent significant increase in property assessments for Deck houses, the abatement process, and how tax bill calculation is affected by the revaluation (mass assessment) process. The Board and Brian assured property owners that they care about the property owners' recent assessments and that they are committed to make sure the assessments are done correctly. Informative handouts were made available to attendees. These documents follow the minutes in this PDF. Please note that the best way to reach Assessor Brian Macdonald is by email.

BOA Responsibilities

- The BOA is responsible for maintaining fair and accurate real estate assessments and adjudicating abatement cases.
- The BOA also has oversight of the Assessor's office as it relates to the assessment and abatement processes.

Assessment Process

- The BOA is tightly regulated by the Department of Revenue (DOR). The BOA and Assessor's process is reviewed by the DOR to check for compliance.
- The BOA must also adhere to Massachusetts Assessment Law which states that all properties must be assessed at 100% fair market value - no exceptions.
- The assessment process cycle includes yearly interim adjustments based on recent trends and market activities except for every fifth year when revaluation (mass assessment) is done. Revaluation is a more in-depth process and recent tax bills reflect this type of assessment. See *Deck House Assessment Q&A*, January 17, 2023, meeting handout for more information.
- Each property must be inspected (both the exterior and interior if entry is permitted) at least once every 10 years as required by the DOR. Prior to 2022, 44% of the properties in Carlisle had not

had an inspection in more than 10 years. An outside contractor was hired to perform inspections for half of these houses last year. Most of these houses are primarily located on the north side of town. The Deck houses in the Indian Hill and Nowell Farme Road neighborhoods were not included in that effort. The BOA and Assessor's goal is to inspect the remaining houses over the next 12-18 months.

- Sales prices of Deck Houses increased disproportionately compared to other styles of houses in town. High demand and short supply have driven prices up. Taxes have increased along with the dramatic increase in value.
- Deck House has had its own building classification style since at least 1999. It was acknowledged that some Deck Houses are categorized as contemporaries, which will be addressed by the BOA and the Assessor. If a Deck House were to be reclassified as a contemporary, it would lose about 25% of its value. The difference in the median ASR (Assessment to Sales Ratio) of the predominant class (single-family residence) and the median ASR of any other class should be 5% or less but may not go below 90% or above 110%. If Carlisle classified Deck Houses as contemporaries, it would be out of compliance with DOR regulations.
- The question of whether a Deck House must have been manufactured by The Deck House Company to be classified with the Deck House style must be addressed.
- Assessments were made on 2021 sales data. With a total of 1800 homes in Carlisle, there were 78 sales in 2021 which was enough to satisfy the DOR requirement that the total number sales be greater than 2% of the total number of houses in town. Regarding Deck Houses, there were 9 arm's-length transactions which excludes transactions between family members, due to bankruptcy, transactions under duress, and court ordered transactions. Two of those were disqualified as required by DOR regulations because the new owners immediately took out building permits (\$200,000 and \$500,000) to improve the properties. The average price was \$1.4 million; the median price was \$1.35 million. Although this is a relatively small data set, as is common in Carlisle, the data for the seven houses makes sense and is a reasonable data set that satisfies DOR rigor.
- Concern was expressed about data consistency. Given that many homes have not been inspected within the last 10 years and some not in nearly 30 years, there's a good possibility the property cards on record don't reflect what currently exists. Adjustments will need to be made.
- The BOA plans to consider policy changes needed to mitigate or head-off a major realignment in property values, as experienced in 2021.

Abatement Process

- The BOA and Assessor do not have the authority to change the tax assessments for recent tax bills.
- Property owners should file an abatement application if they believe they have been assessed unfairly. Property taxes must be paid before the abatement application can be adjudicated.
- Property owners were encouraged to review their property cards online (<https://webpro.patriotproperties.com/carlisle/default.asp>) to make sure they're accurate. If a property owner's issues are related to errors on their property cards, contact the Assessor's office and the data will be corrected and taxes will be abated in accordance with the data correction.
- Abatement applications must be filed by February 1, 2023. The BOA has no discretion to extend this deadline.

- Given that there will likely be a backlog of abatement applications, property owners were assured that all abatement applications will be heard, and continuations will be given to those which can't be adjudicated within 90 days.
- Abatement applicants have the option of appealing a BOA abatement decision to the state Appellate Tax Board.

