

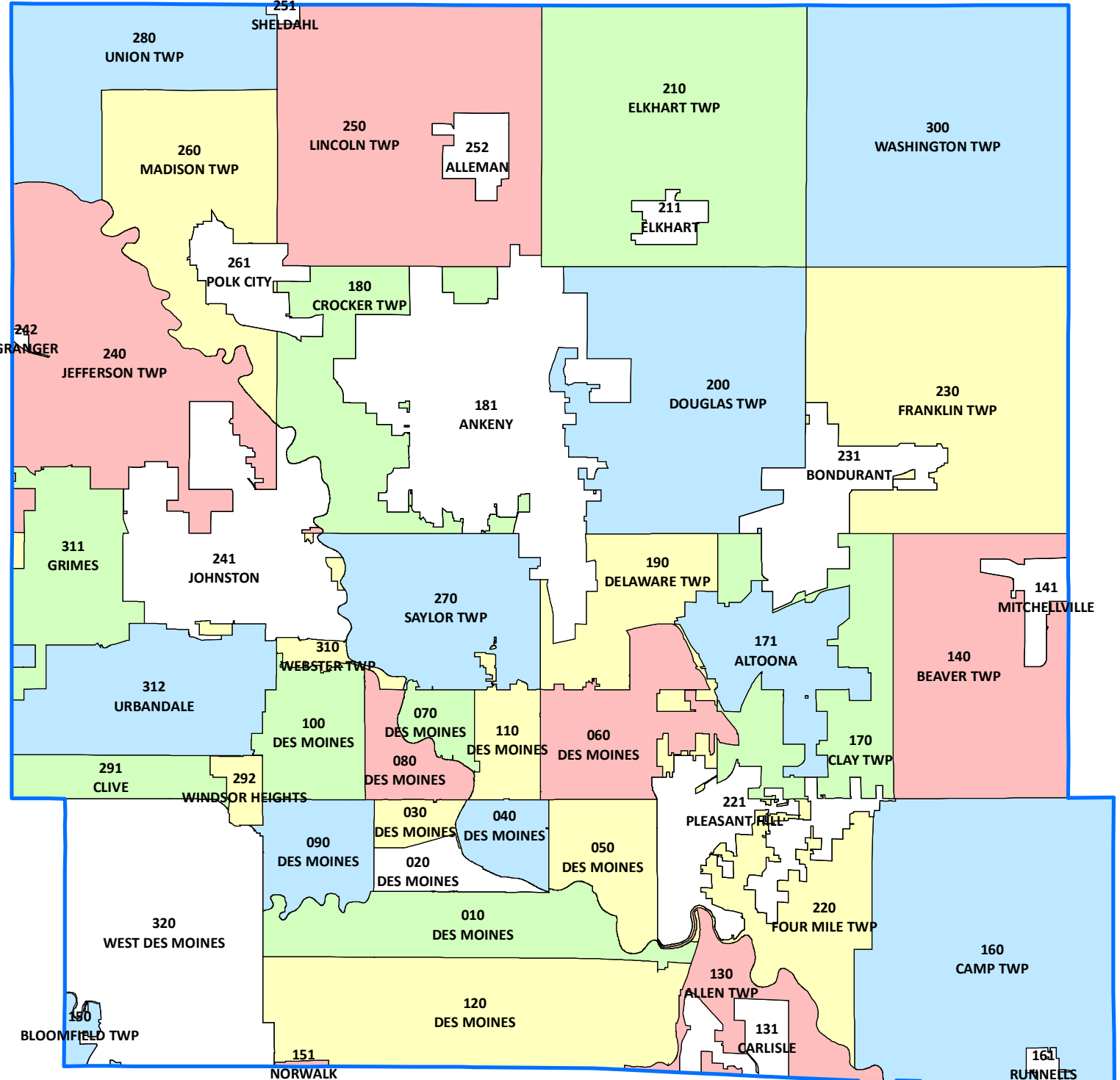
***POLK COUNTY ASSESSOR***

***ANNUAL REPORT***

***2013***

# Polk County Parcel Count and Acre Totals Excluding Roads and Railroads

Jurisdiction	Parcels	Acres	Jurisdiction	Parcels	Acres	Jurisdiction	Parcels	Acres	Jurisdiction	Parcels	Acres
Alleman	219	1,503	Clive	3,874	2,471	Grimes	4,569	5,752	Saylor Twp	3,2864	8,244
Allen Twp	293	3,186	Crocker Twp	1,625	8,023	Jefferson Twp	1,151	15,731	Sheldahl	100	152
Altoona	6,015	5,017	Delaware	1,906	5,422	Johnston	7,477	10,408	Union Twp	343	10,138
Ankeny	20,236	15,597	Des Moines	79,648	44,124	Lincoln Twp	483	20,331	Urbandale	12,673	7,927
Beaver Twp	583	13,169	Douglas Twp	724	18,108	Madison Twp	297	10,598	Washington Twp	546	22,148
Bloomfield Twp	16	592	Elkhart	324	932	Mitchellville	757	1,232	Webster Twp	400	942
Bondurant	1,946	5,088	Elkhart Twp	677	21,099	Norwalk	3	6	West Des Moines	15,629	13,558
Camp Twp	1,336	25,007	Four Mile Twp	1,095	6,293	Pleasant Hill	3,471	5,680	Windsor Heights	2,157	730
Carlisle	101	2,009	Franklin Twp	957	19,557	Polk City	1,834	3043			
Clay Twp	600	7,338	Granger	109	82	Runnells	248	287	<b>Total</b>	<b>177,687</b>	<b>341,520</b>



## Polk County Tax Districts

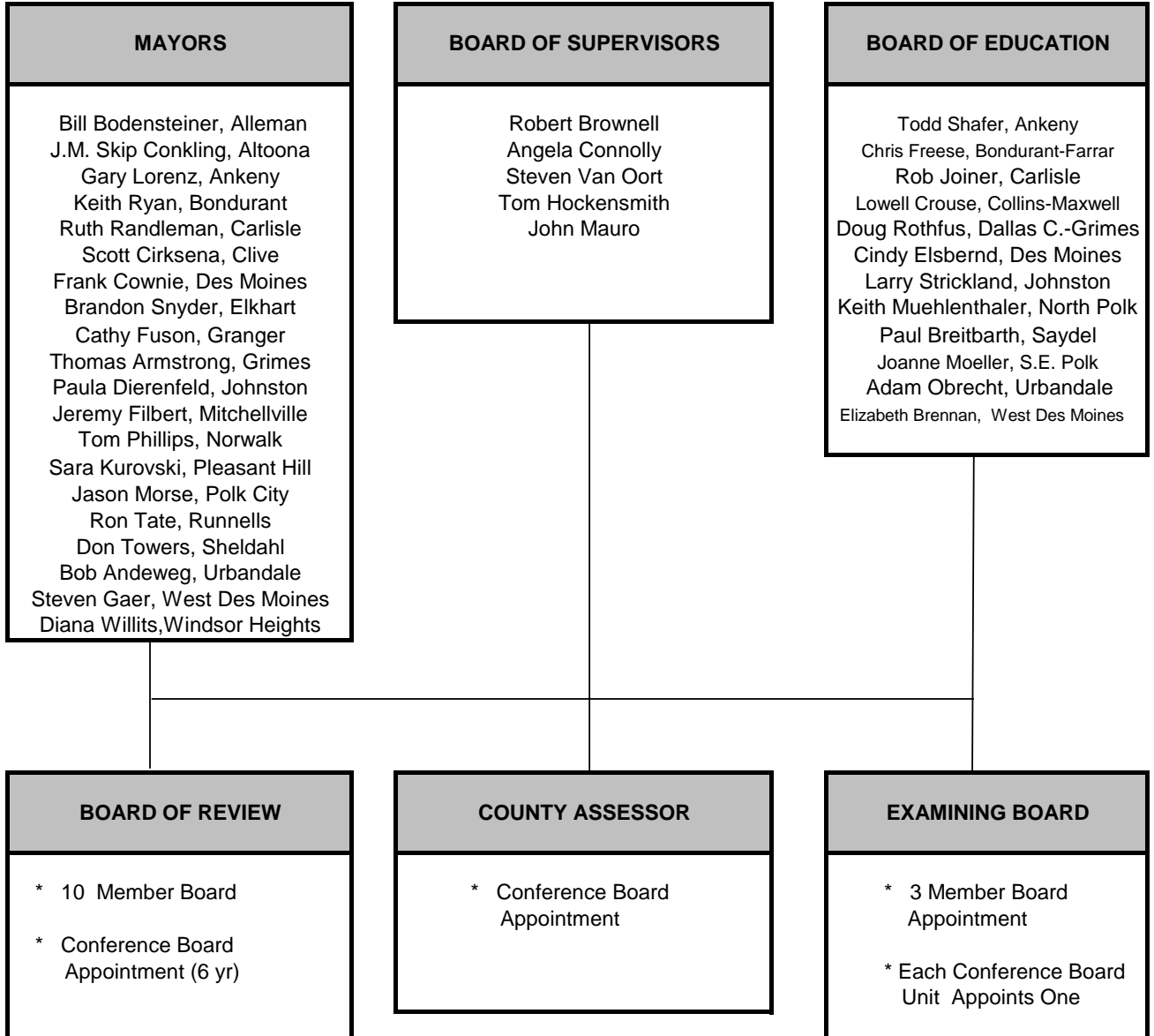


**2013 REPORT**  
**OFFICE OF POLK COUNTY ASSESSOR**

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**POLK COUNTY CONFERENCE BOARD  
2013**



**STAFF OF POLK COUNTY ASSESSOR'S OFFICE  
MEMBERS, BOARD OF REVIEW AND BOARD OF EXAMINERS  
DES MOINES, IOWA  
2013**

**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, ICA, RES, AAS, 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 Ramaekers, Residential Appraiser II

