



Roll Call Number

Agenda Item Number

24

Date December 3, 2007

Receipt of 2007 Polk County Assessor Annual Report.

Moved by \_\_\_\_\_ to receive and file attached report.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
VLASSIS				
TOTAL				
MOTION CARRIED			APPROVED	

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Mayor

City Clerk

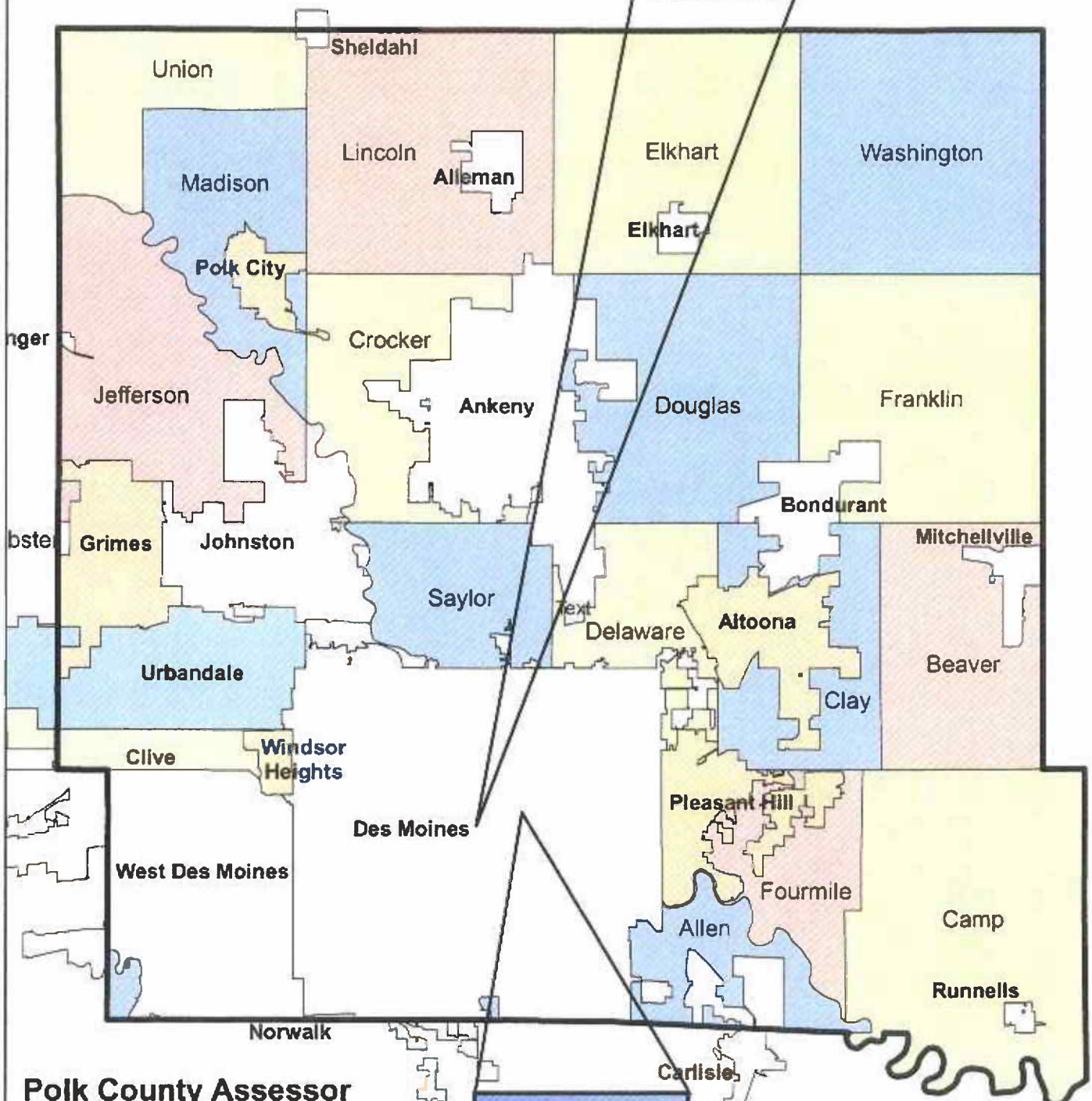
***POLK COUNTY ASSESSOR***

***ANNUAL REPORT***

***2007***

# Polk County Corporate Boundaries and Township Boundaries

2005 High Resolution  
0.40' pixel color aerial  
photography



Polk County Assessor  
10/01/2007

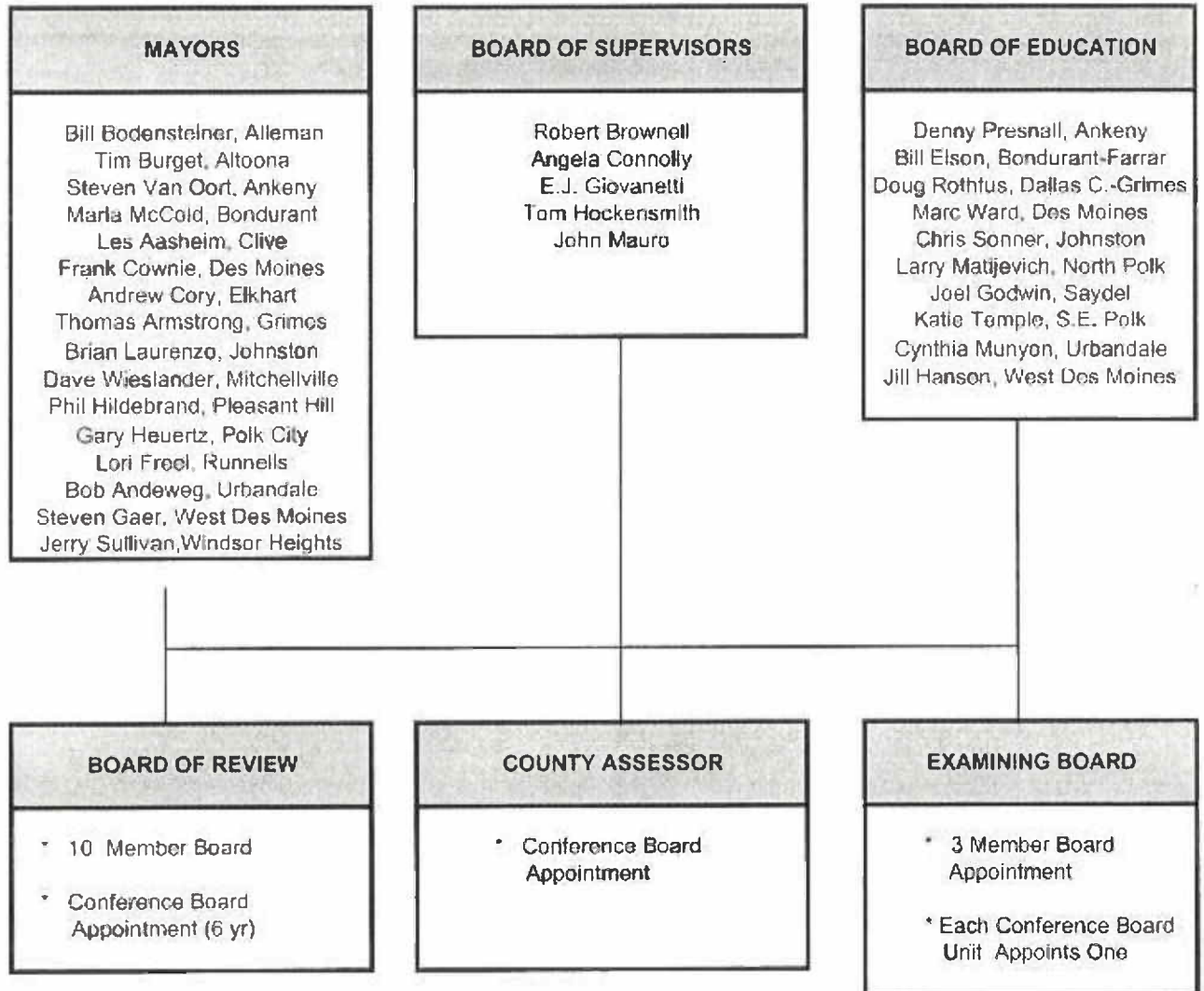


**2007 REPORT  
OFFICE OF POLK COUNTY ASSESSOR**

**TABLE OF CONTENTS**

Polk County Conference Board .....	1
Staff of County Assessor's Office, Members of Board of Review and Board of Examiners .....	2
Organization Chart - County Assessor's Office .....	3
Report of County Assessor.....	4
Actions by 2007 Board of Review .....	6
Statement of Assessed Valuations of Polk County .....	7
Abstract for 2007 Assessments .....	8
Property Tax Timeline .....	9
Survey of New Homes Built by City/Township .....	10
Miscellaneous Information and Statistics .....	11
Residential Revaluation Projects Map .....	12
Exempt Property as of July 1, 2007 .....	13
Comparative Millage Rates - Iowa Cities .....	14
Rollback History & 2007 Assessed Value by City .....	15
Residential Sales Statistics .....	16
Sales Ratio Study .....	24

**POLK COUNTY CONFERENCE BOARD  
2007**





**STAFF OF POLK COUNTY ASSESSOR'S OFFICE  
MEMBERS, BOARD OF REVIEW AND BOARD OF EXAMINERS  
DES MOINES, IOWA  
2007**

**ASSESSOR'S OFFICE**

*Administration*

Jim Maloney, ASA, ICA  
County Assessor

Randy Ripperger, CAE, ICA  
Chief Deputy

Tammy Berenguel, Support Supervisor  
Rhonda Duncan, Supervisor Real Estate Department  
Paul Humble, ICA, Residential Deputy Assessor  
Ruth Larsen, Database Administrator  
Kelly Low, Accounting Manager  
Rodney Hervey, ICA, Commercial Deputy Assessor  
Mark Patterson, CCIM, ICA, Commercial Deputy Assessor  
Bryon Tuck, ICA, MAI, Commercial Deputy Assessor  
James Willett, ICA, RES, Residential Deputy Assessor