Tax Bills

If a property owner experienced a dramatic increase in their assessment, they are in effect paying a catch-up fee in addition to the change that would result directly from the assessment. The state operates on a fiscal year that begins on July 1. New tax bills are issued in third quarter of the town's fiscal year. Any change in an assessment must be retroactively captured for the first two quarters of the year. Therefore, in January and April, tax bills reflect current assessment and the retroactive catch-up for the prior two quarters of the previous year. After that the property owner is billed only on the new assessment.

Q&A Session

Mark Levitan of 105 Wolfe Rock Road stated the data is bad. The data population as well as the working premise are significantly flawed. There are 40 to 50 Deck houses classified as contemporaries which need to be revalued to make this right. He objected to the request that aggrieved Deck house owners all be required to file for abatements and expressed that relief might be sought elsewhere.

Ken acknowledged that there are more Deck houses classified as contemporaries than contemporaries classified as Deck houses. He assured the group that the Assessor's office would focus on finding those homes and address the issue. He added that the Board cannot make a mass correction. The only option is abatement. The correction will be addressed next year.

Gordon Cheng of 222 Stoney Gate said that he not only supported Mark Levitan's comments about the small number of transactions, but also the validity of the data. He mentioned that two of the seven transactions that were used are on Stoney Gate. During the years 2019 through 2021, those two properties were involved in six out of the seven transactions on Stoney Gate, which is unusual in terms of the general market. But more so, one party was involved in four of the Deck house transactions. He stated that someone bought 148 Stoney Gate in 2019, renovated it and sold in it 2021 for nearly double. They don't represent the market on our street, let alone the whole Deck house market in the town.

Brian speculated that some of the transactions involved private sales where the property wasn't exposed to the market. DOR regulation state that private sales should be excluded from the dataset.

A Stoney Gate resident (name inaudible) purchased his Deck home in 2021. He commented that the seller has all the power in today's market. It's very lopsided – the buyer must accept everything. He added that when he was looking for a contemporary house, he didn't make the distinction between a Deck house and a contemporary.

Brian stated that when houses are depreciating as they did between 2008-2011, assessment values were set above the current market value because assessment is a historic evaluation based on the previous year. House styles that didn't depreciate as quickly bore more of the tax burden. In later years as properties values increased, those that increased at higher rate absorbed significantly more of the tax burden on an annual basis. There are times when you find yourself in a situation that is less than ideal.

That doesn't mean that was what the market was at that time. Brian added that he will follow the market no matter what it says.

David Kulick of Judy Farm Road stated that the two houses with the lowest valuations representing over 20% of the total Deck house sales were excluded from the dataset skewing the remaining data higher. David expressed that taking out a building permit wouldn't affect the current market value when it changed hands, but rather it suggests some potential future value.

Ken stated that the law is unambiguous about this situation. It states that these types of sales should not be included because there's a certain amount of ambiguity as to what the true property value should be. The buyer's investment includes the fact that he chose to make that additional investment and not run it through the transaction.

Brian confirmed that it is a state requirement. He acknowledged that David had a valid point. Removing outliers is a potential issue and not something Brian can control. It can prevent further valuation refinement – reducing the sample size is never a good thing.

A Stoney Gate resident (mentioned earlier) inquired if the dataset size would be less of an issue if having fewer style categories would be less of a problem.

Brian explained that there was a discernable market difference between Deck house sales used and contemporary homes when he put it in the model. That might change next year. Currently, there are 49 sales going into next year's cycle. Statistically, that still meets the 2% required by DOR. Unfortunately, it is a smaller sample size and might be even less representative of the entire housing stock. Brian stated that getting a full property inspection is the best way to ensure that the information he has is representative of what's really there.

Mark Gibson of 35 Carlisle Pines Drive noted that if an abatement request is not acted on within 90 days, the request is considered denied. He requested that the BOA commit to not let that happen.

Ken stated if we do nothing, that is true. The BOA can choose to have a continuance on an abatement for a long time. We're not going to allow them to expire because we haven't gotten to you.

David Boardman further assured the group that they would never let it expire. If there are grounds for an abatement, we will process the abatement. The Board is trying to make it fair and to comply with Prop 2½. Board members are taxpayers too – one day it may be us.

Ken added that the Board operates in a narrow lane. The recourse is abatement. Ken promised that the Board will not be obstructive in that process.

Ann Hoffman of 285 Stoney Gate pointed out that her house had not been inspected in about 30 years. She asked if the cash value of building permits for long deferred restoration would be tacked onto her valuation. She stated that she had to replace one third of her house because a portion of the roof had caved in due to faulty work done by the contractor.

