# PROPERTY AND PEOPLE:

# THE CITY OF BUFFALO'S REVALUATION OF REAL PROPERTY


STATE BOARD OF EQUALIZATION AND ASSESSMENT

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# THE CITY OF BUFFALO'S REVALUATION OF REAL PROPERTY

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# TABLE OF CONTENTS


| | Page |
|---|---|
| **TABLE OF CONTENTS** | iii |
| **LIST OF TABLES** | v |
| **LIST OF FIGURES** | vi |
| **EXECUTIVE SUMMARY** | vii |
| **INTRODUCTION** | 1 |
| **REPORT METHODOLOGY** | 1 |
| **CITYWIDE EFFECTS** | 3 |
| Assessed Value Changes | 3 |
| Tax Levy Changes | 7 |
| Homestead Tax Rate Effects | 9 |
| **NEIGHBORHOOD CHARACTERISTICS AND EFFECTS** | 11 |
| Neighborhood Demographics | 11 |
| Household Income | 11 |
| Senior Citizen Heads of Household | 16 |
| Educational Characteristics | 16 |
| Neighborhood Effects | 19 |
| All Property Assessed Value Increases | 19 |
| Residential Property Assessed Value Increases | 23 |

## TABLE OF CONTENTS (continued)

Page

**CENSUS TRACT CHARACTERISTICS AND EFFECTS** ..... 24

Census Demographics ..... 25

Household Income ..... 25

Senior Citizen Heads of Household ..... 27

Educational Characteristics ..... 28

Census Tract Effects ..... 31

All Property Assessed Value Increases ..... 31

Residential Property Assessed Value Increases ..... 33

**CONCLUSIONS** ..... 35

## LIST OF TABLES


| | | Page |
|---|---|---|
| Table 1. | City of Buffalo: Distribution of Assessed Value Change 1986-1987 | 4 |
| Table 2A. | City of Buffalo: Levels and Change in Three Types of Tax Bills, 1986 and 1987 Assessment Rolls (All Parcels) | 8 |
| Table 2B. | City of Buffalo: Levels and Change in Three Types of Tax Bills, 1986 and 1987 Assessment Rolls | 8 |
| Table 3. | City of Buffalo: Census Tract Composition of Neighborhoods | 14 |
| Table 4. | City of Buffalo: Neighborhood Household Income (1979) versus Percent Assessed Value Change, 1986-1987 | 15 |
| Table 5. | City of Buffalo: Senior Citizen Heads of Household by Neighborhood (1980) versus Percent Assessed Value Change, 1986-1987 | 17 |
| Table 6. | City of Buffalo: Neighborhood Education Characteristics of Adults, 18+ years (1980) versus Percent Assessed Value Change, 1986-1987 | 18 |
| Table 7. | City of Buffalo: Census Variables, Ranked by Percent Change in Average Assessed Value - All Property, 1986-1987 | 21 |
| Table 8. | City of Buffalo: Census Variables, Ranked by Percent Change in Average Assessed Value - Residential Property Only, 1986-1987 | 22 |

## LIST OF FIGURES


| | | Page |
|---|---|---|
| Figure 1. | City of Buffalo: Distribution of Assessed Value Change 1986-1987 | 5 |
| Figure 2. | City of Buffalo: Distribution of Assessed Values, 1987 | 6 |
| Figure 3. | City of Buffalo: Census Tract Boundaries - 1980 | 12 |
| Figure 4. | City of Buffalo: Neighborhood and Census Tract Boundaries - 1980 | 13 |
| Figure 5. | City of Buffalo: Median Household Income by Census Tract, 1979 | 26 |
| Figure 6. | City of Buffalo: Percent of Heads of Households Aged 65 and Older by Census Tract, 1980 | 29 |
| Figure 7. | City of Buffalo: Percent of Adults with At Least Some College Education by Census Tract, 1980 | 30 |
| Figure 8. | City of Buffalo: Percent Change in Assessed Value - All Property by Census Tract, 1986-1987 | 32 |
| Figure 9. | City of Buffalo: Percent Change in Assessed Value - Residential Property by Census Tract, 1986-1987 | 34 |

## EXECUTIVE SUMMARY

The City of Buffalo's 1987 assessment roll was the first use of the real property revaluation completed by the Reassessment Consortium of Erie County. Between the 1986 and 1987 rolls, the City's total assessed value increased from $1.8 billion to $6.9 billion or slightly over 280%.

Within this average change for all property classes, there was considerable dispersion of individual parcel changes both within and across property types. The residential parcels studied (74,462) were found to have an average change of almost 380%, while nonresidential parcels studied (21,033) showed changes averaging approximately 230%.

Geographic analysis of assessed value changes found a pattern of lower increases at or near the City's center, while higher increases were more prevalent near Buffalo's municipal borders. These patterns established a link between past and existing assessing practices: areas with higher increases indicate previous underassessments and, conversely, areas with lower increases typify previously overassessed areas.

Closely related to these assessing patterns were certain 1980 Census characteristics. A majority of the census tracts experiencing the least amount of change in residential assessed values were also characterized by lower incomes and fewer aged heads of households.

These results would tend to support a hypothesis that relatively low increases in assessed value, i.e. previous overassessments, were experienced in an environment comprised of younger, less educated individuals with relatively low incomes. The reverse case with higher assessed value increases and

therefore previous underassessments could also be stated, but with somewhat less conviction.

While the effects of relative overassessment on such populations are important, it should be kept in mind that the demographics of an area do not fully explain differences in assessed value increases that result from revaluations. Such differences in Buffalo also reflect property appreciation patterns occurring in the City since the last revaluation (1960). That is to say, prior to revaluation the marginal appreciation of the inner-city properties and the rapid appreciation of Buffalo's outlying areas had not been fully captured through adjustments in assessments.

Thus, the neglect of periodic revaluations permitted a growing disparity between market value and assessed value to creep into assessment rolls. The resulting inequities were corrected by the 1987 revaluation.

## INTRODUCTION

The City of Buffalo's 1987 assessment roll was the first instance in which the City was able to make use of its recently completed revaluation of real property. Following a plan originally approved by the State Division of Equalization and Assessment (SDEA) in March of 1979, the Reassessment Consortium of Erie County completed the revaluation of some 98,500 parcels for the City by July 1987. This report shows the changes that occurred between the 1986 and 1987 assessment rolls and explains how the changes relate to certain population segments in the City.

## REPORT METHODOLOGY

In order to study the results of the City of Buffalo's revaluation of real property, two master data files were created. The first file provided parcel level data on assessed values and property descriptions, while the second file furnished demographic details of the City's census tracts.

The parcel level file, produced by SDEA's Bureau of Local Assessment Services, was developed by comparing parcels on the 1986 (pre-revaluation) assessment roll to the 1987 (post-revaluation) roll. The parcels selected were those which (1) had maintained their land usage, as identified by SDEA's broad use class codes and (2) had not undergone a major physical change, e.g. the parcel had not been split into multiple parcels or merged with other parcels.

This process produced a "matched parcel" file containing 95,495 parcels/records of the 99,776 parcels listed on the 1986 assessment roll. Records in this file provided information on total and exempt assessed values, property

size and location, homestead/nonhomestead classification, owner's name, and various other property characteristics. Additionally, this file included descriptors of each parcel's location in terms of the New York State Plane Coordinate System, i.e. grid coordinates.

It should be noted that the "matched parcel" file data does not reflect court-ordered reductions in 1987 individual assessed values resulting from small claims assessment review or certiorari settlements. This absence is particularly noteworthy when analyzing the differences between the two assessment rolls. This file contains approximately 98% of the residential parcels on the 1987 assessment roll and due to the lack of these reductions, this data set produces total assessed value and total tax bill figures for the residential class that are greater than those reported by the City of Buffalo for all residential parcels.

The nonresidential portion of the "matched parcel" file contains about 65% of the 1987 citywide nonresidential assessed value. The absence of these court-ordered reductions will overstate 1987 values, and thus overstate changes between the two rolls.

The census tract file, created by SDEA's Geographic Information Systems Unit, coupled the assessed value changes existing on the "matched parcel" file to 1980 demographics compiled by the U.S. Bureau of the Census. Grid coordinates of the selected parcels were matched to coordinates of census tract boundaries so that each parcel could be accurately located within its appropriate census tract. Once this routine was completed, data originating at the parcel or census tract level could be aggregated to show citywide effects.

A good deal of effort went into devising a level of analysis between the citywide and census tract levels. Some thought was given to using political wards or zip code boundaries as an intermediate level, but the data describing

these placements proved to be unreliable. However, discussions with the City of Buffalo's Planning Department provided such a level of analysis. Twelve planning communities were developed by the City Planning Department in the early 1950's. The boundaries of these communities are determined by major physical barriers and differences in street patterns and building lot sizes.

While the boundaries of these communities do not always occur along census tract lines, the majority of them do coincide with tract boundaries. In those few cases where a census tract was divided between two communities, its placement was determined either by the tract's larger segment or by the tract's similarity, in terms of land use, with the communities in question.

## CITYWIDE EFFECTS

### Assessed Value Changes

The City of Buffalo experienced an average change in total assessed value of slightly more than 280% between its 1986 assessment roll ($1,807,914,830) and its 1987 roll ($6,901,761,132). This percentage is only marginally higher than the 277% increase that was computed using the "matched parcel" data. Table 1 on the following page and Figure 1 (page 5) illustrate the distribution of changes in individual parcel assessed values that occurred within this data set. These illustrations show that while the average change for all parcels was 277%, there was also significant dispersion among the individual values. This is especially true for the nonresidential class.

