

39

Date March 25, 2013

Receipt of 2012 Polk County Assessor's Annual Report.

Moved by _____ to adopt.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED			APPROVED	
_____ Mayor				

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.

_____ City Clerk

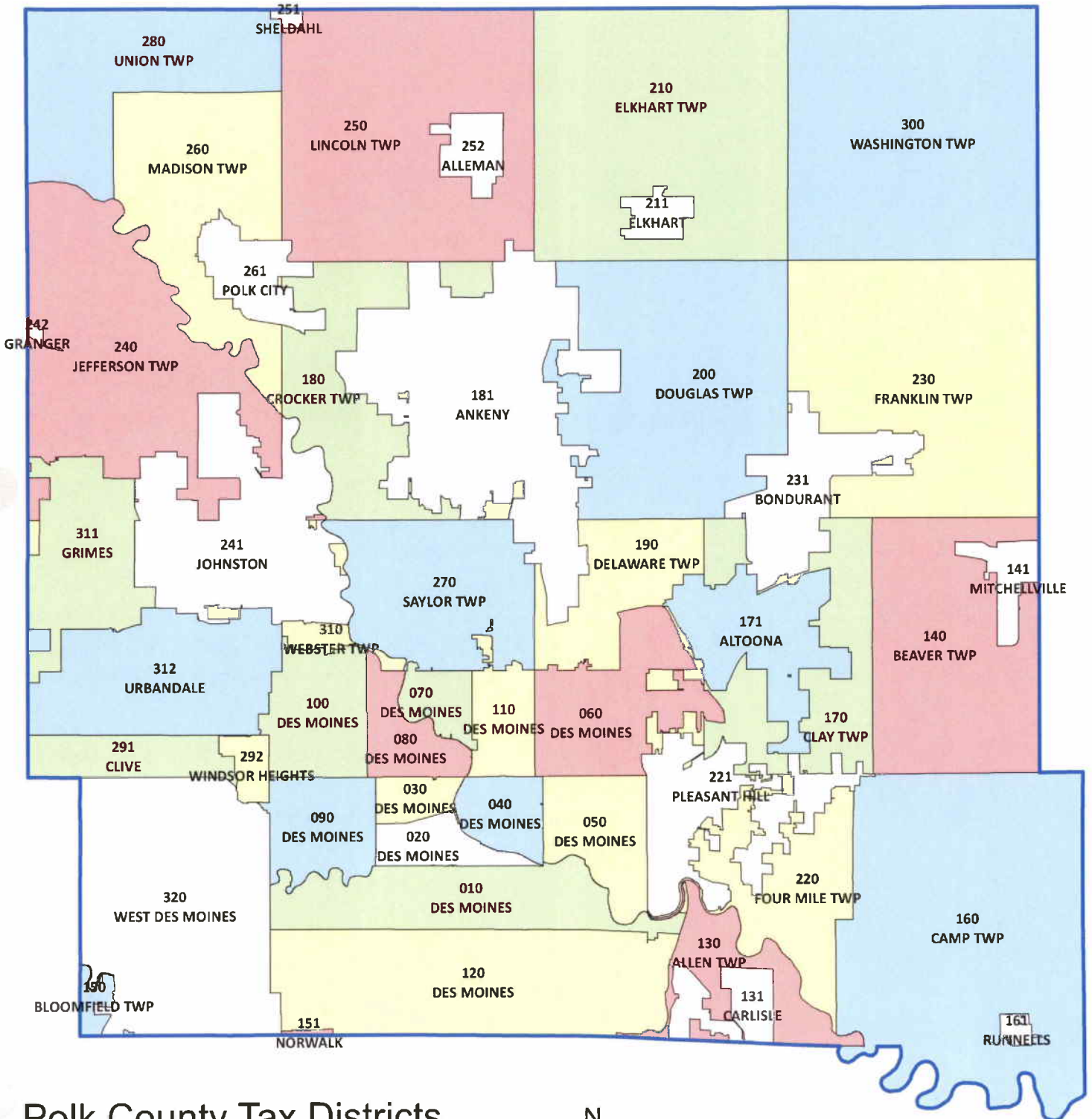
POLK COUNTY ASSESSOR

ANNUAL REPORT

2012

Polk County Parcel Count and Acre Totals Excluding Roads and Railroads

Jurisdiction	Parcels	Acres	Jurisdiction	Parcels	Acres	Jurisdiction	Parcels	Acres	Jurisdiction	Parcels	Acres
Alleman	218	1,498	Clive	3,864	2,467	Grimes	4,153	5,787	Saylor Twp	3,288	8,247
Allen Twp	299	3,193	Crocker Twp	1,610	8,027	Jefferson Twp	1,149	15,746	Sheldahl	99	152
Altoona	5,916	5,005	Delaware	1,895	5,422	Johnston	7,346	10,556	Union Twp	342	10,139
Ankeny	19,001	15,647	Des Moines	79,811	44,006	Lincoln Twp	486	20,332	Urbandale	12,662	7,940
Beaver Twp	577	13,171	Douglas Twp	718	18,096	Madison Twp	296	11,037	Washington Twp	543	22,150
Bloomfield Twp	16	592	Elkhart	324	932	Mitchellville	759	1,232	Webster Twp	400	942
Bondurant	1,753	5,081	Elkhart Twp	678	21,180	Norwalk	7	6	West Des Moines	15,637	13,534
Camp Twp	1,334	25,029	Four Mile Twp	1,101	6,574	Pleasant Hill	3,429	5,140	Windsor Heights	2,147	731
Carlisle	101	2,009	Franklin Twp	959	19,560	Polk City	1,730	2,610			
Clay Twp	607	7,581	Granger	109	82	Runnels	248	287	Total	175,612	341,724



Polk County Tax Districts

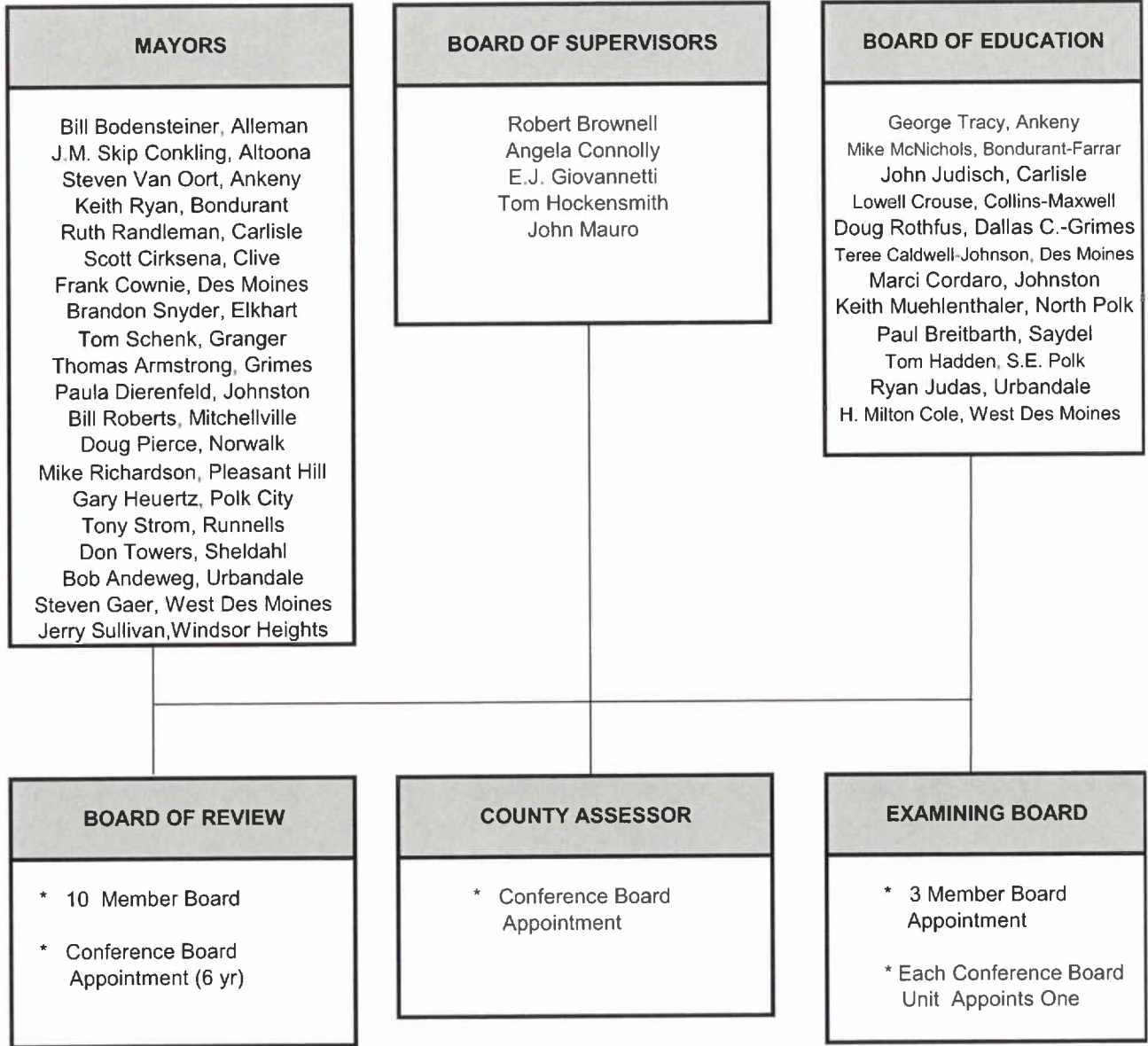


**2012 REPORT
OFFICE OF POLK COUNTY ASSESSOR**

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**POLK COUNTY CONFERENCE BOARD
2012**