Ken explained that, for instance, if a \$250,000 renovation is made, that does not automatically translate to a valuation increase equal to the value of the building permit. If the work was a repair, or unless the BOA had discounted the property for whatever problem was there, it will very likely have very little – or none at all. You're just making it right.

Laurelyn Roberts of 118 Pheasant Hill Drive asked if there was a simple way to get a better understanding of how her own assessment would change with the proposed 2022 median Deck house sale price of \$1.48 million, an increase over the 2021 of \$1.35 million.

Brian noted that there is nothing simple about Carlisle. There needs to be a basis of comparison. A determination needs to be made for what is similar in terms of style, condition, and quality and that needs to be derived from every source possible. Ideally all houses sold in the dataset would be inspected to provide an accurate basis for comparison to other houses.

Ken added that the recent adjustment was based on mass assessment. We're trying to measure the change over time. Deck houses as a class of homes have gone up dramatically – an unusual change.

Laurelyn Roberts stated that the data isn't right. She noted that on her street there are Deck houses classified as contemporaries and these owners won't be filing for an abatement to correct that. Let's make this right and fair.

Ken said her point is valid. There are more contemporaries that should be classified as Deck houses than vice versa.

Laurelyn Roberts asked if the BOA and Brian are considering whether a Deck house is built by Deck? Some look just like a Deck house but are not built by Deck. There is a lot of confusion around that.

Ken stated that there has been an active discussion on this with Brian and this issue will be addressed.

Mark Levitan added that there is a house in the set of seven that was built by Deck, but is a completely different class of home, and sold for \$1.8 million.

Ken acknowledged this is a fair point. We got here over a period of years of less than diligent field work by the former assessor and we wouldn't be here if market condition hadn't changed dramatically. Property owners normally wouldn't care if their house was a contemporary or a Deck house if those market evaluations were moving in tandem.

Laurelyn Roberts asked if Deck house owners can all expect another increase next year.

An unidentified attendee asked if the 2022 sale of 126 Nickles Lane for \$3 million would be included in the data. She expressed concern about getting another large increase.

Brian replied that any house over \$2.7 million or that vicinity indicates either new construction or that the property has unique features that are driving the property significantly over and above the median sales price for the community. It could be differentiated enough to be excluded. While Brian is not yet sure how this property will be dealt with, he expects that there are likely reasons to exclude it.

Miriam Fedder of 59 Nowell Farme Road, who purchased her home in November 2021, stated that the assessed value of her home, if you exclude the land, has doubled and her taxes increased 35%. Her house was assessed at \$500,000 when she bought it and now the assessment is \$1 million. She stated that there is a lot of old and incorrect data in town. She pointed out that if all Carlisle houses assessments were up to date and all Deck houses were classified as Deck houses rather than contemporaries, the burden wouldn't be so great on this smaller group.

Ken stated that everyone's assessment went up and the tax rate dropped by two dollars. The problem is that one style of house went up significantly more than others. The BOA must follow the law. There are circumstances in which the way the law works may lead to an onerous burden, but the greater problem is

that there are Deck houses classified as contemporaries, which will be addressed, but this won't be reflected in this fiscal year. Even if there are 40 Deck homes that are truly underassessed, it's unclear if that would move the needle on 1,800 properties in a significant way.

David Boardman added that he has seen significant jumps in different styles of houses over decades depending on whether they become more or less desirable.

Ken stated that recent arms-length sales say a lot about how houses should be reassessed. If you paid a lot more than assessment at time of sale, that will be reflected in new assessment year. That's how it works. If the time at which you bought is relevant for the period, we're assessing that will get looked at in abatement process if you feel it's an outlier. The price you pay is a compelling point for where you take off for the purposes of assessment.

Before leaving the meeting, Brian encouraged everyone to ask him to come out for a property inspection. He assured attendees that the BOA will hear your abatements applications – there won't be 90-day denials.

Elizabeth Wilhelmsen of 319 Heald Road stated that she believes that the system of categories needs to be addressed. It's not just an assessor issue, it's a Select Board and a people issue. The current system is old and has gotten loose and mixed up over time.

Laurelyn Roberts said that everyone may have seen a little bump in land value, but she noticed that the amount of property owned doesn't make a significant difference in land assessment.

Ken stated that it depends on where it's located, and if there are wetlands. Buildable lots are worth about a half a million. Excess acreage doesn't affect assessment of land a lot. It doesn't get a premium price in the Carlisle market because there is a lot of open space. Concord assesses quite a bit more due to denser housing population and land is a scarcer commodity. Ken added that in Carlisle, acreage won't move the needle much in terms of assessment. Perhaps each additional acre is worth about \$5,000 per acre.