Residential properties within the "matched parcel" data had an assessed value median change of 368% for this group; i.e., half the parcels had a change greater than 368% and half had a smaller change. Residential parcels generally saw larger increases than did nonresidential parcels. While approximately two

**Table 1. City of Buffalo: Distribution of Assessed Value Change, 1986-1987.**

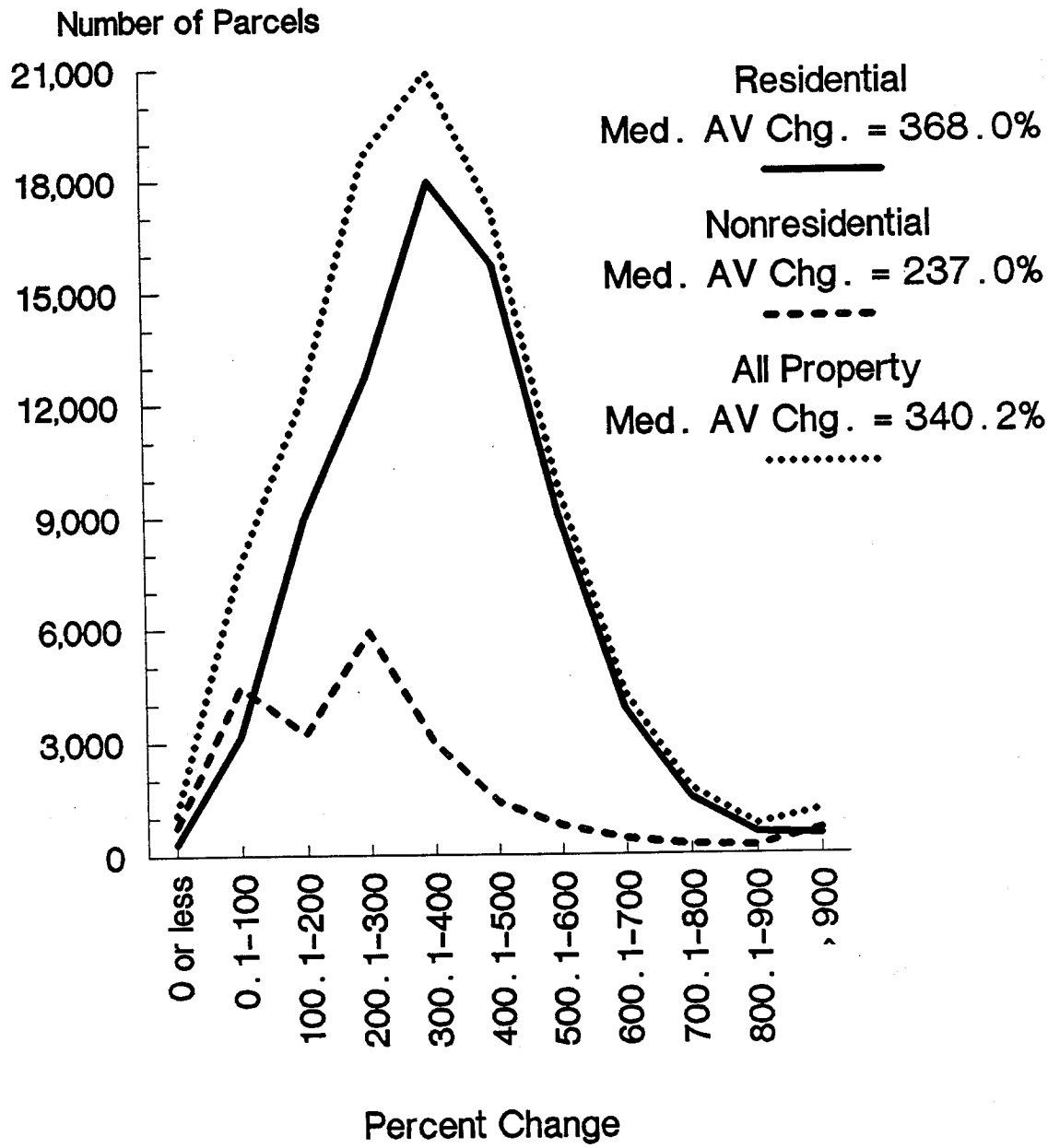
| | Number of Parcels | | |
|---|---|---|---|
| **Percent Change** | **Residential** | **Nonresidential** | **All Property** |
| 0 or less | 331 | 771 | 1,102 |
| 0.1 - 100.0 | 3,170 | 4,460 | 7,630 |
| 100.1 - 200.0 | 8,945 | 3,223 | 12,168 |
| 200.1 - 300.0 | 12,771 | 5,908 | 18,679 |
| 300.1 - 400.0 | 17,951 | 2,982 | 20,933 |
| 400.1 - 500.0 | 15,744 | 1,392 | 17,136 |
| 500.1 - 600.0 | 9,079 | 759 | 9,838 |
| 600.1 - 700.0 | 3,887 | 416 | 4,303 |
| 700.1 - 800.0 | 1,504 | 250 | 1,754 |
| 800.1 - 900.0 | 567 | 213 | 780 |
| Greater than 900 | 513 | 659 | 1,172 |
| **Total** | **74,462** | **21,033** | **95,495** |
| **Average** | **379.4** | **228.6** | **276.6** |

out of three (66%) residential parcels had assessed value increases in excess of 300%, slightly less than one-third (32%) of the nonresidential parcels experienced such a change. In terms of past assessing practices, this clearly shows that, as a class, residential parcels were underassessed relative to the nonresidential class.

Although nonresidential parcels exhibited a much lower median change (237%), they showed greater variation in the distribution of the changes. Where the curve for residential assessed value changes in Figure 1 rises fairly evenly to a peak and then recedes in much the same manner, the nonresidential curve's nonlinear rise is clearly visible. In part, this is explained by the composition of this class. The nonresidential class is actually a mixture of the commercial, industrial, vacant land, and public utility classes. As such, it should not be expected to perform as uniformly as the residential class.

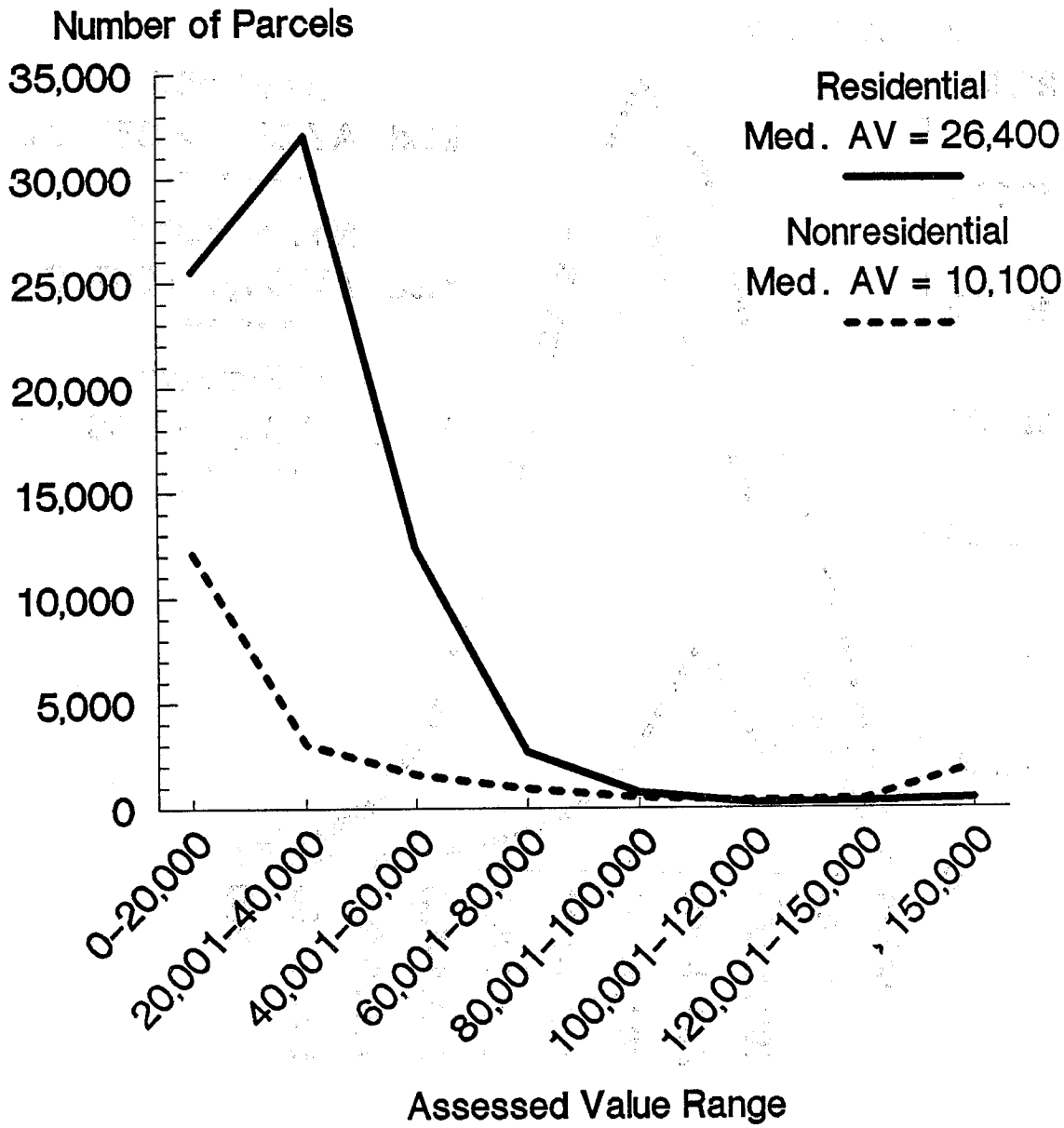
The end results of these assessed value changes are shown in Figure 2 on page 6. The figure graphically illustrates the distribution of 1987 assessment

# Figure 1. City of Buffalo: Distribution of Assessed Value Change, 1986-1987




Matched Parcel Data
(n=95,495 parcels)

# Figure 2. City Of Buffalo: Distribution of Assessed Values, 1987




Matched Parcel Data
(n=95,495 parcels)

roll values for the "matched parcel" data. Assessed values of the residential and nonresidential parcels are grouped into $20,000 increments up to $120,000, with two additional groupings ($120,000-150,000 and greater than $150,000) for the remaining properties.

While the large majority of both residential (77%) and nonresidential (72%) parcels are contained in the $0-$40,000 range, the proportion of nonresidential properties valued in excess of $100,000 (13%) is expectedly higher than residential dwellings (1.4%). The nonresidential median assessed value of $10,000 was initially thought to be very low, but analysis discovered that a large number of vacant land parcels (10,481) with an average assessed value of $8,260 had a direct bearing on the determination of the nonresidential median.

**Tax Levy Changes**

The City of Buffalo accomplished what few municipalities have been able to do after completing a revaluation project — lower total taxes. It is unfortunate, but almost predictable, that for various reasons, e.g. rising municipal expenses, property taxes rise in the year following a revaluation. As often as not, taxpayers mistakenly believe these increased taxes are the result of the recently completed revaluation. In reality, revaluations themselves cause no overall increase in real property taxes, but do redistribute the existing tax base on a more equitable basis.

Table 2A. shown on page 8 shows the amount and percent change in each of the three major property taxes levied against all property owners for the 1986 and 1987 assessment rolls. The table illustrates that the total tax decrease of slightly more than 5% was almost entirely caused by a 17.6% decrease in the City's share of Erie county taxes.