*Appraisers*

Douglas Askew, Residential Appraiser II  
John Catron, Residential Appraiser II  
Michael Caulfield, ICA, Commercial Appraiser III  
Rich Colgrove, Residential Appraiser III  
Jason Connolly, Appraiser Trainee  
Tracy Culbertson, Residential Appraiser III  
Patrick Harmeyer, ICA, Commercial Appraiser I  
Michelle Henderson, Residential Appraiser I  
Paul O'Connell, Residential Appraiser I

Kathryn Kamackers, Residential Appraiser II  
Michelle Richards, ICA, Commercial Appraiser II  
Regina Russell, Residential Appraiser II  
Cathy Stevens, ICA, RES, Residential Appraiser III  
Keith Taylor, ICA, Residential Appraiser I  
Amy Thorne, ICA, Residential Appraiser III  
Brett Tierney, Residential Appraiser I  
Patrick Zaines, ICA, Agricultural Appraiser

*Office Personnel*

Caroyle Andrews  
Vincent DeAngelis  
Jackie Fontana  
Kim Heffernan  
Jill Mauro

Comm. Support Specialist  
Tax Information Spec.  
Permits Coordinator  
Photography/Ag Sales  
Computer Support Spec

Terry Powell  
LaRayne Riccadonna  
Rebecca Smith  
Julie Van Deest  
Ray Willis

Transfers Coordinator  
Database Specialist  
Residential Sales Coord  
Exemptions Coordinator  
GIS Coordinator

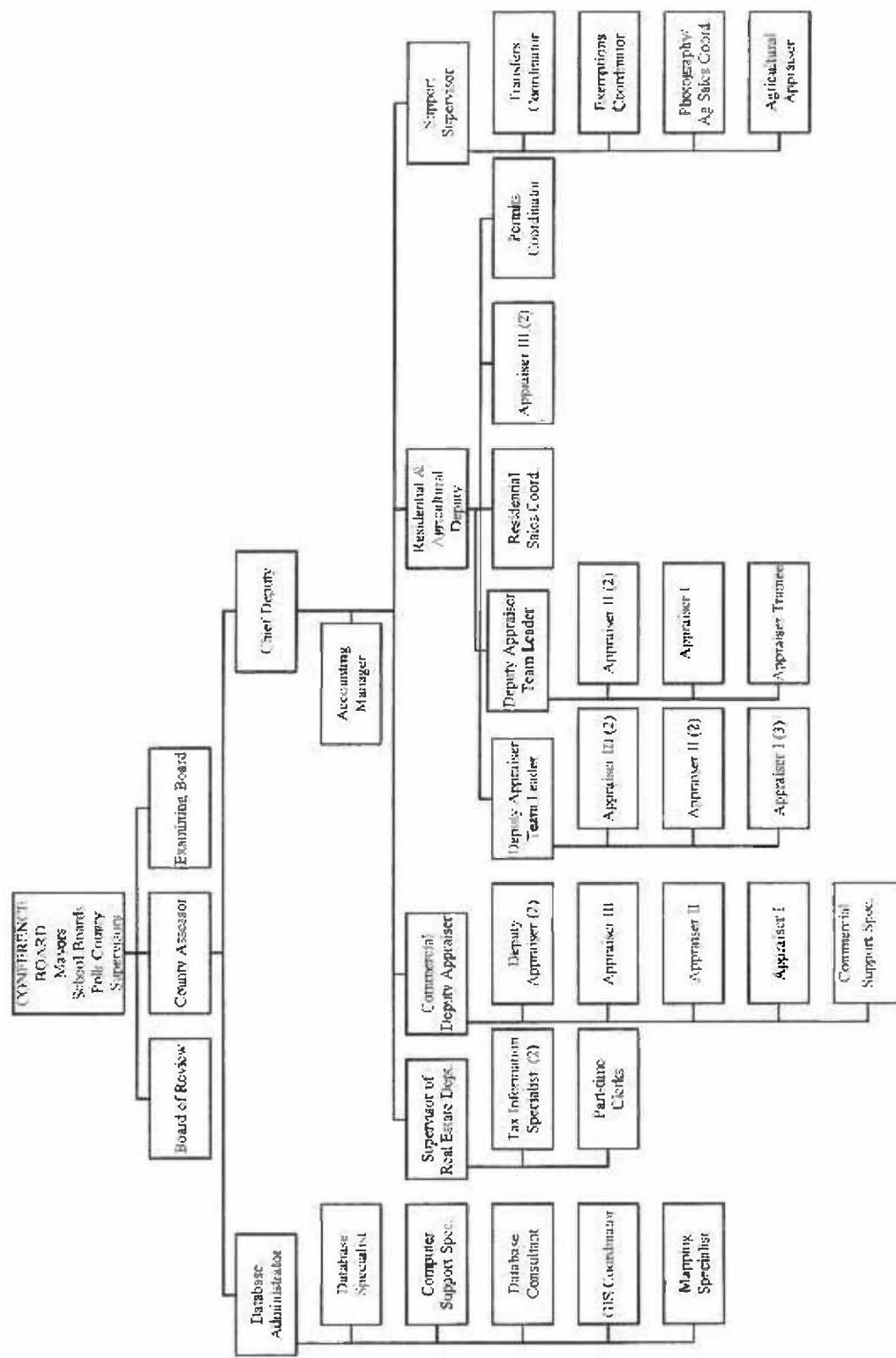
*Board of Review*

Lora Jorgensen  
John Lundstrom  
Ruth Reel  
Everett Sather  
Charles Spears  
Dee Dee Sieger  
John Tiefenthaler  
Leslie Turner  
Lee Viggers  
Max Wright

*Board of Examiners*

Art Hedberg  
Walter T. Potts, Jr.  
Frank Smith

# ORGANIZATIONAL CHART POLK COUNTY ASSESSOR'S OFFICE 2007



To: Members of the Conference Board

From: Jim Maloney, Polk County Assessor

Date: November 1, 2007

Subject: Annual Report

Attached is the annual report for the Polk County Assessor for fiscal year 2006/2007. I invite you to read through these pages and learn more about what took place during the year.

Our mission is and always has been to estimate the fair market value of residential and commercial property in Polk County. We continue to do a credible job in this regard, as evidenced by the fact that the Iowa Department of Revenue and Finance deemed that no adjustments (or "equalization orders") were necessary for any property class in Polk County. This means that we are keeping assessments in line with sale prices, which is our goal. Polk County has not received an equalization order for a number of years – something that I am personally very proud of.

It is interesting that we may be entering a period of declining real estate values, something that we have not experienced in Polk County for a very long time. (Our data doesn't show this happening, but some pundits think it's only a matter of time.) But if the market goes down, so will the assessments, as we just follow the market whichever way it goes.

I am also very proud of the talented team of people who work in the Polk County Assessor's Office. Theirs is not always an easy job, but our employees are professional, accessible, diligent, and take great pride in their work.

Here is some additional information I would like to share with you:

- In past years, we have published a report identifying the top property tax payers in Polk County. We are no longer doing this because it's getting more difficult to be certain of the accuracy of the information. For example, there are a variety of ways in which a property owner can hold title, and it's sometimes difficult to discern who is ultimately behind the various legal entities, partnerships, corporations, and so forth.
- We are also changing the way we report data. Historically, we've collected and reported data in a way that makes perfect sense for us, but that can be confusing when trying to compare it to outside sources of information. For example, we typically exclude certain real estate transactions from our reports – sales to family members, for instance, where the sale price may or may not be a reflection on true market value. But Realtor® groups, and others who track sales, don't exclude all of the information we do. Because it is hard to compare apples to apples when there are so many different reports, we are aligning our numbers to be more consistent with how others track data.



- As many of you know, our office has a lawsuit pending over a controversial ruling by the state that mandates property be valued at its "value in current use and not at its highest and best use" rather than its market value. We are adamantly opposed to this ruling for a variety of reasons, the main one being that it will shift the tax burden between various groups of tax payers, and that is fair to no one. At the present time, the suit is winding its way through the system, and a judge is set to hear the case in December. If you would like more information on this topic, please see archived issues of our newsletter *RealTalk* at [www.assess.co.polk.ia.us](http://www.assess.co.polk.ia.us). (Click on "Assessor News.") There is an additional link to copies of the petition, answer and depositions at this address for those who might want to delve deeper into the issue.
- A new statewide Property Assessment Appeal Board began operating in 2007; this board is charged with hearing appeals from property owners who protested an assessment decision and were not satisfied with the outcome. Statewide, there were 877 appeals filed, 276 of those were in Polk County – nearly all are still pending.

The goal of this new board is to ensure that assessments are equitable and fair, but to do that will require very thoughtful presentations of evidence by both the Assessor and the property owner. When we are provided with evidence that the property owner is correct (usually it is because of new information such as correct dimensions of the structure, a more recent sale than we knew about, etc.) we are glad to adjust the assessment accordingly. Success of this initiative will also require very well written opinions and guidance from the appeal board itself. Given the volume of appeals, it appears to us that both the assessors and the PAAB have major challenges ahead.

- Finally, in the coming year we will continue our exterior review project by senior staff of residential property in Polk County. This process is being done to verify that the information we have about a property appears correct. For example, we are looking for things like new structures, improvements or other changes to the home that we don't have on record. This is a routine process; we will not be entering homes unless invited. One-third of the homes were reviewed for the 2005 assessment year, one-third of the homes will be reviewed for the 2009 assessment year, and the remaining one-third of the homes will be reviewed for the 2011 assessment year. A map showing the areas scheduled for review is on page 12.

I hope you find the information in this report useful, and that you will contact me if you have any questions or would like more information. As always, our office wants to be your resource for property assessment and related issues.

## ACTION OF THE 2007 BOARD OF REVIEW

The 2007 Board of Review considered 7234 protests and 209 recommendations.