**STAFF OF POLK COUNTY ASSESSOR'S OFFICE
MEMBERS, BOARD OF REVIEW AND BOARD OF EXAMINERS
DES MOINES, IOWA
2012**

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
Rodney Hervey, ICA, Commercial Deputy Assessor
Paul Humble, ICA, RES, Residential Deputy Assessor
Ruth Larsen, Database Administrator
Kelly Low, Accounting Manager
Mark Patterson, CAE, CCIM, ICA, Commercial Deputy Assessor
Amy Rasmussen Thorne, ICA, RES, Residential Deputy Assessor
Bryon Tack, MAI, CAE, ICA, Commercial Deputy Assessor
James Willett, ICA, RES, Residential Deputy Assessor

Appraisers

John Catron, Residential Appraiser II
Michael Caulfield, ICA, Commercial Appraiser III
Rich Colgrove, Residential Appraiser III
Patrick Harmeyer, ICA, Commercial Appraiser II
Michelle Henderson, Residential Appraiser I
Paul O'Connell, Residential Appraiser I
Kathryn Ramackers, Residential Appraiser II

Michelle Richards, ICA, Commercial Appraiser II
Regina Russell, Residential Appraiser II
Cathy Stevens, ICA, RES, Residential Appraiser III
Keith Taylor, ICA, RES, Residential Appraiser III
Brett Tierney, Residential Appraiser I
Joe Tursi, Appraiser Trainee
Patrick Zaines, ICA, Agricultural Appraiser

Office Personnel

Caroyle Andrews	Comm. Support Specialist	Kelsi Jurik	Mapping Specialist
Susie Bauer	Permits Coordinator	Jill Mauro	Computer Support Spec
Vincent DeAngelis	Tax Information Spec.	Victor Scaglione	Support Specialist
Kim Heffernan	Support Specialist	Julie Van Deest	Exemptions Coordinator
LaRayne Jack	Database Specialist		

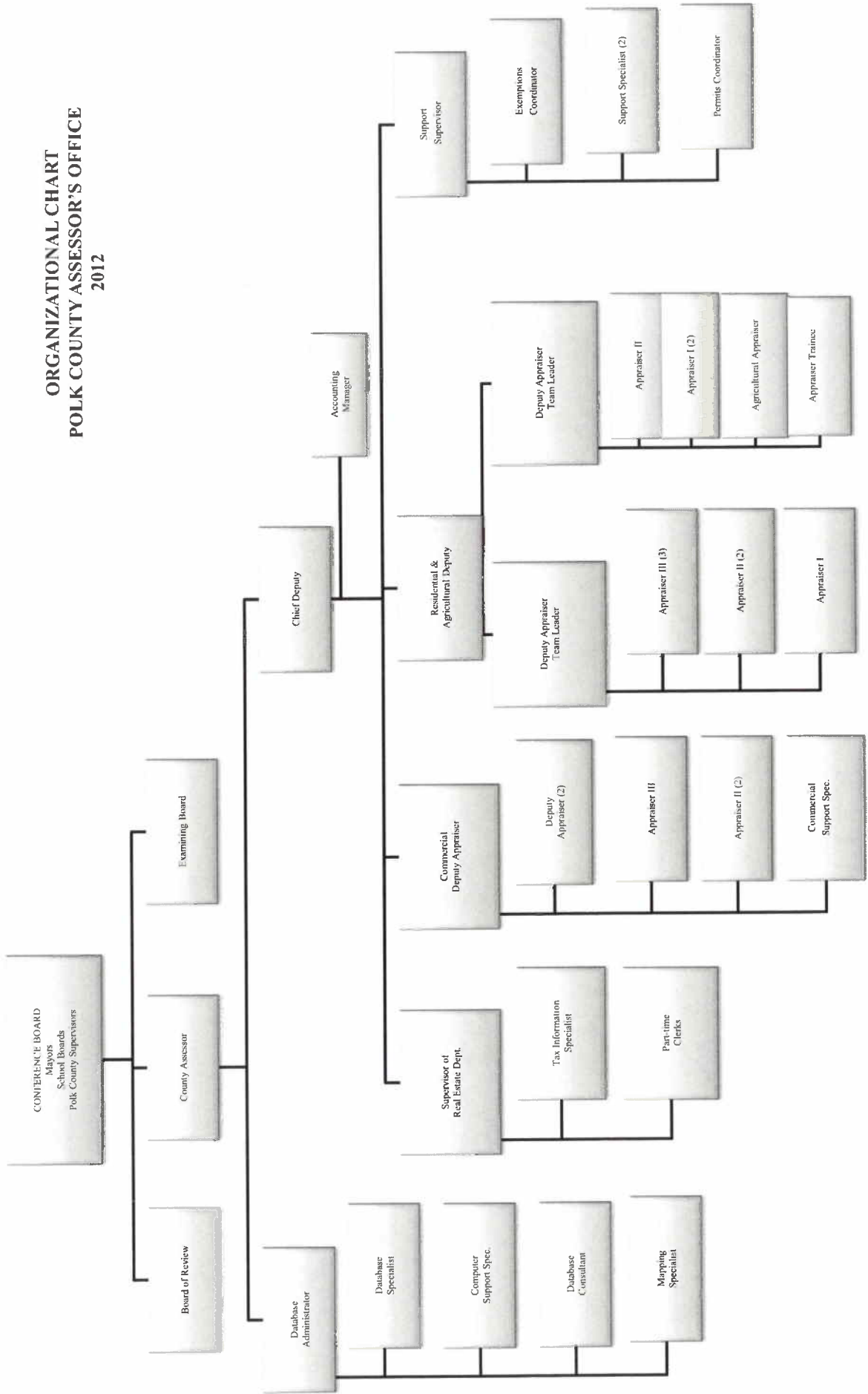
Board of Review

Lora Jorgensen
Donna Koester
John Lundstrom
Ruth O'Brien-German
Everett Sather
Charles Speas
John Tiefenthaler
Leslie Turner
Lee Viggers
Max Wright

Board of Examiners

Art Hedberg
Ned Miller
Frank Smith

**ORGANIZATIONAL CHART
POLK COUNTY ASSESSOR'S OFFICE
2012**



December 30, 2012

Polk County Conference Board:

Following is the 2012 Annual Report for the Polk County Assessor. I hope you find this information useful.

Last year I reported that 2011 was a tough year. We had a decline in the assessments of the majority of improved commercial properties and a substantial number of residential parcels. And high-rise office assessments were slashed due to prolonged excess vacancies. But the protest process went well and we are working the appeals that inevitably follow.

As I have indicated before, we are subject to state oversight. If the assessment level doesn't conform to state standards, the Iowa Director of Revenue issues an equalization order in August bringing it into compliance. When arm's length sales are scarce, as is often the case in rural counties, these equalization orders can be very controversial. Fortunately, we have enough sales that we have been able to avoid any order for a long time and we are confident we will avoid one again this year.

For the first 11 months of 2012, the median assessment-to-sale ratio for residential property is 100.6% with 4,246 sales reported. For commercial properties the ratio is 100.9% with 99 sales. These ratios are well within the state mandated standard (95% to 105%) and wholesale changes or trends, up or down, are very unlikely for the 2013 assessments.

But just being in compliance with state guidelines isn't really good enough. We are required to appraise property (except agricultural) at its actual market value, and so I thought it might be helpful to review one of the policies we follow to achieve that goal.

Every recorded sale is accompanied with a declaration of value form as required by state law. This form shows the assessment and sale price. It is supposed to reflect any conditions that might have affected the sale. If a normal sale is above or below the assessment by more than twenty percent, an appraiser does an on-site inspection in an attempt to determine if there was some change in the property that wasn't accounted for. In addition to this, our policy is to physically inspect the exterior of improved residential property every six years. This helps keep our focus on the internal equity of assessments, which is also important.

Also, in 2012 for the first time, we displayed a graph showing the gradual shift over time of the tax burden from commercially classified property to residential. See page 6 for an updated graph. This, of course, is simply a function of the assessment limitation factor (aka rollback) doing what it was designed to do; prevent large increases in assessments in hot markets and spread out the increases over time. Because residential markets have historically gone up more than commercial, the rollback has trimmed back what would have been large residential increases. In other words, the rollback functions as a cushion

to avoid big jumps in single year. But increases are just postponed. Since the residential rollback now is .528166 and commercial is already taxed at 100 percent (thus no rollback), residential taxable values have further increases in the bank. As the rollback goes up, the property tax burden is gradually shifting every year from commercial to residential and agricultural. And that's all that graph is attempting to show.

Finally, we've been working a long time on a new and improved web site. It should be on line very soon. You will be able to continue to use the current one even after we launch the new version. But the new one will be even more robust and flexible. The original version was started in 1999 and the staff thought it's about time for a change. They sought out the advice a wide assortment of current users and I expect it to be even more popular than the current site over time.