**Table 2A. City of Buffalo: Levels and Change in Three Types of Tax Bills, 1986 and 1987 Assessment Rolls (All Parcels).**

| Levy | 1986 | 1987 | Percent Change |
|---|---|---|---|
| School Tax | $ 52,028,478 | $ 51,597,562 | -0.83% |
| City Tax | 40,835,006 | 41,656,232 | +2.01% |
| County Tax | 40,985,046 | 33,775,428 | -17.59% |
| **Total** | **$133,848,530** | **$127,029,222** | **-5.09%** |

Source: City of Buffalo, Office of the Assessor.

A more detailed analysis of property tax levies using the "matched parcel" data is presented in Table 2B. below. As explained in the Report Methodology section of this paper, the "matched parcel" file data does not include court-ordered reductions for 1987 assessed values. For this reason, Table 2B. tax bills are slightly overstated.

**Tabel 2B. City of Buffalo: Levels and Change in Three Types of Tax Bills, 1986 and 1987 Assessment Rolls.**

**Residential Parcels:**

| Levy | 1986 | 1987 | Percent Change |
|---|---|---|---|
| School Tax | $ 23,433,019 | $ 23,459,404 | +0.11% |
| City Tax | 18,010,982 | 18,971,343 | +5.33% |
| County Tax | 18,100,077 | 16,290,362 | -10.00% |
| **Total** | **$ 59,544,078** | **$ 58,721,109** | **-1.38%** |

**Nonresidential Parcels:**

| Levy | 1986 | 1987 | Percent Change |
|---|---|---|---|
| School Tax | $ 19,894,752 | $ 18,625,519 | -6.38% |
| City Tax | 15,882,451 | 15,028,930 | -5.37% |
| County Tax | 15,961,019 | 10,410,923 | -34.77% |
| **Total** | **$ 51,738,222** | **$ 44,065,372** | **-14.83%** |

**All Parcels:**

| Levy | 1986 | 1987 | Percent Change |
|---|---|---|---|
| School Tax | $ 43,327,771 | $ 42,084,923 | -2.87% |
| City Tax | 33,893,433 | 34,000,273 | +0.31% |
| County Tax | 34,061,096 | 26,701,285 | -21.61% |
| **Total** | **$111,282,300** | **$102,786,481** | **-7.63%** |

Source: Matched Parcel Data (n = 95,495 parcels).

**Homestead Tax Rate Effects**

Article 19 of the Real Property Tax Law (RPTL) allows an approved assessing unit[1] the option: (1) of preserving its pre-revaluation tax share for the homestead (primarily 1, 2, and 3 family residences) and nonhomestead classes, (2) of calculating homestead/nonhomestead class tax shares based on its first post-revaluation assessment roll, or (3) of calculating tax shares based on the homestead pre-revaluation tax shares plus 25%, 50%, or 75% of the difference between options (1) and (2).

The City of Buffalo was certified as an approved assessing unit on August 27, 1988 and chose to preserve its pre-revaluation homestead/nonhomestead tax shares. The following calculations show how the homestead/nonhomestead class tax rates were actually determined, as well as what could have occurred without the RPTL Article 19 provisions.

1. **Calculation of City and School District Tax Rates Using Homestead Provisions**

| City | Homestead | Nonhomestead |
|---|---|---|
| 1. Total Tax Levy | $41,656,232 | |
| 2. Base Proportion* | 45.1% | 54.9% |
| 3. Class Tax Levy (1 x 2) | $ 18,786,960 | $ 22,869,272 |
| 4. Taxable Assessed Value | $2,098,159,493 | $2,060,448,760 |
| 5. Tax Rate (3 / 4)** | $ 8.95 | $ 11.10 |
| **School District** | | |
| 1. Total Tax Levy | $51,597,562 | |
| 2. Base Proportion* | 45.1% | 54.9% |
| 3. Class Tax Levy (1 x 2) | $ 23,270,501 | $ 28,327,061 |
| 4. Taxable Assessed Value | $2,190,019,512 | $2,062,361,200 |
| 5. Tax Rate (3 / 4)** | $ 10.63 | $ 13.74 |

[1] RPTL §1901(d) defines an approved assessing unit as: "an assessing unit certified by the State Board as having completed a revaluation which is in conformance with the Board's rules and regulations." For a more detailed explanation, see Bruce W. Scott and Robert W. Zandri, "Approved Assessing Units, Guidelines and Options," SDEA, November 1987.

## 2. City and School District Tax Levies with and without Homestead Provisions

### A. Tax Rates without Homestead -

| Taxing Purpose | Taxable Assessed Value | Total Tax Levy | Tax Rate** |
|---|---|---|---|
| City | $4,158,608,253 | $41,656,232 | $ 10.02 |
| School District | $4,252,380,712 | $51,597,562 | $ 12.13 |

### B. Tax Levies -

| City | Homestead | Nonhomestead |
|---|---|---|
| 1. Taxable Assessed Value | $2,098,159,493 | $2,060,448,760 |
| 2. Tax Rate** | $ 10.02 | $ 10.02 |
| 3. Tax Levy: | | |
| without homestead provisions | $ 21,016,988 | $ 20,639,244 |
| with homestead provisions | $ 18,786,960 | $ 22,869,272 |
| 4. Change without homestead | +11.87% | -9.75% |

| School District | | |
|---|---|---|
| 1. Taxable Assessed Value | $2,190,019,512 | $2,062,361,200 |
| 2. Tax Rate** | $ 12.13 | $ 12.13 |
| 3. Tax Levy: | | |
| without homestead provisions | $ 26,573,272 | $ 25,024,290 |
| with homestead provisions | $ 23,270,501 | $ 28,327,061 |
| 4. Change without homestead | +14.19% | -11.66% |

* As rounded by City of Buffalo.

** Per $1,000 assessed value. Rounded for table presentation, actual rate is carried to eight decimal places.

As demonstrated above, homestead owners, as a group, would have sustained increases of almost 12% in their city tax bills and over 14% in their school district taxes. These increases would have far outweighed the modest decrease between 1986 and 1987 in their total tax bill for city, county, and school district purposes.

## NEIGHBORHOOD CHARACTERISTICS AND EFFECTS

In the early 1950's, Buffalo officials formally recognized and defined the boundaries of the City's twelve planning communities. These communities and their names had generally been accepted by the majority of City residents prior to this time, but their boundaries were vague and subject to some movement from time to time. While the City of Buffalo defines these areas as communities, most residents would consider them to be neighborhoods, which in Buffalo are drawn primarily along political ward lines. For the purposes of this report, Buffalo's communities will be referred to as neighborhoods.

Figure 3 on the following page shows the location of each of Buffalo's 1980 census tracts, as well as the City's location in western New York State. This map provided the starting point for defining the neighborhood boundaries depicted in Figure 4 on page 13. Table 3, shown on page 14, provides the same neighborhood boundary information in tabular form.

### Neighborhood Demographics

#### Household Income

A large percentage of the City of Buffalo's household incomes were low in 1979. The collapse of much of the steel industry in Erie and Niagara counties during the 1970's, as well as intervals of national economic recession during the same period, account for much of the explanation for the City's low household incomes. Almost 45% of the City's household incomes (the sum total of wages and salaries earned by <u>all</u> members of a given household) were less than $10,000 per year in 1979. Similarly, less than one household in six had an income of $25,000 or more. Citywide, median household income was in the $10,000 to $15,000 range.