Total value of real estate considered for protests \$ 3,266,505,360

Total number of protests by class of property:

Agricultural	157
Residential	5886
Commercial	1150
Industrial	41
<b>TOTAL</b>	<b>7234</b>

Number of protests denied 3082

Number of protests upheld 4152

Amount of reduction

Land	\$ 27,535,500
Improvements	\$ 158,473,400
<b>Total amount of reduction</b>	<b>\$ 186,008,900</b>

Number of protests that received an increase 50

Amount of increase

Land	\$ 142,840
Improvements	\$ 14,339,960
<b>Total amount of increase</b>	<b>\$ 14,482,800</b>

Total value of real estate considered for recommendations \$ 124,510,190

Total number of recommendations by class of property:

Agricultural	2
Residential	167
Commercial	40
<b>TOTAL</b>	<b>209</b>

Number of recommendations for reductions 93

Amount of reduction

Land	\$ 559,100
Improvements	\$ 2,996,250
<b>Total amount of reduction</b>	<b>\$ 3,555,350</b>

Number of recommendations for increases 116

Amount of increase

Land	\$ 9,371,650
Improvements	\$ 1,651,920
<b>Total amount of increase</b>	<b>\$ 11,023,570</b>

Total Real Estate Protests Reduced \$ 186,008,900

Total Real Estate Recommendations Reduced \$ 3,555,350

Total Real Estate Protests Raised \$ (14,482,800)

Total Real Estate Recommendations Raised \$ (11,023,570)

Net Reductions of Real Estate -  
Protests and Recommendations \$ 164,057,880

**STATEMENT OF ASSESSED VALUATIONS OF POLK COUNTY**  
**As of July 1, 2007**

Real Property		\$ 27,327,216,270
New Construction Added January 1, 2005		\$ 912,128,065
Revaluation		\$ 2,031,777,082
Property Returned to Taxation		\$ 27,327,130
<b>Total Real Property</b>		<b>\$ 30,298,448,547</b>
Less:		
Demolitions	\$ 11,319,150	
Revaluations	\$ 149,217,818	
Board of Review Adjustments (R.E. Only)	\$ 164,042,570	
New Claims for Tax Exempt and Non-Taxable	\$ 72,754,080	
Court Decrees & Corrections	\$ 31,457,360	\$ 428,790,978
<b>Net Real Property</b>		<b>\$ 29,869,657,569</b>
 Railroad and Utility Property*		 \$ 1,037,149,205
Assessed by Department of Revenue		
 Full Value of Taxable Real Property		 \$ 30,906,806,774
Less: Urban Revitalization, Industrial Exemptions, Pollution Control		\$ 970,773,450
and Forest & Fruit Tree Exemptions		
Military Exemptions - Estimated		\$ 39,000,000
 ADJUSTED VALUE OF NET TAXABLE REAL PROPERTY		 \$ 29,897,033,324
*****		
Money and Credits - Credit Unions (5 mills)		\$ 26,993,466

\* Railroad and Utility Property values, assessed by the Department of Revenue and Finance, are the latest figures available.

**ABSTRACT OF 2007  
POLK COUNTY ASSESSMENT  
AS OF JULY 1, 2007**

**REAL PROPERTY**

Includes over 150,000 Parcels of Taxable Property

100% Value

	<b>TOWNSHIPS</b>	<b>CITIES</b>
Agricultural Lands	\$ 125,076,780	\$ 22,535,390
Residential (includes residences on ag property)	\$ 1,906,952,670	\$ 19,184,543,130
Commercial Properties	\$ 365,927,700	\$ 7,832,867,460
Industrial Properties	\$ 58,392,000	\$ 373,362,360
	<hr/>	<hr/>
Total Taxable Real Estate *	\$ 2,456,349,150	\$ 27,413,308,340

**MONEY & CREDITS (100%)**

Credit Unions (5 mills)	\$ 1,851,272	\$ 25,142,194
Finance Companies (5 mills)	\$ -	\$ -
	<hr/>	<hr/>
	\$ 1,851,272	\$ 25,142,194

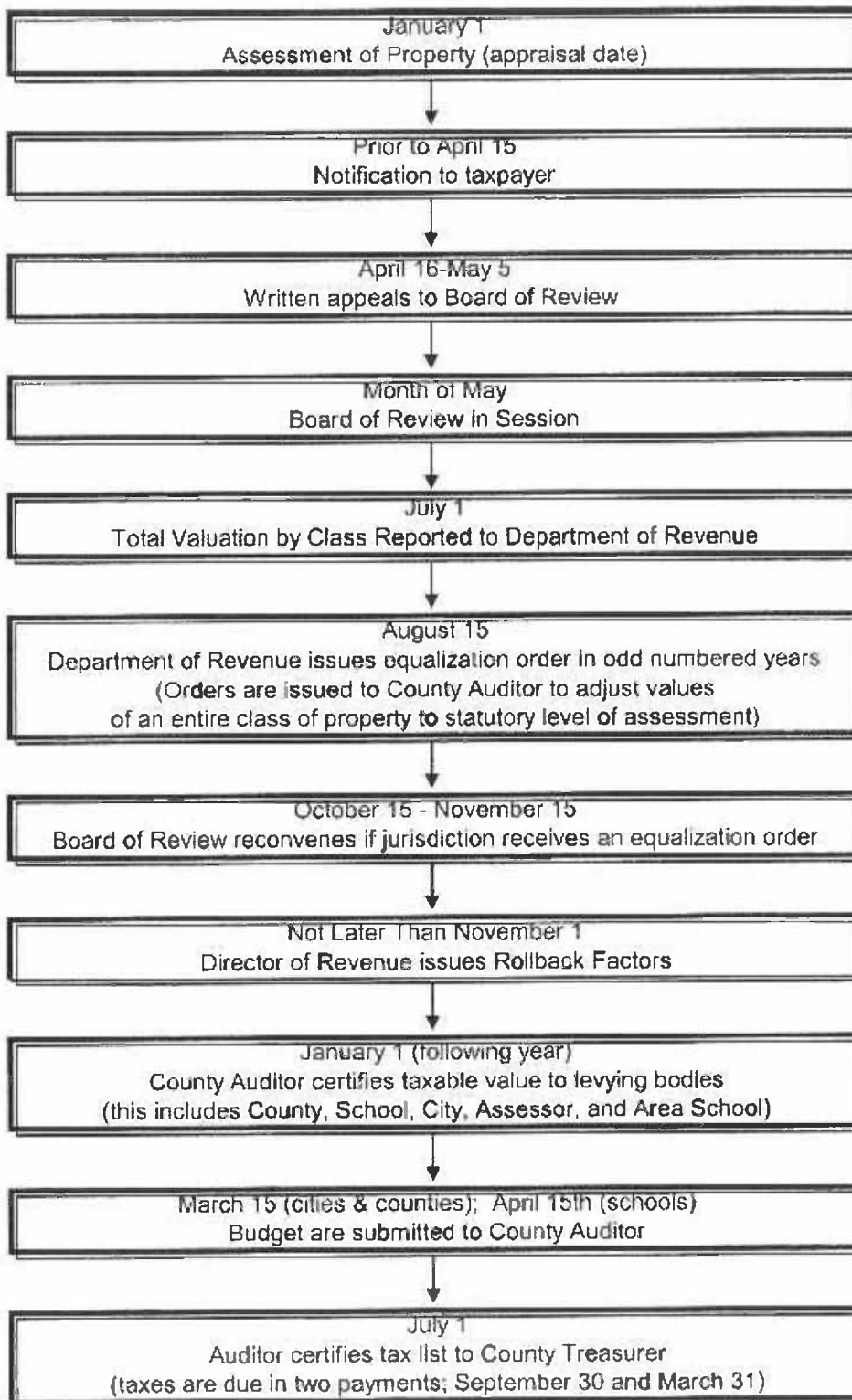
**IMPORTANT NOTE:**

Due to the statewide 4% maximum allowable increase in real estate, there will be a rollback of values if the state increase is great enough to warrant a rollback. The amount of the rollback will be decided by the Department of Revenue in November.

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\* The value does not include utility property assessed by the Department of Revenue.

## PROPERTY TAX TIMELINE





## SURVEY OF NEW HOMES BUILT IN POLK COUNTY

CITIES	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Alleman				7	4	0	11	4	0	0	0	1	2	1
Altoona				117	119	83	166	88	164	196	218	354	277	186
Ankeny				267	348	475	518	414	652	751	972	1068	1345	681
Bondurant				20	13	20	24	27	33	24	14	78	99	67
Carlisle				0	0	0	2	0	0	0	0	0	0	0
Clive				71	69	37	74	44	45	30	16	35	11	7
Des Moines	160	197	175	150	209	271	381	344	390	520	526	665	520	296
Elkhart				0	0	1	1	1	0	0	25	21	29	25
Granger												16	33	3
Grimes				39	38	71	69	72	60	111	83	98	217	299
Johnston				181	188	251	381	285	331	276	329	390	386	290
Mitchelville				2	1	5	9	5	3	6	0	3	3	4
Pleasant Hill				77	66	72	116	93	116	118	160	118	165	198
Polk City				26	29	23	47	30	20	41	80	60	42	45
Runnells				0	0	1	2	3	3	12	4	6	4	8
Sheldahl				0	1	1	0	0	0	1	0	0	1	1
Urbandale				236	193	243	278	262	312	332	292	266	117	120
West Des Moines				233	267	460	500	343	224	140	121	120	35	54
Windsor Heights				1	0	0	0	0	1	0	1	1	1	1

TOWNSHIPS	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Allen					2	1	3	0	0	1	0	0	0	0
Beaver					3	1	6	5	4	9	14	9	14	13
Bloomfield					0	0	2	0	0	0	0	0	0	0
Camp					21	22	15	9	17	18	19	14	28	21
Clay					8	10	14	6	16	8	13	9	11	7
Crocker					27	79	81	70	43	23	26	21	31	17
Delaware					11	11	18	14	8	7	13	6	10	7
Douglas					8	12	15	5	3	5	5	4	2	3
Elkhart					2	2	7	8	10	9	25	19	14	15
Four Mile					12	19	17	13	14	21	23	13	17	8
Franklin					15	14	20	14	26	12	22	26	14	9
Jefferson					20	37	47	37	50	26	31	31	34	20
Lincoln					0	2	2	2	3	4	2	3	2	1
Madison					1	0	2	2	1	1	1	1	0	0
Saylor					28	24	13	9	10	34	37	23	16	30
Union					2	3	2	1	1	7	5	4	2	1
Walnut					0	0	0	0	0	0	0	0	0	0
Washington					2	5	1	4	2	3	0	6	3	2
Webster					1	1	2	3	2	1	1	0	2	1

