

Transit Village Monitoring Research

Assessed Property Value Data

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Background

In a recent nationwide survey¹ transportation professionals were asked to rank indicators of success in transit-oriented development (TOD). The fifth most highly rated indicator was “estimated increase in property value”. It was not, however, identified by the respondents as “easy to collect”. And, in New Jersey, trying to establish change in property values in the Transit Village (TV) area (1/2 mile circle around the transit station) is a challenge.

It was decided that establishing a data base of assessed values in the TV and reviewing the change from year to year would be the first place to start. However, it was discovered that information varied greatly, depending on the town and the county.

Methodology

In calculating changes in the assessed value, digital parcel information was used, wherever this was possible. Digital information was available for the following towns: Pleasantville, Riverside, Bound Brook, Belmar, Matawan, and Rutherford. Digital information is usually organized at the county level, but is spotty throughout the state. If digital information was lacking, paper copies of tax index maps (available through the town tax assessor’s office) were used.

For those towns with digital information, the following steps were taken. First, the location of the train station was geocoded using TIGER line files as the reference base (the addresses of the train stations were taken from the NJ TRANSIT website). Next, quarter (1,320 feet)- and half (2,640 feet)- buffers were calculated around the train station using the geoprocessing functions in ArcGIS. (See Figure A.)

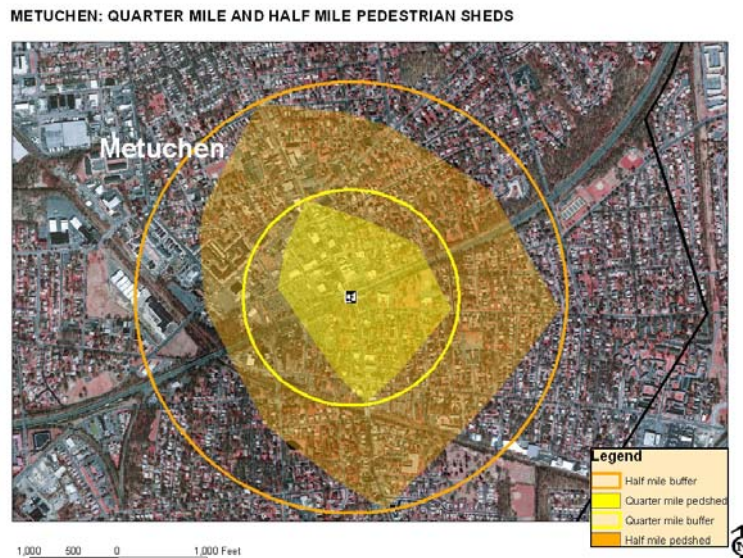


Exhibit A

¹ Renne and Wells. 2005. *Developing a Strategy to Measure Success*. Research Results Digest 294, National Cooperative Highway Research Program.

Both of these buffers were saved as separate layers. Following this, the digital parcel layer was clipped to each buffer layer respectively, thereby creating a quarter-mile ring and a half-mile ring of parcels. The attribute table for each clipped parcel file was exported, and the block and lot information was organized in a separate Excel table. This information was then used to manually extract data from a state level assessed property database compiled by the New Jersey Association of County Tax Boards². This database is also organized by county, municipality, and block and lot. The final database was constructed according to quarter- or half-mile affiliation and by year and town (Table 1).

If digital information was not present, tax index maps were used. These were procured from the tax assessor's office in each individual town. For the most part (with the exception of Bloomfield), these are organized by block only. In this case, the location of the train station was identified, and using a compass, quarter- and half-mile buffers were identified. This process is less exact, as there is no parcel level data. Thus, the designation was broken up into quarter, half, and fringe categories. A block fell into the quarter-mile buffer if more than 50% of it was within the quarter mile. If not, it was counted with the half-mile buffer. Blocks through which the half-mile buffer line was drawn fell within the fringe category. The blocks were tabulated, and then used to manually extract data from the tax records database described previously.

