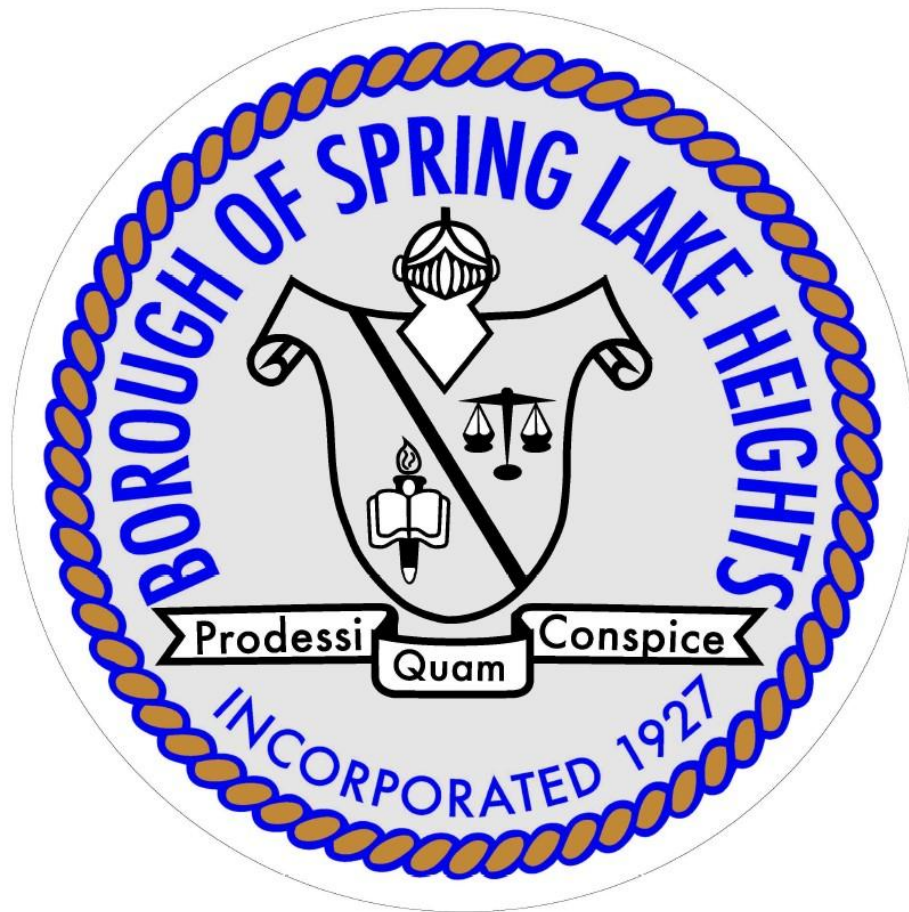


# Spring Lake Heights 2025 Reassessment Report

11/18/2024



[Reassessment FAQ](#)

[Appeal FAQ](#)

[Monmouth County Tax Estimator](#)

## Memo from the Assessor


The past five years have been an exceptional period for real estate. Property values continue to increase at a steady pace and prices have not subsided as of the valuation date for the 2025 reassessment (10/1/2024). The Borough has appreciated in value by over 845.2 million since 2020, primarily driven by the residential real estate market.

In order for the Borough to maintain a fair tax distribution, all properties are reassessed annually. The goal of annual reassessments is to react to the market sales that have already occurred, not predict what will happen in the future. These recent market changes highlight the importance of the assessment function, which serves as the distribution mechanism of county, school, and municipal tax levies.

The New Jersey constitution requires annual tax levies be distributed based on market value. Property assessments are assigned to distribute taxes, not generate them. In many municipalities throughout the State, they perform a revaluation and distribute their property taxes from that revaluation for some 10 years or longer. By not implementing a proactive assessment maintenance approach, tax distribution becomes less accurate each year that passes, as it assumes that all property values in a municipality appreciate or depreciate at the same rate over time. This assumption is completely inaccurate since property values do not necessarily change in a uniform manner across all property types. The various real estate markets in the Borough of Spring Lake Heights have been prime examples of how different price points and submarkets move at different rates and sometimes, even in different directions.

Changes to the global assessment modeling were made to target market value for the 2025 reassessment. Adjustments were also made to all individual properties, neighborhoods, and submarkets to refine the assessment accuracy. The goal of a reassessment is to annually target 100% market value so that statistical measurements represent better assessment accuracy. For the upcoming 2025 tax year, the overall aggregate value of the Borough of Spring Lake Heights will be approximately 7.48% higher than it was in 2024. This does not mean that property taxes will go up 7.48%, it means that the overall value of properties in the borough has increased. When the valuation of the borough increases, the tax rate decreases, provided the tax levy remains the same. This office anticipates that the 2025 tax rate will be lower than the 2024 tax rate due to the increase in property values (see figure 13).

The 2025 property assessment will be used to calculate the 2025 property tax bill, which will not be known until next summer. In the meantime, property owners should not multiply the 2024 tax rate by the 2025 assessment to determine 2025 property taxes. The link to the Monmouth County Property Tax Estimator on the cover of this report can be utilized to estimate 2025 property taxes. More information concerning the process and results of the reassessment can be found in the body of this report.



Scott R. Imbriaco, CTA  
Borough of Spring Lake Heights Assessor  
[taxassessor@springlakehts.com](mailto:taxassessor@springlakehts.com)

## Director's Ratio

Spring Lake Heights 2024 Director's Ratio was 98.37%. While the "Director's Ratio" is a complex calculation, this measurement is intended to express the typical relationship between assessments and sale prices in a given municipality. The sampling period used for the Director's Ratio covers sales that took place between January and June. It is then blended with the Director's Ratio from the prior year to stabilize shared levy impacts. With assessments being set during the pre-tax year (based on sales that took place during the prior two-year period), it is expected that ratios will be lower than 100% when markets are appreciating. The opposite would hold true for declining markets. Typically, real estate markets do not appreciate significant amounts year over year, so little emphasis was put on this topic in prior reassessment reports. However, the recent market changes have been exceptional, so the calculation is worth noting in this report to provide context to the declining ratio.