# **MISCELLANEOUS INFORMATION AND STATISTICS POLK COUNTY**

New Building Permits Processed	10,111
Divisions of Existing Property (As of 08/27/2007 )	268
New Plats (As of 08/27/2007 )	46
New Homestead Tax Credits 2006/2007	7,752
New Military Exemptions 2006/2007	904

*Classes and Numbers of Properties Assessed:*

Agricultural Parcels (Property used for Agricultural Purposes)	5828
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Forest & Fruit Tree Reservations (Acres)	6,229
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Vacant Taxable Parcels	Agricultural	4,648
	Residential	14,394
	Commercial	1,945
	Industrial	433

Improved Taxable Parcels	Agricultural	1,180
	Residential	132,713
	Commercial	8,517
	Industrial	320

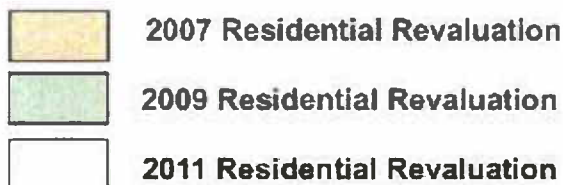
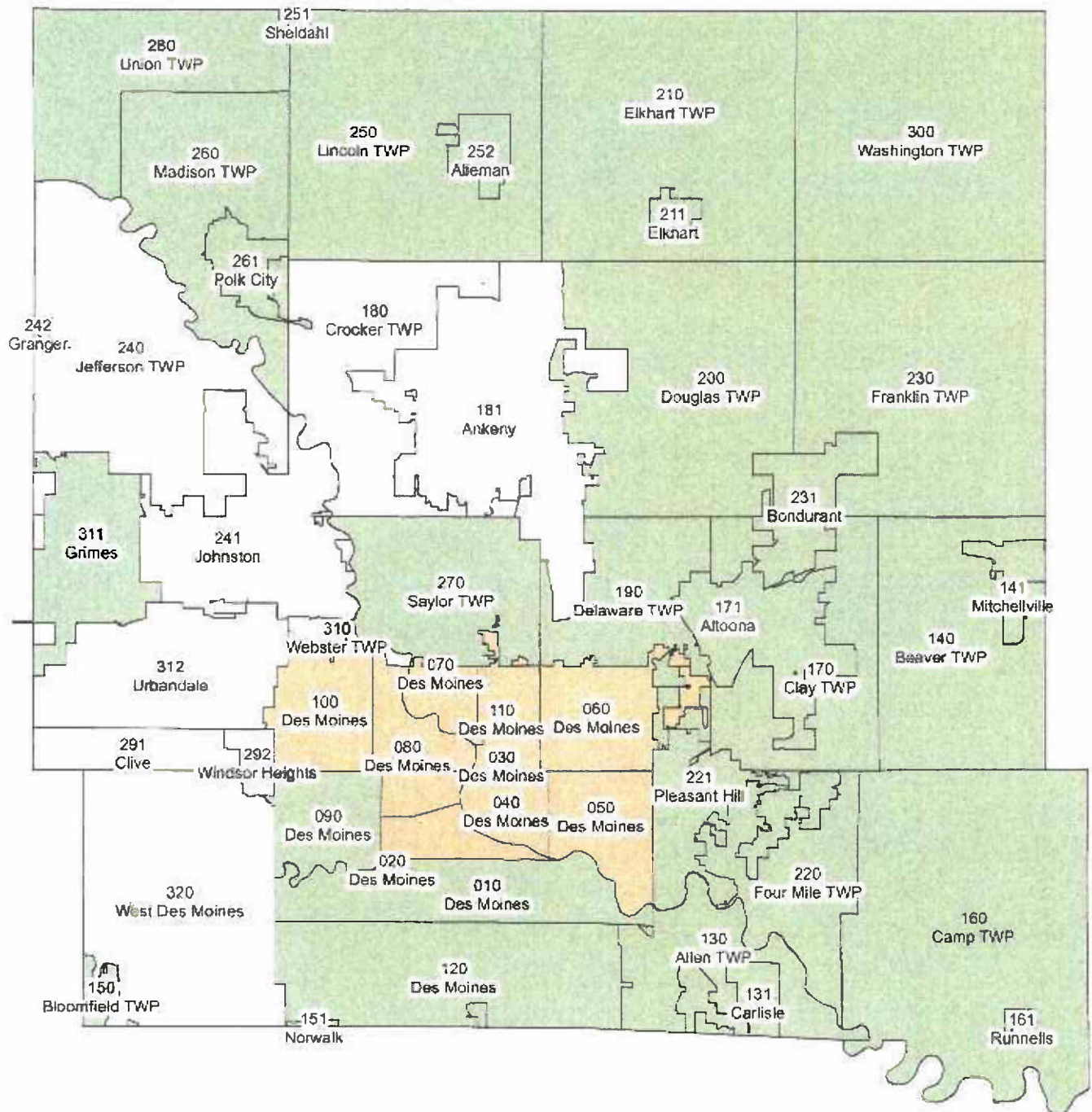
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<b>Average 100% Assessment of Residential Property</b>	<b>\$ 157,187</b>
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# Polk County Assessor

## Residential Revaluation Projects 2007, 2009, 2011



**EXEMPT PROPERTY AS OF JULY 2007  
POLK COUNTY**

**RELIGIOUS INSTITUTIONS**

Churches & Church Headquarters	\$ 478,121,420
Parsonages	\$ 19,222,850
Recreation Property, Church Camps, Etc.	\$ 98,715,230

**LITERARY SOCIETIES**

Community Play House	\$ 14,133,660
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**LOW RENT HOUSING**

Dwellings & Apartments	\$ 31,597,680
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**VETERANS ORGANIZATIONS**

\$ 2,399,710

**CHARITABLE & BENEVOLENT SOCIETIES**

Hospitals	\$ 366,142,770
Fraternal Organizations	\$ 14,423,900
Agricultural Societies	\$ 7,493,350
Retirement & Nursing Homes	\$ 108,752,610
Others (Y.M.C.A., Y.W.C.A., etc.)	\$ 228,513,810

**EDUCATIONAL INSTITUTIONS & CHURCH SCHOOLS** \$ 288,525,690

**POLLUTION CONTROL (Industrial M & E and Bldgs.)** \$ 4,524,740

**URBAN REVITALIZATION TAX EXEMPTION** \$ 904,144,740

**INDUSTRIAL PARTIAL EXEMPTION** \$ 27,325,620

**NATURAL CONSERVATION** \$ 740,030

**FOREST & FRUIT TREE PRESERVATION ( 6229.1935 Acres)** \$ 23,012,980

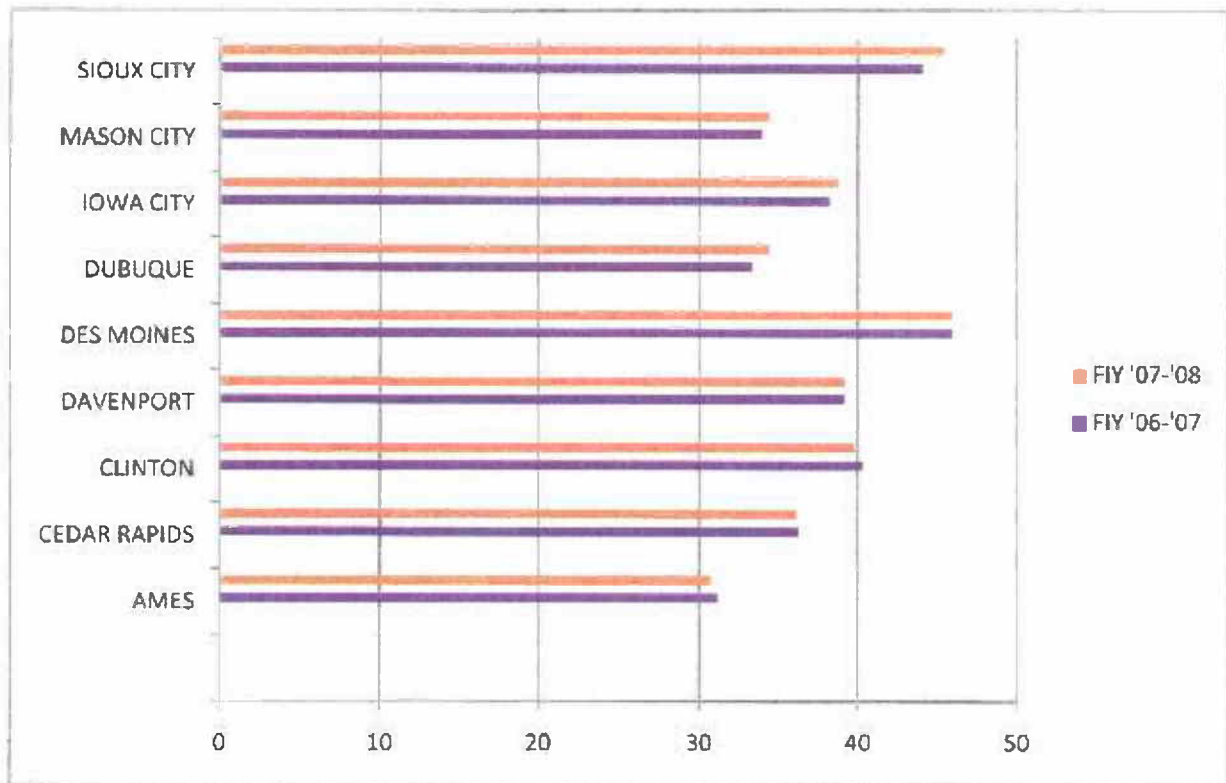
**HISTORICAL** \$ -

**IMPOUNDMENTS** \$ 44,020

**TOTAL EXEMPT PROPERTY** \$ 2,617,834,810

**COMPARISON OF TAX RATES PER THOUSAND  
FOR TAXES PAYABLE FISCAL '06-'07 TO '07-'08  
AS COMPILED BY THE POLK COUNTY ASSESSOR'S OFFICE**