John Kaufman of 128 Heald Rd asked if there was a timeline for fixing the bad data.

Ken stated that the former assessor, who had a chronic illness and passed away, wasn't getting it all done and Covid further delayed progress. The catch-up process was started last year when Brian was hired, and the assessor's office has been resource constrained without an assistant. After four years, the assistant position was finally funded at last year's town meeting. Once filled we'll have the internal resources to catch up. Last year Patriot Properties was hired to do about 400 house inspections. About 400 remain out of compliance. He expects the inspection process will take 12-18 months to complete.

Ken will request that priority be given to properties for which questions have been raised at this meeting. During the recent assessment process, attention was probably given to properties that haven't been as impacted by this market change. We need to rethink priorities. We're hoping to get this done in 6-9 months.

Unidentified man at back of room of Judy Farm Road mentioned that the online property data is not in a form that makes it easy for us to do our own analyses of where our properties sit in relation to others. He requested the data be provided in spreadsheet form that we can manipulate ourselves. He also asked if he and others can get insight into your algorithm for computing value per property based on median, mean, sales prices, condition, quality, grades, square footage, etc.

Ken stated that the assessor could provide the spreadsheet and he wouldn't have an issue with that. We're an open book and if you're looking to create a case for abatement, we're not looking to obstruct that process. Regarding the second request, we subscribe to a software service that's produced by Patriot Properties and it's unclear how much of the algorithm is visible to us. We'll give you everything we legally can.

Unidentified Woman (name and street inaudible) on the right rear side of the room asked who specifically certifies that the assessments are 90% accurate and given that possibly 40 Deck houses are not classified as Deck houses (out of about 200). She also questioned if 25% are missing, how can you possibly say that 90% of assessments are accurate.

Ken stated that compliance is given by the DOR – it's their call. We work with the data we have and based on the homes in that dataset, we're in compliance. There are Deck homes that are misqualified as contemporaries and those will be rectified. There are others where it is less clear which style they belong in. At this point, it's unclear what will be decided about what constitutes a Deck house. Does it have to be built by Deck House? How would Deck house knockoffs be handled?

Regarding who specifically signs off on the proposed assessments, David Boardman stated that the BOA signs the documents that go to the state to be certified. Regarding style classification, David mentioned that in his experience, the style classification has never been an issue with property owners before now. He explained that houses are classified when built as stated by the builder. Classification of houses began at time of Prop 2½ and continues as houses are built.

Ken added that we wouldn't have this conversation if there wasn't such dramatic movement in one style of house. All the attention is on it. In most cases people don't think classification is important.

Mark Levitan of 105 Wolf Rock Road suggested that the category *contemporary post and beam* would capture all the characteristics and it would be legitimate. It's the construction that's the determinant, not who made it. This is about fairness. If you look at the houses in the East Riding Drive and Carlton Road neighborhood, people would call those contemporary post and beam because it's the construction that is the determinant, not who made it.

Ken said Mark had a good point and board members have discussed expanding the style category. The only requirement is that the sample size must be large enough to support a sales analysis. We can't have just two of them selling every year in that category.

Marl Levitan stated it would be larger than the current category just by definition.

Ken closed the meeting by saying there will be additional board meetings if homeowners would like to come and ask additional questions. If you are aggrieved and unhappy with your assessment, file an abatement. You've raised a lot good points. Glad you were all here to points us in a number of positive directions.

BOA Action Items

1. Resolve the question of whether a Deck house must have been manufactured by the Deck House Company to be considered a Deck house style property.
2. See if there are deck homes misclassified as contemporaries. Attendees said they could identify about 40 of them,
3. One attendee asked for a spreadsheet of the data used for assessment and some description of the mass assessment process.

4. Another suggestion was to create a new style called “contemporary post & beam”. This would be considered if they were readily distinguishable, demonstrated different sales characteristics than Deck homes, and there were annual sufficient sales to allow the assessor to have confidence in his data analysis of the style.
5. Policy changes needed to mitigate or head off a major realignment in property values like what we had this prior year.
6. Procedures for reviewing an anticipated larger-than-normal number of abatement applications.
7. Catch up on the 400 inspections so all Carlisle houses are in compliance.
8. Rethink priorities for which house are most important to inspect. Give priority to Deck houses for which questions were raised in the meeting.
9. There will be no 90-day abatement denials. Continuations will be given so that all abatement applications can be heard.

Next Meeting

Tuesday, January 24, 2023, 8:00 a.m.