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

*Office Personnel*

Caroyle Andrews  
Susie Bauer  
Vincent DeAngelis  
Kim Heffernan  
LaRayne Jack

Comm. Support Specialist  
Permits Coordinator  
Tax Information Spec.  
Support Specialist  
Database Specialist

Kelsi Jurik  
Jill Mauro  
Jennifer Sanford  
Victor Scaglione  
Julie Van Deest

Mapping Specialist  
Computer Support Spec  
Credits Administrator  
Support Specialist  
Exemptions Coordinator

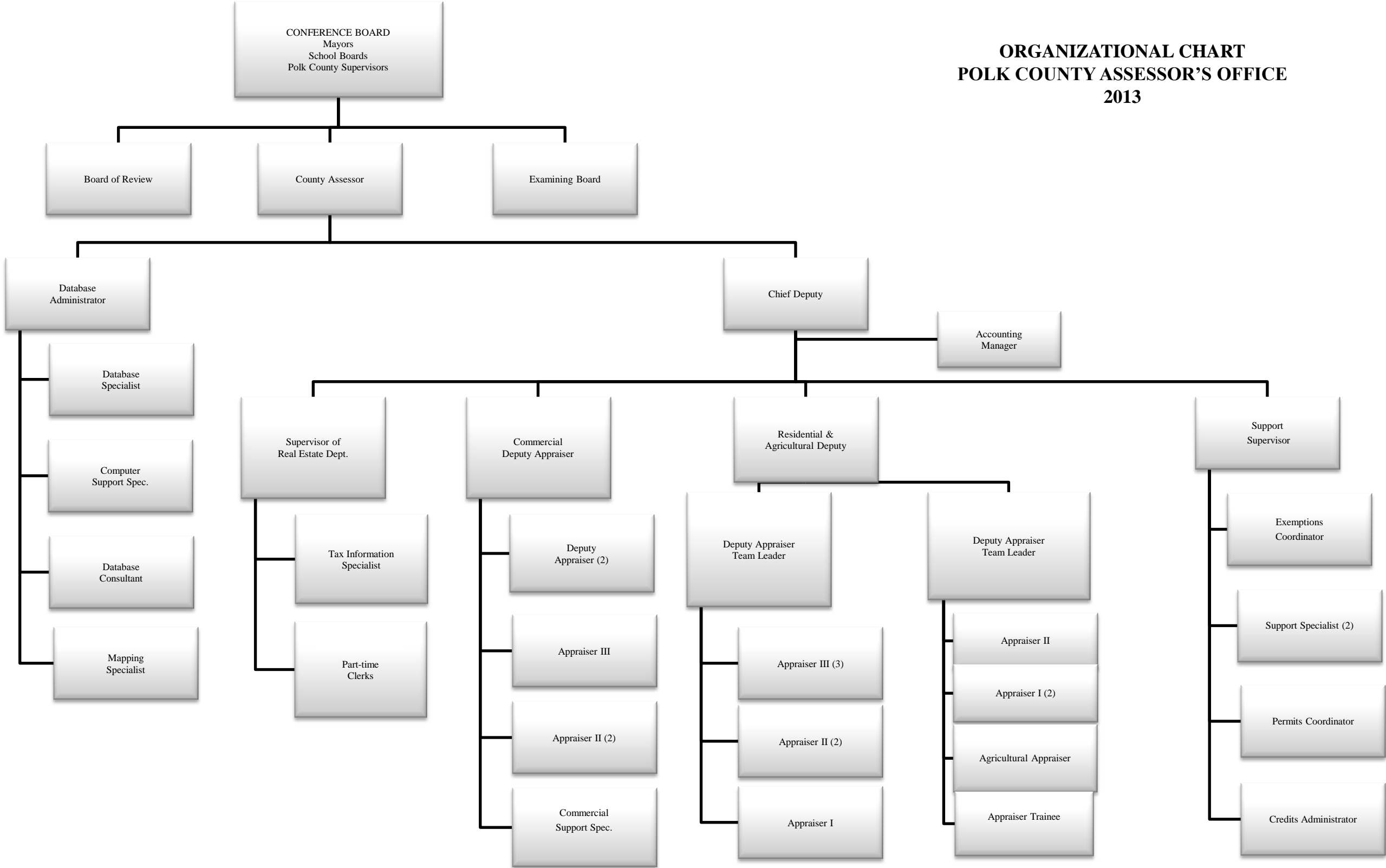
*Board of Review*

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  
2013**



December 31, 2013

Polk County Conference Board:

Following is the 2013 Annual Report for the Polk County Assessor. I hope you find this information useful.

There has been increased activity in the real estate market for both residential and commercial. Sales ratio studies indicate we are within one percent of the market value for improved commercial properties and three percent for residential.

Once again we are displaying a graph (page 10) that shows the shift in the tax burden moving from commercial property to agricultural and residential due to the assessment limitation factor, or *rollback*, which increases the percentage of the residential assessments that is required to be taxed.

Some major changes are in the works for future years thanks to changes in property tax laws authorized by the last General Assembly.

For example, a new rule requires us to revise agricultural land assessments. Ag land is assessed based on its productive value and not actual market value. We have always used the corn suitability ratings (CSR) with a number of adjustments, e.g. dense timber, fallow pasture, and floodplain easements. Some assessors in Iowa made adjustments, others did not, causing a lack of uniformity from one jurisdiction to another. The new rule, which all assessors must comply with by 2017, allows only one adjustment for non-productive farm ground.

We hope to use the second version of the Corn Suitability ratings (CSR2) if they become available. All the above changes will not increase or decrease the total agricultural value for Polk County but almost all agricultural assessments will see some change as a result of this rule.

Another major change is the new business property tax credit. It is available for most commercial, industrial, and local railroad assessments. It excludes Section 42 housing, mobile home parks, manufactured home communities, land leased communities, assisted living facilities, and residences primarily used for human habitation containing three or more separate dwelling units. That's a mouthful but it includes a majority of commercial and industrial classed parcels.

Each qualifying commercial property is eligible for a credit unless it is a part of a *property unit*. A *property unit* is more than one parcel that is contiguous with another parcel or parcels that are in the same county with the same classification, owned by the same person, and operated for a common use and purpose. Two or more parcels fitting those criteria are limited to only one credit. The assessor's office is required to determine whether or not an applicant qualifies. The deadline for applying is January 15<sup>th</sup>, and because of time constraints, the application must be delivered to the assessor's office by January 15<sup>th</sup>, 2014. If it's received in the assessor's office after January 15<sup>th</sup>, the credit will be lost for 2013.

Here's an interesting twist to this new credit. The General Assembly appropriated fifty million dollars to fund the credit in the first year. There is a wide difference of opinion on how much credit an individual *property unit* will receive, because it is based in part on the number that apply.

We are doing about everything we can to get eligible owners aware of this on time. An unusual aspect of this law is the requirement that the application be filed in the Assessor's Office on or before January 15<sup>th</sup>. You can fax it, mail it, email it, or deliver it by horseback but it has to be in this office on or before the 15th. If the letter is postmarked January 15<sup>th</sup> but delivered to this office the next day, it will not qualify for the first year but will qualify for the following year (assuming there is no change in the composition of the *unit* or the ownership). If there is any change, a new application is required.

If taxpayers miss that deadline, they have until March 15<sup>th</sup>, 2015, to file for the credit for the 2014 assessment year and March 15<sup>th</sup> for subsequent years. If there is a change in ownership or a change in the property *unit*, it will be necessary to reapply or the credit will be lost.

The amount of the credit won't be determined by the Department of Revenue until all the applications have been approved and processed. Here are the estimates that have appeared in the Department's web site:

Assessment Year	Estimated credit per unit
2013 payable '14/'15	\$ 513
2014 payable '15/'16	\$ 1385
2015 payable '16/'17	\$ 1930
2016 payable '17/'18	\$ 1989

I'm told these numbers originated in the Legislative Service Bureau and they were estimates based on the available data at the time.

The Department of Revenue officials are working very hard with auditors and assessors to implement this new credit. It's going to be a huge challenge to complete all the processing so that the county auditors can post the credits to the tax statements without delays.

Some deadlines have changed. We now have to notify taxpayers of a change in their assessments by April 1<sup>st</sup> instead of April 15<sup>th</sup>. The protest filing period was expanded, moving the date from April 16<sup>th</sup> to April 7<sup>th</sup> with the deadline remaining May 5<sup>th</sup>.

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

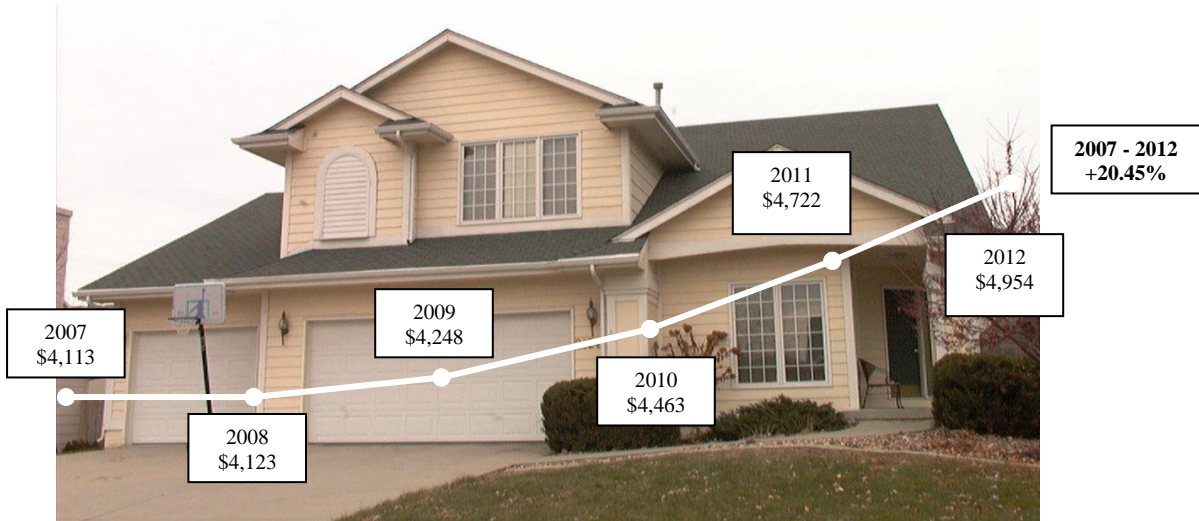
Sincerely,

Jim Maloney  
Polk County Assessor



### Property Tax Shift Residential Tax vs. Commercial Tax Valuation Years 2007-2012

#### Residential - \$200,000 Assessed Value – Des Moines



#### Commercial - \$200,000 Assessed Value – Des Moines



## ACTION OF THE 2013 BOARD OF REVIEW

The 2013 Board of Review considered 3528 protests and 39 recommendations.