Figure 3.
CITY of BUFFALO:
CENSUS TRACT BOUNDARIES-1980

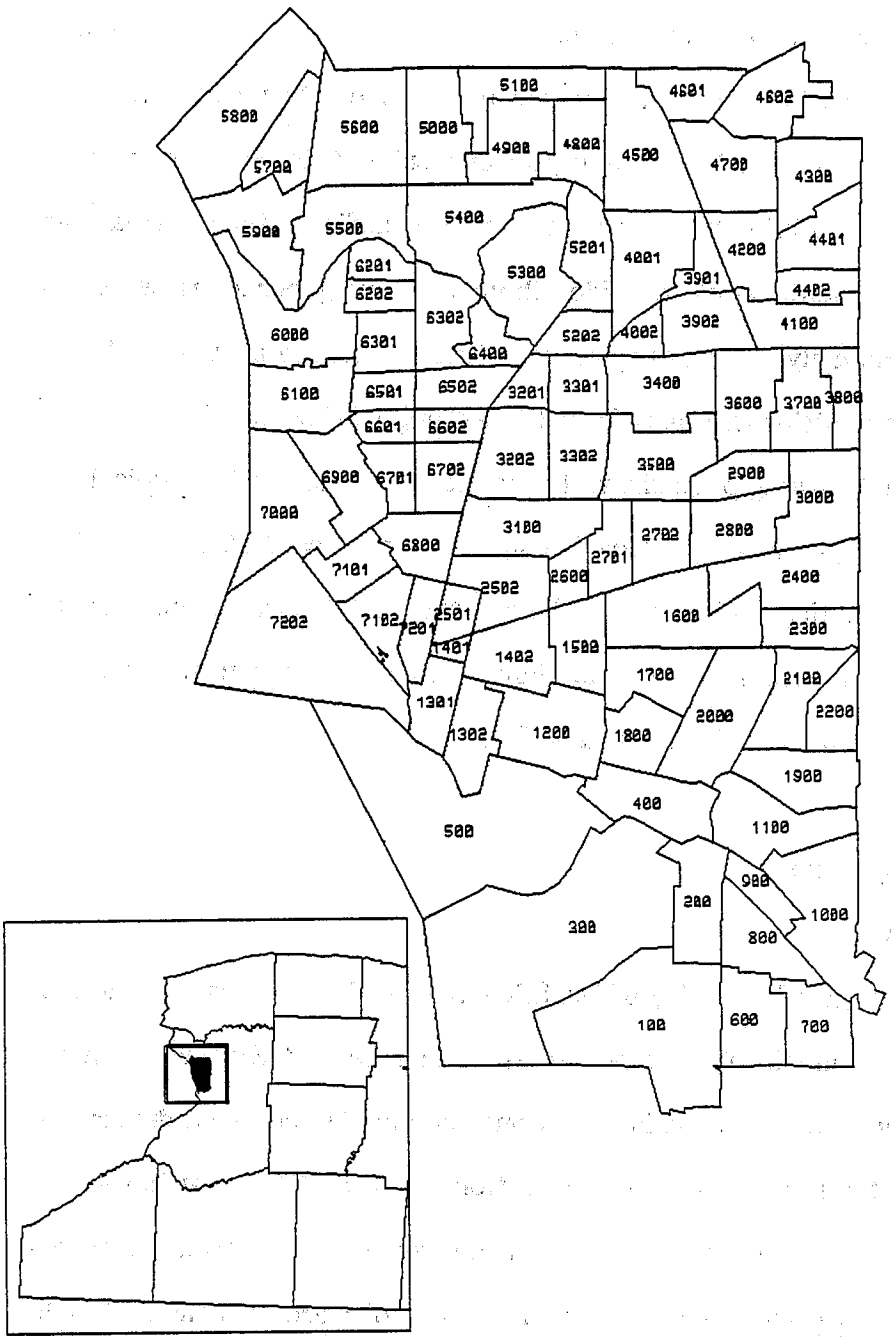


Figure 4.
CITY of BUFFALO:
NEIGHBORHOOD AND CENSUS TRACT BOUNDARIES - 1980

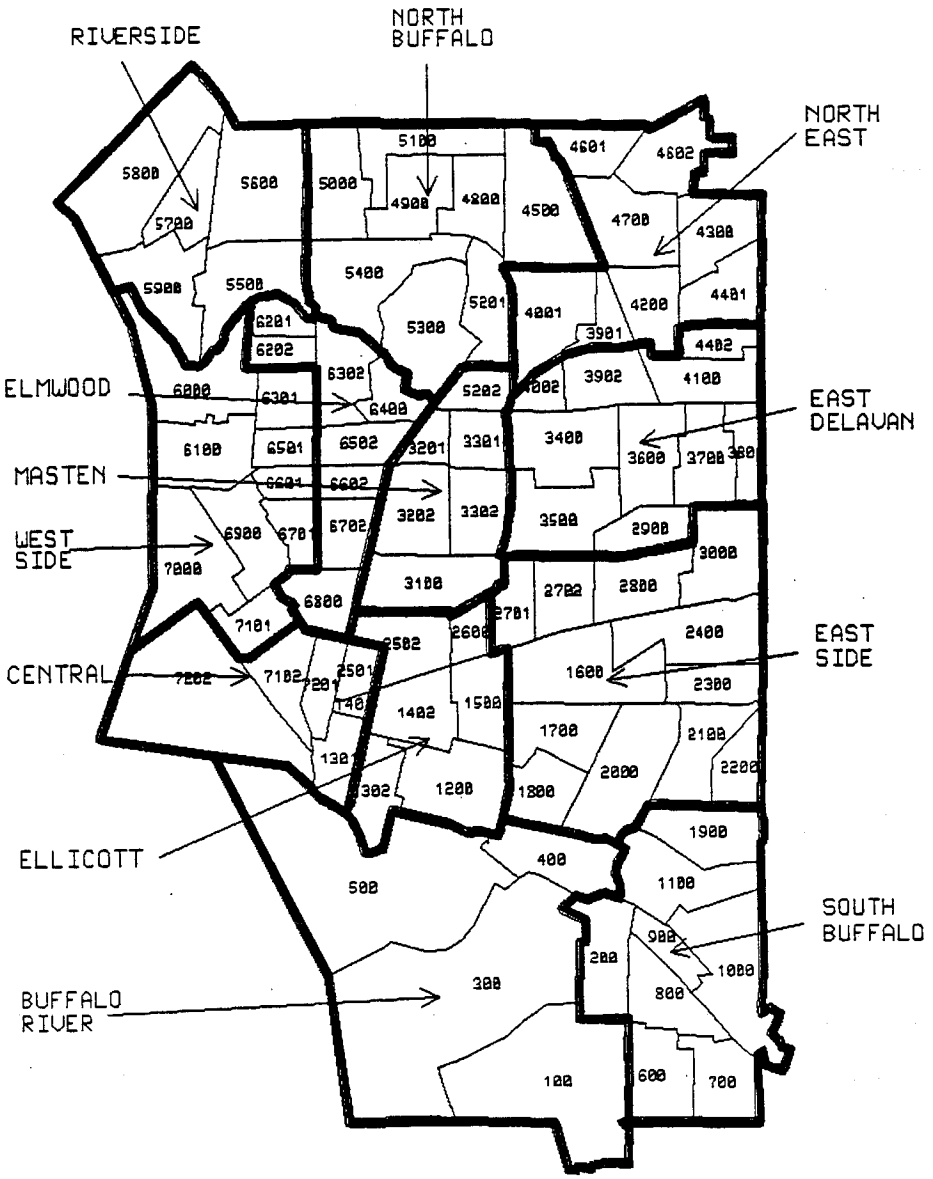


**Table 3. City of Buffalo: Census Tract Composition of Neighborhoods.**

| Buffalo River | | |
|---|---|---|
| 100 | 400 | |
| 300 | 500 | |

| Central | | |
|---|---|---|
| 1301 | 2501 | 7201 |
| 1401 | 7102 | 7202 |

| East Delavan | | |
|---|---|---|
| 2900 | 3700 | 4002 |
| 3400 | 3800 | 4100 |
| 3500 | 3902 | 4402 |
| 3600 | | |

| East Side | | |
|---|---|---|
| 1600 | 2100 | 2701 |
| 1700 | 2200 | 2702 |
| 1800 | 2300 | 2800 |
| 2000 | 2400 | 3000 |

| Ellicott | | |
|---|---|---|
| 1200 | 1402 | 2502 |
| 1302 | 1500 | 2600 |

| Elmwood | | |
|---|---|---|
| 6201 | 6400 | 6702 |
| 6202 | 6502 | 6800 |
| 6302 | 6602 | |

| Masten | | |
|---|---|---|
| 3100 | 3202 | 3302 |
| 3201 | 3301 | 5202 |

| North Buffalo | | |
|---|---|---|
| 4500 | 5000 | 5300 |
| 4800 | 5100 | 5400 |
| 4900 | 5201 | |

| North East | | |
|---|---|---|
| 3901 | 4300 | 4602 |
| 4001 | 4401 | 4700 |
| 4200 | 4601 | |

| Riverside | | |
|---|---|---|
| 5500 | 5700 | 5900 |
| 5600 | 5800 | |

| South Buffalo | | |
|---|---|---|
| 200 | 800 | 1100 |
| 600 | 900 | 1900 |
| 700 | 1000 | |

| West Side | | |
|---|---|---|
| 6000 | 6501 | 6900 |
| 6100 | 6601 | 7000 |
| 6301 | 6701 | 7101 |

Table 4 on page 15, shows that only North Buffalo and South Buffalo had median household incomes between $15,000 and $19,999, i.e. greater than the citywide median range. On the other hand, four neighborhoods (Central, Ellicott, West Side and Masten) had median household incomes in the $5,000 to $9,999 range, i.e. less than the citywide median range.

**Table 4. City of Buffalo: Neighborhood Household Income (1979) versus Percent Assessed Value Change, 1986-1987.**

| Neighborhood | Less than $5,000 | $5,000 to $9,999 | $10,000 to $14,999 | $15,000 to $19,999 | $20,000 to $24,999 | $25,000 to $49,999 | $50,000 or Greater | Total Households |
|---|---|---|---|---|---|---|---|---|
| Riverside | 2,172 | 2,294 | 1,776 | 1,379 | 1,114 | 1,524 | 89 | 10,348 |
| N. Buffalo | 1,776 | 2,662 | 2,544 | 2,296 | 1,737 | 2,979 | 705 | 14,699 |
| North East | 2,140 | 2,747 | 2,227 | 2,099 | 1,500 | 2,488 | 163 | 13,364 |
| E. Delavan | 4,180 | 4,053 | 2,627 | 2,399 | 1,780 | 2,266 | 119 | 17,424 |
| East Side | 4,443 | 4,284 | 3,124 | 2,569 | 1,870 | 2,217 | 114 | 18,621 |
| S. Buffalo | 1,760 | 2,372 | 2,301 | 2,388 | 2,174 | 3,188 | 243 | 14,426 |
| Buffalo River | 532 | 566 | 325 | 373 | 335 | 411 | 36 | 2,578 |
| Ellicott | 3,377 | 1,908 | 822 | 643 | 344 | 481 | 29 | 7,604 |
| Central | 1,091 | 808 | 343 | 278 | 176 | 116 | 06 | 2,818 |
| West Side | 5,578 | 4,816 | 3,281 | 2,560 | 1,841 | 2,195 | 193 | 20,464 |
| Masten | 2,744 | 2,206 | 1,522 | 774 | 779 | 1,262 | 45 | 9,332 |
| Elmwood | 2,036 | 1,811 | 1,549 | 1,014 | 807 | 1,273 | 664 | 9,154 |
| **Total** | **31,829** | **30,527** | **22,441** | **18,772** | **14,457** | **20,400** | **2,406** | **140,832** |

**Table 4. City of Buffalo: Neighborhood Household Income (1979) versus Percent Assessed Value Change, 1986-1987 (continued).**

| Neighborhood | Average Assessed Value Change (%) All Property | Difference from Citywide Average (276.6%) | Average Assessed Value Change (%) Residential | Difference from Citywide Average (379.4%) |
|---|---|---|---|---|
| Riverside | 311.9 | +35.3 | 435.6 | +56.2 |
| N. Buffalo | 384.5 | +107.9 | 491.1 | +111.7 |
| North East | 310.5 | +33.9 | 357.0 | -22.4 |
| E. Delavan | 220.7 | -55.9 | 249.6 | -129.8 |
| East Side | 293.8 | +17.4 | 359.0 | -20.4 |
| S. Buffalo | 357.3 | +80.7 | 436.8 | +57.4 |
| Buffalo River | 193.2 | -83.4 | 350.0 | -29.4 |
| Ellicott | 182.8 | -93.8 | 258.7 | -120.7 |
| Central | 247.6 | -29.0 | 409.6 | +30.2 |
| West Side | 295.9 | +19.3 | 382.3 | +2.9 |
| Masten | 178.0 | -98.6 | 154.5 | -224.9 |
| Elmwood | 312.8 | +36.2 | 449.9 | +70.5 |

**Senior Citizen Heads of Household**

For the purposes of this report senior citizens are defined as individuals who are 65 years or older. Table 5 on page 17 shows that, according to the 1980 Census, 25.7% of Buffalo's households were headed by such an individual. Neighborhood senior citizen percentages varied little in absolute terms, with a low of 19.6% (Masten) and a high of 30.3% (Elmwood), but showed more variability in relative terms; i.e., Elmwood had 55% more senior citizen heads of households than did Masten.

There was some expectation that senior citizen heads of households would exhibit an inverse relationship with median household income; that is, as senior citizen householder percentages rose, median incomes would fall. Such was not the case. The four neighborhoods with the highest percentages of senior citizen heads of households had a distinctly "normal" curve, with one neighborhood (Central) having a low median income, two with average medians (East Side and Elmwood), and one with a high median (North Buffalo). On the low percentage side, two neighborhoods (West Side and Masten) had low median incomes and two (East Delavan and Buffalo River) had moderate median household incomes.

**Educational Characteristics**

Consistent with the national trend of smaller size families, i.e. fewer children per household, the 1980 Census found that almost 75% of Buffalo's total population was 18 years old or older. Table 6 on page 18 shows that of these 267,807 adults almost 60% had at least a high school education and over 25% continued their education at a two- or four-year institution.