Speaking of staff, one of the great things about this position is working with really top-of-the-line personnel. We have some really highly motivated professionals and they are a pleasure to work with. I'm not looking for credit. It's been a combination of inheriting great people from my predecessor Jack Newell and just plain good luck. I am grateful for the opportunity to work with them.

As always, please let me know if you have any questions or would like additional information.

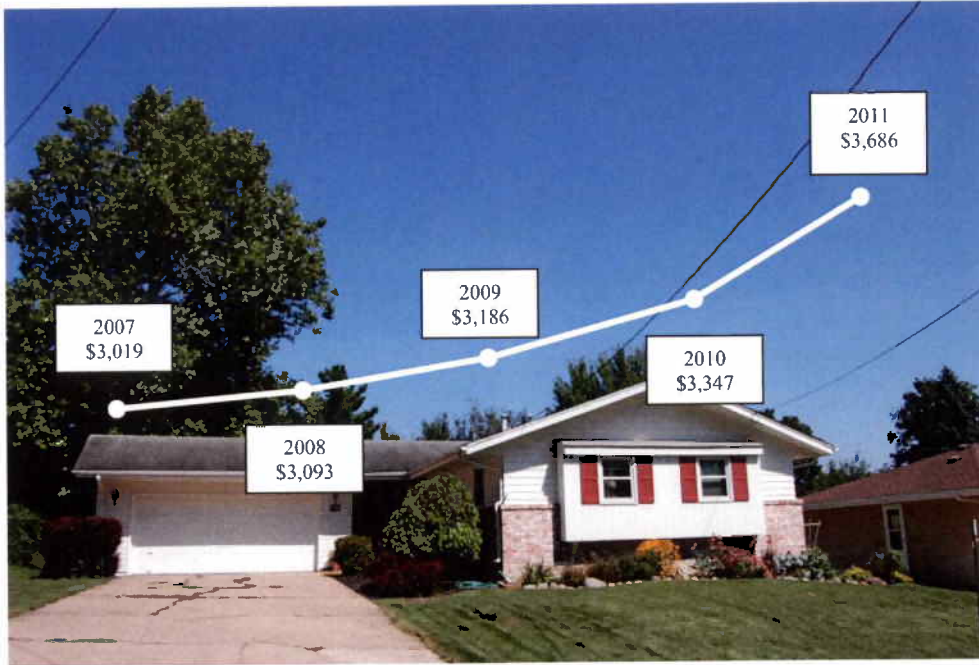
Sincerely,

Jim Maloney
Polk County Assessor

Property Tax Change Valuation Years 2007-2011

Tax Levies: 2007 - 45.65841; 2008 - 45.22335; 2009 - 45.28162; 2010 - 45.98095; 2011 - 46.52082

Residential - \$150,000 Assessed Value - Des Moines



Commercial - \$150,000 Assessed Value - Des Moines



ACTION OF THE 2012 BOARD OF REVIEW

The 2012 Board of Review considered 1906 protests and 65 recommendations.

Total value of real estate considered for protests \$ 1,109,828,120

Total number of protests by class of property:

Agricultural	13
Residential	1535
Commercial	346
Industrial	12
TOTAL	<u>1906</u>

Number of protests denied 583

Number of protests upheld 1323

Amount of reduction

	Land		\$ 5,688,060
	Improvements		<u>\$ 70,415,190</u>
	Total amount of reduction		\$ 76,103,250

Number of protests that received an increase 14

Amount of increase

	Land		\$ 121,000
	Improvements		<u>\$ 104,000</u>
	Total amount of increase		\$ 225,000

Total value of real estate considered for recommendations \$ 4,067,250

Total number of recommendations by class of property:

Agricultural	0
Residential	61
Commercial	4
TOTAL	<u>65</u>

Number of recommendations for reductions 41

Amount of reduction

	Land		\$ 1,200,050
	Improvements		<u>\$ 14,900</u>
	Total amount of reduction		\$ 1,214,950

Number of recommendations for increases 24

Amount of increase

	Land		\$ 475,750
	Improvements		<u>\$ 173,400</u>
	Total amount of increase		\$ 649,150

Total Real Estate Protests Reduced		\$ (76,103,250)
Total Real Estate Recommendations Reduced		\$ (1,214,950)
Total Real Estate Protests Raised		\$ 225,000
Total Real Estate Recommendations Raised		<u>\$ 649,150</u>

Net Reductions of Real Estate -
Protests and Recommendations \$ (76,444,050)

STATEMENT OF ASSESSED VALUATIONS OF POLK COUNTY
As of July 1, 2012

Real Property		\$ 31,076,876,750	
New Construction Added January 1, 2012		\$ 439,866,901	
Revaluation*		\$ 53,416,705	
Property Returned to Taxation		\$ 14,497,950	
Total Real Property		\$ 31,584,658,306	
Less:			
Demolitions	\$ 9,162,546		
Revaluations	\$ 136,070,270		
Board of Review Adjustments (R.E. Only)	\$ 74,237,660		
New Claims for Tax Exempt and Non-Taxable	\$ 15,079,940		
Court Decrees & Corrections	\$ 8,754,000	\$ 243,304,416	
Net Real Property		\$ 31,341,353,890	
Railroad and Utility Property**		\$ 1,415,323,988	
Assessed by Department of Revenue			
Full Value of Taxable Real Property		\$ 32,756,677,878	
Less: Urban Revitalization, Industrial Exemptions, Pollution Control		\$ 737,277,650	
and Forest & Fruit Tree Exemptions			
Military Exemptions - Estimated		\$ 39,000,000	
ADJUSTED VALUE OF NET TAXABLE REAL PROPERTY		\$ 31,980,400,228	

Credit Unions (5 mills)		\$ 33,683,845	

* Includes Wind Energy value (\$53,950).

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

**ABSTRACT OF 2012
POLK COUNTY ASSESSMENT
AS OF JULY 1, 2012**

REAL PROPERTY

Includes over 167,000 Parcels of Taxable Property	<u>100% Value</u>	
	TOWNSHIPS	CITIES
Agricultural Lands	\$ 213,172,830	\$ 48,874,990
Residential (includes residences on ag property)	\$ 1,857,711,860	\$ 20,521,660,270
Commercial Properties	\$ 359,611,260	\$ 7,900,851,200
Industrial Properties	<u>\$ 69,665,800</u>	<u>\$ 369,805,680</u>
Total Taxable Real Estate *	\$ 2,500,161,750	\$ 28,841,192,140

MONEY & CREDITS (100%)

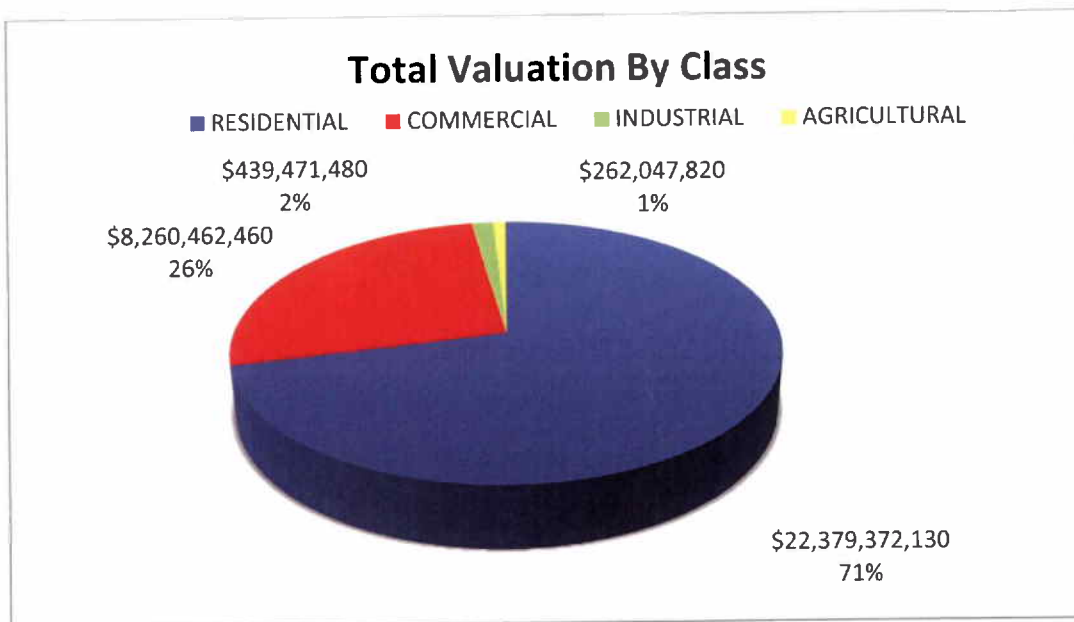
Credit Unions (5 mills)	\$ 2,291,237	\$ 31,392,608
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IMPORTANT NOTE:

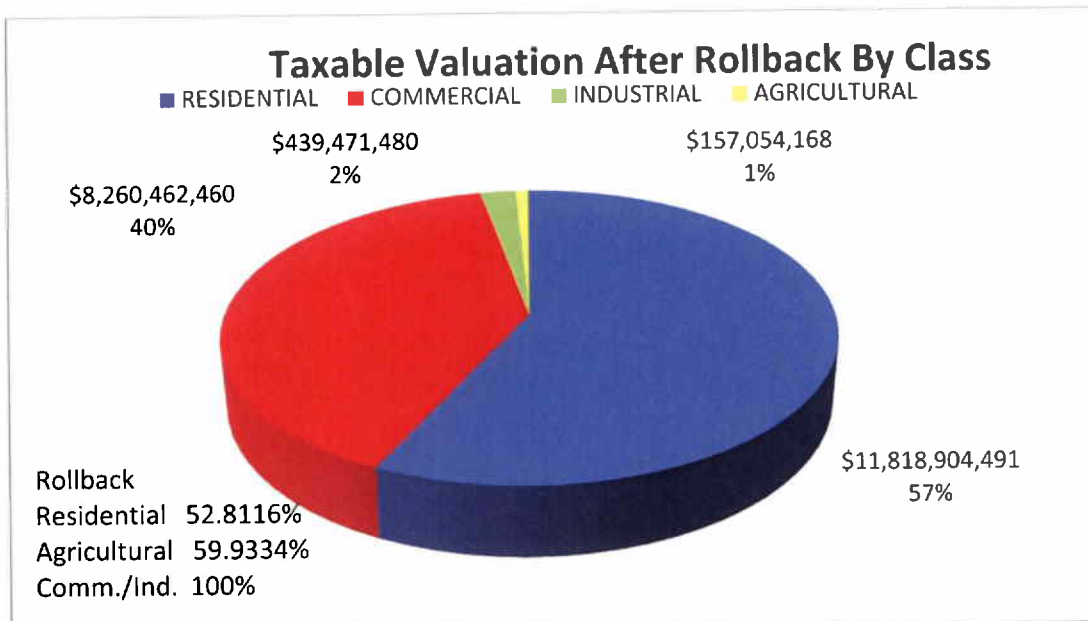
Due to the statewide 4% maximum allowable increase in real estate, there will be a rollback of values if the state increase is great enough to warrant a rollback. The amount of the rollback will be decided by the Department of Revenue in November.

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

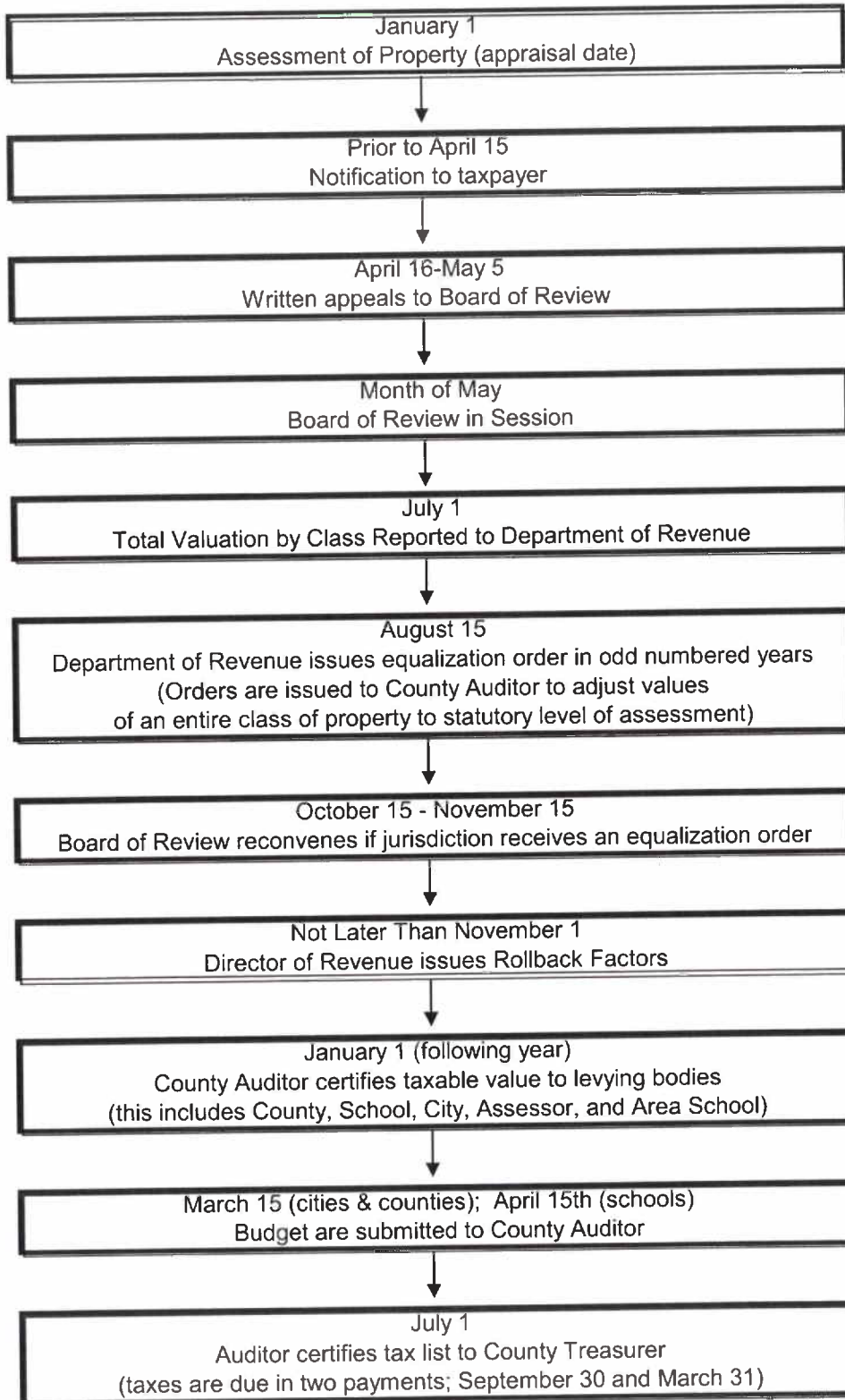
As noted on the previous two pages, the 2012 total assessed valuation for Polk County is \$31,341,353,890. The chart below shows the distribution of this valuation by class of property.



The rollback affects how the property tax burden is distributed among the various classes. As shown below, residential properties currently account for 57% of the tax base. Three years ago residential properties accounted for 53% of the tax base. This shifting of the tax burden should continue for many years into the future (see chart on p.6).



PROPERTY TAX TIMELINE



SURVEY OF NEW HOMES BUILT IN POLK COUNTY

CITIES	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Alleman	0	11	4	0	0	0	1	2	1	1	0	0	0	1
Altoona	83	166	88	164	196	218	354	277	186	120	76	92	71	115
Ankeny	475	518	414	652	751	972	1068	1345	681	521	280	381	433	343
Bondurant	20	24	27	33	24	14	78	99	67	105	51	74	62	50
Carlisle	0	2	0	0	0	0	0	0	0	0	1	0	1	0
Clive	37	74	44	45	30	16	35	11	7	2	1	1	0	2
Des Moines	271	381	344	390	520	526	665	520	296	282	163	124	118	87
Elkhart	1	1	1	0	0	25	21	29	25	5	2	1	0	3
Granger							16	33	3	5	4	8	10	5
Grimes	71	69	72	60	111	83	98	217	299	248	127	132	141	104
Johnston	251	381	285	331	276	329	390	386	290	165	100	136	149	198
Mitchelville	5	9	5	3	6	0	3	3	4	2	3	1	1	1
Pleasant Hill	72	116	93	116	118	160	118	165	198	114	55	38	33	30
Polk City	23	47	30	20	41	80	60	42	45	33	17	31	30	42
Runnells	1	2	3	3	12	4	6	4	8	0	1	0	1	0
Sheldahl	1	0	0	0	1	0	0	1	1	0	0	0	0	0
Urbandale	243	278	262	312	332	292	266	117	120	81	48	36	36	29
West Des Moines	460	500	343	224	140	121	120	35	54	49	44	25	19	19
Windsor Heights	0	0	0	1	0	1	1	1	1	8	1	0	1	0

TOWNSHIPS	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Allen	1	3	0	0	1	0	0	0	0	0	0	0	0	0
Beaver	1	6	5	4	9	14	9	14	13	10	6	5	3	6
Bloomfield	0	2	0	0	0	0	0	0	0	0	0	0	0	0
Camp	22	15	9	17	18	19	14	28	21	9	10	5	5	3
Clay	10	14	6	16	8	13	9	11	7	2	2	3	1	3
Crocker	79	81	70	43	23	26	21	31	17	13	6	4	10	12
Delaware	11	18	14	8	7	13	6	10	7	2	3	0	3	1
Douglas	12	15	5	3	5	5	4	2	3	0	0	1	2	1
Elkhart	2	7	8	10	9	25	19	14	15	10	2	0	1	1
Four Mile	19	17	13	14	21	23	13	17	8	9	6	6	6	2
Franklin	14	20	14	26	12	22	26	14	9	7	7	6	5	6
Jefferson	37	47	37	50	26	31	31	34	20	14	10	9	8	7
Lincoln	2	2	2	3	4	2	3	2	1	1	0	1	0	1
Madison	0	2	2	1	1	1	1	0	0	0	1	1	0	1
Saylor	24	13	9	10	34	37	23	16	30	21	16	8	1	11
Union	3	2	1	1	7	5	4	2	1	1	1	1	1	0
Walnut	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	5	1	4	2	3	0	6	3	2	0	1	0	0	1
Webster	1	2	3	2	1	1	0	2	1	0	0	0	0	0