Adjournment at 10:11 a.m.

Documents Submitted

Handouts

- Agenda
- *Carlisle’s scarce real estate listings hampering sales*, Carlisle Mosquito, June 22, 2022
- *Is Deck House closing its doors after 50 years?* Carlisle Mosquito, January 9, 2009
- *Deck House Assessment Q&A*, January 17, 2023, handout
- *What’s happening with Carlisle’s tax bills?* Carlisle Mosquito, January 9, 2023

Carlisle Board of Assessors

Deck House Assessment Q&A

January 17, 2023

1. How is Massachusetts real estate assessed?

Massachusetts general law stipulates that all property be valued full and fair cash value as of the effective date of valuation. The effective date of valuation is January 1st of the year preceding calendar year from which valuations are adjusted from. For Fiscal Year 2023, with an effective date of valuation of January 1st, 2022, 2021 calendar year sales were used to make these market-based adjustments. Furthermore, the Department of Revenue also has further statistical measures ensuring that full and fair cash valuation both within and between property classes.

2. Interim Year vs Revaluation Year Valuations

All cities and town in Massachusetts must abide by statistical regulations established by the DOR be adjusting valuations annually. There are 2 type of valuation years

- **Interim Years**

Interim Year adjustments occur every year with exception to 1 year during this five-year period. During an interim year, levels of assessment both within property classes and between must meet levels of valuation between 90% and 110% of full and fair cash valuation (residential vs commercial property). The standard reports for each class include Overall (all sales within a property class), Neighborhood, Style (i.e., colonial, cape cod, etc..), Grade (Quality) and Condition. All of the separate and distinct criteria within each of the Neighborhood, Style, Grade and Quality reports must be within 5% (+ or -) of Assessment to Sales ratio (A.S.R) of the Overall Report

- **Revaluation Year**

A Revaluation Year includes all of the statistical requirements of the Interim Year as well as additional scrutiny to land valuations.

3. Property Inspection Types

1. Cyclical Reinspection

DOR regulations require each community to conduct a field assessment of each property in the community at least once every 10 years. The purpose is to ensure the accuracy of data for each property to ensure appropriate adjustments and derived valuations. The lack of a cyclical reinspection, including an interior inspection, can potentially result an inaccurate valuations.

- **Permit Inspections**

The Assessors Office is informed of permit work performed at each property within the town. The department must then attempt to determine the effect, if any, the work performed has on the valuation of the property.

4. Assessed Valuations – How accurate are they?

Assessed valuations are often assumed to be below current market value. This is not always the case, in a declining market, an assessed value may be above the current market value although it is at fair market value as of the effective date of valuation. As stated before, the valuation is typically between 90% to 100% of full and fair cash value based on the market adjustments established through the analysis of the sales occurring during previous calendar year. In Carlisle, the process is considered highly reliable with the typical total annual abated tax dollars averaging less than \$20,000. The process is not flawless and predicated on accurate data for both the sales (sample) and the larger group for which it is representative of as well as the sample being truly representative of the group. The process can also be impaired by inaccurate or outdated field data, which has been more of an issue in recent years due to Covid and a prolonged illness on the part of Carlisle’s prior principal assessor. In 2022, the BOA retained the services of Patriot Properties to accelerate the cyclical field assessment process, but this is a multi-year effort and is expected to continue into 2023 and beyond.

5. What is a deck house?

A “deck-house” typically refers to a type of high-quality, mid-20th Century manufactured home utilizing panelized prefabricated components in a post and beam construction. This construction allows for expanses of glass, vaulted ceilings, and for an open floor plan. These homes utilize natural materials like wood and stone throughout, and are typically found nestled in a wooded setting, with little disruption to trees or other natural surroundings. These homes do not have a conventional basement, but usually a sunken first floor with a split entry foyer instead.

6. Why are deck houses assessed as a group?

All homes are classified into neighborhoods and home styles for mass assessment. The reason is their changes in market value tend to move in tandem within these groupings. This methodology is standard operating procedure in mass assessment.

Deck houses have been a separate assessment style grouping in Carlisle going back to at least 1999. These homes were manufactured housing built extensively in the area in the mid-20th Century and have unique characteristics that are explained above. The original developer was a Carlisle resident named William Berkes, who founded the Deck House company. Berkes’ Carlisle residency is why this town and neighboring communities have a higher concentration of these homes. Over the years, the deck homes’ niche market positioning has gone through periods of high and low demand. As a group, this style has historically appealed to a smaller segment of the home buying public than traditional colonial homes which likely explains their higher market volatility.