**Table 5. City of Buffalo: Senior Citizen Heads of Household by Neighborhood (1980) versus Percent Assessed Value Change, 1986-1987.**

| Neighborhood | Number of Heads of Households | | | Percent |
|---|---|---|---|---|
| | 15-64 yrs. | 65+ yrs. | Total | 65+ yrs. |
| Riverside | 7,514 | 2,834 | 10,348 | 27.4% |
| N. Buffalo | 10,611 | 4,088 | 14,699 | 27.8% |
| North East | 9,944 | 3,420 | 13,364 | 25.6% |
| E. Delavan | 13,654 | 3,770 | 17,424 | 21.6% |
| East Side | 13,088 | 5,533 | 18,621 | 29.7% |
| S. Buffalo | 10,688 | 3,738 | 14,426 | 25.9% |
| Buffalo River | 1,965 | 613 | 2,578 | 23.8% |
| Ellicott | 5,570 | 2,034 | 7,604 | 26.7% |
| Central | 1,967 | 851 | 2,818 | 30.2% |
| West Side | 15,770 | 4,694 | 20,464 | 22.9% |
| Masten | 7,500 | 1,832 | 9,332 | 19.6% |
| Elmwood | 6,381 | 2,773 | 9,154 | 30.3% |
| **Total** | **104,652** | **36,180** | **140,832** | **25.7%** |

**Table 5. City of Buffalo: Senior Citizen Heads of Household by Neighborhood (1980) versus Percent Assessed Value Change, 1986-1987 (continued).**

| Neighborhood | Average Assessed Value Change (%) All Property | Difference from Citywide Average (276.6%) | Average Assessed Value Change (%) Residential | Difference from Citywide Average (379.4%) |
|---|---|---|---|---|
| Riverside | 311.9 | +35.3 | 435.6 | +56.2 |
| N. Buffalo | 384.5 | +107.9 | 491.1 | +111.7 |
| North East | 310.5 | +33.9 | 357.0 | -22.4 |
| E. Delavan | 220.7 | -55.9 | 249.6 | -129.8 |
| East Side | 293.8 | +17.4 | 359.0 | -20.4 |
| S. Buffalo | 357.3 | +80.7 | 436.8 | +57.4 |
| Buffalo River | 193.2 | -83.4 | 350.0 | -29.4 |
| Ellicott | 182.8 | -93.8 | 258.7 | -120.7 |
| Central | 247.6 | -29.0 | 409.6 | +30.2 |
| West Side | 295.9 | +19.3 | 382.3 | +2.9 |
| Masten | 178.0 | -98.6 | 154.5 | -224.9 |
| Elmwood | 312.8 | +36.2 | 449.9 | +70.5 |

**Table 6. City of Buffalo: Neighborhood Education Characteristics of Adults, 18+ years (1980) versus Percent Assessed Value Change, 1986-1987.**

| Neighborhood | Education Level: Elementary School | High School | Some College | Post-Graduate | Total | Total Some or More College | Percent Some or More College |
|---|---|---|---|---|---|---|---|
| Riverside | 8,586 | 7,189 | 2,204 | 932 | 18,911 | 3,136 | 16.6% |
| N. Buffalo | 7,189 | 8,883 | 5,682 | 6,893 | 28,647 | 12,575 | 43.9% |
| North East | 8,281 | 8,731 | 6,692 | 4,155 | 27,859 | 10,847 | 38.9% |
| E. Delavan | 14,913 | 11,193 | 4,724 | 1,468 | 32,298 | 6,192 | 19.2% |
| East Side | 19,465 | 10,343 | 3,069 | 1,278 | 34,155 | 4,347 | 12.7% |
| S. Buffalo | 10,679 | 11,957 | 4,741 | 2,317 | 29,694 | 7,058 | 23.8% |
| Buffalo River | 2,788 | 1,816 | 494 | 149 | 5,247 | 643 | 12.3% |
| Ellicott | 7,999 | 3,030 | 1,314 | 347 | 12,690 | 1,661 | 13.1% |
| Central | 2,423 | 1,231 | 557 | 309 | 4,520 | 866 | 19.2% |
| West Side | 15,289 | 11,358 | 5,737 | 4,191 | 36,575 | 9,928 | 27.1% |
| Masten | 9,200 | 5,521 | 3,241 | 1,067 | 19,029 | 4,308 | 22.6% |
| Elmwood | 4,550 | 4,643 | 4,367 | 4,622 | 18,182 | 8,989 | 49.4% |
| **Total** | **111,362** | **85,895** | **42,822** | **27,728** | **267,807** | **70,550** | **26.3%** |

**Table 6. City of Buffalo: Neighborhood Education Characteristics of Adults, 18+ years (1980) versus Percent Assessed Value Change, 1986-1987 (continued).**

| Neighborhood | Average Assessed Value Change (%) All Property | Difference from Citywide Average (276.6%) | Average Assessed Value Change (%) Residential | Difference from Citywide Average (379.4%) |
|---|---|---|---|---|
| Riverside | 311.9 | +35.3 | 435.6 | +56.2 |
| N. Buffalo | 384.5 | +107.9 | 491.1 | +111.7 |
| North East | 310.5 | +33.9 | 357.0 | -22.4 |
| E. Delavan | 220.7 | -55.9 | 249.6 | -129.8 |
| East Side | 293.8 | +17.4 | 359.0 | -20.4 |
| S. Buffalo | 357.3 | +80.7 | 436.8 | +57.4 |
| Buffalo River | 193.2 | -83.4 | 350.0 | -29.4 |
| Ellicott | 182.8 | -93.8 | 258.7 | -120.7 |
| Central | 247.6 | -29.0 | 409.6 | +30.2 |
| West Side | 295.9 | +19.3 | 382.3 | +2.9 |
| Masten | 178.0 | -98.6 | 154.5 | -224.9 |
| Elmwood | 312.8 | +36.2 | 449.9 | +70.5 |

Geographically, neighborhoods with high and low concentrations of persons with at least some college education were closely clustered. The band of four neighborhoods with the highest percentages of college participants begins with the West Side and follows a diagonal path to Elmwood, to North Buffalo, and ends in North East. In these neighborhoods, major influences on educational level are: Buffalo State Hospital and State College of Buffalo (Elmwood), Delaware Park (North Buffalo), SUNY Buffalo (North East), and proximity to downtown as well as Lake Erie (West Side). All of the above would tend to attract more highly educated people, either for work-related or housing-related reasons.

## Neighborhood Effects

### All Property Assessed Value Increases

A summary of the relationships existing between the percent change in assessed value of all property and the selected 1980 Census characteristics is presented in Table 7 on page 21. While the results of these comparisons are not clearly conclusive, there does exist a positive correlation between low-value census data (such as low income) and relatively small increases in assessed values and, to a smaller degree, between high-value census data and relatively large assessed value increases.

When attempting to discover the pattern of assessing practices prior to a revaluation, generally those areas that experience assessed value increases below the norm or average are said to be previously overassessed. Likewise, previously underassessed places would show assessed value increases greater than the average.

Differences in assessment are probably caused more by property appreciation/depreciation patterns than by the composition of the neighborhood population itself; that is, the depreciation, or marginal appreciation, of the center city housing stock and the rapid appreciation in Buffalo's outlying areas had not been fully captured prior to revaluation. A program of periodic revaluations would have captured these varying rates of appreciation and prevented patterns of over- and underassessments from occurring.

Neighborhood household incomes were marginally indicative of assessed value changes. Both of the high-income neighborhoods and two of the four low-income neighborhoods were, respectively, also among the four highest and four lowest areas in terms of assessed value increases. However, income by itself should not be used as a model for predicting neighborhood assessed value changes.

The four neighborhoods experiencing the least amount of assessed value increase (Masten, Ellicott, Buffalo River, and East Delavan) also had some of the lowest values for individual census characteristics. Masten and Ellicott both had low values for median household income, as well as low values for an additional census characteristic. Masten's percent of householders 65 years of age and older and Ellicott's percent of college-educated individuals were among the City's four lowest values. The remaining neighborhoods (Buffalo River and East Delavan) both had low percents of 65 and over householders, but only Buffalo River had an additional low characteristic (percent of college-educated individuals).

**Table 7. City of Buffalo: Census Variables, Ranked by Percent Change in Average Assessed Value - All Property, 1986-1987.**

| Neighborhood | Average Assessed Value Change (%) All Property | Difference From Citywide Average (276.6%) | Average Assessed Value Change (%) Residential | Difference From Citywide Average (379.4%) |
|---|---|---|---|---|
| Masten | 178.0 | -98.6 | 154.5 | -224.9 |
| Ellicott | 182.8 | -93.8 | 258.7 | -120.7 |
| Buffalo River | 193.2 | -83.4 | 350.0 | -29.4 |
| E. Delavan | 220.7 | -55.9 | 249.6 | -129.8 |
| Central | 247.6 | -29.0 | 409.6 | +30.2 |
| East Side | 293.8 | +17.4 | 359.0 | -20.4 |
| West Side | 295.9 | +19.3 | 382.3 | +2.9 |
| North East | 310.5 | +33.9 | 357.0 | -22.4 |
| Riverside | 311.9 | +35.3 | 435.6 | +56.2 |
| Elmwood | 312.8 | +36.2 | 449.9 | +70.5 |
| S. Buffalo | 357.3 | +80.7 | 436.8 | +57.4 |
| N. Buffalo | 384.5 | +107.9 | 491.1 | +111.7 |
| **Citywide Average** | **276.6** | | **379.4** | |

**Table 7. City of Buffalo: Census Variables, Ranked by Percent Change Average in Assessed Value - All Property, 1986-1987 (continued).**

| Neighborhood | Median Household Income ($000) | Percent of Householders 65+ years | Percent of Population 18+ years - Some College Education |
|---|---|---|---|
| Masten | 5-10 | 19.6 | 22.6 |
| Ellicott | 5-10 | 26.7 | 13.1 |
| Buffalo River | 10-15 | 23.8 | 12.3 |
| E. Delavan | 10-15 | 21.6 | 19.2 |
| Central | 5-10 | 30.2 | 19.2 |
| East Side | 10-15 | 29.7 | 12.7 |
| West Side | 5-10 | 22.9 | 27.1 |
| North East | 10-15 | 25.6 | 38.9 |
| Riverside | 10-15 | 27.4 | 16.6 |
| Elmwood | 10-15 | 30.3 | 49.4 |
| S. Buffalo | 15-20 | 25.9 | 23.8 |
| N. Buffalo | 15-20 | 27.8 | 43.9 |
| **Citywide Average** | **10-15** | **25.7** | **26.3** |