**MISCELLANEOUS INFORMATION AND STATISTICS
POLK COUNTY**

New Building Permits Processed	8,150
Divisions of Existing Property	1,629
New Plats	76
New Homestead Tax Credits 2011/2012	4,672
New Military Exemptions 2011/2012	646

Classes and Numbers of Properties Assessed:

Agricultural Parcels (Property used for Agricultural Purposes)	5,806
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Forest & Fruit Tree Reservations (6567.135 Acres)

Vacant Taxable Parcels	Agricultural Residential Commercial Industrial	4,672 10,862 1,797 341
Improved Taxable Parcels	Agricultural Residential Commercial Industrial	1,134 139,626 8,397 316

Average 100% Assessment of Residential Property	\$	158,755
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**EXEMPT PROPERTY AS OF JULY 2012
POLK COUNTY**

RELIGIOUS INSTITUTIONS

Churches & Church Headquarters	\$	539,432,130
Parsonages	\$	15,382,940
Recreation Property, Church Camps, Etc.	\$	130,214,010

LITERARY SOCIETIES

Community Play House	\$	15,170,200
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LOW RENT HOUSING

Dwellings & Apartments	\$	28,207,500
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VETERANS ORGANIZATIONS

	\$	2,063,310
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CHARITABLE & BENEVOLENT SOCIETIES

Hospitals	\$	457,626,670
Fraternal Organizations	\$	13,859,580
Agricultural Societies	\$	10,338,310
Retirement & Nursing Homes	\$	117,652,280
Others (Y.M.C.A., Y.W.C.A., etc.)	\$	267,601,350

EDUCATIONAL INSTITUTIONS & CHURCH SCHOOLS

	\$	357,232,220
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POLLUTION CONTROL (Industrial M & E and Bldgs.)

	\$	6,566,150
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URBAN REVITALIZATION TAX EXEMPTION

	\$	671,885,150
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INDUSTRIAL PARTIAL EXEMPTION

	\$	14,624,610
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NATURAL CONSERVATION

	\$	2,036,940
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FOREST & FRUIT TREE PRESERVATION (6567.135 Acres)

	\$	24,708,080
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NATIVE PRAIRIE AND WETLANDS

	\$	168,960
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WILDLIFE HABITAT

	\$	12,700
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JOBS/INCOME

	\$	16,951,410
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IMPOUNDMENTS

	\$	60,010
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MANUF. HOME/STORM SHELTERS

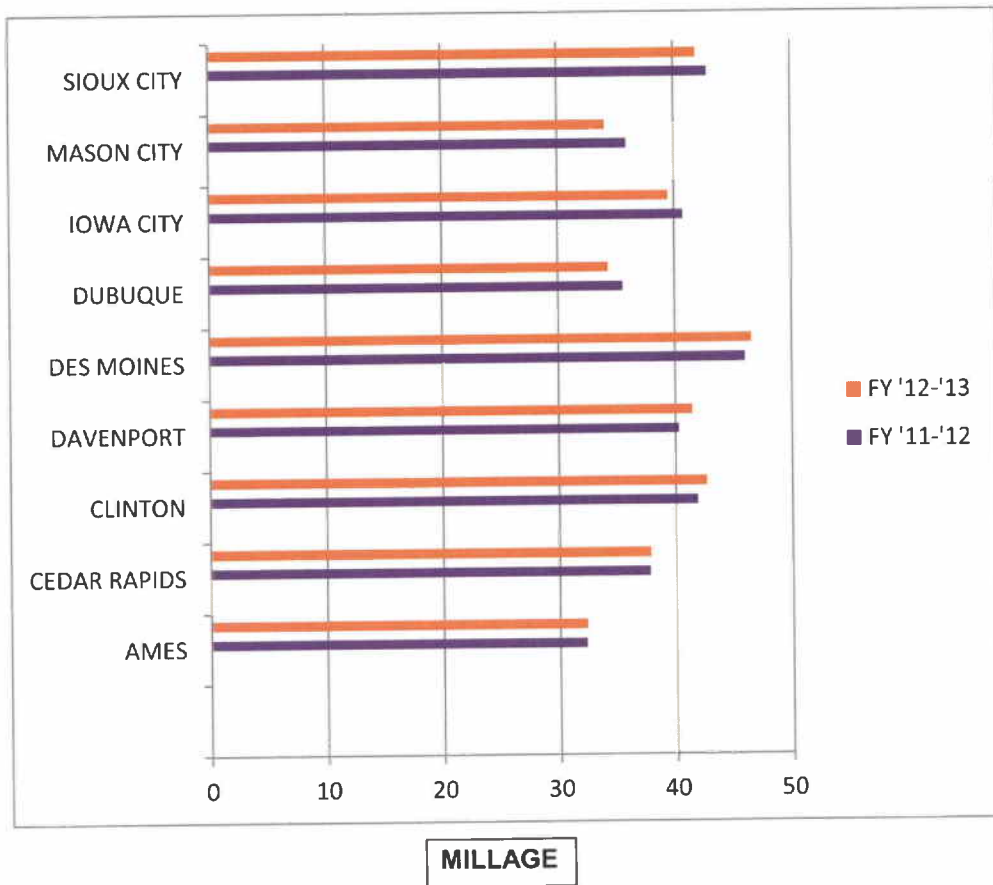
	\$	263,640
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TOTAL EXEMPT PROPERTY

	\$	2,692,058,150
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**COMPARISON OF TAX RATES PER THOUSAND
FOR TAXES PAYABLE FISCAL '11-'12 TO '12-'13
AS COMPILED BY THE POLK COUNTY ASSESSOR'S OFFICE**

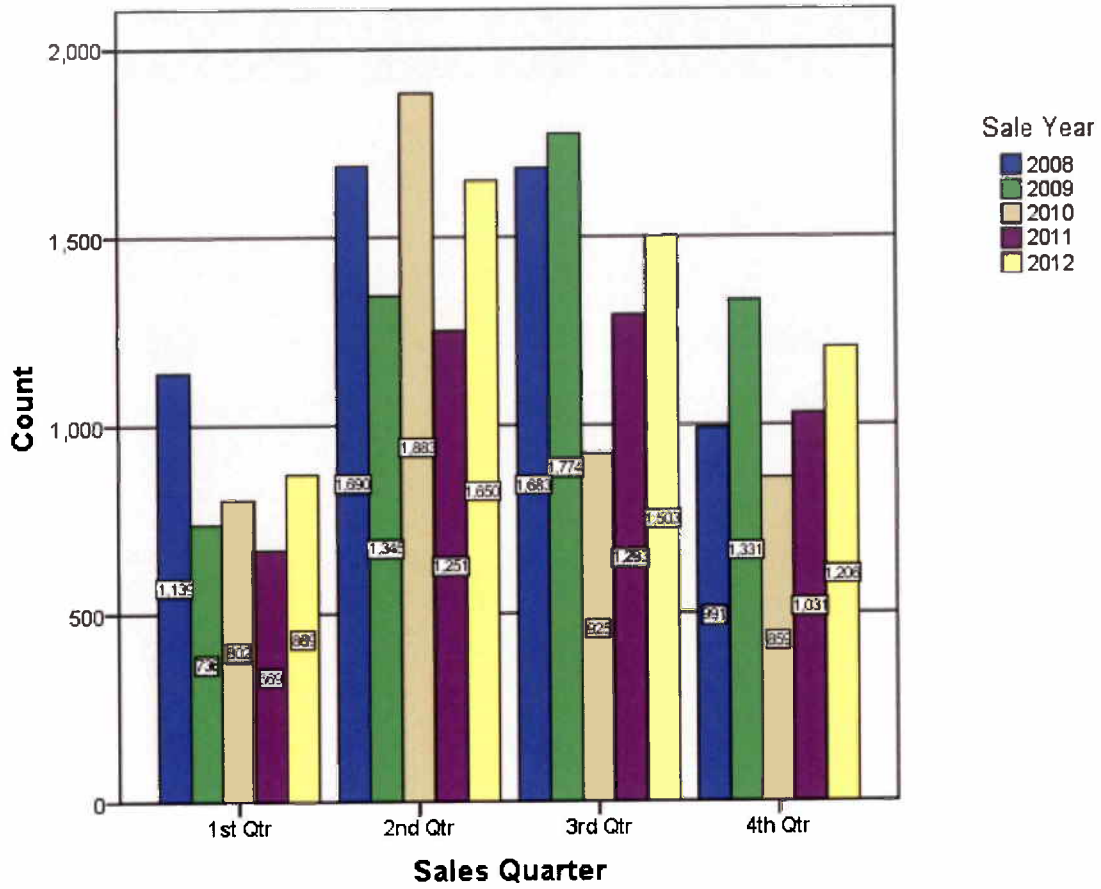
<u>JURISDICTION</u>	<u>FY '11-'12</u>	<u>FY '12-'13</u>
AMES	32.30014	32.36045
CEDAR RAPIDS	37.78537	37.84009
CLINTON	41.86580	42.63840
DAVENPORT	40.29606	41.43018
DES MOINES	45.98095	46.52082
DUBUQUE	35.57108	34.32049
IOWA CITY	40.75369	39.49917
MASON CITY	35.94965	34.11471
SIOUX CITY	42.84622	41.92927