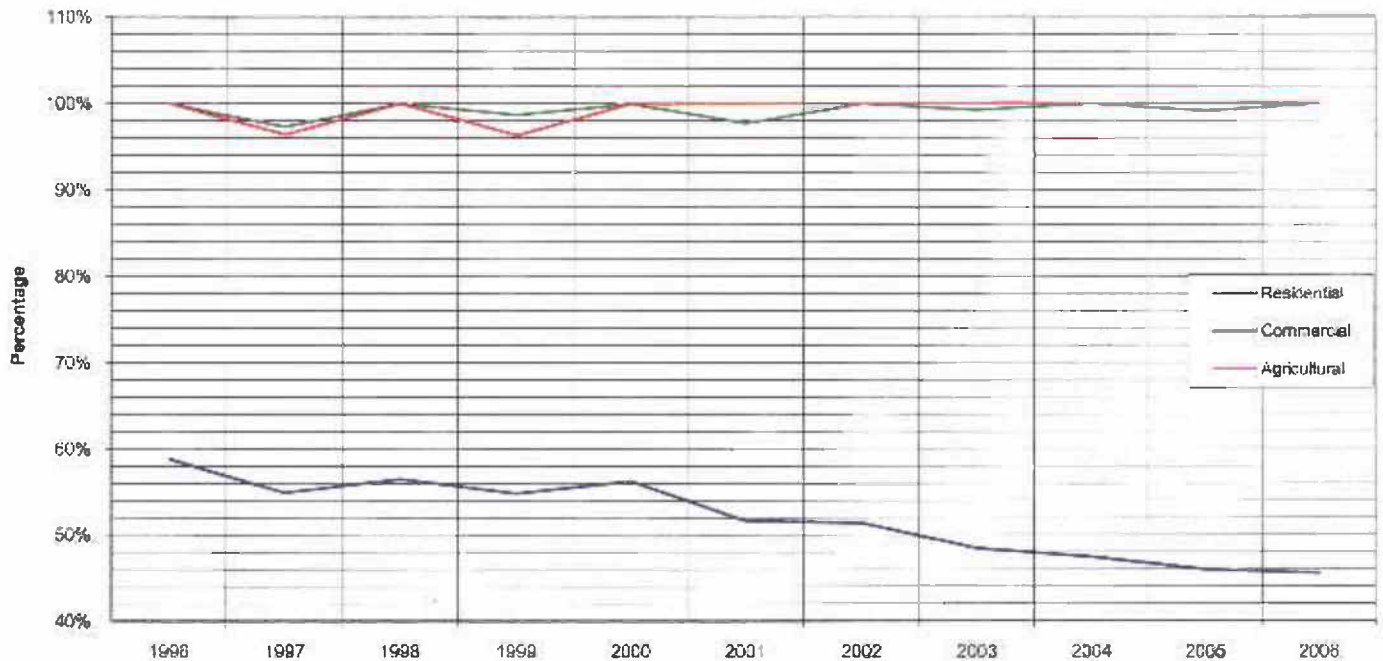
<u>JURISDICTION</u>	<u>FIY '06-'07</u>	<u>FIY '07-'08</u>
AMES	31.15070	30.73685
CEDAR RAPIDS	36.26634	36.14047
CLINTON	40.29685	39.79537
DAVENPORT	39.16551	39.20993
DES MOINES	45.93393	45.89578
DUBUQUE	33.30424	34.39736
IOWA CITY	38.22576	38.83044
MASON CITY	33.89032	34.36274
SIOUX CITY	44.04614	45.34487



**MILLAGE**



### State Rollback History by Classification



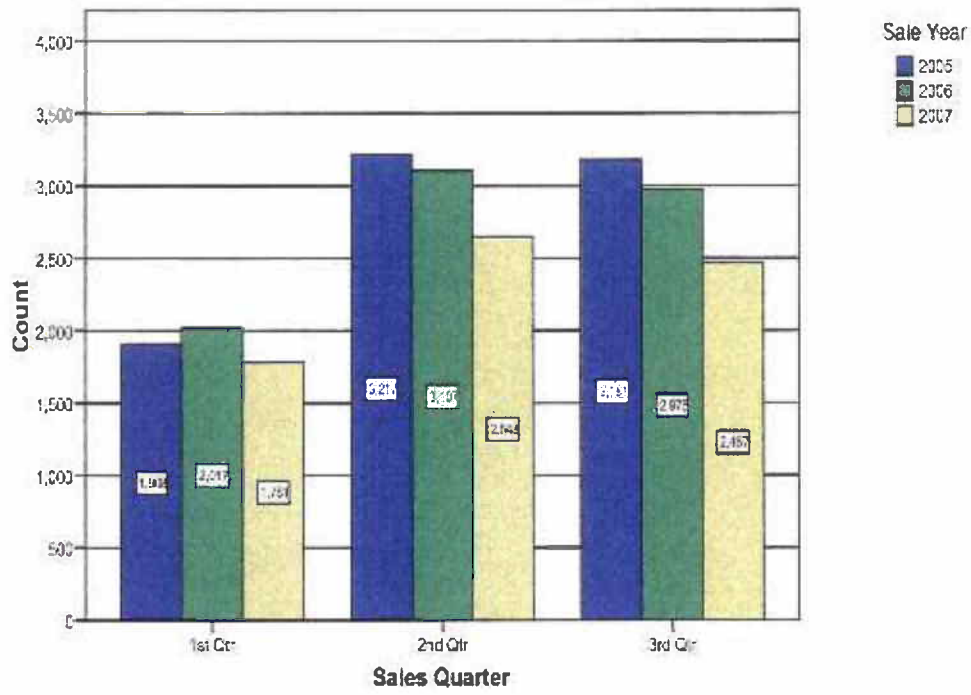
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Residential	58.8284%	54.9090%	58.4789%	54.8525%	56.2851%	51.6678%	51.3874%	48.4558%	47.4692%	45.9960%	45.6596%
Commercial	100%	97.3806%	100%	98.7732%	100%	97.7701%	100%	99.2570%	100%	99.1509%	100%
Agricultural	100%	96.4206%	100%	96.3381%	100%	100%	100%	100%	100%	100%	100%

### 2007 Assessed Value by City

City	Residential	Commercial	Industrial	Agricultural	Total
Norwalk	\$ -	\$ -	\$ -	\$ 1,700	\$ 1,700
Sheldahl	\$ 5,886,600	\$ 64,200	\$ -	\$ 258,780	\$ 6,209,580
Granger	\$ 11,623,200	\$ -	\$ -	\$ 24,330	\$ 11,647,530
Carlisle	\$ 3,689,400	\$ 4,993,000	\$ 4,975,000	\$ 1,456,510	\$ 15,113,910
Runnels	\$ 19,691,890	\$ 1,652,500	\$ -	\$ 114,800	\$ 21,458,990
Elkhart	\$ 22,284,200	\$ 2,785,520	\$ 107,500	\$ 692,680	\$ 25,869,900
Alleman	\$ 27,367,700	\$ 4,556,900	\$ -	\$ 1,912,990	\$ 33,837,590
Mitchellville	\$ 61,541,940	\$ 7,851,410	\$ 3,117,000	\$ 1,558,720	\$ 74,069,070
Bondurant	\$ 151,341,890	\$ 24,628,930	\$ 3,061,000	\$ 2,679,750	\$ 181,711,570
Polk City	\$ 203,891,980	\$ 22,098,590	\$ 204,500	\$ 363,600	\$ 226,558,670
Windsor Heights	\$ 306,757,850	\$ 89,197,210	\$ -	\$ -	\$ 395,955,060
Grimes	\$ 346,716,500	\$ 152,966,540	\$ 5,283,600	\$ 4,300,530	\$ 509,267,170
Pleasant Hill	\$ 446,215,940	\$ 114,217,670	\$ 5,743,000	\$ 1,488,080	\$ 567,664,690
Altoona	\$ 692,301,700	\$ 388,549,120	\$ 10,739,700	\$ 3,272,240	\$ 1,074,862,760
Clive	\$ 817,901,180	\$ 535,323,900	\$ 18,826,500	\$ 20,690	\$ 1,372,072,270
Johnston	\$ 1,232,207,200	\$ 346,755,300	\$ 1,766,400	\$ 3,041,870	\$ 1,583,770,770
Urbandale	\$ 2,099,874,470	\$ 948,000,020	\$ 17,762,500	\$ 2,957,030	\$ 3,068,594,020
Ankeny	\$ 2,479,852,080	\$ 665,642,690	\$ 66,786,900	\$ 6,203,800	\$ 3,218,485,470
West Des Moines	\$ 2,729,990,060	\$ 1,373,342,940	\$ 36,004,730	\$ 4,288,350	\$ 4,143,626,080
Des Moines	\$ 7,507,473,160	\$ 3,170,241,020	\$ 198,984,030	\$ 5,833,330	\$ 10,882,531,540

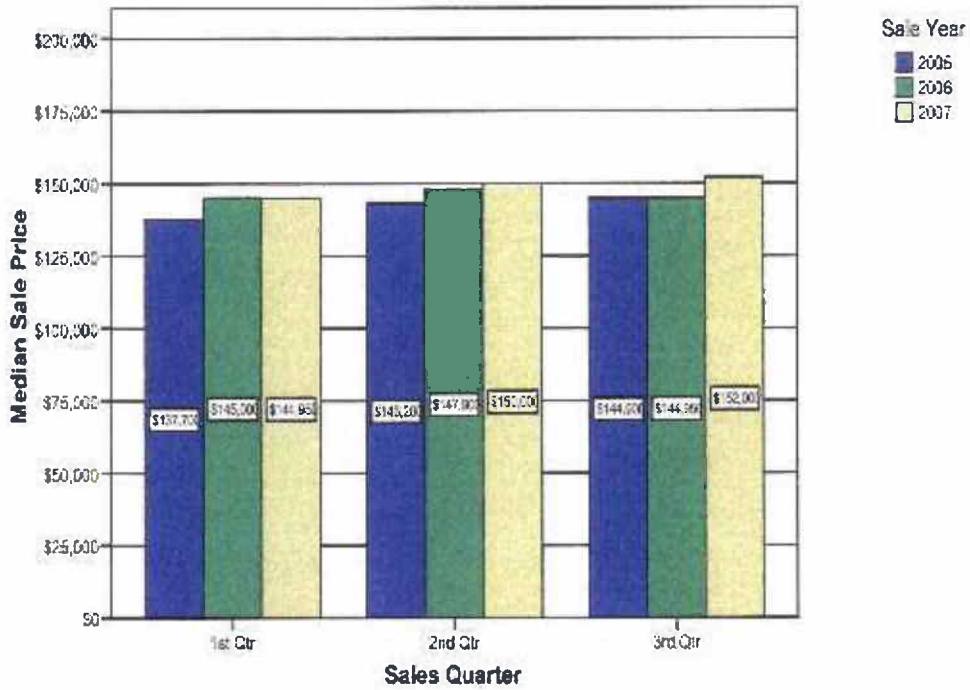
# Residential Sales Statistics Polk County