**Table 8. City of Buffalo: Census Variables, Ranked by Percent Change in Average Assessed Value - Residential Property Only, 1986-1987.**

| Neighborhood | Average Assessed Value Change (%) All Property | Difference From Citywide Average (276.6%) | Average Assessed Value Change (%) Residential | Difference From Citywide Average (379.4%) |
|---|---|---|---|---|
| Masten | 178.0 | -98.6 | 154.5 | -224.9 |
| E. Delavan | 220.7 | -55.9 | 249.6 | -129.8 |
| Ellicott | 182.8 | -93.8 | 258.7 | -120.7 |
| Buffalo River | 193.2 | -83.4 | 350.0 | -29.4 |
| North East | 310.5 | +33.9 | 357.0 | -22.4 |
| East Side | 293.8 | +17.4 | 359.0 | -20.4 |
| West Side | 295.9 | +19.3 | 382.3 | +2.9 |
| Central | 247.6 | -29.0 | 409.6 | +30.2 |
| Riverside | 311.9 | +35.3 | 435.6 | +56.2 |
| S. Buffalo | 357.3 | +80.7 | 436.8 | +57.4 |
| Elmwood | 312.8 | +36.2 | 449.9 | +70.5 |
| N. Buffalo | 384.5 | +107.9 | 491.1 | +111.7 |
| **Citywide Average** | **276.6** | | **379.4** | |

**Table 8. City of Buffalo: Census Variables, Ranked by Percent Change Average Assessed Value - Residential Property Only, 1986-1987 (continued).**

| Neighborhood | Median Household Income ($000) | Percent of Householders - 65+ years | Percent of Population (18+ years) - Some College Education |
|---|---|---|---|
| Masten | 5-10 | 19.6 | 22.6 |
| E. Delavan | 10-15 | 21.6 | 19.2 |
| Ellicott | 5-10 | 26.7 | 13.1 |
| Buffalo River | 10-15 | 23.8 | 12.3 |
| North East | 10-15 | 25.6 | 38.9 |
| East Side | 10-15 | 29.7 | 12.7 |
| West Side | 5-10 | 22.9 | 27.1 |
| Central | 5-10 | 30.2 | 19.2 |
| Riverside | 10-15 | 27.4 | 16.6 |
| S. Buffalo | 15-20 | 25.9 | 23.8 |
| Elmwood | 10-15 | 30.3 | 49.4 |
| N. Buffalo | 15-20 | 27.8 | 43.9 |
| **Citywide Average** | **10-15** | **25.7** | **26.3** |

Results of the comparisons between relatively high increases in assessed values and census characteristics were less pronounced than for the smallest assessed value increases. While three of the four neighborhoods with the highest assessed value increases (Elmwood, South Buffalo, and North Buffalo) also had at least two of the highest values for a given census characteristic, there was no indication of Riverside's high increase. North Buffalo is a direct contradiction to these rather indistinct results. This neighborhood experienced the highest assessed value increase and was among the four highest values for each one of the census variables.

The above results would tend to support a hypothesis that relatively low increases in assessed value, i.e. previous overassessments, were experienced in an environment comprised of younger, less educated individuals with subsequently low incomes. The reverse case with higher assessed value increases could also be stated, but with somewhat less conviction.

**Residential Property Assessed Value Increases**

Table 8 on page 22 ranks the City's neighborhoods according to their degree of residential assessed value change and shows their associated values for census characteristics.

Three of the four neighborhoods with the lowest percentages of senior citizen heads of households (Masten, Buffalo River, and East Delavan) also experienced the lowest assessed value increases, and two of the four neighborhoods with the highest percentages of seniors heading households (Elmwood and North Buffalo) also had the highest assessed value increases.

There is not enough evidence to conclude that senior citizen heads of households were habitually underassessed. However, the data does show that

households headed by senior citizens were customarily located in areas that were experiencing moderate to high appreciation rates that had not been identified as such. Additionally, this type of household would often remain occupied by the same residents for a long period of time, thus making the rising value of the property less obvious.

The correlation of neighborhoods with higher concentrations of college participants to extreme changes in assessed value was minimal. The two neighborhoods with the highest concentrations of college participants (North Buffalo and Elmwood) also had the highest residential assessed value changes, but the next two highest in college-educated residents (North East and West Side) ranked fifth and seventh in terms of residential assessed value increases. Similarly, of the four neighborhoods with the lowest percentages of college participants, two (Ellicott and South Buffalo) were in the lowest group of increased residential assessed value, one (East Side) had a moderate rate of residential value change, and one (Riverside) was ranked among the top four neighborhoods in terms of residential change.

Some of the relationships between Buffalo's real property revaluation and its population characteristics are not as clear as might have been expected. In an effort to lend greater detail and accuracy to the analysis thus far completed, the next section of this report will examine assessed value changes and population characteristics in terms of the City's census tracts.

## CENSUS TRACT CHARACTERISTICS AND EFFECTS

As data is summarized, it also becomes more generalized. Therefore, this section of the report will re-examine the 1980 Census variables discussed in the previous section, but will do so on a census tract basis. This level of analysis

should provide a greater understanding of the wide range of values that can occur within a data set of 90 census tracts that is not possible within a data set of 12 neighborhoods. Additionally, an examination of census tracts allows one to identify those neighborhoods with distinctly mixed levels of a given characteristic. Such patterns are often "washed out" when values are averaged.

It was exactly for this reason that census tract maps keyed with various shading patterns were chosen as the way to present the results of this re-examination. Values of a given data variable were grouped into four evenly spaced increments. These increments were then coded for placement on the neighborhood/census tract map depicted as Figure 4 on page 13. Map shadings were developed so that the density of the shade would become more concentrated as the value range of the variable increased. It is unfortunate that it was not possible to create these shadings without masking the census tract labels, but a quick reference back to either Figure 3 (page 12) or to Figure 4 (page 13) should easily identify the location of a specific census tract.

## Census Demographics

### Household Income

The median household income for 89 of Buffalo's census tracts was $11,494.[2] Values ranged from a high of $20,500 (6302) to a low of $3,750 (6201). Figure 5 on the next page shows that the availability of specific median household incomes for each census tract provides a much clearer picture of Buffalo's income values than that presented in the neighborhood analysis.

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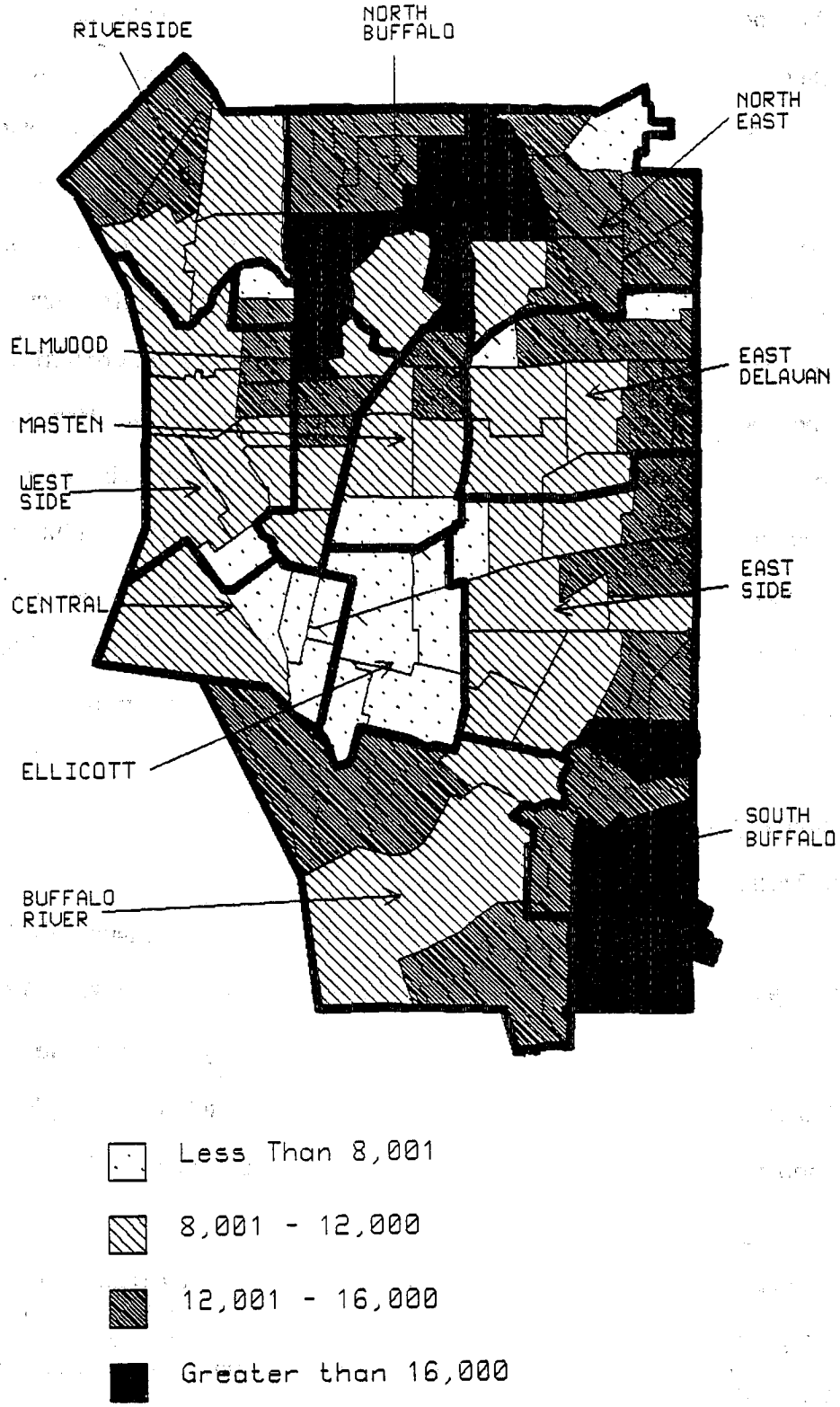
[2] Because of the small number of households in census tract 4602 (North East), for confidentiality reasons the Census Bureau would not release its median income. The 1979 median household income for the City of Buffalo was $11,593 (County and City Data Book, U.S. Department of Commerce, Bureau of the Census, November 1983, Table C, pp. 754, 755).

FIGURE 5
CITY of BUFFALO:
Median Household Income
by Census Tract, 1979



While four neighborhoods (Central, Ellicott, Masten, and West Side) were previously identified as having relatively low incomes, the census tract map shows that three of these neighborhoods have a mixture of income levels. This is also true, albeit more moderately, for the more affluent neighborhoods (South Buffalo and North Buffalo). It was also previously less clear that 70% of the City's tracts had median household incomes between $8,001 and $16,000.