Residential Sales Statistics

Polk County

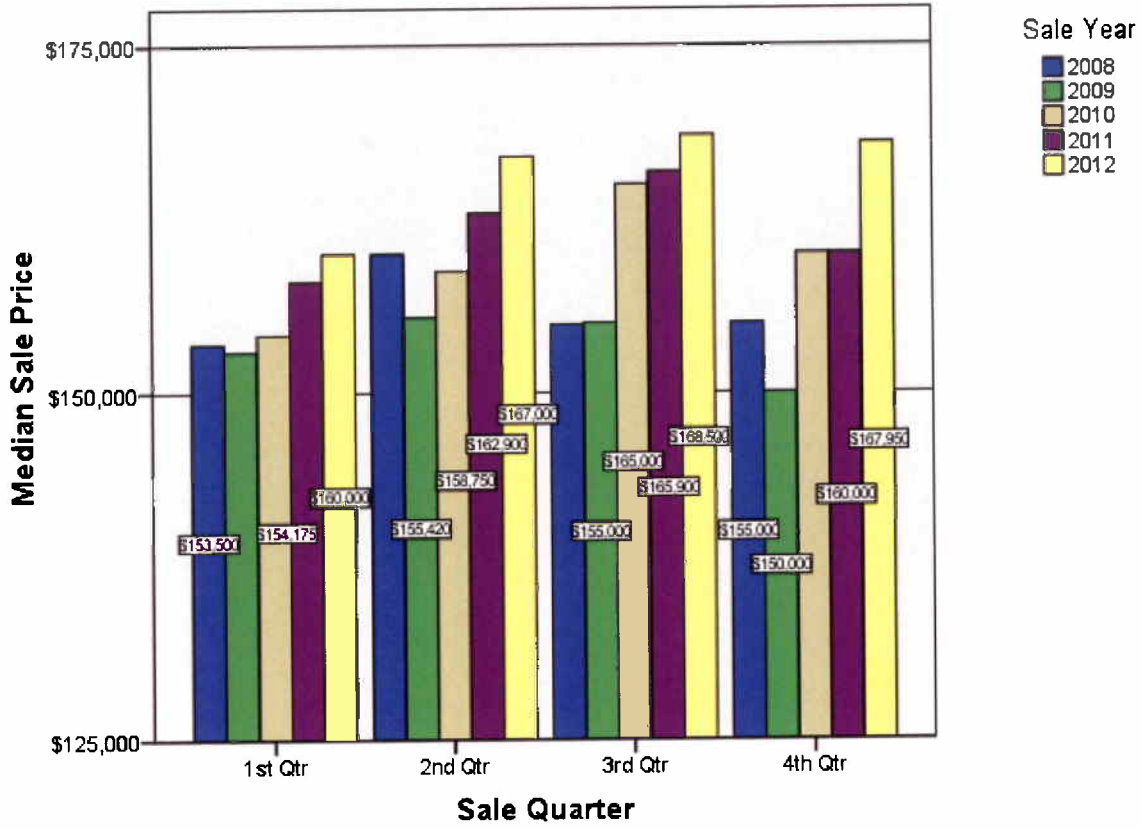
Number of Sales By Year and Quarter



Number of Sales by Year & Quarter

Sale Year	Sales Quarter			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
2008	1,139	1,690	1,683	991
2009	736	1,345	1,774	1,331
2010	802	1,883	925	859
2011	669	1,251	1,293	1,031
2012	869	1,650	1,503	1,206

Median Sale Price By Year and Quarter

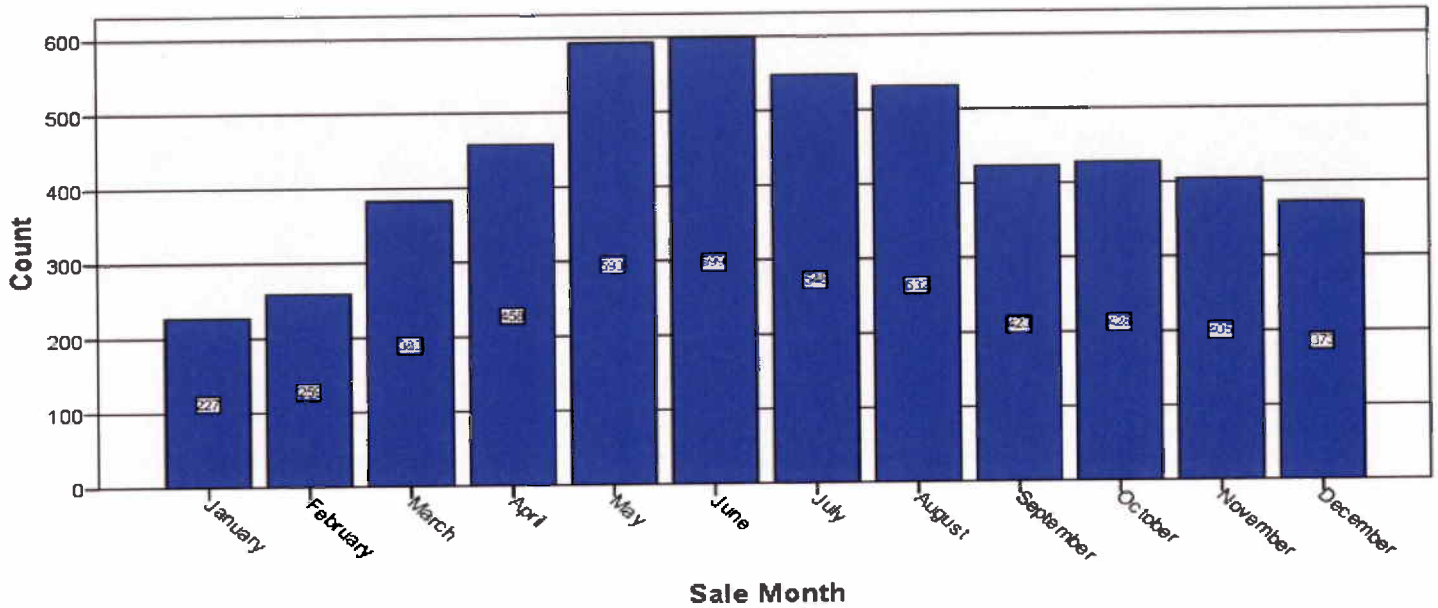


Median Sale Price by Year & Quarter

Sale Year	Sale Quarter			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
2008	\$153,500	\$160,000	\$154,900	\$155,000
2009	\$152,950	\$155,420	\$155,000	\$150,000
2010	\$154,175	\$158,750	\$165,000	\$160,000
2011	\$158,000	\$162,900	\$165,900	\$160,000
2012	\$160,000	\$167,000	\$168,500	\$167,950

Number of Sales by Month

Year 2012

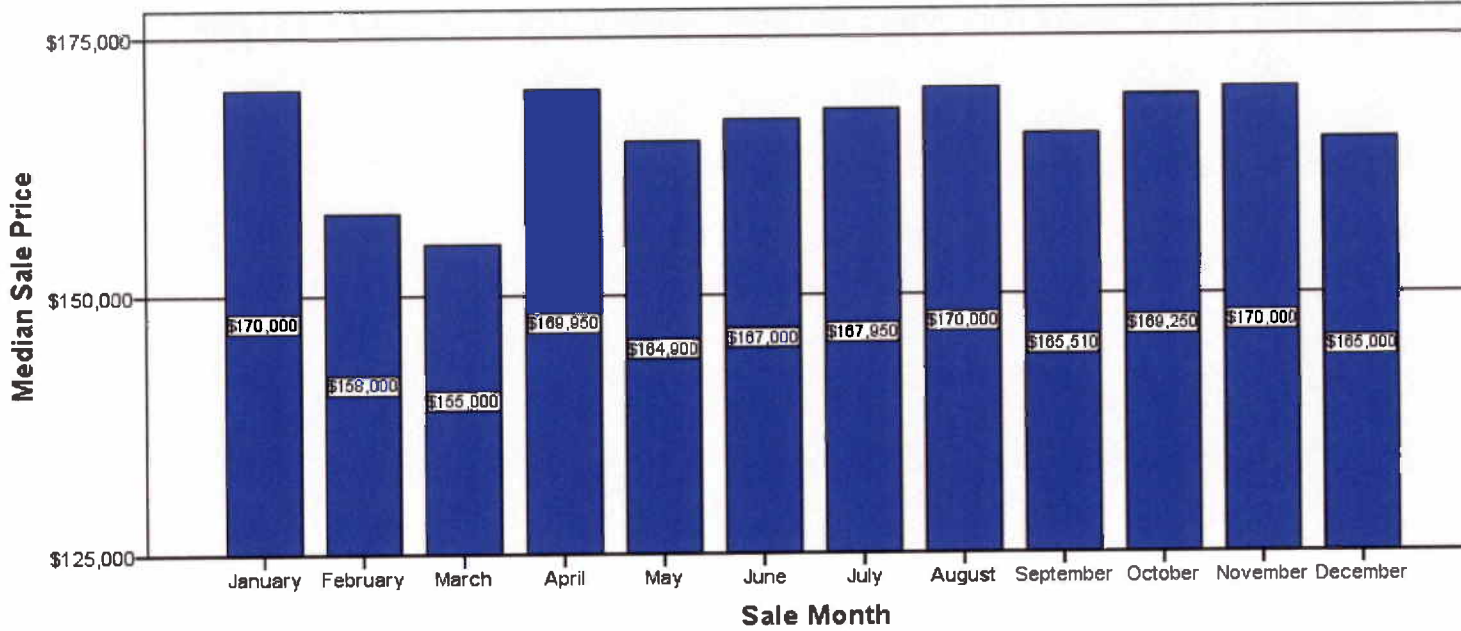


Number of Sales by Month - Year 2012

Sale Month	Count
January	227
February	259
March	383
April	458
May	593
June	599
July	548
August	532
September	423
October	428
November	405
December	373