Total value of real estate considered for protests \$ 1,983,253,830

Total number of protests by class of property:

Agricultural	65
Residential	2757
Commercial	684
Industrial	<u>22</u>
TOTAL	3528

Number of protests denied 1196

Number of protests upheld 2332

Amount of reduction

Land	\$ 7,390,200
Improvements	<u>\$ 142,096,170</u>
Total amount of reduction	\$ 149,486,370

Number of protests that received an increase 46

Amount of increase

Land	\$ 900
Improvements	<u>\$ 1,204,600</u>
Total amount of increase	\$ 1,205,500

Total value of real estate considered for recommendations \$ 6,466,430

Total number of recommendations by class of property:

Agricultural	2
Residential	35
Commercial	<u>2</u>
TOTAL	39

Number of recommendations for reductions 24

Amount of reduction

Land	\$ 59,070
Improvements	<u>\$ 360,600</u>
Total amount of reduction	\$ 419,670

Number of recommendations for increases 15

Amount of increase

Land	\$ 7,800
Improvements	<u>\$ 554,500</u>
Total amount of increase	\$ 562,300

Total Real Estate Protests Reduced \$ (149,477,770)

Total Real Estate Recommendations Reduced \$ (419,670)

Total Real Estate Protests Raised \$ 1,203,700

Total Real Estate Recommendations Raised \$ 562,300

Net Reductions of Real Estate -  
Protests and Recommendations \$ (148,131,440)

**STATEMENT OF ASSESSED VALUATIONS OF POLK COUNTY  
As of July 1, 2013**

Real Property		\$ 31,341,353,890
New Construction Added January 1, 2013		\$ 527,250,212
Revaluation*		\$ 253,238,414
Property Returned to Taxation		\$ 16,662,590
Total Real Property		\$ 32,138,505,106
Less:		
Demolitions	\$ 11,478,360	
Revaluations	\$ 403,677,386	
Board of Review Adjustments (R.E. Only)	\$ 148,131,440	
New Claims for Tax Exempt and Non-Taxable	\$ 31,857,590	
Court Decrees & Corrections	\$ 31,954,800	\$ 627,099,576
Net Real Property		\$ 31,511,405,530
Railroad and Utility Property**		\$ 1,415,323,988
Assessed by Department of Revenue		
Full Value of Taxable Real Property		\$ 32,926,729,518
Less: Urban Revitalization, Industrial Exemptions, Pollution Control		
and Forest & Fruit Tree Exemptions		\$ 667,792,130
Military Exemptions - Estimated		\$ 39,000,000
ADJUSTED VALUE OF NET TAXABLE REAL PROPERTY		\$ 32,219,937,388
*****		
Credit Unions (5 mills)		\$ 27,946,221

\* 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 2013  
POLK COUNTY ASSESSMENT  
AS OF JULY 1, 2013**

**REAL PROPERTY**

Includes over 168,000 Parcels of Taxable Property	<u>100% Value</u>	
	<b>TOWNSHIPS</b>	<b>CITIES</b>
Agricultural Lands	\$ 257,129,560	\$ 60,911,390
Residential (includes residences on ag property)	\$ 1,870,483,390	\$ 20,611,777,280
Commercial Properties	\$ 369,083,120	\$ 7,852,140,260
Industrial Properties	<u>\$ 71,773,100</u>	<u>\$ 418,107,430</u>
Total Taxable Real Estate *	\$ 2,568,469,170	\$ 28,942,936,360

**MONEY & CREDITS (100%)**

Credit Unions (5 mills)	\$ 2,291,237	\$ 32,879,525
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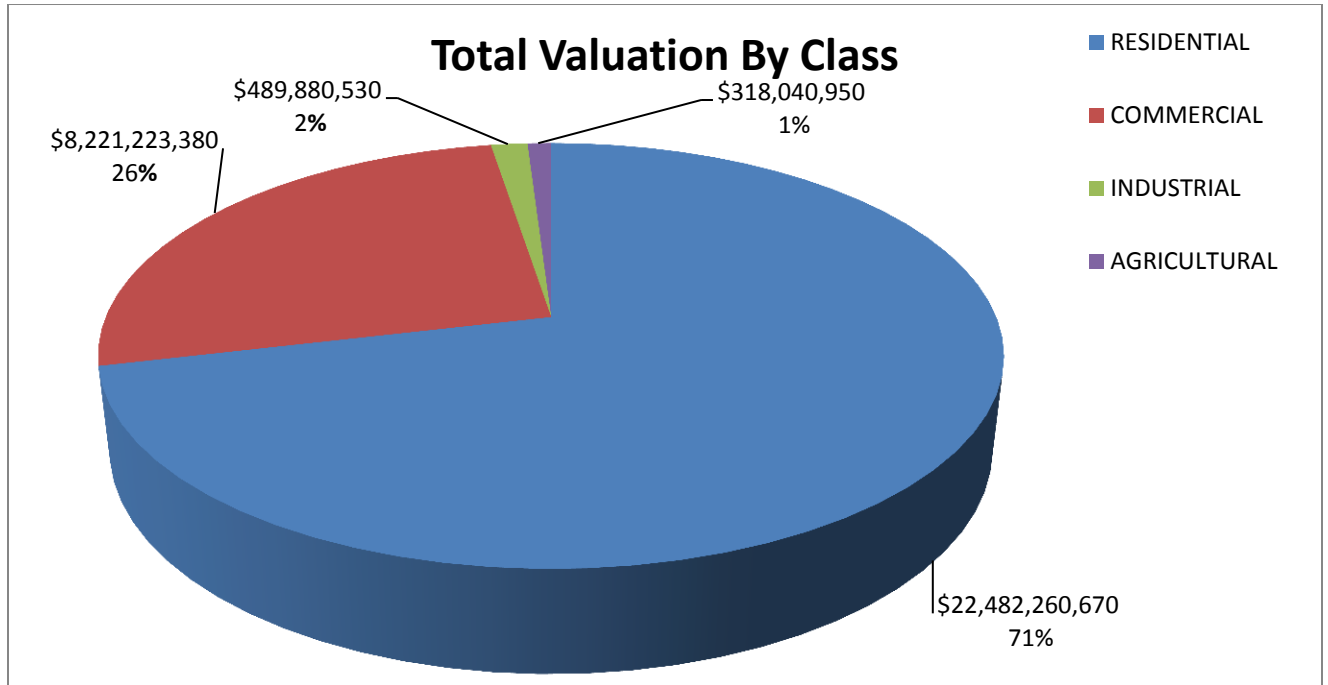
**IMPORTANT NOTE:**

Due to the statewide 3% 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.

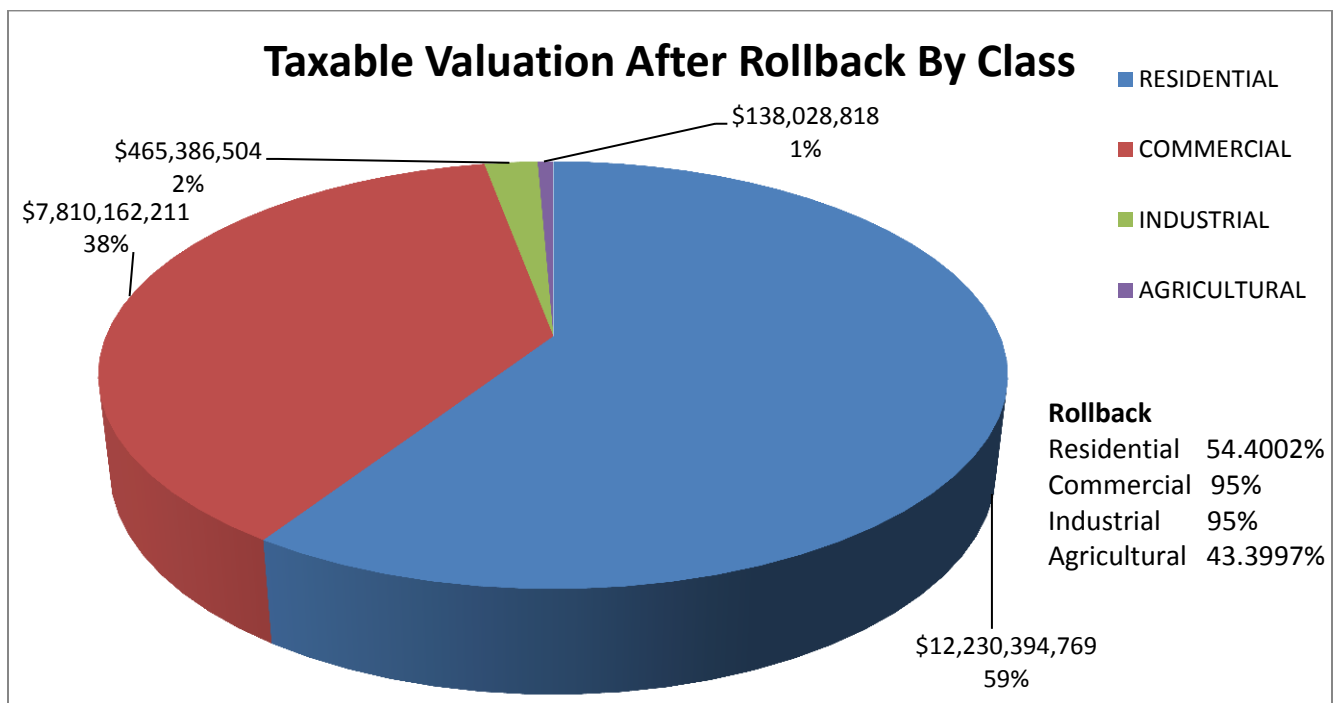
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\* The value does not include utility property assessed by the Department of Revenue .

