



2018 Reappraisal Residential Methodology



2018 Reappraisal Overview

- Single Property Appraisal vs. Mass Appraisal
- Reappraisal vs. Triennial Update
- Reappraisal Methodology
- Quality Control



2018 Reappraisal Appraisal

- An appraisal is an opinion/estimate of value.
- Appraisals are used for:
 - Mortgage loans
 - Settling estates and divorces
 - Insurance
 - Taxation
- Types of appraisals
 - Single property appraisal
 - Mass appraisal



2018 Reappraisal

Mass Appraisal vs. Single Property Appraisal

- They both employ systematic methods
- Differences
 - Mass Appraisal values a universe of properties across a wide geographic area
 - Single Appraisal values one subject property in a limited area
 - Mass Appraisal is measured with statistics developed from a sample of sales in an entire area using ratio studies
 - Single Appraisal is measured against a small number of comparable properties that have sold



2018 Reappraisal

Mass Appraisal

- Qualities of Mass Appraisal
 - Valuing a universe of properties
 - At a given date
 - In a uniform order
 - Using standard methods
 - Allowing for statistical testing
- Methods and procedures have evolved out of need for uniformity and consistency in ad valorem appraisals
- International Association of Assessors Officers (IAAO) is the preeminent source for innovation, education and research in property appraisal, assessment administration and property tax policy



2018 Reappraisal

Triennial Update vs. Reappraisal

- Reappraisal
 - Occurs every six years
 - Much greater in scope
 - Proposed values are established by parcel using three approaches to value:
 - Cost Approach
 - Sales Approach
 - Market Estimate
 - Results are particular to the subject
- Triennial Update
 - Triennial update occurs three years after a reappraisal
 - Property values are trended using a factor based on a series of ratio studies by comparing the sales price of sold properties to the current certified value
 - Results impact entire population equally by geographic location



2018 Reappraisal

Valuation of Land

- Based on sales data: 1/2016 thru 5/2017 valid sales
- Establish Neighborhoods
 - Areas of uniform population within a Municipality
- Create a Neighborhood profile
 - Size of market area and percent of municipal population
 - Average frontage, depth and acreage
 - Building characteristic breakdown
 - Valid sales vs. invalid sales
 - Similar Neighborhoods
- Land Rate Characteristics
 - Front Foot Rate or Acre Rate
 - Neighborhood Sales Drive Land Rates for Specific Neighborhood
 - 20% to 25% of sale amount when Vacant Land Sales are not available



2018 Reappraisal Valuation Methods

- Valuation Methods
 - Cost Approach
 - Sales Approach
 - Market Estimate
- Cost Approach
 - Table driven (Marshal & Swift)
 - Economic factor applied (market adjusted cost)
- Sales Approach (3-5 comparable sales)
 - Market driven at it's core
 - Typical approach used for mortgages



2018 Reappraisal Valuation Methods

- Market Estimate
 - 100% Market information driven
 - Based on a large sample of sold properties as opposed to 3-5 sales found in the individual-property sales comparison approach
 - Appropriate for mass appraisal because it can tolerate a greater amount of error in sales data without affecting the final result
 - Calculates the proper adjustment for property characteristics as indicated by the market itself by finding correlation between various characteristics and sales price



2018 Reappraisal Procedures

- Physical field inspection
 - State licensed appraisers (County Staff and Temporary Contactors)
 - Reconcile the final proposed value
 - Supplemental reports are given to the field appraisers
 - Inventory content
 - Outliers (proposed value / certified value)
 - Outliers (proposed value / sale amount)
 - New dwelling listings
 - B.O.R. decisions
 - Sale price per sqft stratification
 - Proposed value per sqft stratification



2018 Reappraisal

2009 SALE PRICE
7/29/11

APPRAISAL 2012
CUYAHOGA COUNTY FISCAL OFFICE

PAGE :