In the early 2000’s, Deck Houses saw a significant decline in relative value. They had fallen out of favor with mid-career baby boomer families who preferred the larger, more conventional colonial footprint. Empyrean, the rebranded Deck House company, was placed into court receivership as a consequence of

declining demand. Thirteen years earlier, the company merged with Acorn Structures in response to this trend. In early 2010, Carlisle assessor Melissa Stamp told The Mosquito, “Colonials held their value, but some of the more modest or modern homes, such as Deck houses, saw a greater decrease in their value.” Naturally, Deck House owners benefited from assessment reductions during this period.

7. Why did my deck house assessment go up so much this year?

Assessment increases are not an issue in years when they are uniformly distributed across all properties, because the tax rate is adjusted downward to negate the assessment increase. An issue arises, however, when one group of properties appreciates (or depreciates) at a significantly higher rate than the rest, because the tax burden must now be reapportioned. This phenomenon happened post-Covid in Carlisle as well as in neighboring communities. Homebuyers’ tastes shifted and those new buying preferences moved the relative value of different home styles. We must also point out that land values increased significantly in Carlisle post-Covid. Prior to Covid, a standard 2-acre building lot was assessed at \$354,500. Today those lots are routinely assessed at \$503,900. That assessment is not specific to home style and is uniformly assessed for comparable land parcels throughout the town. Homeowners with properties that were assessed under \$1 million will typically find that a high percentage of the increased assessment stems from increased land values.

We can all speculate about the market forces that led to a significant recent increase in the value of deck style homes. However, the increase is unequivocally supported by all available sales data from 2021 and further confirmed in statements by prominent local realtors. We refer you to the Mosquito article *Carlisle’s scarce real estate listings hampering sales* (June 22, 2022) for opinions and commentary on market conditions and the appeal of deck houses from local realtors. There were 7 arms-length deck house transactions used as comparable properties that met DOR qualifying conditions. The mean (average) sale price of those homes was \$1.4 million. We also look at the median value in small data samplings to avoid the distortion that can arise from an outlier sale. The median for that group was \$1.35 million, which is in line with the mean. The average 2023 assessment for that group that sold is \$1.31 million which falls slightly under the Commonwealth’s mandate to assess at 100% of full market value. It should be noted that this appreciating price trend in deck homes continued into 2022 (not used for FY 2023 assessment) where the average selling price was \$1.48 million.

Taxpayers should be mindful that an increase in assessment is the direct consequence of a corresponding increase in one’s personal wealth. In the long run we are all better off if the assets we own appreciate even if it means paying their fair share in taxes.

8. Are not deck houses just contemporary style homes?

In Carlisle, we have traditionally assessed contemporary homes and deck homes as separate styles for decades. Deck house owners have benefited from that treatment in the early years of this century. In those years, deck houses appreciated at a slower rate relative to other home styles.

A deck house can be classified as a unique type of contemporary house. Specifically, it’s generally a manufactured home popularized in the mid-20th Century incorporating post and beam construction with lots of wood and large glass panels with emphasis on integrated exterior landscaping, both natural and man-made. Contemporary homes are, by definition, a continuously evolving style and not reflective of any one time period. Contemporaries generally incorporate minimalist design featuring simple forms and geometric lines. The choice of construction materials is more varied and evolving, and there is less

focus on harmonization with the outdoors. They do share a few design elements with deck houses like an open floor plan.

9. Why were two 2021 apparently arms-length sales of deck houses excluded from the assessor's analysis for 2023 adjustments?

To be considered for analysis, sales must be arms-length which means the property was exposed to the market for a reasonable time, not a foreclosure or court ordered sale, not done under duress and not transacted between family members.

The two properties in question were 138 East St. and 34 Heald Rd. These were arms-length sales but building permits were taken out immediately following their sale for \$500,000 and \$200,000, respectively. The planned improvements, had they not been excluded, would distort the assessment-to-sales ratio (ASR) on the properties. The assessor's decision is consistent with the policies and procedures outlined by the Massachusetts Department of Revenue on Page 13, Section O of the DOR Classification Handbook. Effectively, the assessments of these properties would have resulted in skewing statistical data and effectively determining appropriate adjustments for Fiscal Year 2023. The exclusion of arms-length transactions for this reason, as well as various others detailed in the Classification Handbook, is a common and typical procedure throughout Massachusetts.