Number of Sales by Year &amp; Quarter



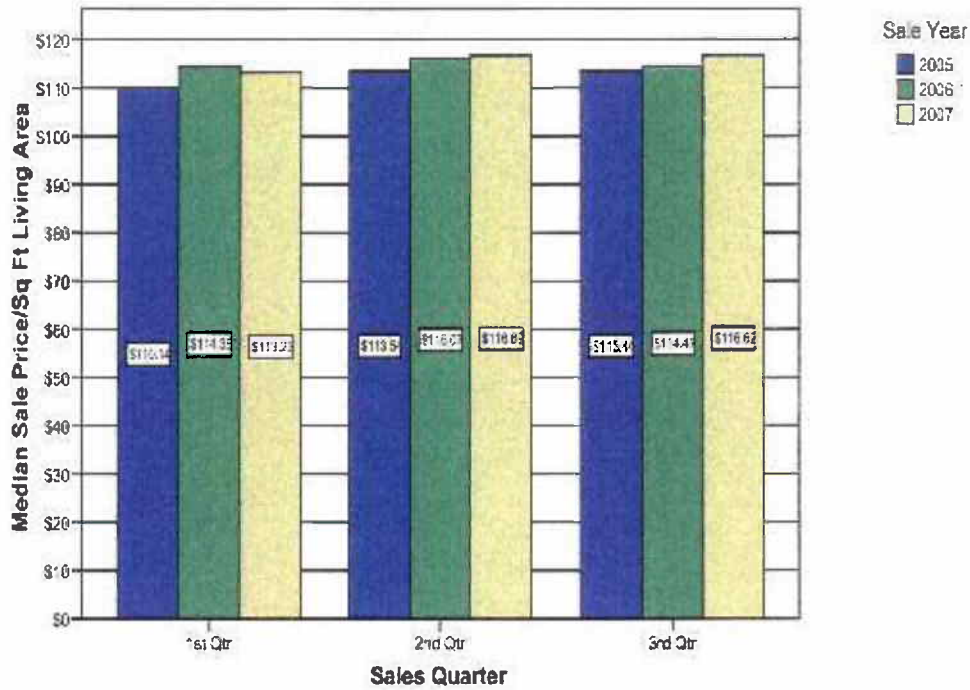
Number of Sales by Year &amp; Quarter

Sale Year	Sales Quarter		
	1st Qtr	2nd Qtr	3rd Qtr
2005	1,908	3,217	3,181
2006	2,017	3,107	2,975
2007	1,781	2,648	2,467

**Median Sale Price by Year & Quarter****Median Sale Price by Year & Quarter**

Sale Year	Sales Quarter		
	1st Qtr	2nd Qtr	3rd Qtr
2005	\$137,700	\$143,200	\$144,900
2006	\$145,000	\$147,900	\$144,950
2007	\$144,950	\$150,000	\$152,000

**Median Sale Price/Sq.Ft. by Year & Quarter**

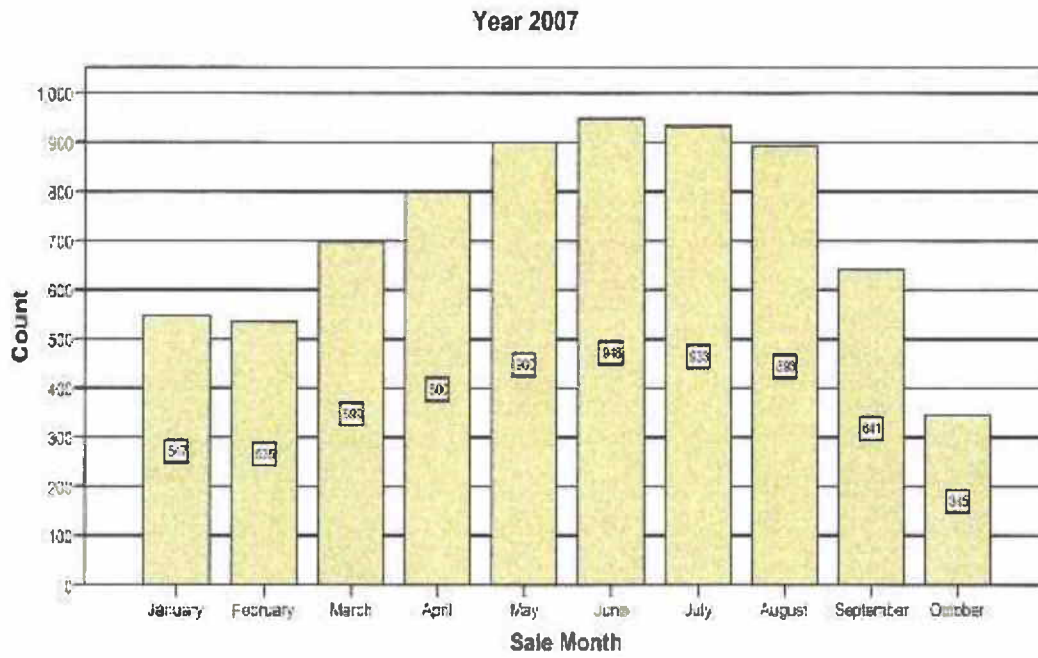


**Median Sale Price/Sq.Ft. by Year & Quarter**

Sale Year	Sales Quarter		
	1st Qtr	2nd Qtr	3rd Qtr
2005	\$110.14	\$113.54	\$113.44
2006	\$114.38	\$116.07	\$114.47
2007	\$113.23	\$116.69	\$116.62



### Number of Sales by Month



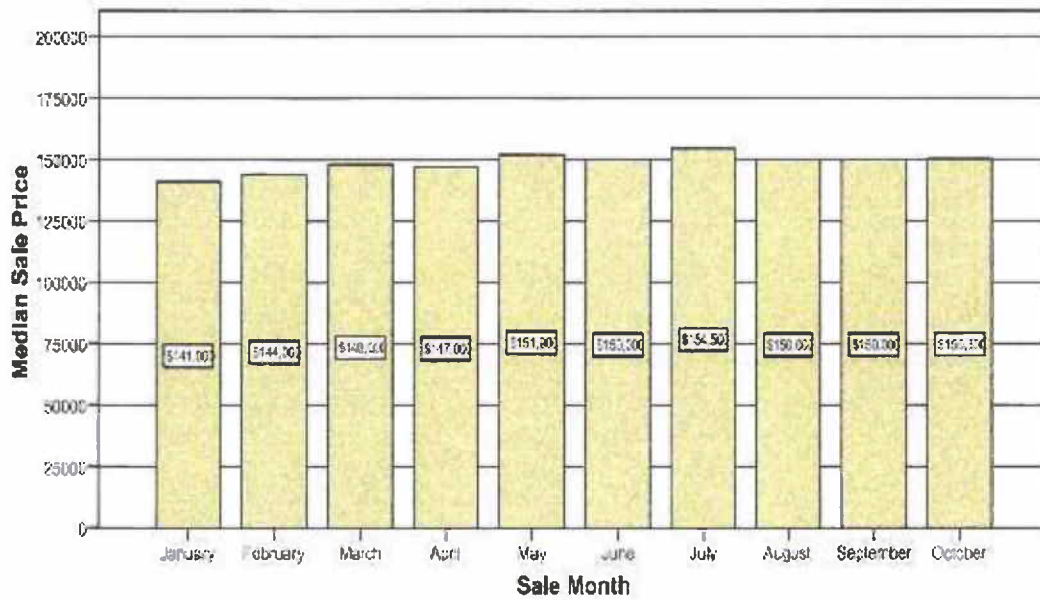
### Number of Sales by Month - Year 2007

Sale Month	Number
January	547
February	535
March	699
April	800
May	900
June	948
July	933
August	893
September	641
October	345

\*October – partial

### Median Sale Price by Month

Year 2007



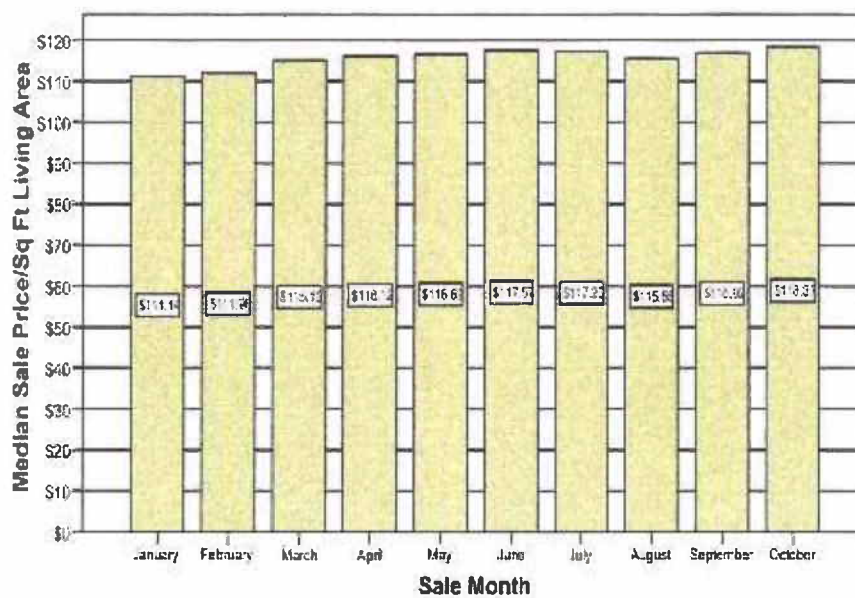
### Median Sale Price by Month - Year 2007