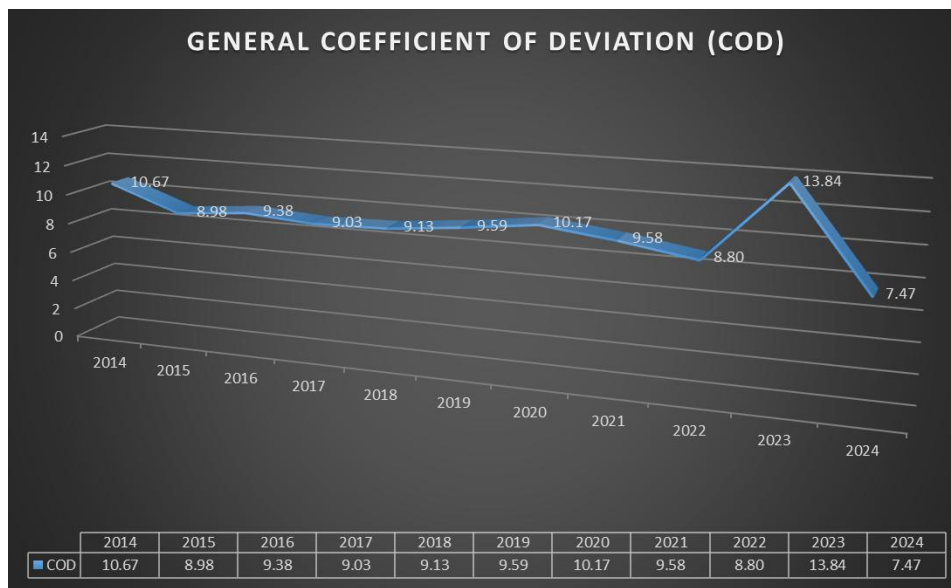
## General Coefficient of Deviation (COD)

The General Coefficient of Deviation is widely held as the best indicator in determining proper tax distribution. It is a way to measure how tightly clustered individual assessment ratios are in relation to the average ratio. A lower COD means more accurate and fair tax distribution. The COD normalizes ratios to show accuracy within a municipality regardless of what the Director's Ratio is in any given year.

The more homogeneous the properties in a municipality are, the lower the COD should be. For example, a municipality that is comprised of mostly townhouses would be expected to yield better assessment accuracy than a municipality that is comprised of a complex range of property types. Through annual reassessments, Monmouth and Somerset Counties are showing much lower CODs compared to historical or statewide data.

Despite the complexity of the Borough, Spring Lake Heights COD has been more accurate than the norms in the rest of the state, meaning that the assessments and resulting tax distribution are fairer. Spring Lake Heights has also been trending to be meaningfully more accurate than historical coefficients under the reassessment model. The 2024 COD is 7.47 which was the second lowest COD on record for Spring Lake Heights (in at least the past 30 years). While a historical comparison is an important measurement, the COD must continue to be analyzed over time as coefficients will inevitably be higher during years that the underlying market is more volatile or suffers from lack of supply or demand.

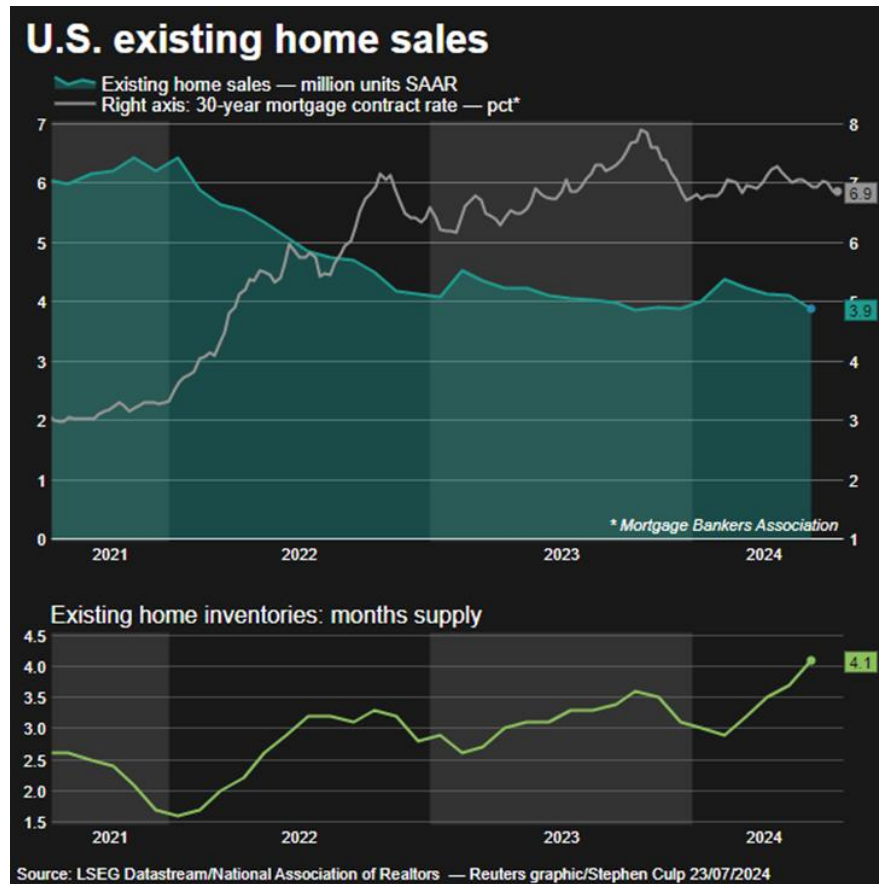
Below is a summary of Spring Lake Heights general COD for the past 10 years (see figure 1). Spring Lake Heights average COD prior to implementation of annual reassessments (years 1992-2014) was 12.52. Since implementation, the average COD is now 9.60 with tax years 2015 – 2024 being some of the lowest COD's on record.



(figure 1)