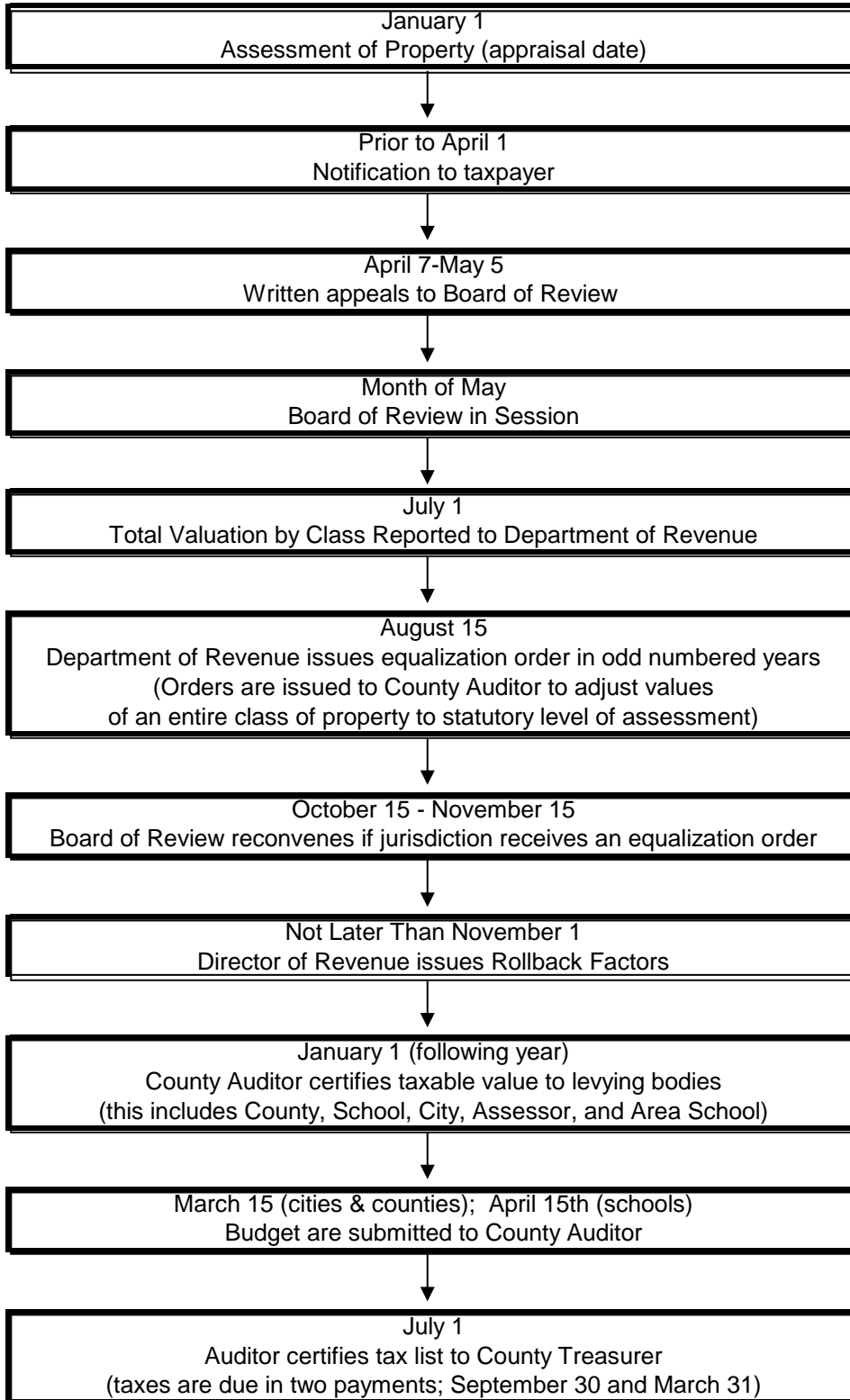
As noted on the previous two pages, the 2013 total assessed valuation for Polk County is \$32,###,###. The chart below shows the distribution of this valuation by class of property.



The rollback affects how the property tax burden is distributed among the various classes. As shown below, residential properties currently account for 59% of the tax base. Last year residential properties accounted for 57% of the tax base, four years ago 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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
--------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

Alleman	11	4	0	0	0	1	2	1	1	0	0	0	1	0
Altoona	166	88	164	196	218	354	277	186	120	76	92	71	115	146
Ankeny	518	414	652	751	972	1068	1345	681	521	280	381	433	343	531
Bondurant	24	27	33	24	14	78	99	67	105	51	74	62	50	103
Carlisle	2	0	0	0	0	0	0	0	0	1	0	1	0	0
Clive	74	44	45	30	16	35	11	7	2	1	1	0	2	0
Des Moines	381	344	390	520	526	665	520	296	282	163	124	118	87	111
Elkhart	1	1	0	0	25	21	29	25	5	2	1	0	3	3
Granger	0	0	0	0	0	16	33	3	5	4	8	10	5	3
Grimes	69	72	60	111	83	98	217	299	248	127	132	141	104	144
Johnston	381	285	331	276	329	390	386	290	165	100	136	149	198	129
Mitchelville	9	5	3	6	0	3	3	4	2	3	1	1	1	1
Pleasant Hill	116	93	116	118	160	118	165	198	114	55	38	33	30	34
Polk City	47	30	20	41	80	60	42	45	33	17	31	30	42	88
Runnells	2	3	3	12	4	6	4	8	0	1	0	1	0	0
Sheldahl	0	0	0	1	0	0	1	1	0	0	0	0	0	0
Urbandale	278	262	312	332	292	266	117	120	81	48	36	36	29	33
West Des Moines	500	343	224	140	121	120	35	54	49	44	25	19	19	26
Windsor Heights	0	0	1	0	1	1	1	1	8	1	0	1	0	0

TOWNSHIPS	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
-----------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

Allen	3	0	0	1	0	0	0	0	0	0	0	0	0	0
Beaver	6	5	4	9	14	9	14	13	10	6	5	3	6	2
Bloomfield	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Camp	15	9	17	18	19	14	28	21	9	10	5	5	3	11
Clay	14	6	16	8	13	9	11	7	2	2	3	1	3	5
Crocker	81	70	43	23	26	21	31	17	13	6	4	10	12	8
Delaware	18	14	8	7	13	6	10	7	2	3	0	3	1	0
Douglas	15	5	3	5	5	4	2	3	0	0	1	2	1	1
Elkhart	7	8	10	9	25	19	14	15	10	2	0	1	1	5
Four Mile	17	13	14	21	23	13	17	8	9	6	6	6	2	6
Franklin	20	14	26	12	22	26	14	9	7	7	6	5	6	2
Jefferson	47	37	50	26	31	31	34	20	14	10	9	8	7	14
Lincoln	2	2	3	4	2	3	2	1	1	0	1	0	1	1
Madison	2	2	1	1	1	1	0	0	0	1	1	0	1	2
Saylor	13	9	10	34	37	23	16	30	21	16	8	1	11	10
Union	2	1	1	7	5	4	2	1	1	1	1	1	0	1
Walnut	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	1	4	2	3	0	6	3	2	0	1	0	0	1	1
Webster	2	3	2	1	1	0	2	1	0	0	0	0	0	1

**MISCELLANEOUS INFORMATION AND STATISTICS  
POLK COUNTY**

New Building Permits Processed	9,568
Divisions of Existing Property	2,112
New Plats	92
New Homestead Tax Credits 2012/2013	5,701
New Military Exemptions 2012/2013	625

*Classes and Numbers of Properties Assessed:*

Agricultural Parcels (Property used for Agricultural Purposes)	5,850
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Forest & Fruit Tree Reservations (6609.586 Acres)

Vacant Taxable Parcels	Agricultural	4,733
	Residential	10,135
	Commercial	1,778
	Industrial	305

Improved Taxable Parcels	Agricultural	1,117
	Residential	141,054
	Commercial	8,442
	Industrial	324

\*\*\*\*\*

<b><i>Average 100% Assessment of Residential Property</i></b>	<b>\$</b>	<b>157,945</b>
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\*\*\*\*\*



**EXEMPT PROPERTY AS OF JULY 2013  
POLK COUNTY**

**RELIGIOUS INSTITUTIONS**

Churches & Church Headquarters	\$	541,201,700
Parsonages	\$	14,981,140
Recreation Property, Church Camps, Etc.	\$	142,430,830

**LITERARY SOCIETIES**

Community Play House	\$	16,280,960
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**LOW RENT HOUSING**

Dwellings & Apartments	\$	28,002,160
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**VETERANS ORGANIZATIONS**