10. My tax bill seems much higher than what my increased assessment would call for. Why is that?

There are 2 types of tax bills issued by the Town. Preliminary Tax Bills, the payments made in August and November, are payments made toward a property's annual tax bill. It is ½ of the previous year's net tax bill. Following the approval of both assessed valuations and the annual Classification Hearing in November, an annual tax rate is determined and the annual tax burden for each property is then established. Any property which appreciates more than the average will result in an increase in the annual tax bill for that property. When this does occur, the Preliminary Tax paid in August and November falls short of the estimated 50% resulting in an increase to the Actual Tax Bill payments made in February and May of each fiscal year. Total increases to a property's annual tax bill should be the sum all four payments and not just the difference between the Preliminary and Actual Tax bill payments. Furthermore, Carlisle's taxpayer approved Community Preservation Act charge also increases as this calculation is a function of the annual tax calculation as well.

11. I understand why my assessment went up so much, but couldn't you spread the increase over several years to mitigate the impact?

State law makes no provision for a smoothing process on *ad valorem* (property) tax or any other tax, for that matter. The law mandates that all property be assessed at full market value and be updated annually. It is important to understand that, in mass assessment, one person's assessment reduction invariably becomes everyone else's tax increase. Assessment is a zero-sum process.

12. I still believe my assessment is unfair. How can I get this changed?

There is only one legally permissible process to resolve an assessment dispute and that is abatement. The BOA is not permitted to make any sort of retroactive mass corrections. The current assessments have been incorporated into the budgetary and tax levy process and cannot be unwound without creating municipal budget deficits. Taxpayers need to understand that abatement is an individual assessment process that should lead to a more accurate result. The board also has more latitude on abatement than it does on mass assessment, and the taxpayer does have direct input in the process. An abatement application does require an interior and exterior home inspection and must be submitted by February 1st. The board has no discretion on the submission date which is set by the DOR. The application should be submitted by February 1st even if the taxpayer doesn't have all his material available by the filing date.


13.The Assessors denied my abatement. What can I do now?

The Board of Assessors is an impartial elected board that has no interest other than seeing a fair outcome for all residents. Our board members are all Carlisle taxpayers too. Ultimately, we serve the town's taxpayers, but we must also comply with state law and the regulations issued by the Massachusetts DOR as well as abide by the case law established by the Appellate Tax Board and the Supreme Judicial Court. An abatement applicant who is dissatisfied with the board's decision may appeal his or her case to the state's Appellate Tax Board.

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Carlisle's scarce real estate listings hampering sales

by Cecile Sandwen

It was stunning last week to pull up Zillow and discover there were only two single-family homes offered in Carlisle, and one condo. "There is very, very, low inventory," says Laura Baliestiero of Coldwell Banker Realty. "I've never seen it so low." She noted that more houses will be coming on the market, and by Monday four more had appeared. But this is well short of the 20 or 30 homes a buyer would normally find to peruse. With all but one home listing for over \$1 million and interest rates rising, many buyers are being priced out of the market—even if they can find something to buy.

To some degree this situation reflects Carlisle's rising status as a desirable place to live, with many listings snatched up quickly. "Carlisle was discovered in the pandemic," says Brigitte Senkler of Senkler, Pasley and Dowcett. "Young people love it here. It's a low-pressure lovely life-style." She observes, "Not long ago, the trend was to move to the city. In a strange way the pandemic really helped real estate in Carlisle." Whereas the town was once thought of as too remote and a bit of a hard commute, "that changed when people could work at home," she adds.

Empty nesters staying put

On the other end, empty nesters, who in another era might have listed their homes and downsized, are choosing to stay. Says Baliestiero, "Baby boomers are in good shape. Now they don't mind taking care of a house and yard." The pandemic has reoriented priorities, "They're glad to have a big house so they can work from home and have the kids and grandkids stay."

Another issue, says Kevin Balboni of Engel and Volkers, is that "seniors don't know where to go," noting that he and his wife are a good example of this. With condos scarce and expensive, "Why move if [you] don't have to?" he asks. He notes that the condo market is so tight that half of the units at Woodward Village on Bedford Road sold ahead of construction. And while they started below \$1 million, they are now being listed above that number. When the next phase is implemented, Balboni expects prices to be as much as 10% above current asking prices. "There's a line of people waiting," he says.

More balance as frenzy subsides

A year and a half ago, the Mosquito reported on a Carlisle real estate market so hot that traffic cops had to be hired for open houses and three bedroom Capes were garnering \$1 million offers. Balboni now says, "We're not in the frenzy we had, when an open house would mean seven to ten offers Monday morning. Now we're getting fewer calls and fewer offers, but until there is more inventory, prices will stay high."