## Real Estate Market Observation

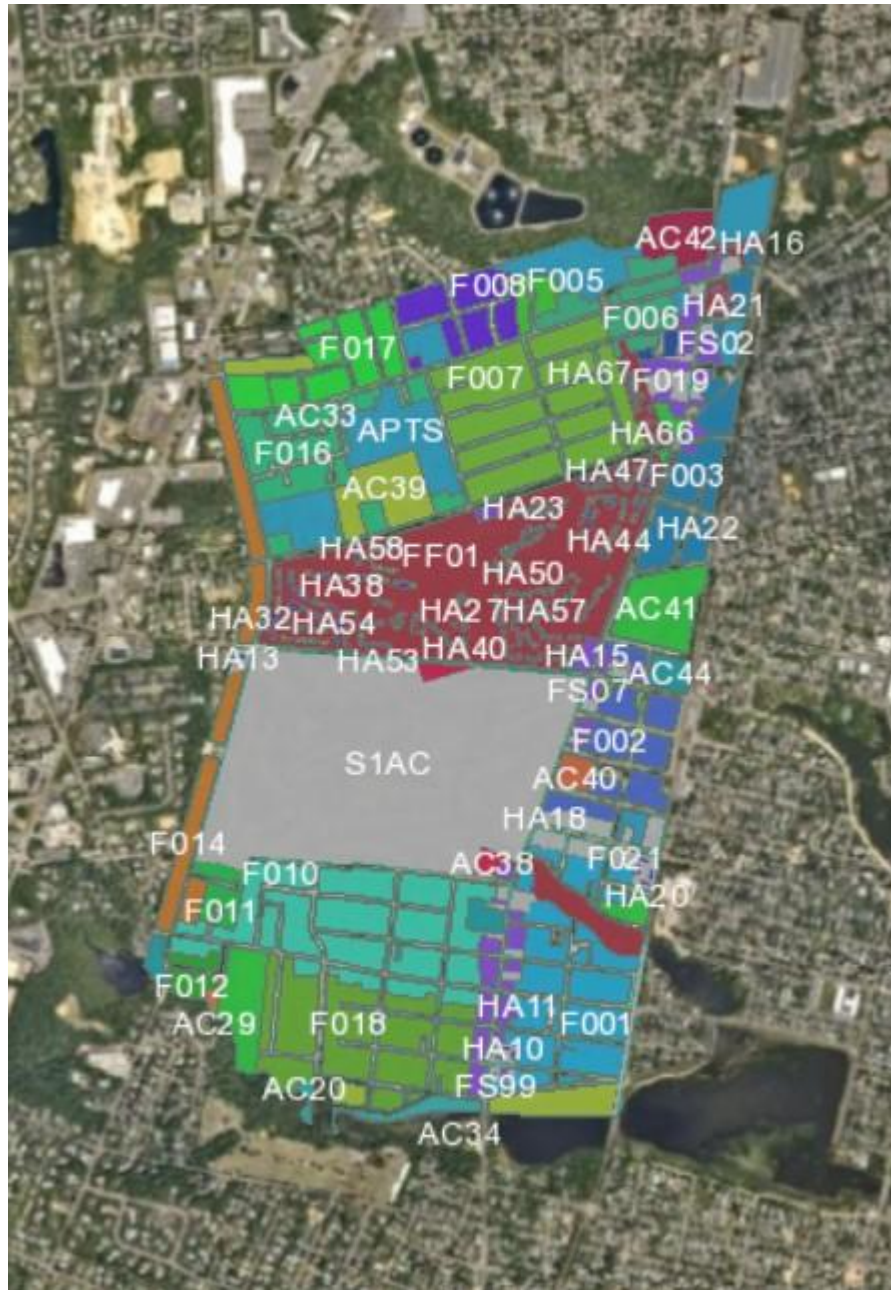
We have seen incredible price appreciation and volatility throughout the entire market. While the uptick in interest rates that began in the late summer of 2022 was expected to begin to cool sale prices, the continued lack of inventory has only fueled the competition for homes on the market. Homes listed for sale are still quickly receiving multiple offers and at prices that exceed the asking price. Over the past couple of years, the Federal Reserve has steadily increased hiked interest rates in order to counter the rise in inflation. As a result, we have seen 30-year mortgage interest rates that were below 3% only a couple of years ago climb to over 8% back in the summer of 2023. As of the date of this report, 30-year mortgages have pulled back slightly to levels last seen in 2001 due to the Federal Reserve interest rate cuts. Much of the low inventory in the residential market can still be attributed to homeowners with these low-interest rate mortgages opting to stay in their current home rather than sell. As of September of 2024, New Jersey home inventory had increased by 8.7% from the previous year.



(figure 2)

The most recent reassessment takes these market changes into account when setting the 2025 assessments. Sales from 2023 and 2024 were used in the reassessment modeling, giving greater weight to the more recent sales. The 2025 preliminary value of Spring Lake Heights has increased by 7.48%. This 7.48% can be seen as the baseline for apportionment change. Any property that has increased greater than 7.48% will pay a higher proportionate share of the tax levy. Conversely, any property increasing less than 7.48% (or decreasing) will pay a lesser proportionate share of the tax levy.

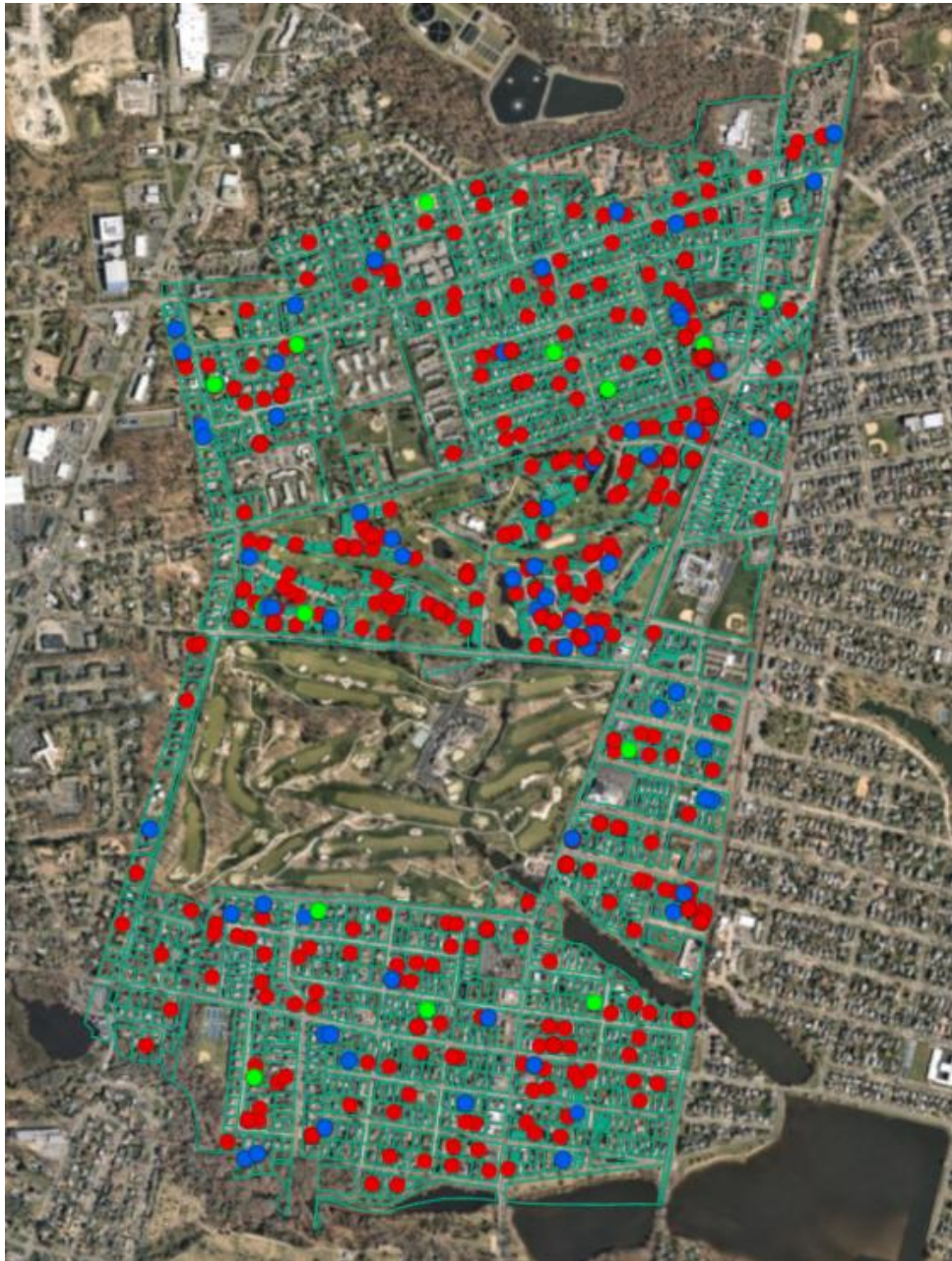
### VCS Neighborhood Stratification Mapping