\$ 2,063,310

**CHARITABLE & BENEVOLENT SOCIETIES**

Hospitals	\$	456,554,770
Fraternal Organizations	\$	13,876,680
Agricultural Societies	\$	10,344,890
Retirement & Nursing Homes	\$	123,483,990
Others (Y.M.C.A., Y.W.C.A., etc.)	\$	281,415,840

**EDUCATIONAL INSTITUTIONS & CHURCH SCHOOLS**

\$ 358,559,800

**POLLUTION CONTROL (Industrial M & E and Bldgs.)**

\$ 7,525,900

**URBAN REVITALIZATION TAX EXEMPTION**

\$ 570,438,090

**INDUSTRIAL PARTIAL EXEMPTION**

\$ 47,793,760

**NATURAL CONSERVATION**

\$ 1,971,770

**FOREST & FRUIT TREE PRESERVATION (6609.586 Acres)**

\$ 24,820,950

**NATIVE PRAIRIE AND WETLANDS**

\$ 155,660

**WILDLIFE HABITAT**

\$ 12,700

**JOBS/INCOME**

\$ 14,725,480

**IMPOUNDMENTS**

\$ 59,580

**MANUF. HOME/STORM SHELTERS**

\$ 263,640

**GEOHERMAL SYSTEMS**

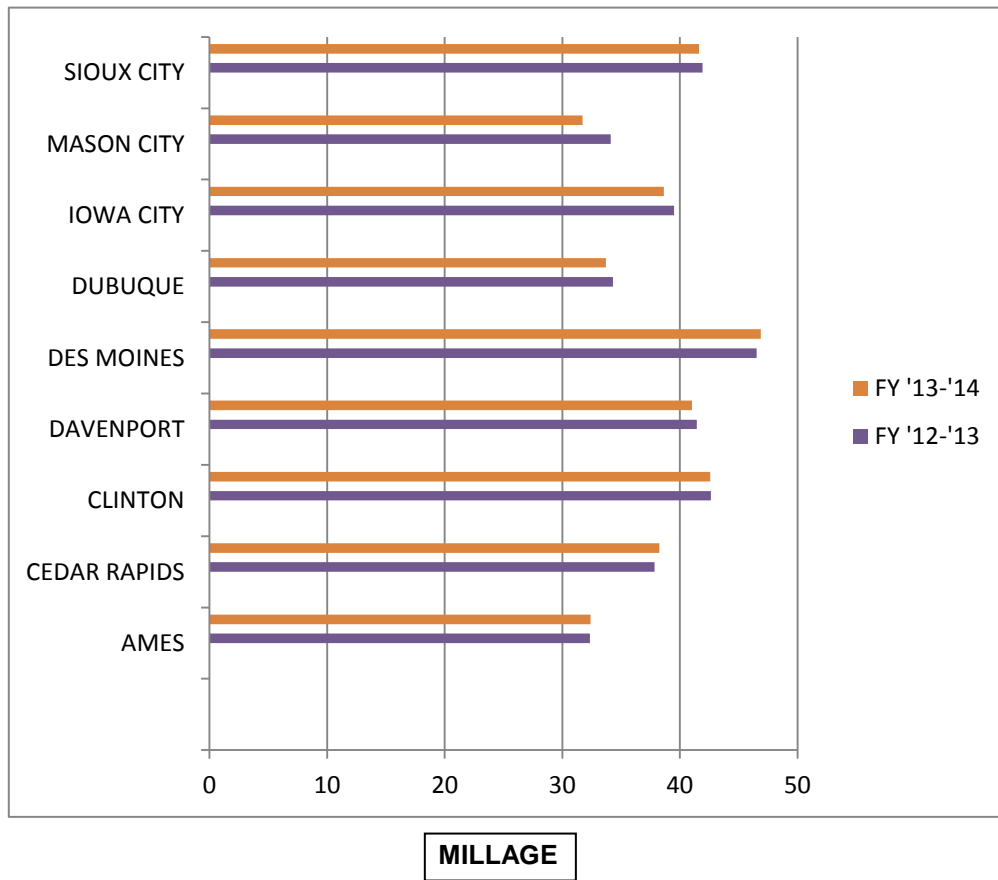
\$ 24,600

**TOTAL EXEMPT PROPERTY**

\$ 2,656,988,200

**COMPARISON OF TAX RATES PER THOUSAND  
FOR TAXES PAYABLE FISCAL '12-'13 TO '13-'14  
AS COMPILED BY THE POLK COUNTY ASSESSOR'S OFFICE**

<u>JURISDICTION</u>	<u>FY '12-'13</u>	<u>FY '13-'14</u>
AMES	32.36045	32.40069
CEDAR RAPIDS	37.84009	38.26789
CLINTON	42.63840	42.59520
DAVENPORT	41.43018	41.04252
DES MOINES	46.52082	46.89408
DUBUQUE	34.32049	33.71720
IOWA CITY	39.49917	38.63862
MASON CITY	34.11471	31.72082
SIOUX CITY	41.92927	41.62966



**Sales Ratio Study  
Polk County  
Residential 1 & 2 Family Dwellings  
Year 2013**

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 three most useful measures of appraisal uniformity are the coefficient of dispersion (COD), the price-related differential (PRD) and the coefficient of price-related bias (PRB).

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.

The *coefficient of price-related bias* (PRB) provides another gauge of vertical inequity and lends itself to statistical testing. The PRB measures the percentage increase/decrease in the assessment ratio relative to the percentage increase/decrease in property values. A PRB of 0.030 indicates that the assessment ratios increase by 3 percent whenever values double (increase by 100%) or the ratios decrease by 3% when the values are halved.

### **Sales Ratio Performance Standards**

The Standard on Ratio Studies, published in 2013 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</u>		
	<u>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 2013 there were 5,892 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 2013) 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 2013) Appendix B were used. After completing an interquartile range trim, there were 5,412 sales that were used to calculate the sales ratio statistics.

The charts below present the results of the sales ratio study for Polk County using residential sales of 1 & 2 family dwellings occurring through November of 2013.

**Ratio Statistics for 1 & 2 Family Dwellings - based on 5,892 sales**

<b>Mean</b>			1.026
	<b>95% Confidence Interval for Mean</b>	<b>Lower Bound</b>	1.018
		<b>Upper Bound</b>	1.033
<b>Median</b>			.970
	<b>95% Confidence Interval for Median</b>	<b>Lower Bound</b>	.966
		<b>Upper Bound</b>	.973
		<b>Actual Coverage</b>	95.085
<b>Weighted Mean</b>			.973
	<b>95% Confidence Interval for Weighted Mean</b>	<b>Lower Bound</b>	.969
		<b>Upper Bound</b>	.976
<b>Price Related Differential</b>			1.05
<b>Coefficient of Dispersion</b>			14.0

**Ratio Statistics for 1 & 2 Family Dwellings after 1.5 X IQR Trim - Based on 5,412 sales**

<b>Mean</b>			.967
	<b>95% Confidence Interval for Mean</b>	<b>Lower Bound</b>	.965
		<b>Upper Bound</b>	.970
<b>Median</b>			.962
	<b>95% Confidence Interval for Median</b>	<b>Lower Bound</b>	.959
		<b>Upper Bound</b>	.965
		<b>Actual Coverage</b>	95.129
<b>Weighted Mean</b>			.958
	<b>95% Confidence Interval for Weighted Mean</b>	<b>Lower Bound</b>	.955
		<b>Upper Bound</b>	.961
<b>Price Related Differential</b>			1.01
<b>Coefficient of Dispersion</b>			8.10

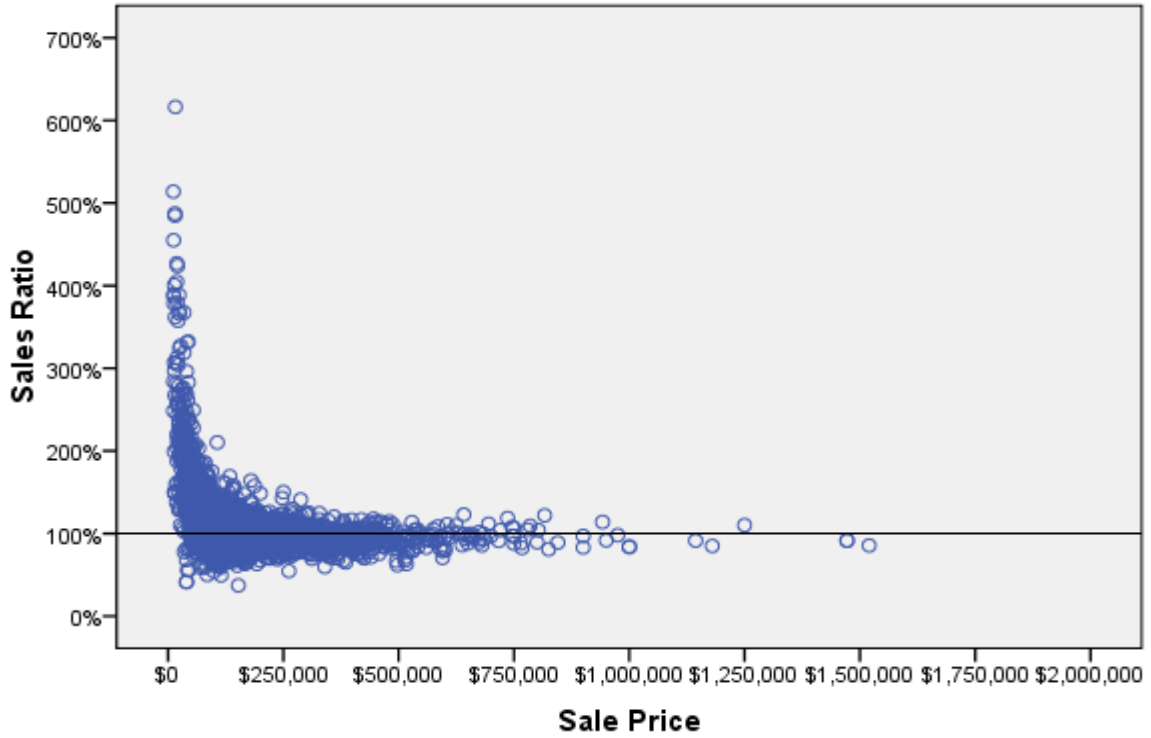
The first chart on the previous page shows that the current median sales ratio for Polk County is .970 or 97%. This meets the IAAO's suggested performance standard and is within 5% of the legal level in Iowa (100%), but not exactly 100%. The second chart shows that the median is .962 or 96.2%. This median 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 2013, Appendix B. Based on the 96.2% median ratio, we are in compliance, but not at the 100% level. A small upward adjustment would be warranted if this were a revaluation year. We will continue to monitor the sales data during 2014 so we will have an indication of where assessments should be for 2015.