Sale Month	Sale Price
January	\$141,000
February	\$144,000
March	\$148,000
April	\$147,000
May	\$151,900
June	\$150,000
July	\$154,500
August	\$150,000
September	\$150,000
October	\$150,300

\*October – partial

### Median Sale Price/Sq.Ft. by Month

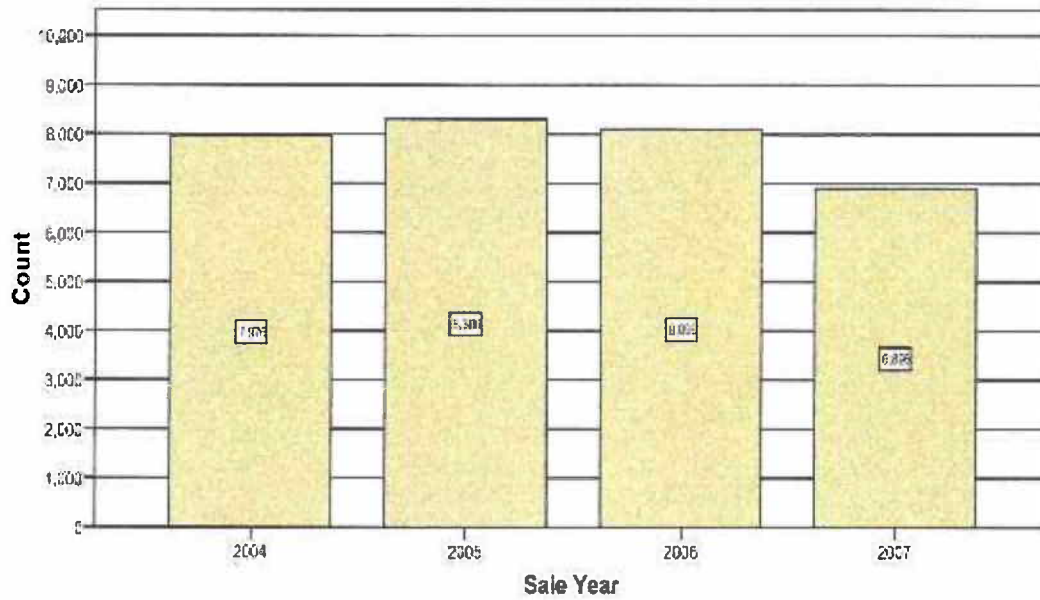
Year 2007



### Median Sale Price/Sq.Ft. by Month - Year 2007

Sale Month	Sale Price/Sq Ft Living Area
January	\$111.14
February	\$111.96
March	\$115.13
April	\$116.12
May	\$116.62
June	\$117.57
July	\$117.20
August	\$115.55
September	\$116.92
October	\$118.37

\*October – partial

**Number of Sales through September****Years 2004 - 2007****Number of Sales through September**

Sale Year	Count
2004	7,976
2005	8,306
2006	8,099
2007	6,896

**Sales Ratio Study  
Polk County  
Residential 1 & 2 Family Dwellings  
Year 2007**



Assessors use mass appraisal techniques to estimate the current market value of property in their jurisdictions for property tax purposes. The assessor's estimates of property value govern the distribution of property taxes, a major source of local government revenue. The mass appraisal system must produce accurate and equitable value estimates if the property tax is to be fair. Thus, quality control is paramount. The mainstay quality control technique used by assessors is the sales ratio study, in which appraised (assessed) values are compared to market values (sales prices). A sales ratio is the ratio between a parcel's assessed value and its estimated market value as represented by an open-market, arm's-length sale.

The two major aspects of measuring appraisal accuracy in a sales ratio study are appraisal level and appraisal uniformity. Appraisal level refers to the overall, or typical, ratio at which properties are appraised. Appraisal uniformity refers to the fair and equitable treatment of individual properties.

### **Measures of Appraisal Level**

Measures of central tendency are used to estimate the overall appraisal level at which property is assessed in one convenient statistic. There are three measures of central tendency used in this ratio study: the mean, the median, and the weighted mean.

The *mean ratio* is the common average obtained by adding all the ratios and dividing by the number of ratios. The *median ratio* is the middle ratio when they are arrayed from lowest to highest. The *weighted mean ratio* is the sum of the assessments divided by the sum of the sales prices. It is so called because it weights each ratio by its sale price. The median is less affected by extreme ratios than the other measures of central tendency. Because of this, the median is the generally preferred measure of central tendency for direct equalization, monitoring appraisal performance, determining reappraisal priorities, or evaluating the need for a reappraisal.

Confidence intervals can be calculated for the three measures of central tendency, which help conclude whether required assessment level standards have been violated. For example, a 95 percent confidence interval would suggest that one can be 95 percent confident that the true median appraisal level is between the two interval values.

Iowa law requires that the appraisal level for assessments of residential properties be at 100 percent for each assessor jurisdiction. If the actual level deviates from the legal level by more than five percent, the value estimates being studied would need to be updated. In Iowa, this occurs every odd numbered year.

### **Measures of Appraisal Uniformity**

Measures of dispersion are used to measure appraisal uniformity. The two most useful measures of appraisal uniformity are the coefficient of dispersion (COD) and the price-related differential (PRD).

The *coefficient of dispersion* (COD), the most common measure of equity in mass appraisal, expresses the average absolute deviation of individual ratios from the median ratio as a percentage. A COD of 10.0, for example, means that properties are, on average, appraised within 10.0 percent of the median assessment level.

The *price-related differential* (PRD) provides an index of price-related bias, indicating whether low- and high-value properties are assessed at the same level. It is the ratio of the mean ratio to the weighted mean ratio. PRDs that exceed 1.03 suggest that high-value properties are relatively under-valued. PRDs under 0.98 indicate low-value properties are relatively under-valued.

### **Sales Ratio Performance Standards**

The *Standard on Ratio Studies*, published in 2007 by the International Association of Assessing Officers (IAAO), has suggested sales ratio performance standards for jurisdictions in which current market value is the legal basis for assessment. In general, when these standards are not met, reappraisal or other corrective measures should be taken. Following are the sales ratio performance standards in the publication mentioned above for single-family residential properties:

<u>Type</u>	<u>Measure of Central Tendency</u>	<u>COD</u>	<u>PRD</u>
Newer, more homogenous areas	0.90-1.10	5.0 to 10.0	0.98-1.03
Older, heterogeneous areas	0.90-1.10	5.0 to 15.0	0.98-1.03
Rural residential and seasonal	0.90-1.10	5.0 to 20.0	0.98-1.03

### **Polk County Sales Ratio Study (1 & 2 Family Dwellings)**

In Polk County, through August of 2007, there were 4,250 residential sales of 1 & 2 family dwellings that were considered open-market, arm's-length sales. These sales were used to calculate the statistics described above for this study.

A 1 percent trim was also performed on the sales, which disregards the lowest 1 percent of the sales ratios and the highest 1 percent of the sales ratios. Trimming the sales can be useful in mass appraisal, where extreme values can mask the underlying distribution of the data. After doing a 1 percent trim, there were 4,166 sales that were used to calculate the sales ratio statistics.

On the following pages are charts that have the results of the sales ratio study for Polk County using residential sales of 1 & 2 family dwellings occurring through August 2007. There are also some graphs that show trends and patterns of the residential real estate market in Polk County.



**Ratio Statistics for 1 & 2 Family Dwellings - Based on 4,250 Sales**

Mean			<b>.985</b>
	95% Confidence Interval for Mean	Lower Bound	.978
		Upper Bound	.992
Median			<b>.964</b>
	95% Confidence Interval for Median	Lower Bound	.961
		Upper Bound	.968
		Actual Coverage	95.2%
Weighted Mean			<b>.960</b>
	95% Confidence Interval for Weighted Mean	Lower Bound	.956
		Upper Bound	.964
Price Related Differential			<b>1.026</b>
Coefficient of Dispersion			<b>11.7%</b>

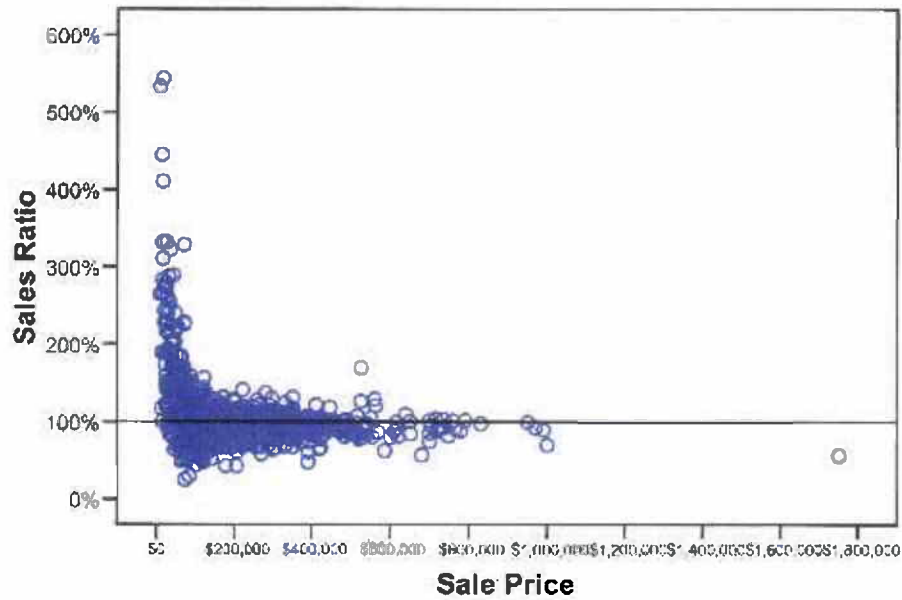
**Ratio Statistics for 1 & 2 Family Dwellings after 1% Trim - Based on 4,166 Sales**