(figure 3)

VCS, or Value Control Sectors, help differentiate local markets and neighborhoods from one another. Properties throughout the borough all have different influences that affect property values. Through the 2025 reassessment, changes to global modeling were made to target market value. Adjustments were also made to all individual properties, neighborhoods, and submarkets to refine assessment accuracy. The goal is to annually target 100% market value so that the statistical measurements represent better assessment accuracy. The primary driver of a reassessment is recent “arms-length transactions”. Statutorily, properties are assessed for what they would have sold for on October 1st of the pretax year. The 2025 valuation date is October 1, 2024. There were 85 “usable” sales in the 2023-2024 market analysis.

## 2023-2024 Sales Mapping



*(figure 4)*

Colored dot correlates with sales ratio: Red >105%, Blue 95%-105%, Green <95%

While the local market has appreciated at significant rates, assessors must view sales data used in the study in its totality when employing mass modeling techniques. While more recent sales are certainly given more credibility in the analysis, older sales will still be a stabilizing factor with annual reassessments. Inevitably, older sales will pull the modeling in the direction that the market was in the past. When there is significant appreciation or depreciation from one year to the next, the older sales will be more impactful on ratio and COD metrics. The aggregate value for the Borough of Spring Lake Heights has increased by approximately 7.48% from 2024.

The below chart illustrates the percentage change for Borough properties.

### Assessment Change Review

<b>PRC Ratio for Municipality:</b> Spring Lake Heights Boro	<b>Property Class:</b> VACANT LAND, RESIDENTIAL PROPERTY (1 - 4 FAMILY), FARM (HOUSE), FARM (QUALIFIED), COMMERCIAL, INDUSTRIAL, APARTMENT	<b>Judgments Removed</b>
<b>VCS :</b> ALL	<b>Style :</b> ALL	<b>Neighborhood :</b> ALL
<b>Added Assessments :</b> Removed	<b>0 IMP Last year &amp; PRC IMP &gt; 1:</b> Removed	

Change Bucket	# Properties	% Change
A. Decrease: 15% and Over	2	0.09%
B. Decrease: 10-15%	3	0.14%
C. Decrease 5-10%	32	1.47%
D. Decrease: 2-5%	48	2.20%
E. Decrease: 0-2%	54	2.48%
F. No Change	0	0.00%
G. Increase 0-2%	102	4.68%
H. Increase: 2-5%	421	19.30%
I. Increase: 5-10%	1055	48.37%
J. Increase: 10-15%	294	13.48%
K. Increase 15%+	168	7.70%
#DIV/0!	2	0.09%
<b>Grand Total</b>	<b>2181</b>	<b>100.00%</b>

(figure 5)

### Property Inspections (data collection)

The NJ Division of Taxation requires any municipality that is performing annual reassessments to have an approved inspection cycle. The inspection cycle for the Borough is 5 years, meaning that your property will be inspected once every 5 years. The purpose of these inspections is to gather pertinent information on each property so that the appraisal process is fair and uniform. The inspectors are not appraisers and are not appraising your home during these inspections. The inspectors are simply collecting data, which is then returned to this office where the reassessment process is completed. The Borough completed the first five-year (2014 – 2018) inspection cycle in 2018 and recently completed our second cycle (2019 – 2023) in 2023. Our third inspection cycle started in 2024.

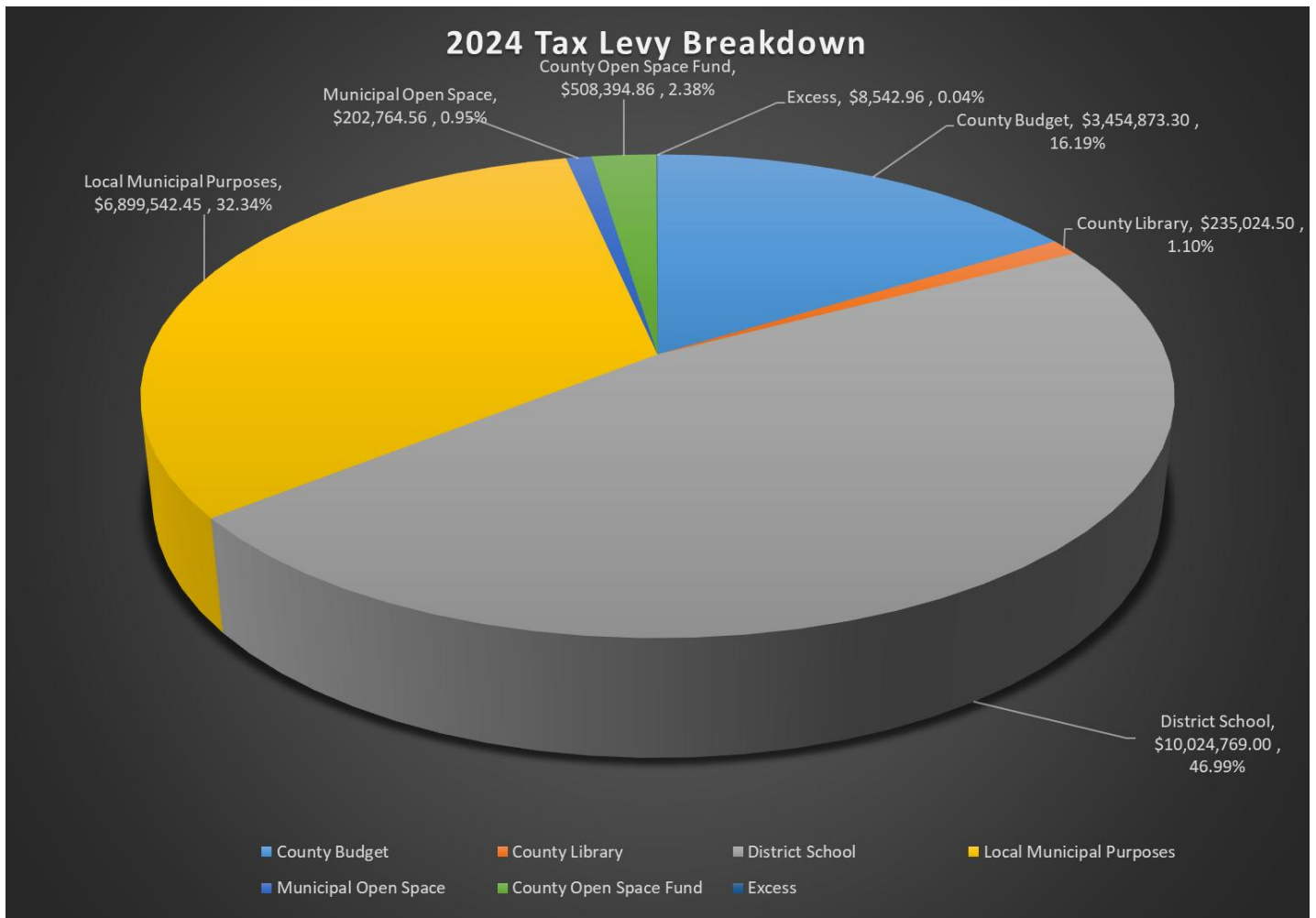
	Borough of Spring Lake Heights Inspection Schedule	
	Year	Properties Completed
<b>First Inspection Cycle 2014 - 2018</b>	2014	20%
	2015	20%
	2016	20%
	2017	20%
	2018	20%
<b>Second Inspection Cycle 2019 - 2023</b>	2019	20%
	2020	0%
	2021	20%
	2022	20%
	2023	40%
<b>Third Inspection Cycle 2024 - 2028</b>	2024	20%
	2025	20% TBC
	2026	20% TBC
	2027	20% TBC
	2028	20% TBC
*TBC - To be completed		