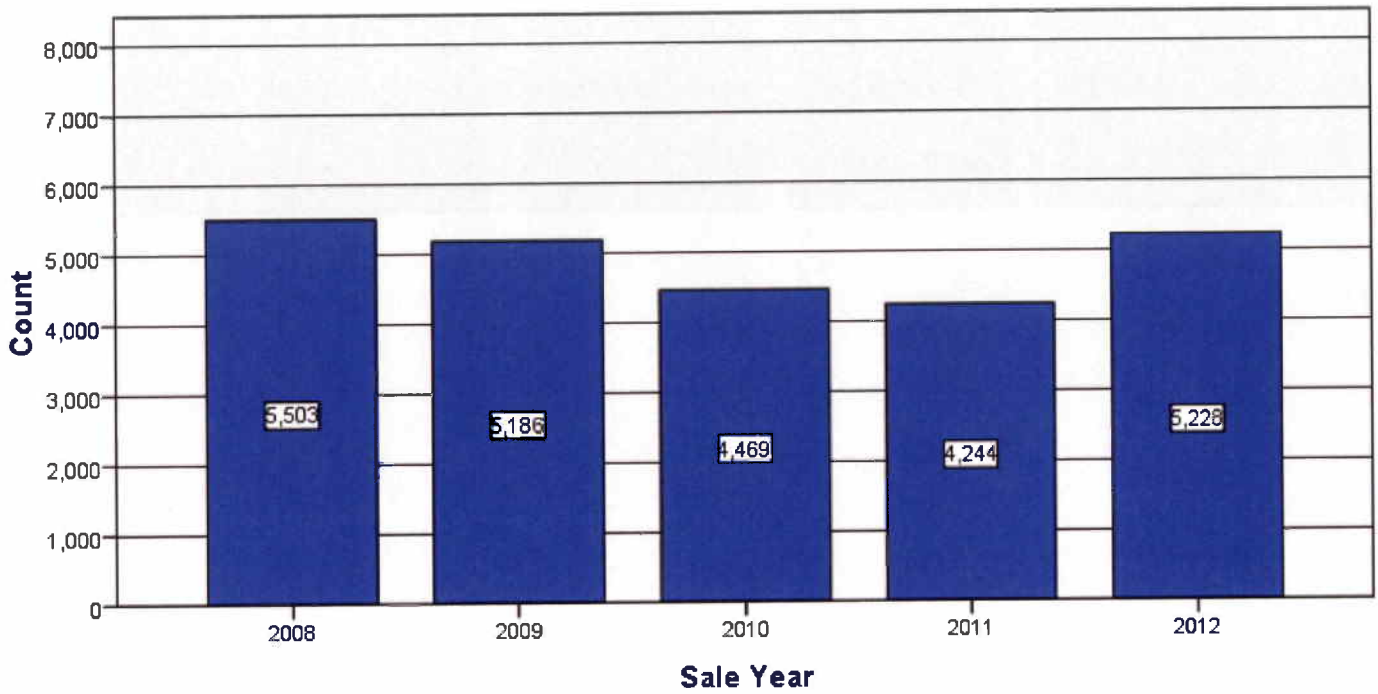
Median Sale Price By Month

Year 2012



Median Sale Price by
Month - Year 2012

Sale Month	Sale Price
January	\$170,000
February	\$158,000
March	\$155,000
April	\$169,950
May	\$164,900
June	\$167,000
July	\$167,950
August	\$170,000
September	\$165,510
October	\$169,250
November	\$170,000
December	\$165,000

Number of Sales through December**Years 2008-2012****Number of Sales
through December**

Sale Year	Sale Price
2008	5,503
2009	5,186
2010	4,469
2011	4,244
2012	5,228

**Sales Ratio Study
Polk County
Residential 1 & 2 Family Dwellings
Year 2012**

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 2010 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 (the median ratio is the measure of central tendency):

<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 December of 2012 there were 4,546 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.

Trimming (Standard on Ratio Studies, IAAO 2010) the sales can be useful in mass appraisal, where extreme values can mask the underlying distribution of the data. In this method you first look to see if the sale is a non-market transaction or if it contained an error. If there was an error, it is corrected and left in the sample. Trimming provides a method to include only those sales that represent market value. Trimming guidelines from the (Standard on Ratio Studies, IAAO 2010) Appendix B were used. After completing an interquartile range trim, there were 4,250 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 December of 2012. 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 4546 sales

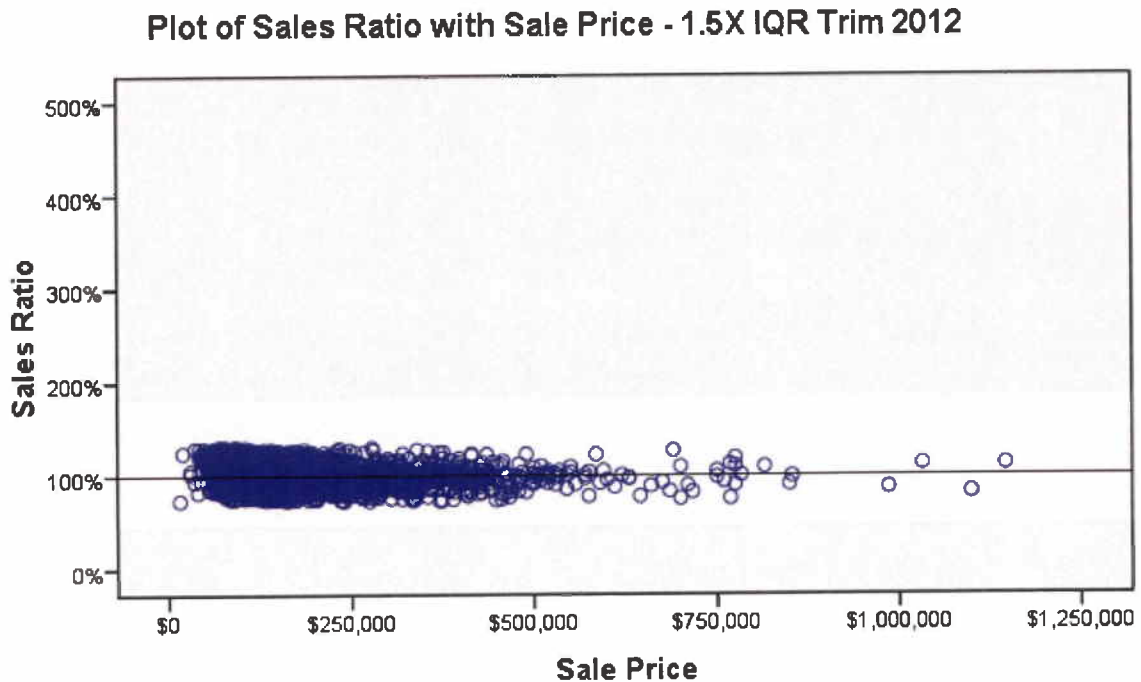
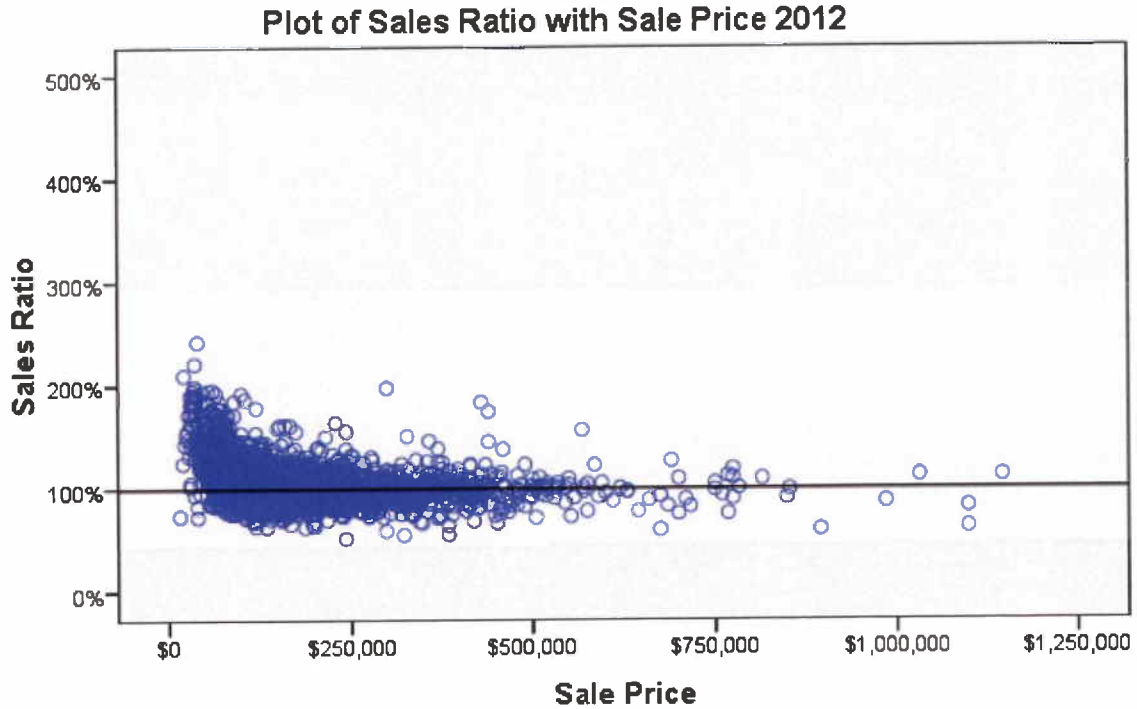
Mean			1.04
	95% Confidence Interval for Mean	Lower Bound	1.032
		Upper Bound	1.041
Median			1.006
	95% Confidence Interval for Median	Lower Bound	1.003
		Upper Bound	1.009
		Actual Coverage	95.15
Weighted Mean			1.01
	95% Confidence Interval for Weighted Mean	Lower Bound	1.004
		Upper Bound	1.014
Price Related Differential			1.03
Coefficient of Dispersion			10.7