DESCRIPTION	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5
PARCEL ID	451-11-039 /	451-04-039 /	451-05-026 /	451-05-041 /	451-07-004 /	451-08-048 /
ADDRESS NUMBER	02519	03503	03819	03511	03214	02815
STREET	KLUSNER	CENTER	KLUSNER	KLUSNER	KLUSNER	PARK
NEIGHBORHOOD	06518	06518	06518	06518	06518	06518
LUC	1-FAMILY PLA	1-FAMILY PLA	1-FAMILY PLA	1-FAMILY PLA	1-FAMILY PLA	1-FAMILY PLA
TOTAL BUILDINGS	1	1	1	1	1	1
LOT SIZE	5,520.0	6,600.0	5,740.0	5,480.0	5,600.0	5,280.0
PRM EFF FRONT	40	50	41	40	40	40
PRM AVG DEPTH	138	132	140	137	140	132
LAND INFL.	NO-DATA	NO-DATA	NO-DATA	NO-DATA	NO-DATA	NO-DATA
STYLE	CAPE COD	CAPE COD	CAPE COD	CAPE COD	CAPE COD	CAPE COD
AGE	1957	1952	1956	1956	1956	1952
STORY HEIGHT	1.50	1.50	1.50	1.50	1.50	1.50
EXTERIOR WALLS	ALUM/VINYL	ALUM/VINYL	ALUM/VINYL	ALUM/VINYL	ALUM/VINYL	ALUM/VINYL
QUALITY	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE+	AVERAGE+
CONDITION	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE
LIVING AREA 1	816	1064	814	758	754	1007
LIVING AREA 2	392	364	392	364	364	336
LIVING AREA UPPER	0	0	0	0	0	0
LIVING AREA TOTAL	1208	1428	1206	1122	1118	1343
ROOMS	7	6	6	5	5	5
BEDROOMS	4	3	4	3	3	3
TOTAL BATHS	1.50	1.00	1.00	1.00	1.00	1.00
BASEMENT SQUARE FEET	784	1064	784	728	728	672
BASEMENT FINISHED	0	0	0	0	0	0
AIR CONDITIONING	NONE	CENTRAL	NONE	NONE	NONE	NONE
FIREPLACES	0	1	0	0	0	0
GARAGE TYPE	DETACHED	DETACHED	DETACHED	DETACHED	DETACHED	DETACHED
GARAGE CAPACITY	2	2	2	1	1	1
TERRACE	0	0	0	0	0	0
OPEN PORCH	0	300	0	0	0	45
ENCLOSED PORCH	0	0	0	0	0	0
OTH GARAGE	0	0	0	0	0	0
OTH BARN	0	0	0	0	0	0
OTH INDOOR POOL	0	0	0	0	0	0
OTH OUTDOOR POOL	0	0	0	0	0	0
SALE DATE	MISSING	2010.07	2010.06	2010.12	2009.03	2009.08
SALE PRICE		116000	85000	110000	101000	94500
ADJ SALE PRICE		110000	87100	105100	104300	94200
MKT EST TOTAL	102300	108300	100200	107200	99000	102600
MEDIAN COMP	104300					
COST LAND	18900	20700	19200	18800	19000	18400
COST TOTAL	95800	108900	93600	88600	97700	101500
PRIOR TAXABLE LAND	19500	21400	19800	19400	19600	19000
PRIOR TAXABLE BLDG	86800	92000	84300	92200	83200	87900
PRIOR TAXABLE TOTAL	106300	113400	104100	111600	102800	106900
PRIOR EXEMPT LAND	0	0	0	0	0	0
PRIOR EXEMPT BLDG	0	0	0	0	0	0
SUBJ SALE DATE	2009.01					
SUBJ SALE PRICE	0					



2018 Reappraisal Result Analysis

- Sales Ratio Studies
- Triangulated approach
 - Current level of assessment
 - Performance Ratio
 - Impact Ratio
- Analyze current level of assessment
 - Compare the 2017 certified value / sales price
 - Compare the certified value at time of sale / sales price
- Analyze performance ratio
 - Compare 2018 proposed value / sales price
 - Before and after field review
- Analyze the impact ratio
 - Compare the 2018 proposed value / 2017 certified value
- Third Party Review



2018 Reappraisal

Questions?