(figure 6)

## Spring Lake Heights Tax Levy History

Tax Levy Component	2020 Tax Levy	2021 Tax Levy	2022 Tax Levy	2023 Tax Levy	2024 Tax Levy	2025 Tax Levy	5 Year Change		2024 Percentage of
County Budget	\$ 3,115,649.20	\$ 3,036,741.55	\$ 3,124,074.48	\$ 3,250,512.47	\$ 3,454,873.30	TBD	\$ 339,224.10	10.89%	16.19%
County Library	\$ 226,762.33	\$ 227,932.00	\$ 234,792.31	\$ 235,151.34	\$ 235,024.50	TBD	\$ 8,262.17	3.64%	1.10%
District School	\$ 9,224,250.00	\$ 9,582,864.00	\$ 9,521,242.00	\$ 9,807,630.00	\$ 10,024,769.00	TBD	\$ 800,519.00	8.68%	46.99%
Spring Lake Heights Municipal	\$ 5,023,292.27	\$ 5,343,066.68	\$ 5,944,088.13	\$ 6,322,205.66	\$ 6,899,542.45	TBD	\$ 1,876,250.18	37.35%	32.34%
Municipal Open Space	\$ 133,234.00	\$ 138,814.00	\$ 154,695.50	\$ 181,312.67	\$ 202,764.56	TBD	\$ 69,530.56	52.19%	0.95%
County Open Space Fund	\$ 363,780.30	\$ 365,011.51	\$ 404,885.66	\$ 460,517.01	\$ 508,394.86	TBD	\$ 144,614.56	39.75%	2.38%
Excess	\$ 6,240.33	\$ 1,848.51	\$ 15,037.62	\$ 16,827.97	\$ 8,542.96	TBD	\$ 2,302.63	36.90%	0.04%
<b>Total Tax Levy</b>	<b>\$ 18,093,208.43</b>	<b>\$ 18,696,278.25</b>	<b>\$ 19,398,815.70</b>	<b>\$ 20,274,157.12</b>	<b>\$ 21,333,911.63</b>	<b>TBD</b>	<b>\$ 3,240,703.20</b>	<b>17.91%</b>	<b>100%</b>

(figure 7)



(figure 8)



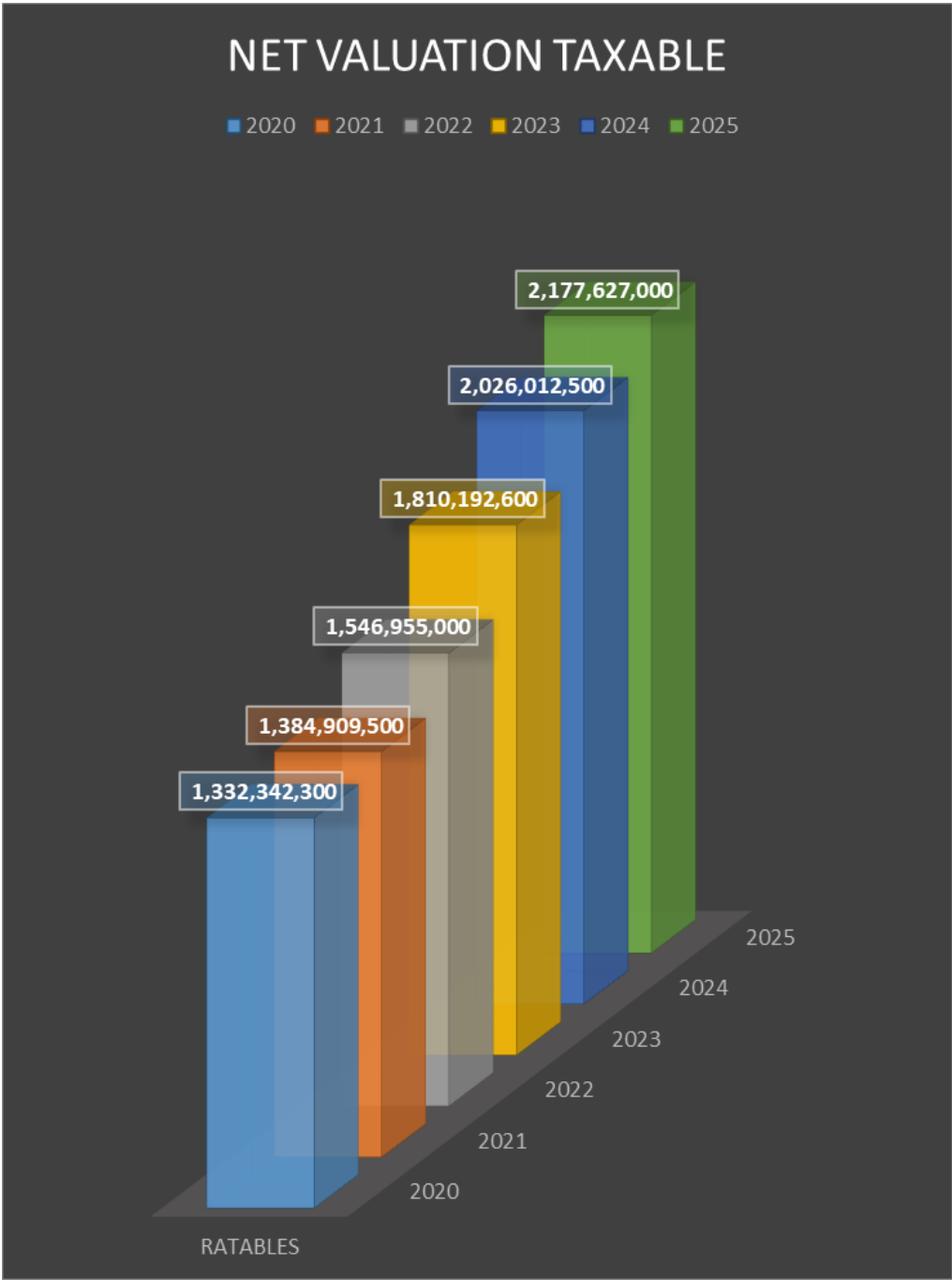
### Total Change of Net Valuation Taxable

The net valuation of the Borough is increasing by 7.48% in 2025. (see figure 9). About 151.7M has been added to the Spring Lake Heights ratable base (partially related to new construction and mostly related to market appreciation).