Ratio Statistics for 1 & 2 Family Dwellings after 1.5X's IQR Trim - Based on 4,250 sales

Mean			1.01
	95% Confidence Interval for Mean	Lower Bound	1.007
		Upper Bound	1.013
Median			1.00
	95% Confidence Interval for Median	Lower Bound	.997
		Upper Bound	1.004
		Actual Coverage	95.22
Weighted Mean			.998
	95% Confidence Interval for Weighted Mean	Lower Bound	.995
		Upper Bound	1.002
Price Related Differential			1.01
Coefficient of Dispersion			8.1

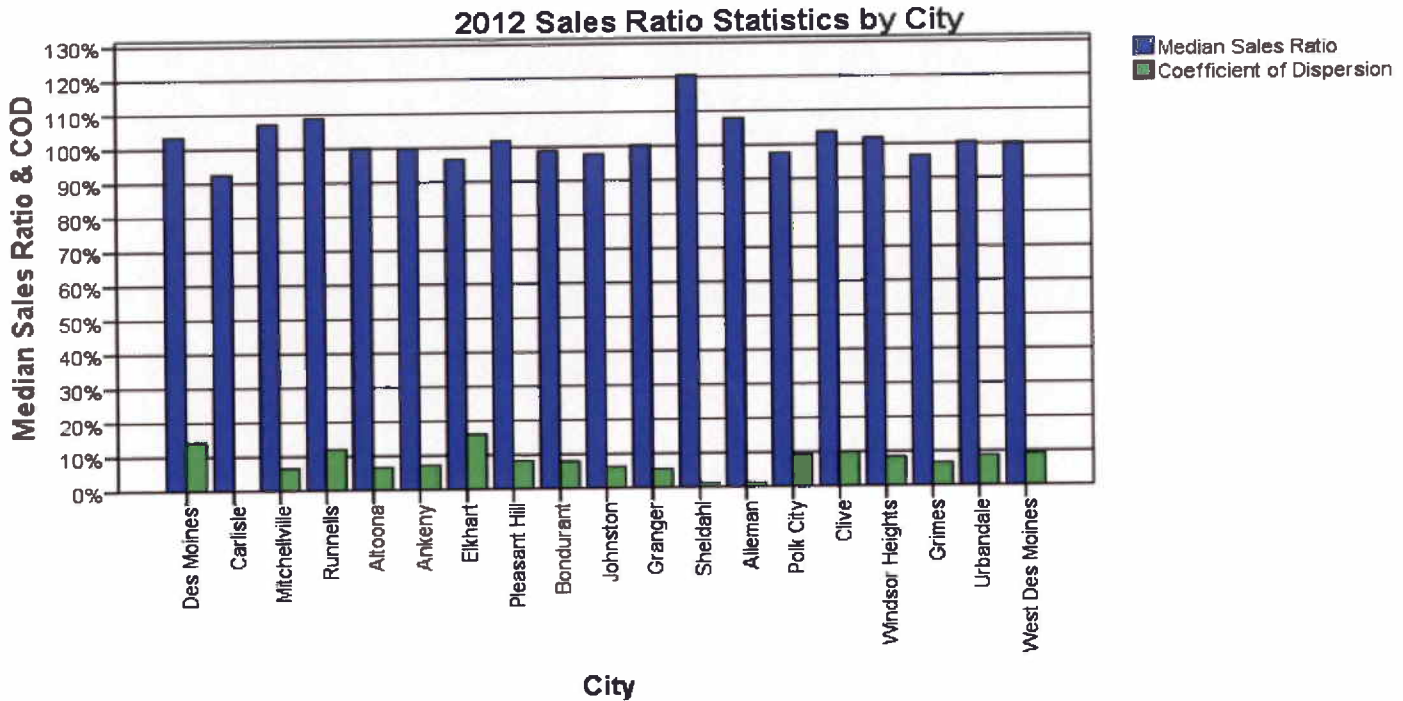
The first chart above shows that the current median sales ratio for Polk County is 1.01 or 101%. This meets the IAAO's suggested performance standard and is within 5% of the legal level in Iowa (100%), but not exactly 100%. The second chart shows that the median is 1.00 or 100%. This median is different because of a process of identifying sale ratios that are extreme in nature and can influence calculated statistical measures. Note the difference in the number of sales used to calculate the statistics for each chart. Excluding these outliers is acceptable if using recognized statistical procedures. These procedures can be found in the ([Standard on Ratio Studies](#), IAAO 2010), Appendix B. Based on the 100% median ratio, we are in compliance and would not make any adjustments at the county level. We will analyze sub-markets to see if any adjustments are warranted for 2013.

The COD after the inter-quartile trim is 8.10%, which means that, on average, residential assessments in Polk County are within 8.10% of the median assessment level (100%). The PRD is well within the IAAO's suggested performance standard and indicates that low and high valued properties are relatively being assessed at the same level. The statistics in the second chart, after the trim, give us a true indication of what the market is doing and show that our level of assessment and uniformity are within IAAO Standards.



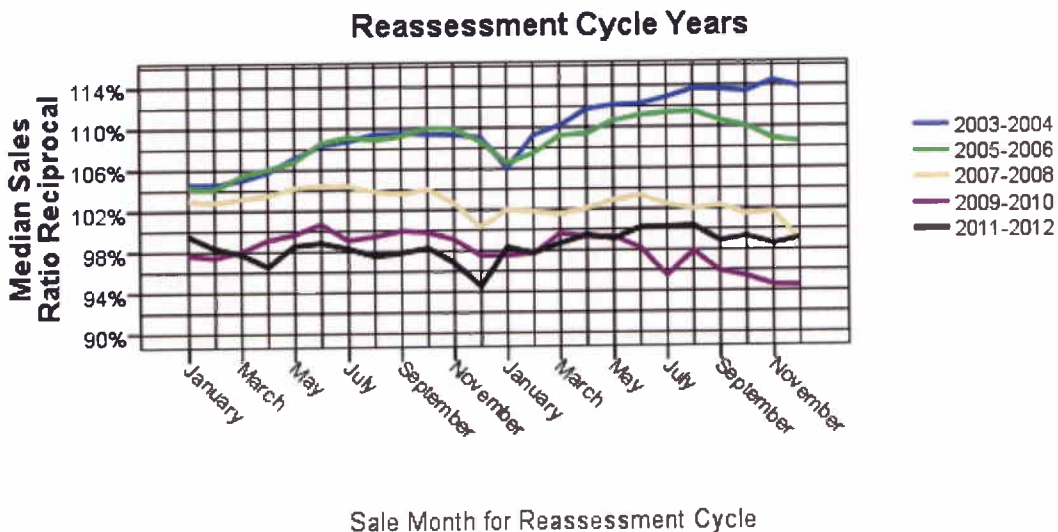
The above charts show the distribution of the sales ratios against their sale prices. The line on the sales ratio axis at 100% represents the legal assessment level. These charts support the PRD statistic on the previous page (assessment uniformity), which indicates that low and high value properties 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 through 2011-2012 is well below the previous assessment cycles from 2003 to 2008. 2011 shows that sale prices were lower than assessed values in 2009 and about the same as 2010, on average. 2012 indicates that sale prices were relatively the same as assessments across the course of the year and why the median sale ratio is 100%.

Median Sales Ratio Reciprocal by Month



The following chart shows that market activity increases during the spring/summer months and decreases during the fall/winter months. Typically, this pattern is pretty consistent from year-to-year. Generally, the spring/summer months are a good time to be selling a home. 2012 seems to be following this pattern, although at a higher level than the prior two years, especially through the spring and summer months. 2010 had an abrupt drop after May due to the expiration of the federal tax credit.



The residential real estate market in Polk County has been relatively flat from 2008 to 2011, averaging about \$145,000 the past 4 years. The median sale price in 2008 was \$148,000, while in 2012 it is \$156,000. Only 3 times during 2012 did the median value drop below the prior year (2011) median monthly value, indicating a strong increase in the median selling price across the course of the year and moving sale prices closer in line with assessments.