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 (96.2%). 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.

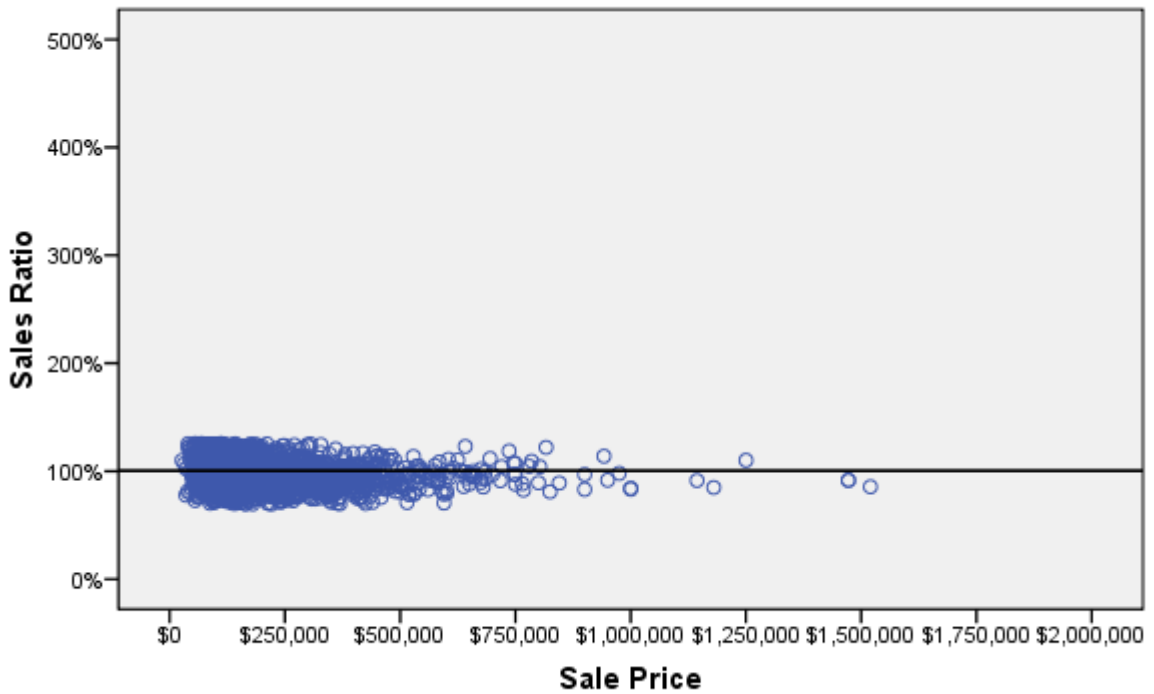
The coefficient of price related bias (PRB) after the inter-quartile trim for Polk County is -0.019 or -1.9%. This tells us that our assessment ratios decrease by 1.9% whenever values double (slightly regressive), which is consistent with the PRD at 1.01. The PRB provides a measure of price bias that is less sensitive to extreme prices or ratios. The PRB coefficient should fall between -0.05 and 0.05. PRBs for which 95% confidence intervals fall outside of this range shows that one can conclude that assessment levels change by more than 5% when values are doubled or halved. PRBs for which 95% confidence intervals fall outside the range of -0.10 to 0.10 indicate unacceptable vertical inequities. Polk County's coefficient of -0.019, falls well within the acceptable range of -0.05 to 0.05.

The charts presented on the following page 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 both the PRD and the PRB statistics on the previous page (assessment uniformity), which indicates that low and high value properties are relatively assessed at the same general level.

Plot of Sales Ratio with Sale Price 2013

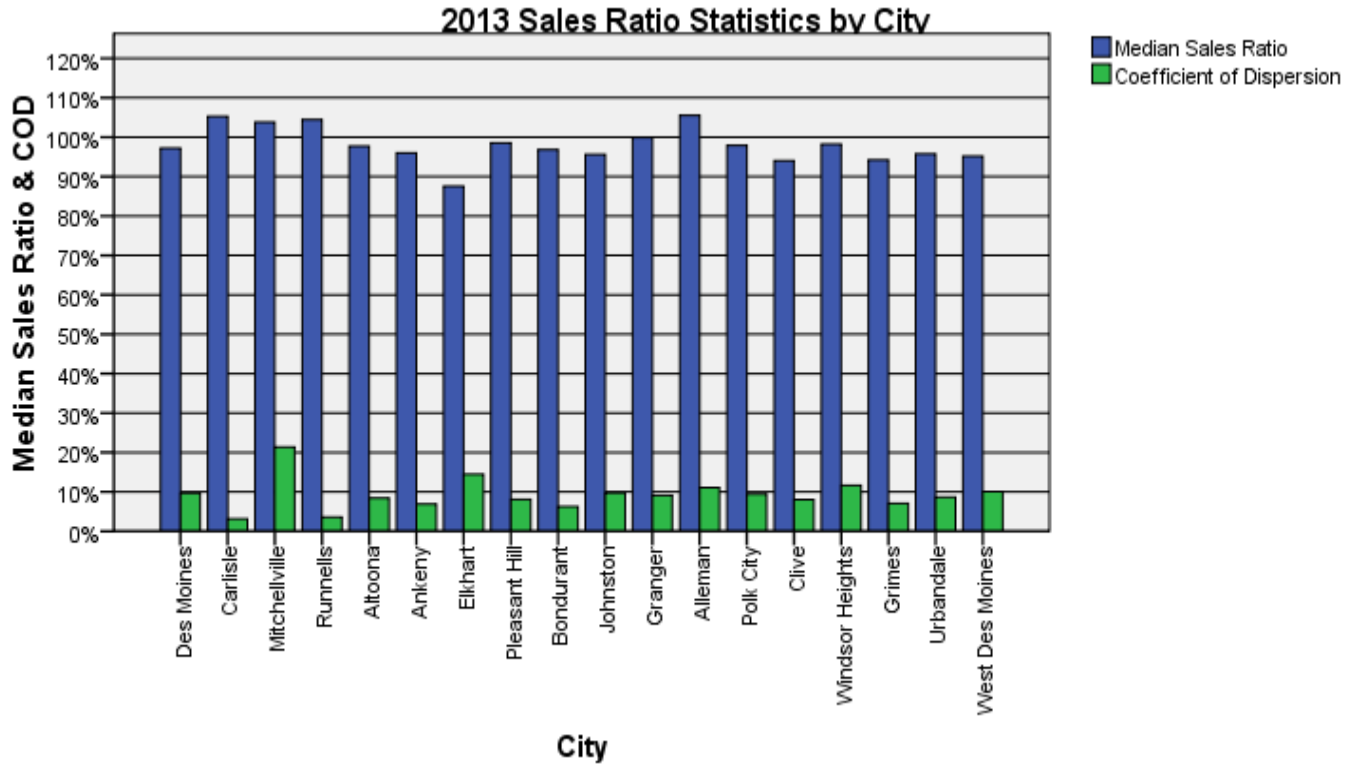


Plot of Sales Ratio with Sale Price - 1.5X IQR Trim



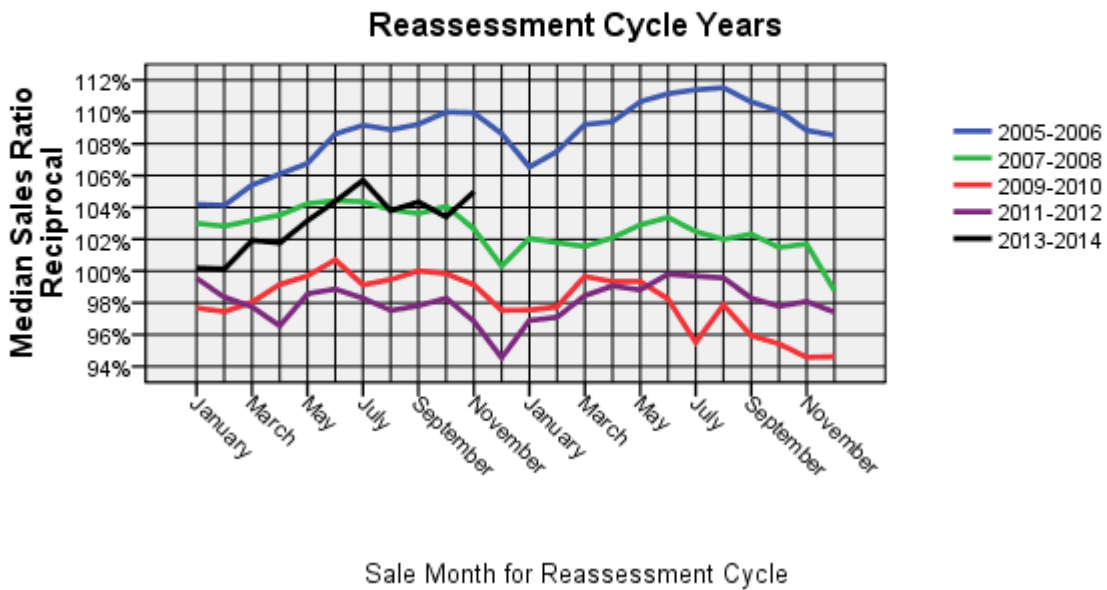


The chart below shows the median ratio and COD for each city in Polk County. One can see why different cities have different percent adjustments in reassessment years.