2024 Final Net Valuation	2,026,012,500
2025 Preliminary Net Valuation	2,177,627,000
Change	151,614,500
Change %	7.48%
<i>(figure 9)</i>	

### Property Class Breakdown (Year over Year)

2024 Final Tax List					
Class	Property Type	Count	Value	Average	Share of Borough
1	Vacant Land	37	15,982,900	431,970	0.79%
2	Residential	2,141	1,761,994,300	822,977	86.97%
4A	Commercial	76	142,712,100	1,877,791	7.04%
4C	Apartment	9	105,323,200	11,702,578	5.20%
Total			2,026,012,500		
Verizon			-		
Net Valuation Taxable			2,026,012,500		
2025 Preliminary Tax List					
Class	Property Type	Count	Value	Average	Share of Borough
1	Vacant Land	36	17,732,400	492,567	0.81%
2	Residential	2,142	1,901,482,400	887,714	87.32%
4A	Commercial	76	148,241,500	1,950,546	6.81%
4C	Apartment	9	110,170,700	12,241,189	5.06%
Total			2,177,627,000		
Verizon			-		
Net Valuation Taxable			2,177,627,000		
<i>(figure 10)</i>					



(figure 11)

2020 -2025 Tax Levy and Net Taxable Value			
Year	Tax Levy	Ratables	Tax Rate
2020	\$ 18,093,208.43	1,332,342,300	1.358%
2021	\$ 18,696,278.25	1,384,909,500	1.350%
2022	\$ 19,398,815.70	1,546,955,000	1.254%
2023	\$ 20,274,157.12	1,810,192,600	1.120%
2024	\$ 21,333,911.63	2,026,012,500	1.053%
2025	TBD	2,177,627,000	TBD
		151,614,500	Ratable base change 2024 to 2025 (Prior to Appeals)
		7.48%	Increase Prior to Appeals

(figure 12)

### 2025 Tax Rate Estimate

Year	Ratables	Tax Levy	Tax Rate	
2024	2,026,012,500	\$ 21,333,911.63	1.053%	
2025*	2,177,627,000	\$ 21,333,911.63	0.980%	*Rate if levy was the same year over year and no reductions from appeals
2025**	2,155,850,730	\$ 21,973,928.98	1.019%	**Assumes a 1% reduction in ratables from appeals & 3% increase in Levy
<b>Realistic 2025 Tax Rate Range 0.999%-1.030%</b>				

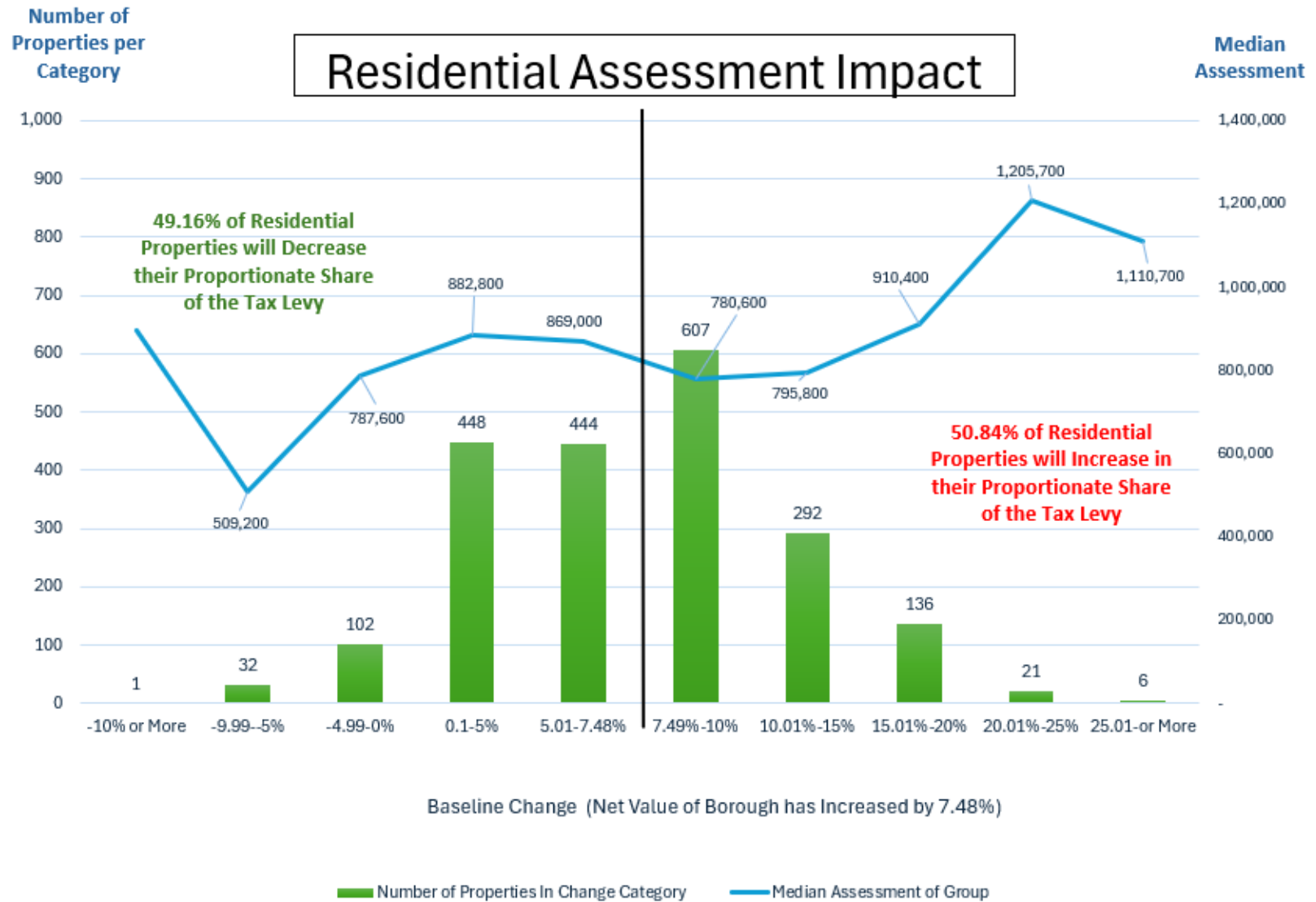
(figure 13)