Mean			<b>.971</b>
	95% Confidence Interval for Mean	Lower Bound	.967
		Upper Bound	.976
Median			<b>.964</b>
	95% Confidence Interval for Median	Lower Bound	.961
		Upper Bound	.968
		Actual Coverage	95.1%
Weighted Mean			<b>.961</b>
	95% Confidence Interval for Weighted Mean	Lower Bound	.958
		Upper Bound	.965
Price Related Differential			<b>1.010</b>
Coefficient of Dispersion			<b>9.6%</b>

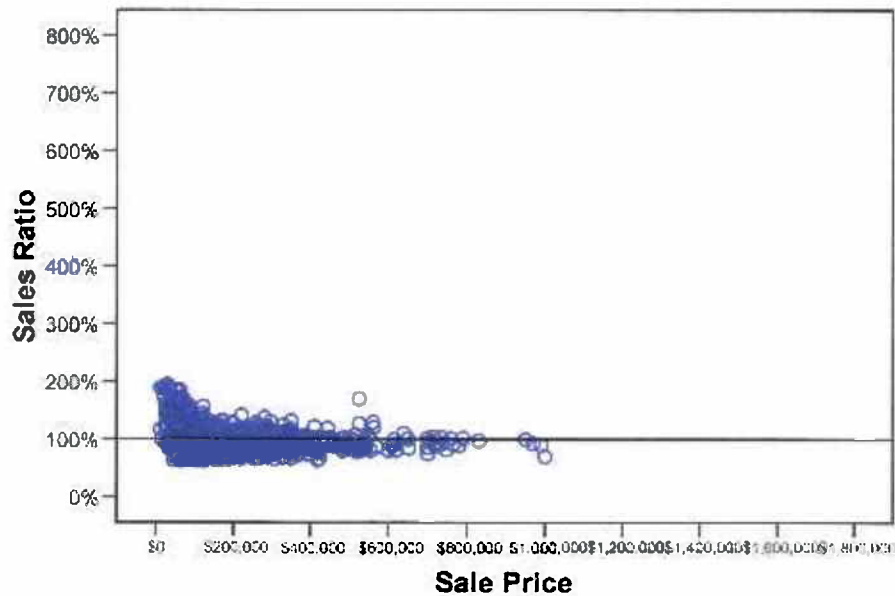
The above two charts show that the current median ratio for Polk County is .964 or 96.4%. This meets the IAAO's suggested performance standard and is within 5% of the legal level in Iowa (100%). Thus, at this point in time, there would be no need to adjust assessments. Watching the market during the rest of 2007 and 2008 will give us an indication of where assessments should be for 2009.

The COD after a 1% trim is 9.6%, which means that, on average, residential assessments in Polk County are within 9.6% of the median assessment level (96.4%). The PRD also meets the IAAO's suggested performance standard and indicates that low- and high-valued properties are relatively being assessed at the same level.

**Plot of Sales Ratio with Sale Price**

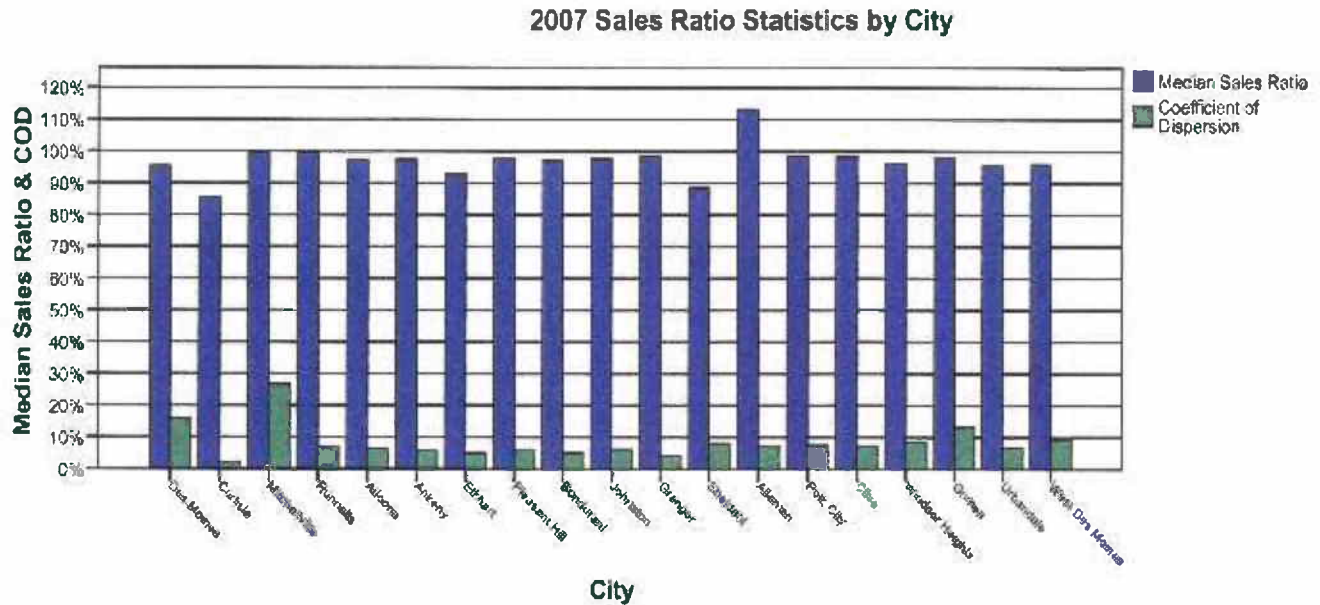


**Plot of Sales Ratio with Sale Price - 1% Trim**



The above charts show the distribution of the sales ratios against their sale prices. The line on the sales ratio axis at 100% represents the legal assessment level. These charts support the PRD statistic above, which indicates that low- and high-valued properties are relatively assessed at the same general level.

The chart below shows the median ratio and COD for each city in Polk County. One can see why different cities have different percent adjustments in reassessment years.



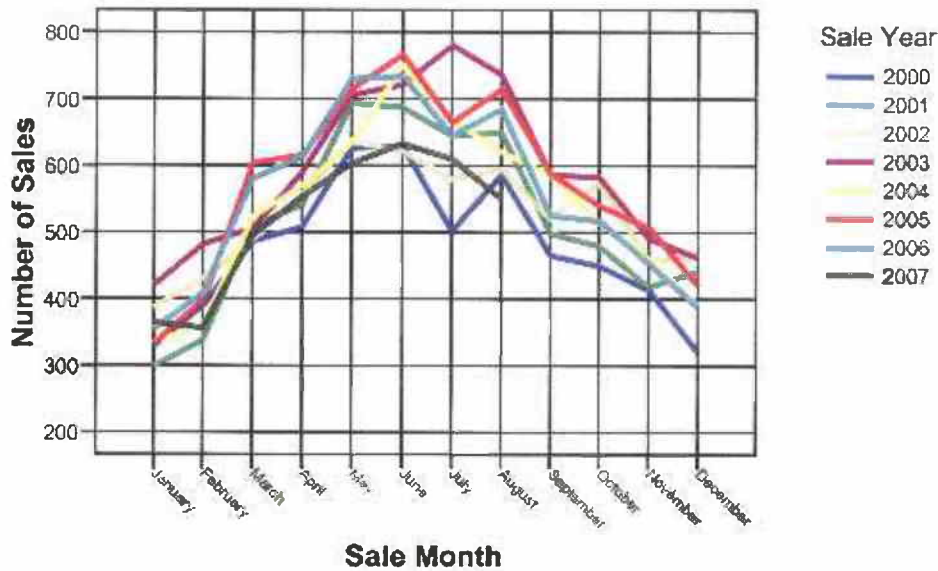
By plotting the reciprocals of the sales ratios (sale price/assessment) over time, one can visualize any inflation/deflation trends in the market. In the chart below, one can see that the market in 2007 is slightly increasing, but at a slower rate than in recent years.

### Median Sales Ratio by Month



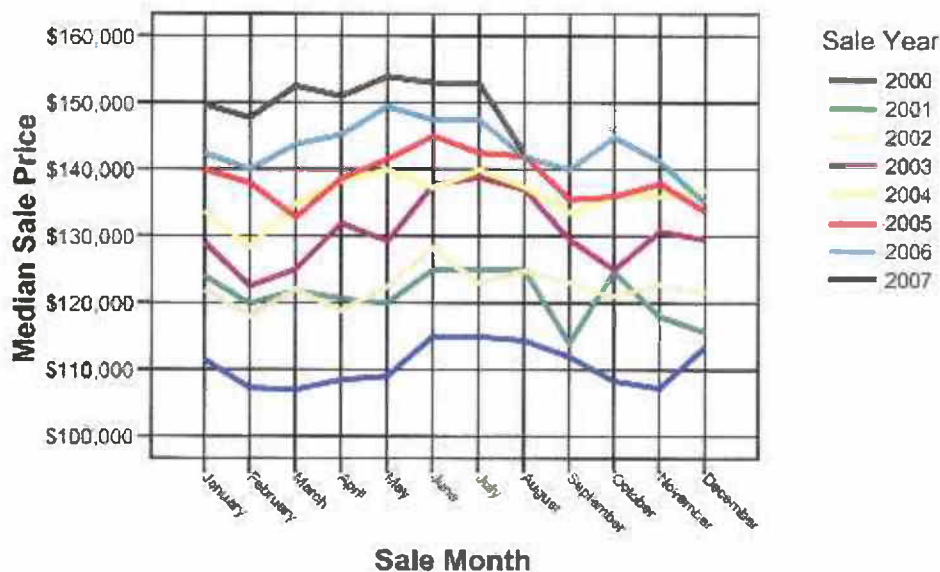
The following chart shows that market activity increases during the spring/summer months and decreases during the fall/winter months. This pattern is pretty consistent from year-to-year. The spring/summer months are a good time to be selling a home.

**Number of Sales by Month**



The residential real estate market in Polk County has been increasing during the last seven years. The median average sale price in 2000 was roughly \$110,000, while in 2007 it is roughly \$150,000. The seasonal patterns are also apparent here.

**Median Sale Price by Month**





The median average sale price per square foot of living area has also been increasing during the last seven years, which again points to an upward movement in the residential real estate market. The median average sale price/sq. ft. in 2000 was roughly \$90, while in 2007 it is roughly \$117.

**Median Sale Price/Sq.Ft. by Month**