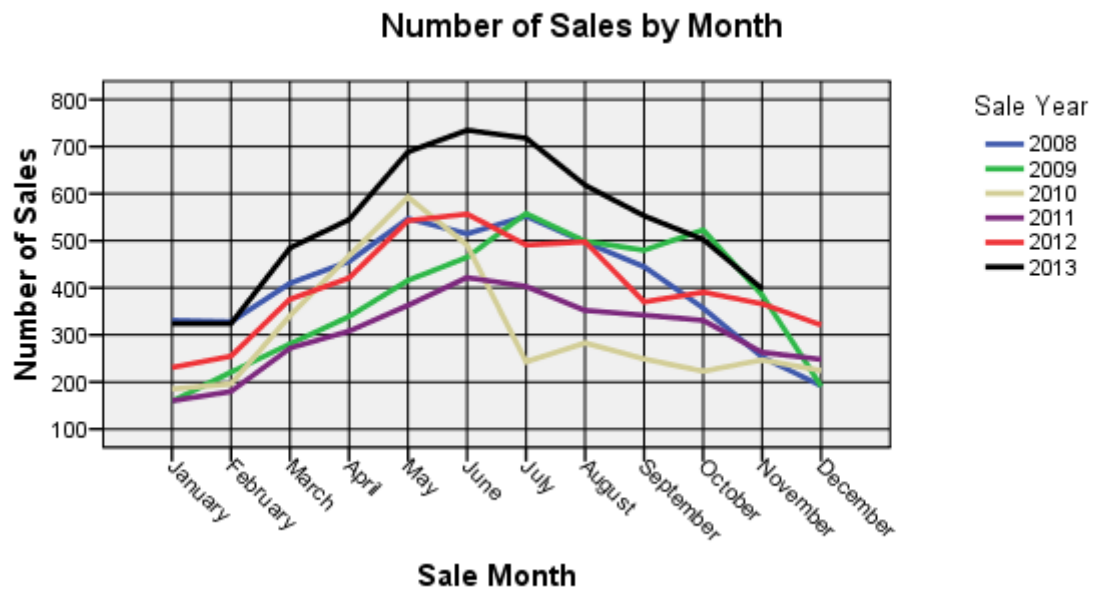


By plotting the reciprocals of the sales ratios (sale price/assessment) over time, one can visualize any inflation/deflation trends in the market. In the chart below, one can see that the market through 2009-2010 and 2011-2012 is well below the previous assessment cycles from 2005 to 2008. During the reassessment years of 2011 and 2013, the average assessment for Polk County declined 1.21% and 3.4% respectively. The 2013 data shows improvement from the last four years and indicates that values have been increasing throughout the year. Not to the extent 2005-2006, but clearly in a positive direction.

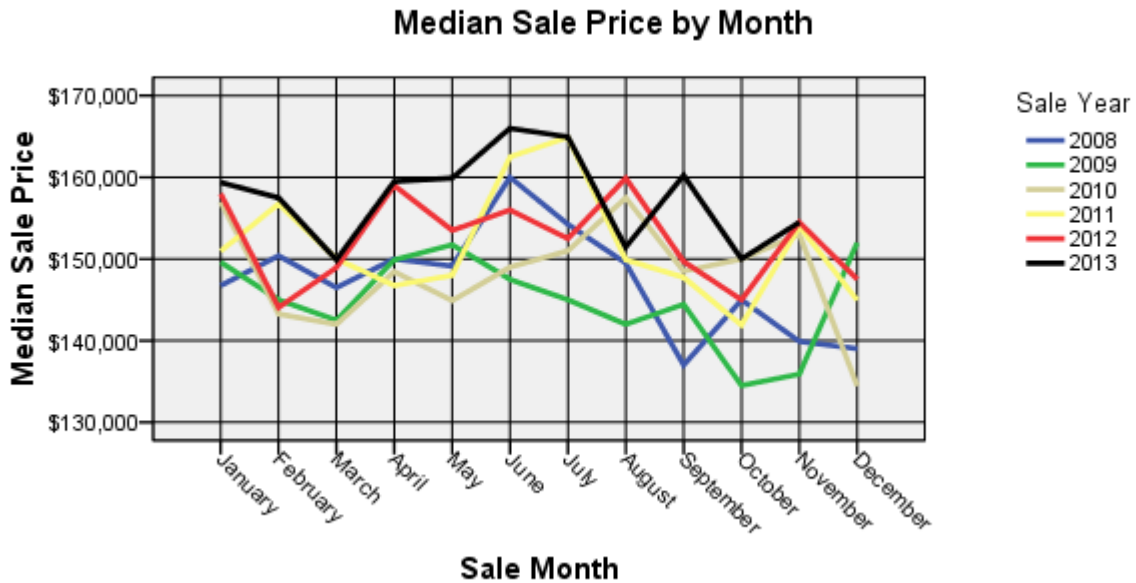
### Median Sales Ratio Reciprocal by Month

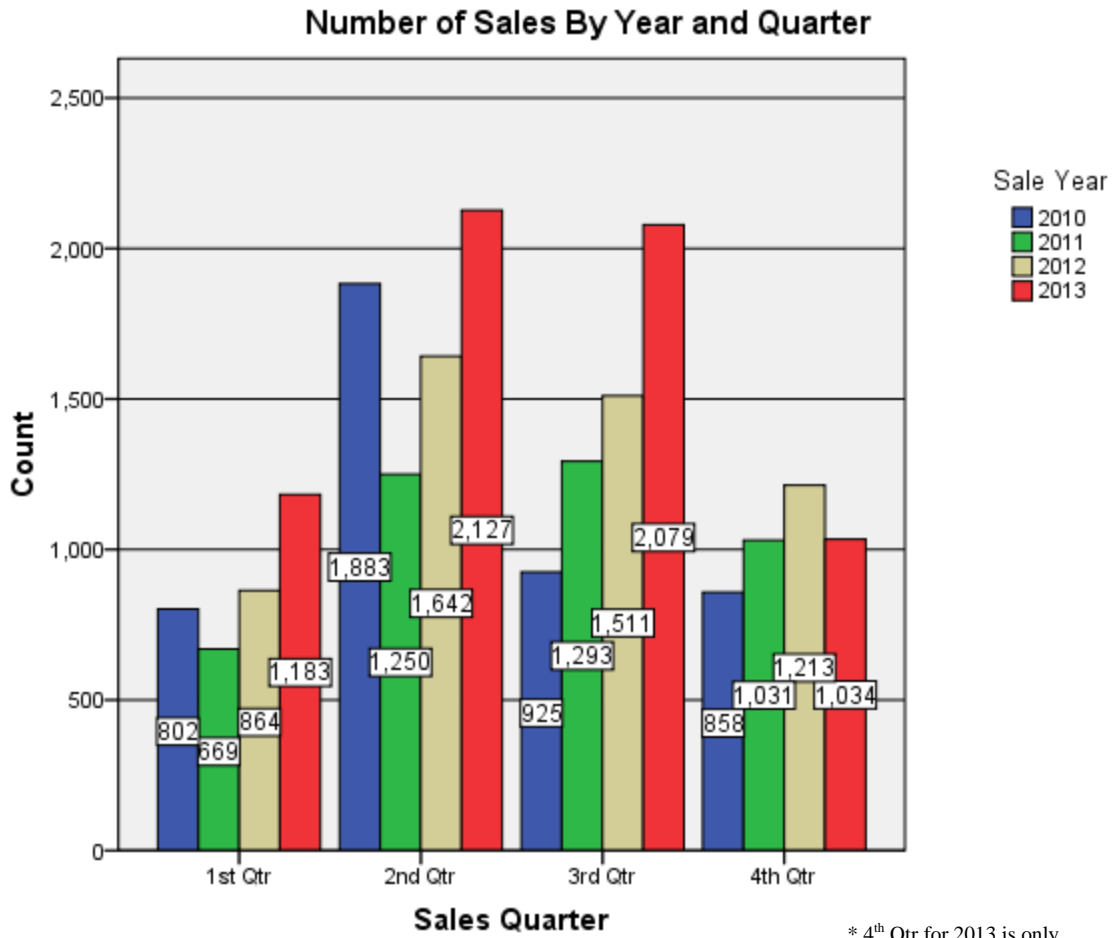


The following chart shows that market activity increases during the spring/summer months and decreases during the fall/winter months. Typically, this pattern is pretty consistent from year-to-year. Generally, the spring/summer months are a good time to be selling a home. 2013 was a very strong year in terms of sales volume. Each month for 2013 was at or above the level of sales for the previous 5 years. Note that 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 was \$153,000. Through November of 2013 the median sale price is \$158,000. Even with the monthly fluctuation throughout the year, the 2013 median sale price has been higher over the previous 5 years with the exception of the month of August.