### Assessment change of all residential properties (Excluding new construction and properties that had renovations)

	Residential Classified Properties			
	Assessment Change Category	Number of Properties In Change Category	% of Total	Median Assessment of Group
49.16% of Residential Properties will Decrease their Proportionate Share of the Tax Levy	-10% or More	1	0.05%	897,200
	-9.99--5%	32	1.53%	509,200
	-4.99-0%	102	4.88%	787,600
	0.1-5%	448	21.45%	882,800
	5.01-7.48%	444	21.25%	869,000
50.84% of Residential Properties will Increase in their Proportionate Share of the Tax Levy	7.49%-10%	607	29.06%	780,600
	10.01%-15%	292	13.98%	795,800
	15.01%-20%	136	6.51%	910,400
	20.01%-25%	21	1.01%	1,205,700
	25.01-or More	6	0.29%	1,110,700
	Total Properties in Group	2089	100.00%	

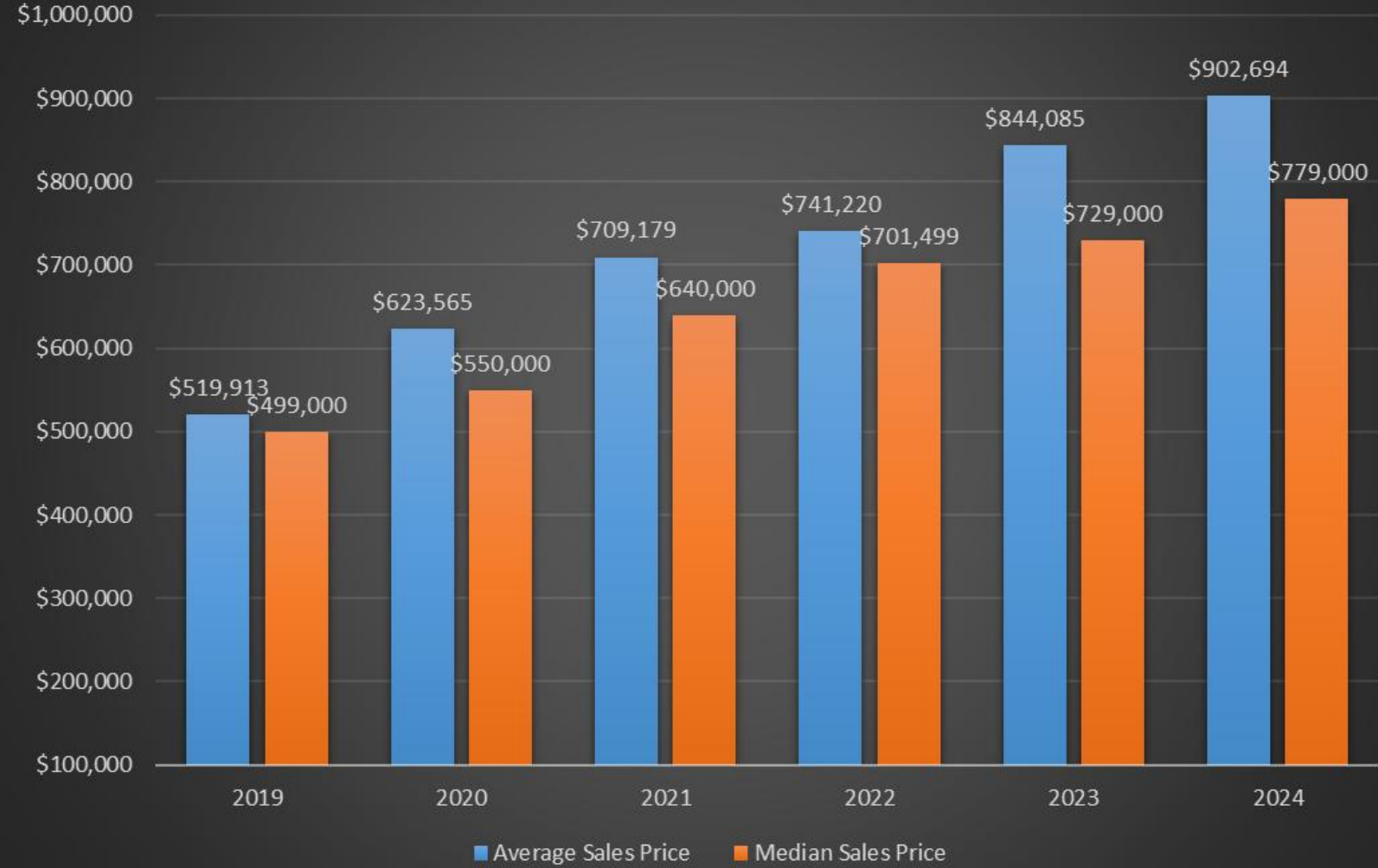
\*Net Value of Borough has Increased 7.48%

(figure 14)



(figure 15)

# Spring Lake Heights Residential Sales



(figure 16)

**Tax Board Assessment Data Analysis Module (ADAM360) Standardized Review:  
All 2023/2024 residential usable sales  
(removing top & bottom 2.5% outliers and properties that had renovations after the sale)**