Baliestiero agrees, “It’s a very different market. We’re transitioning to something more balanced. The multiple offers are fewer, homes are staying more days on the market. The pace is slower and we’re getting fewer calls. I’m even hearing of some price reductions.” Buyers are concerned about interest rates, she reports. “Mortgage rates have jumped from 3% to 6% in a very short time,” she says, adding that this has caused some buyers to reassess and decide to reduce what they can offer on a house. In addition, “They are very worried about inflation and a possible recession. They see heating oil at \$6 a gallon. There’s just more hesitation.” The low inventory has also caused some to look elsewhere. “For a long time there’s been nothing in the \$900Ks in Carlisle (note: one home just listed),” says Baliestiero. “So they are looking in several towns.” Acton, Bedford, and especially Harvard and Lincoln are seen as comparatively rural and outdoorsy towns with good schools.

Deck homes very attractive to Millennials

One of the interesting post-pandemic effects is the increased value of Deck homes. These are manufactured homes erected in the ’60s and ’70s in many Carlisle neighborhoods to provide practical mid-range housing for workers in the then-growing technology industries. Now Deck homes are getting \$1 to \$1.5 million offers. “Young people are attracted to the openness, the natural light of Deck homes,” says Balboni. And while gardens and patios used to be secondary, buyers today are valuing these amenities. “Many Deck Houses have beautiful outdoor spaces with mature shrubs and hardscape,” he says, noting that this is often more of a draw to current buyers than newer homes with only a few foundation plantings.

In the past eight months, seven Deck homes have been closed on in Carlisle, and only one was below \$1 million. Some have garnered nearly double the price they were bought for only a few years ago. Two homes that sold in November and December on Stoney Gate for \$1.33 million and \$1.58 million had both been bought in 2019 for prices in the \$880,000s. Other sales late last year included a Garnet Rock Deck home for \$1.26 million and a Nowell Farme Road home for \$1.51 million. The only under-a-million Deck home sold in the past eight months was an Indian Hill property for \$985,000, a nice increase over the \$675,000 it was bought for in 2014. It is not clear if prices on Deck homes are moderating. A Heald Road property sold in May for \$1.22 million and a recent listing on Heald Road is asking \$1.25 million.

“Deck homes are more popular than colonials with Millennials,” says Baliestiero. “But only if they’re in good condition. We used to say location, location, location, but now it’s condition, condition, condition.” She notes buyers don’t want the disruption and expense of a fixer-upper, especially when it’s so hard to find good workers. “They want to be able to move in and begin enjoying their new home.”

What the future may hold

Senkler is optimistic for this year. “It’s not as intense, but there are still lots of buyers. We could make many more sales if inventory weren’t so low.” Asked about the more distant future, she says, “If I knew that, I’d be a pundit in Washington. Things are good this year. But next year? There’s lots of uncertainty, not just here but worldwide.” She points to the softening stock market and high inflation and interest rates as significant sources of worry, “I think it’s going to be interesting times.”

Another concern would be if large numbers of workers return to offices, causing another shift in what buyers are seeking in a home. Senkler says the jury is still out, but predicts hybrid work, going in a few days a week, will remain popular. “I see traffic in Concord that’s easy Monday and Friday, when there are backups at the light other days of the week.” Baliestiero agrees the hybrid model appears here to stay, but some who moved to Carlisle believing they would never have to go back to work in New York City or other distant spots are having to make an adjustment.

Balboni says home office space is still in high demand, and some are seeking two offices so that both parents can work flexibly. “Right now, it’s kind of a mixture, with many going back to the office,” he says. But, he adds, “Companies have given up space because it’s cheaper to keep people at home,” and he predicts some level of work-at-home is here to stay.

As he looks to the future, Balboni’s concerns go beyond a possible market set-back, “I’m worried about the younger generation, those in their 20s and 30s. With 5 1/2% mortgage rates and nothing under \$1 million, they can’t afford to buy anything.” He adds, “I see young people who have been bid out of so many houses. This area has a good quality of life, great health care, but some of the most expensive housing in the country. What’s the solution?”

Senkler agrees, “It’s a very different market from when we bought our house in Carlisle in the ’60s for \$35,000.” However, she finds “there are many good young buyers who qualify.” She notes that they respond to the same sense of community that originally attracted her to the town. To show what community means in Carlisle, she gives each buyer a copy of the Mosquito. “I used to worry the name would scare buyers away,” she laughs. “But that hasn’t happened yet.” Δ