The primary cause for the higher income areas was fairly obvious, availability of desirable housing. In the case of North Buffalo, there are many older, very well maintained houses on fairly large lots that are located near Delaware Park. The neighborhood is additionally enhanced by its proximity to Buffalo's two college campuses and the State Hospital, both major employers. South Buffalo, on the other hand, is an area containing some relatively new housing developments.

An explanation for lower income areas was also rather evident. The census tracts depicted as having median income of $8,000 or less are primarily located to the east of Buffalo's downtown. In 1980, this neighborhood contained a mixture of vacant lots and run-down apartment buildings. As such, it was not very popular among those who could afford better.

**Senior Citizen Heads of Household**

Buffalo's senior citizen householders are generally not concentrated or dispersed in a small number of geographic areas. Four census tracts deviating from this norm are: 1301 and 7207 (Central), 4602 (North East), and 6201 (Elmwood). The first two tracts, respectively, had 80.8% and 58.0% of their households headed by a senior citizen. Availability of low-income housing and proximity to downtown are likely causes of these high densities. At the other

end of the scale, the remaining two tracts (4602 and 6201) are essentially composed of SUNY Buffalo and the State College of Buffalo. In 1980, these tracts contained a total of 20 households, none of which were headed by a senior citizen.

Outside of these four tracts, 86 of the City's census tracts had aged householder percentages ranging from 11.8% (3400) to 43.4% (1302). An examination of Figure 6 on the following page shows that although a distinct pattern of senior citizen householder densities does not exist, higher densities frequently surround the City's center. Low densities, on the other hand, were more prominent at or near the center of the City.

**Education Characteristics**

Figure 7 on page 30 replicates many of the neighborhood analysis findings for this census demographic with somewhat more detailed results. Where previously four neighborhoods (Elmwood, North Buffalo, North East, and West Side) were identified as having a high proportion of college participants, it was now discovered that half the western portion of the West Side neighborhood does not contain such high proportions. As was explained in the neighborhood examination, major attractions for the more highly educated adults were both work-related (Buffalo State Hospital, State College at Buffalo, and SUNY Buffalo) and housing-related (proximity to Delaware Park and to downtown). Meanwhile, proximity to Lake Erie was found to be less influential than previously thought. The examination of census tracts also discovered a concentrated area of college-educated individuals in South Buffalo (600, 700, and 800) that was previously hidden. The fairly recent housing developments constructed in this area probably account for much of this concentration.

FIGURE 6

CITY of BUFFALO:
Percent of Heads of Households Aged 65 and Older by Census Tract, 1980

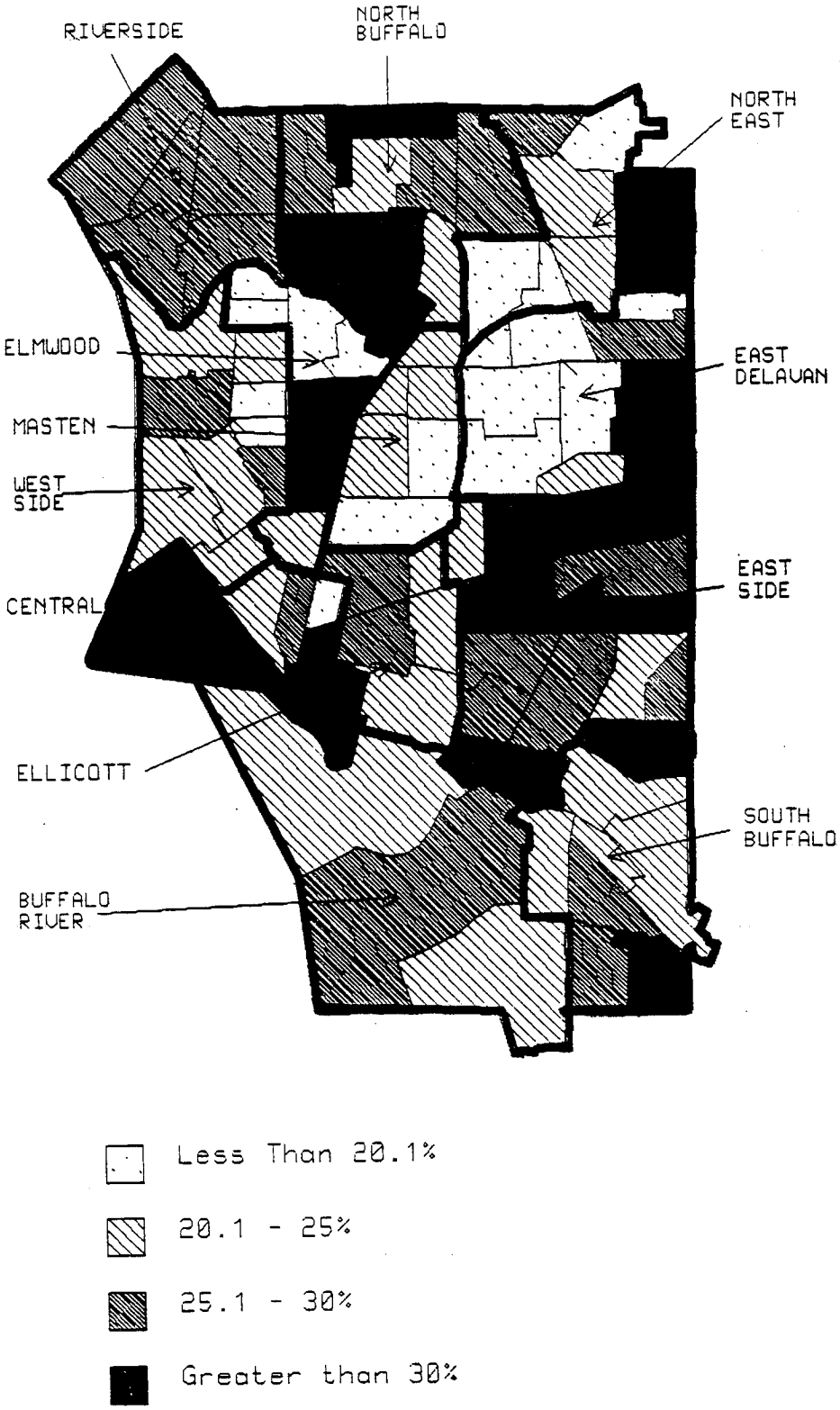
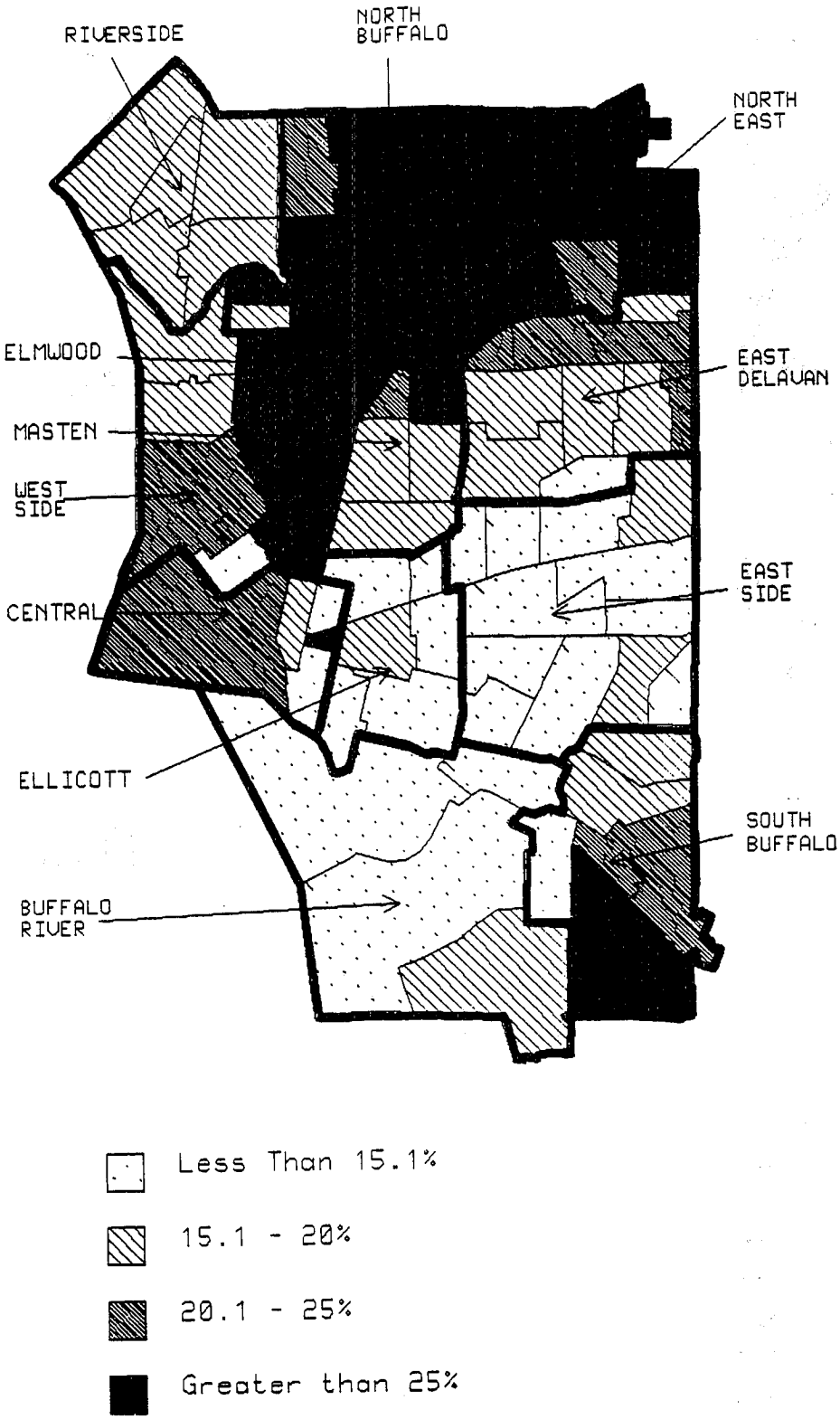


FIGURE 7

CITY of BUFFALO:
Percent of Adults with At Least Some College Education by Census Tract, 1980



Census tract analysis of non-college-educated areas did not find anything new. Buffalo River, Ellicott, and East Side were again found to contain low levels of college-educated individuals. Their relatively long distance from the institutions and amenities attracting the more highly educated provides most of the explanation for this pattern.