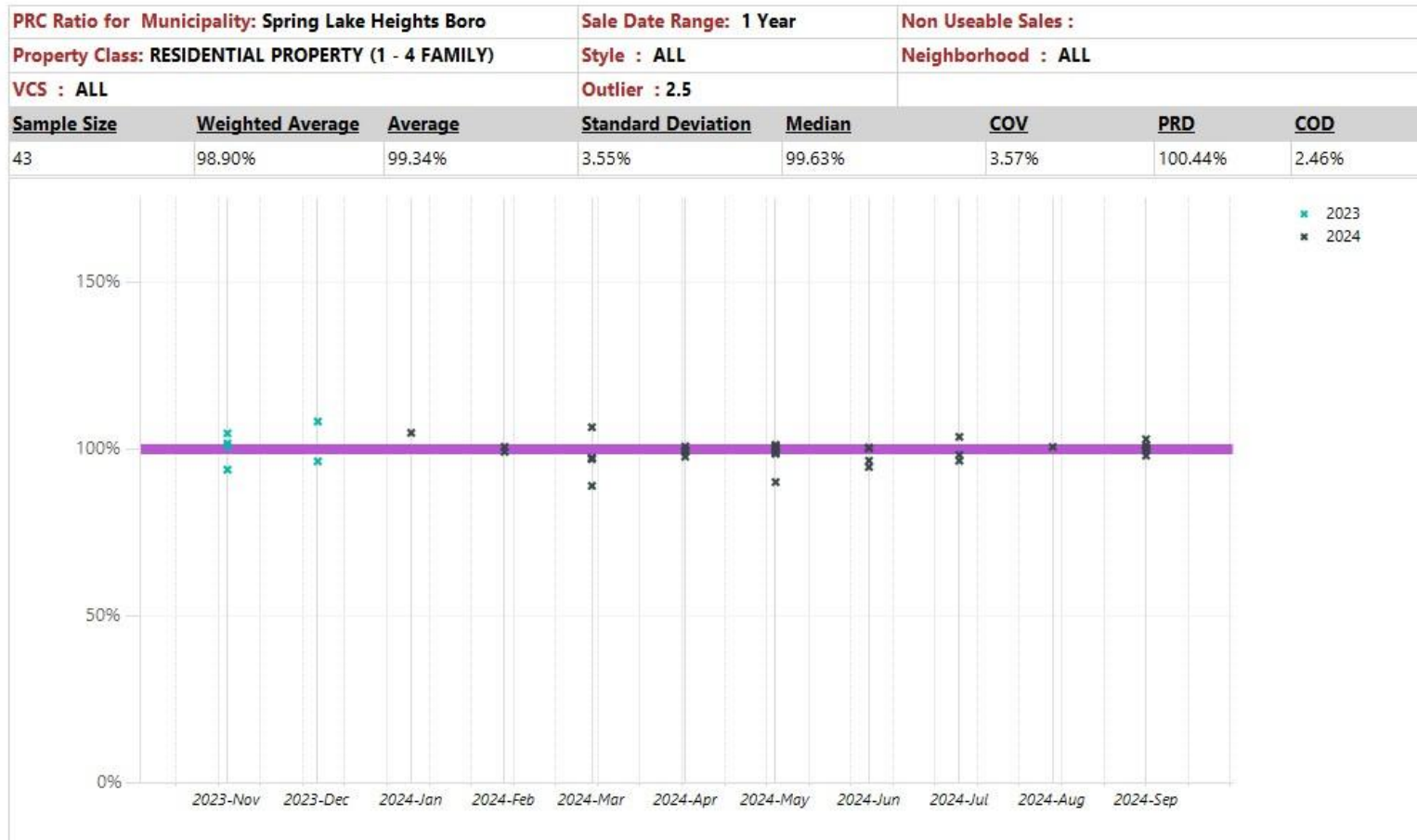
## PRC Ratio Scatter



(figure 17)

**Tax Board Assessment Data Analysis Module (ADAM360) Standardized Review:**  
**All residential usable sales during the past 1-year period**  
**(removing top & bottom 2.5% outliers and properties that had renovations after the sale)**

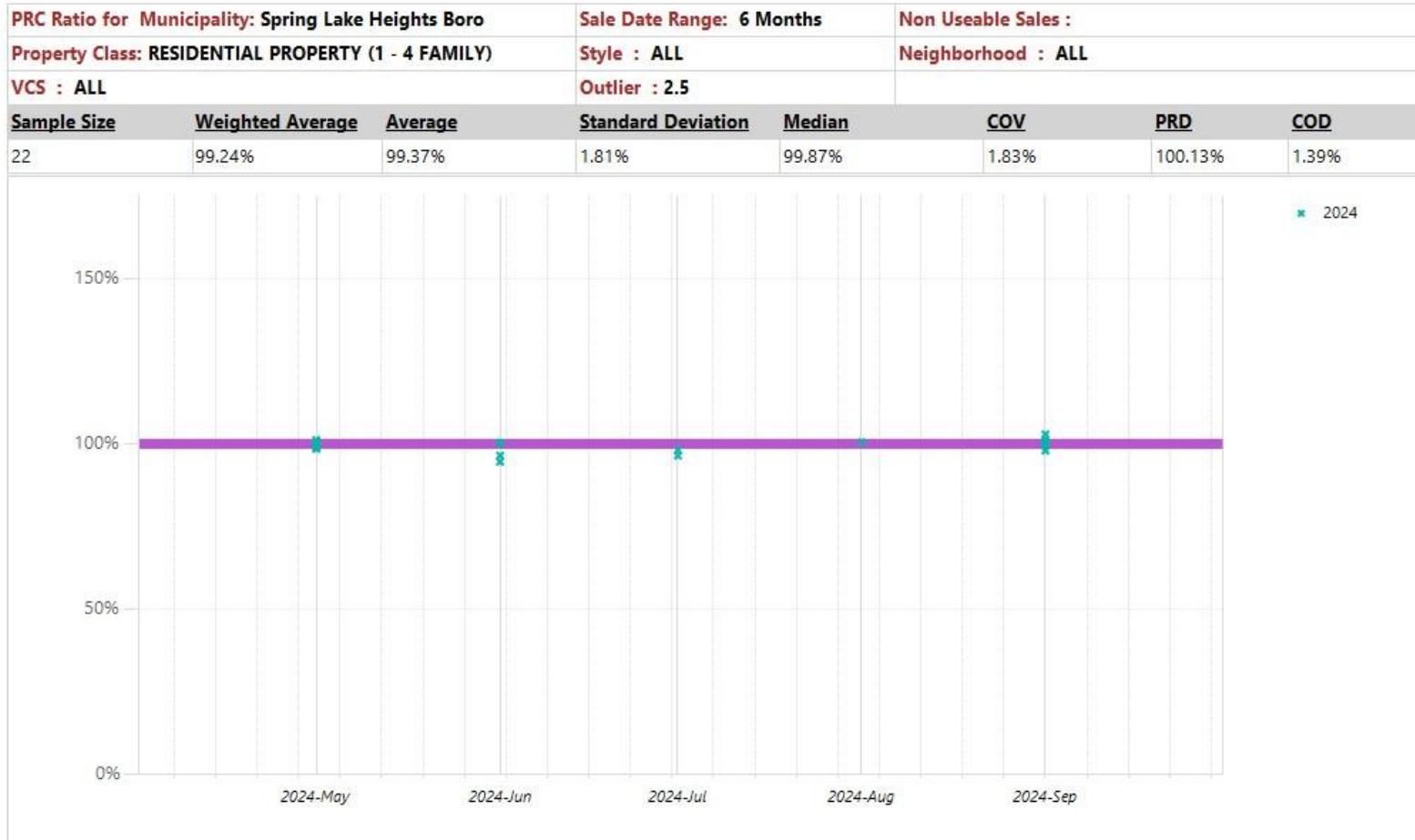
## PRC Ratio Scatter



(figure 18)

**Tax Board Assessment Data Analysis Module (ADAM360) Standardized Review:**  
**All residential usable sales during the past 6-month period**  
**(removing top & bottom 2.5% outliers and properties that had renovations after the sale)**

## PRC Ratio Scatter



(figure 19)