In examining the results for assessed value, several weaknesses in the data should be kept in mind:

- First, paper tax maps are inherently less accurate, as they only refer to the block level.
- Second, assessed value data was limited to what was available through the New Jersey Association of County Tax Boards tax records database. This database is voluntary, so some counties are better represented than others (for instance, some counties have four years on record, while others only one). This fact diminished the ability to identify trends for assessed values over time.
- Third, while every attempt was made to be as thorough as possible, inevitably the two separate listings of parcel block and lot data would not match; that is, certain parcels were listed as falling within either the quarter or half mile, but would not have an accompanying assessed value on the New Jersey Association of County Tax Boards tax records database.
- Finally, assessed values are only realistic if the town revalues or reassesses³ property on a timely and consistent basis.

The results are presented below in Table 1. Journal Square is not shown as the data could not be downloaded from the County Tax Board website due to technical difficulties (on their end). This information will have to be pursued at a later date.

² <http://www.njactb.org/>

³ Per Property Administration, Taxation, New Jersey Treasury Department, there is a difference between "revaluation" and "reassessment". Revaluation is an expensive process whereby an outside firm is contracted to revalue all properties in the municipality. Reassessment is under the purview of the municipal tax assessor and is not as extensive.

Table 1: Assessed Property Values for Transit Villages

Municipality	Year(s)	Assessed Value	Percent Change
Pleasantville	2003	\$162,804,200	
Riverside	2001	\$136,459,425	
	2002	\$137,008,583	0.4%
	2003	\$136,816,453	-0.1%
Bound Brook	2003	\$124,217,500	
	2004	\$125,340,600	1.0%
Belmar	2001	\$188,712,900	
	2002	\$189,516,100	0.4%
	2003	\$383,491,400	102.4%
	2004	\$386,116,500	0.7%
Matawan	2001	\$47,518,147	
	2002	\$47,380,547	-0.3%
	2003	\$47,669,247	0.7%
	2004	\$47,876,947	0.4%
Rutherford	2002	\$288,752,800	
	2004	\$289,481,500	0.3%
Metuchen	2004	\$255,182,700	
	2005	\$260,079,400	2.0%
South Amboy	2004	\$133,777,000	
	2005	\$138,135,700	3.3%
South Orange	2002	\$541,583,450	
	2004	\$540,978,150	-0.1%
Morristown	2004	\$1,332,549,800	
	2005	\$1,339,889,100	0.6%
Rahway	2003	\$402,885,200	
	2004	\$410,843,000	2.0%
	2005	\$414,770,200	1.0%

Municipality	Year(s)	Assessed Value	Percent Change
Collingswood	2002	\$496,855,800	
	2003	\$497,913,600	0.2%
	2004	\$498,293,400	0.1%
New Brunswick	2004	\$956,009,500	
	2005	\$1,001,672,400	4.8%
Cranford	2003	\$327,490,900	
Bloomfield	2002	\$224,492,000	
	2004	\$224,511,100	0.0%

Conclusion

It is clear from the data that only modest gains were made in overall assessed property values, with the exception of New Brunswick, reporting a nearly 5% increase over a year (there has been tremendous redevelopment in downtown New Brunswick), and South Orange, which reported a slight decrease over a two-year period between 2002 and 2004 (several properties in the downtown area near the train station have become vacant and are awaiting approvals for redevelopment). The increase in assessed property value between the years 2002 and 2003 in Belmar is due to a revaluation. Other recent revaluations are: Morristown, 2004; and South Amboy, 2005.

Recommendations

It appears that additional approaches need to be taken to monitor changes in property values. While it is suggested that assessed values continue to be monitored, it is recommended that arrangements be made to work with local Multiple Listing Services (Realtors MLS) and/or other local organizations such as Mainstreet, Downtown Partnership, and the Chamber of Commerce to document:

- residential sales and rents levels;
- commercial space rent levels and improvements; and,
- general level of real estate activity in the Transit Village area.