## Census Tract Effects

### All Property Assessed Value Increases

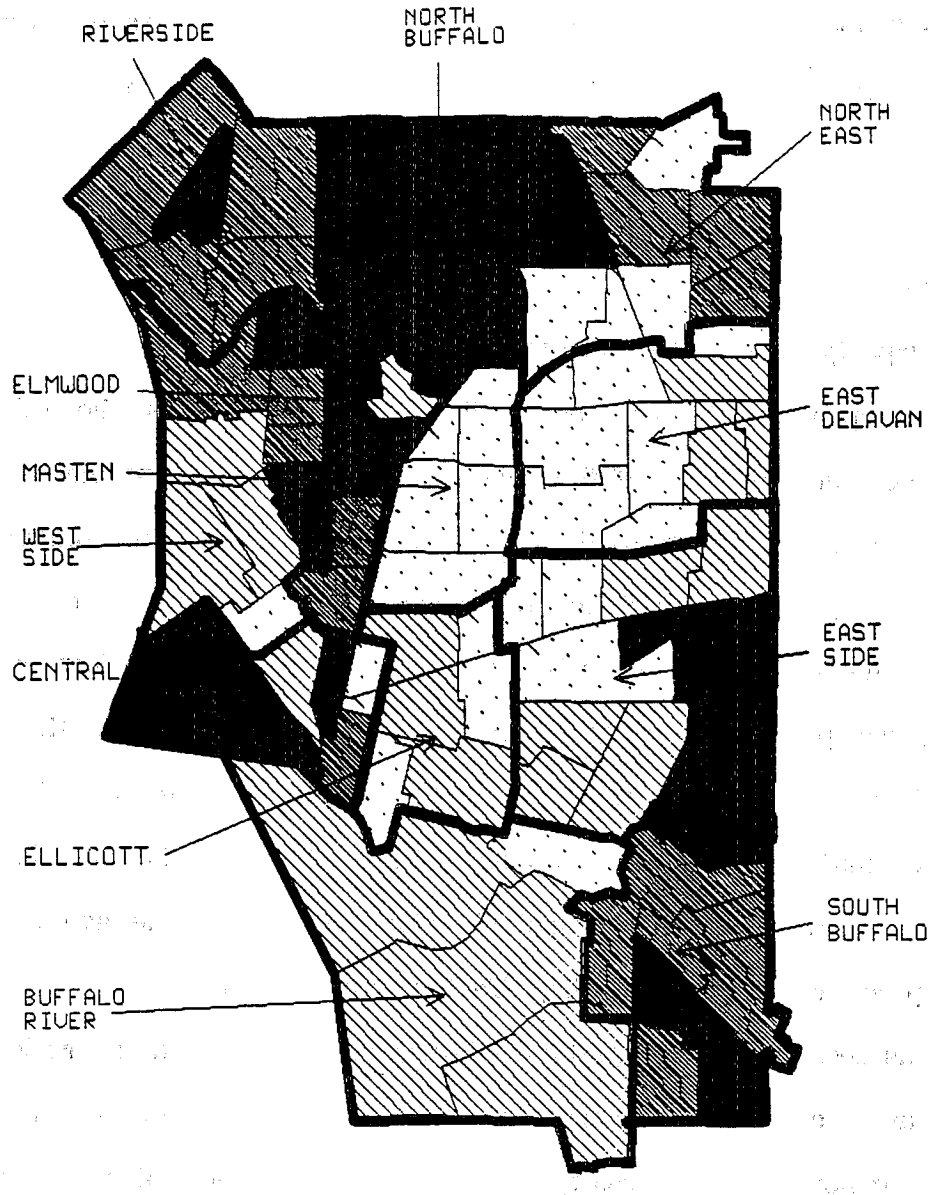
The examination of census tracts displayed in Figure 8 on the following page expanded our knowledge of the assessed value changes taking place within the City. Areas of high assessed value increases (indicating prior patterns of underassessment) were chiefly located along the perimeter of the City's boundaries (the southwest corner being an exception), while smaller changes (indicating prior patterns of overassessment) were evidenced more at the City's center and the area to the center's southwest. Tract increases ranged from a high of 477% (4800) to a low of 81% (5202). The median tract increase in value of 281% was lower than that found citywide (340%), but the averaging of individual parcel values has a leveling effect on extreme values.

As was described in the section detailing citywide effects, nonresidential property, as a class, experienced lower assessed value increases than did residential property. As a result, the extent of nonresidential property in a given area will dampen the rate of assessed value increase. This fact provides a partial explanation for areas which saw a below-average increase.

Another major factor in these differential patterns of increased value is property appreciation/depreciation rates. The 1980's have seen periods of slow, moderate, and rapid growth rates in property values. These types of changes are

FIGURE 8

CITY of BUFFALO:
Percent Change in Assessed Value - Residential Property by Census Tract, 1986 - 1987




PERCENT CHANGE IN ASSESSED VALUE

- Less Than 300.1%
- 300.1 - 375%
- 375.1 - 450%
- Greater than 450%

difficult to capture on a yearly basis. This is particularly so if the appreciation rates fluctuate from one neighborhood to the next and from one property type to another. Consequently, it came as no surprise to the majority of City property owners that there existed geographic areas and property types that were relatively over- and underassessed. It was exactly for this reason that the real property revaluation was initiated.

**Residential Property Assessed Value Increases**

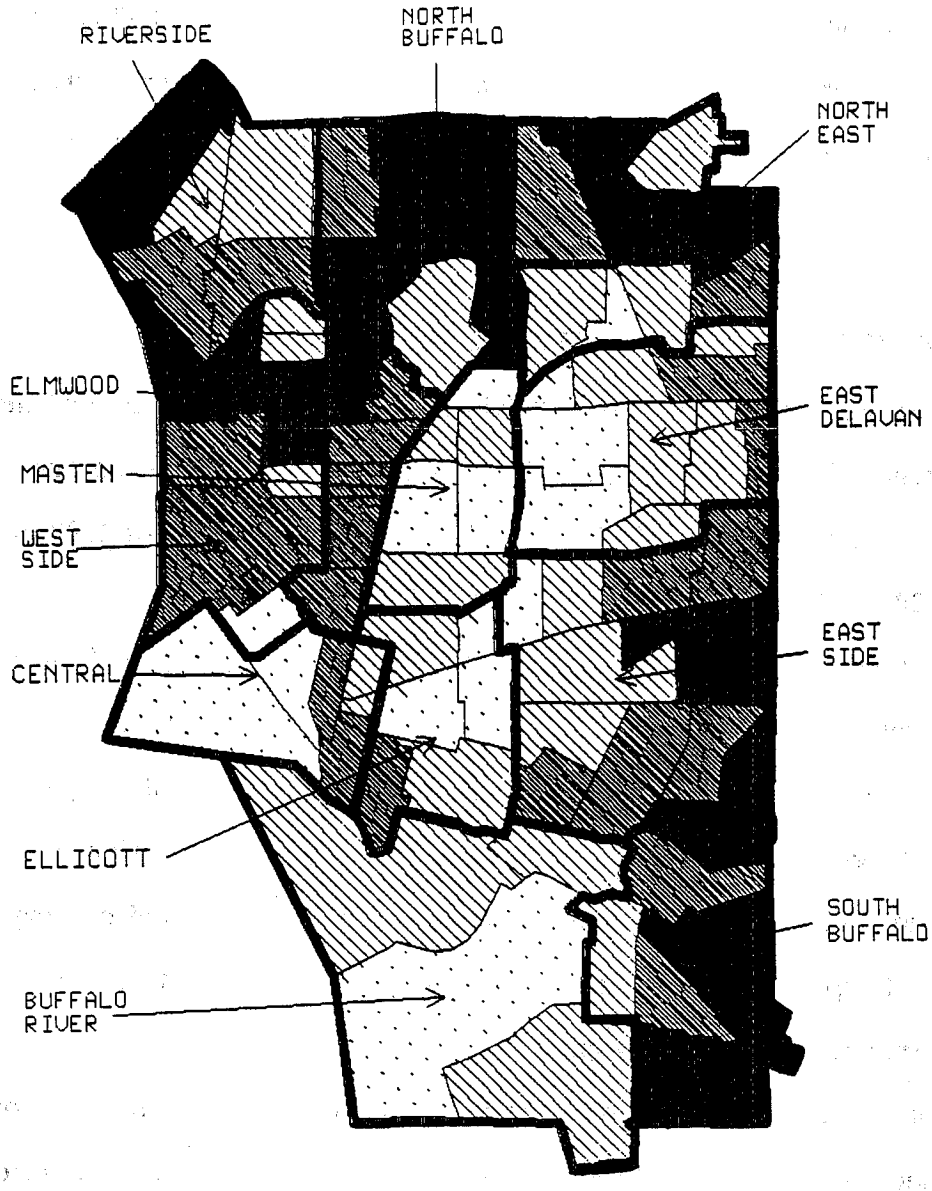
Census tract increases in residential assessed value were usually within the range of values found in the neighborhood analysis. Buffalo's 89 census tracts containing at least one residential parcel (1401 did not) had a low of 109% (3302), a high of 508% (4800), and a median value of 370%.

As can be seen in Figure 9 on the next page, the majority of lower-value increases took place within a diagonal corridor originating in the City's southwestern corner and extending partially into the North East neighborhood. Following the same basic logic used with all property assessed value increases, we find that much of this area contains older, poorly maintained housing units that have not appreciated at the same rate as residential properties in the City's northwestern and southeastern segments.

Housing units near the City's core became less desirable because of low maintenance levels and the presence of vacant lots. This accelerated the differences in residential property appreciation rates. Again, due to these varying rates of appreciation, the relative market values of both types of property were not fully captured. Hence, center city properties gradually became overassessed and the more desirable areas became underassessed.

FIGURE 9

CITY of BUFFALO:
Percent Change in Assessed Value - All Property
by Census Tract, 1986 - 1987




PERCENT CHANGE IN ASSESSED VALUE

- Less Than 200.1%
- 200.1 - 275%
- 275.1 - 350%
- Greater than 350%

## CONCLUSIONS

Generally speaking, it was at or near the City's geographic center, that the poorer, less college-educated population lived at the time of revaluation, and it was in this area that increases in residential assessed values were lowest.

It is worth repeating that assessed value changes take place in a real property environment and not, strictly speaking, a demographic environment. Although it is important to examine the characteristics of owners and occupants of property to detect patterns of influence, it is generally incorrect to say that certain income-earners or certain age groups were under- or overassessed prior to revaluation. What is more correct to say is that property containing high or low concentrations of the above-described populations did not reflect Buffalo's average appreciation rate. Over time, inner-city property typically became less valuable as outlying properties became more valuable, but prior to the revaluation neither of these patterns was fully captured through adjustments in assessed values. Without a program of periodic revaluations these patterns of over- and underassessments will reappear.