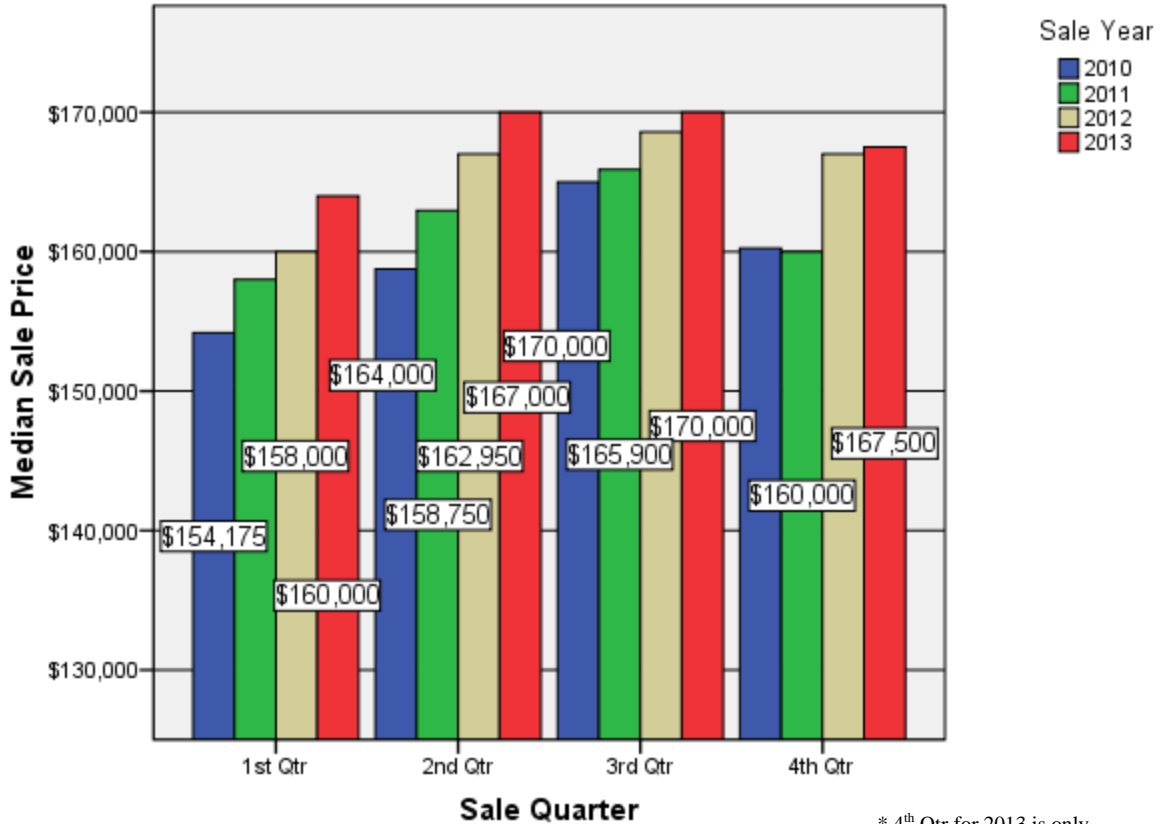


\* 4<sup>th</sup> Qtr for 2013 is only through November

**Number of Sales by Year & Quarter**

Sale Year	Sale Quarter			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
2010	802	1,883	925	858
2011	669	1,250	1,293	1,031
2012	864	1,642	1,511	1,213
2013	1,183	2,127	2,079	1,034

### Median Sale Price By Year and Quarter

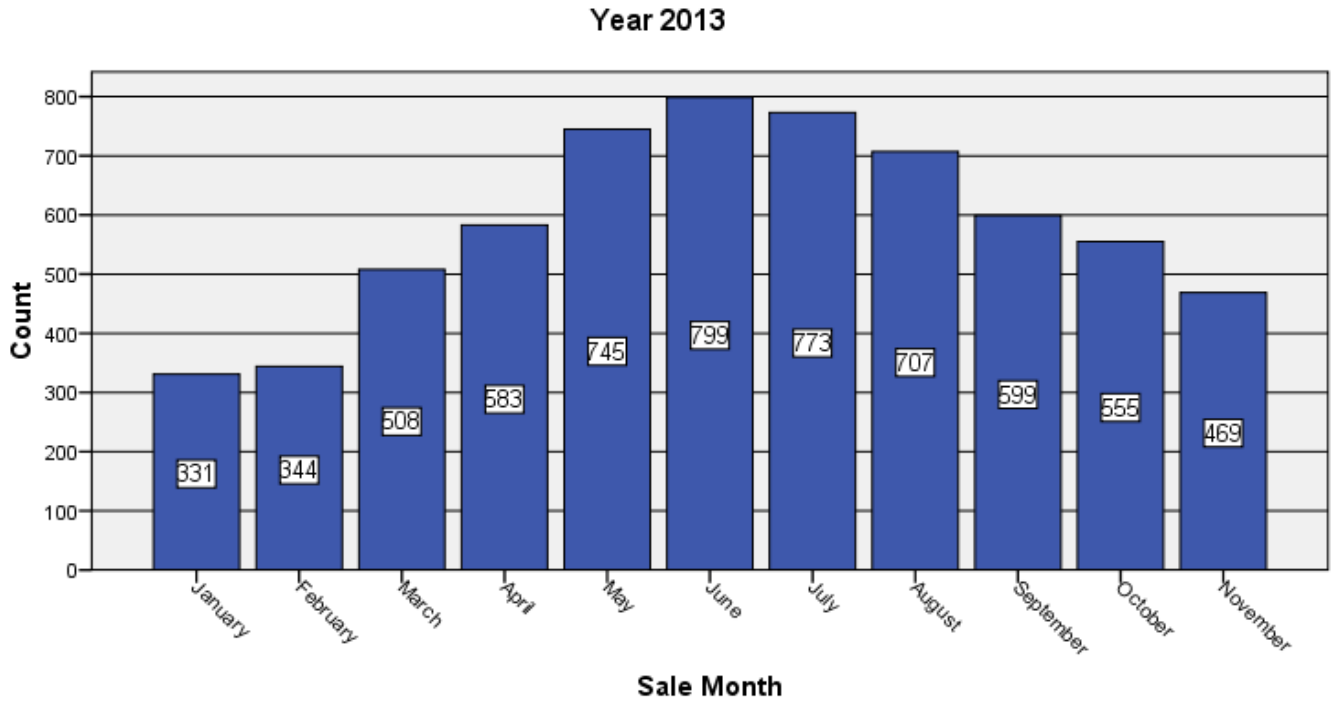


\* 4<sup>th</sup> Qtr for 2013 is only through November

### Median Sale Price by Year & Quarter

Sale Year	Sale Quarter			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
2010	\$154,175	\$158,750	\$165,000	\$160,250
2011	\$158,000	\$162,950	\$165,900	\$160,000
2012	\$160,000	\$167,000	\$168,580	\$167,000
2013	\$164,000	\$170,000	\$170,000	\$167,500

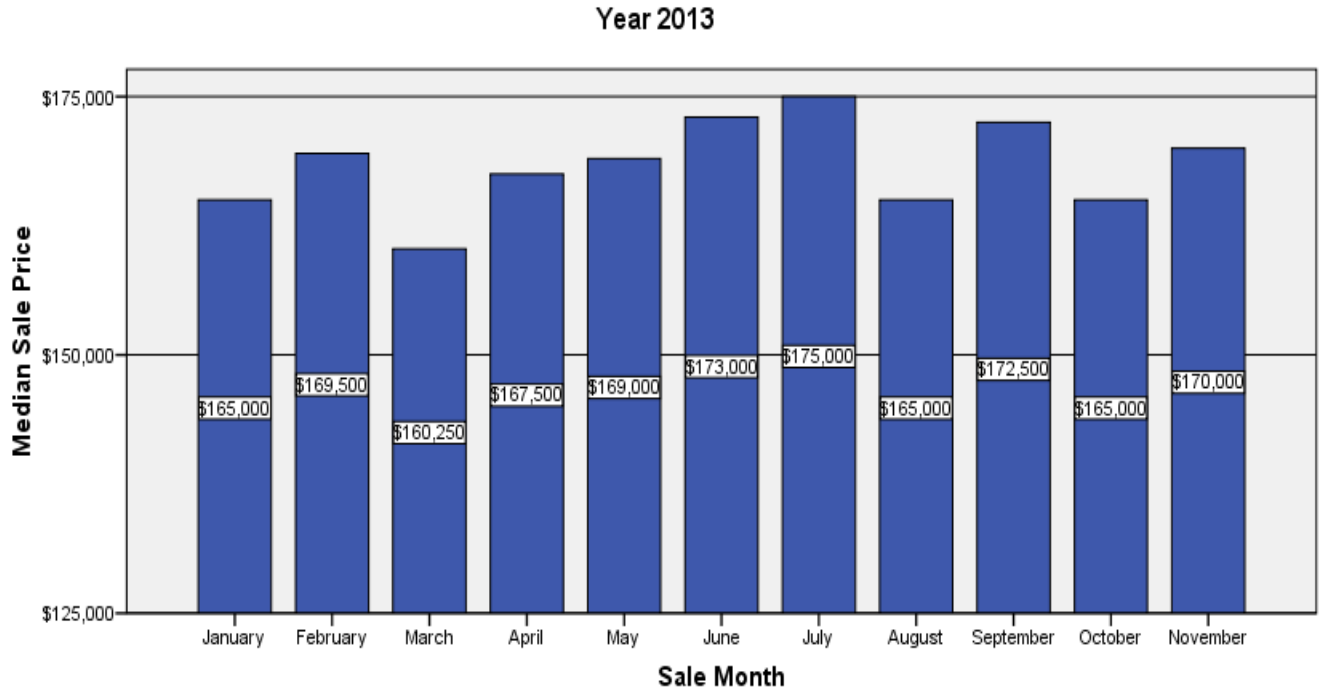
**Number of Sales by Month**



**Number of Sales by  
Month - Year 2013**

Sale Month	Count
January	331
February	344
March	508
April	583
May	745
June	799
July	773
August	707
September	599
October	555
November	469

**Median Sale Price By Month**



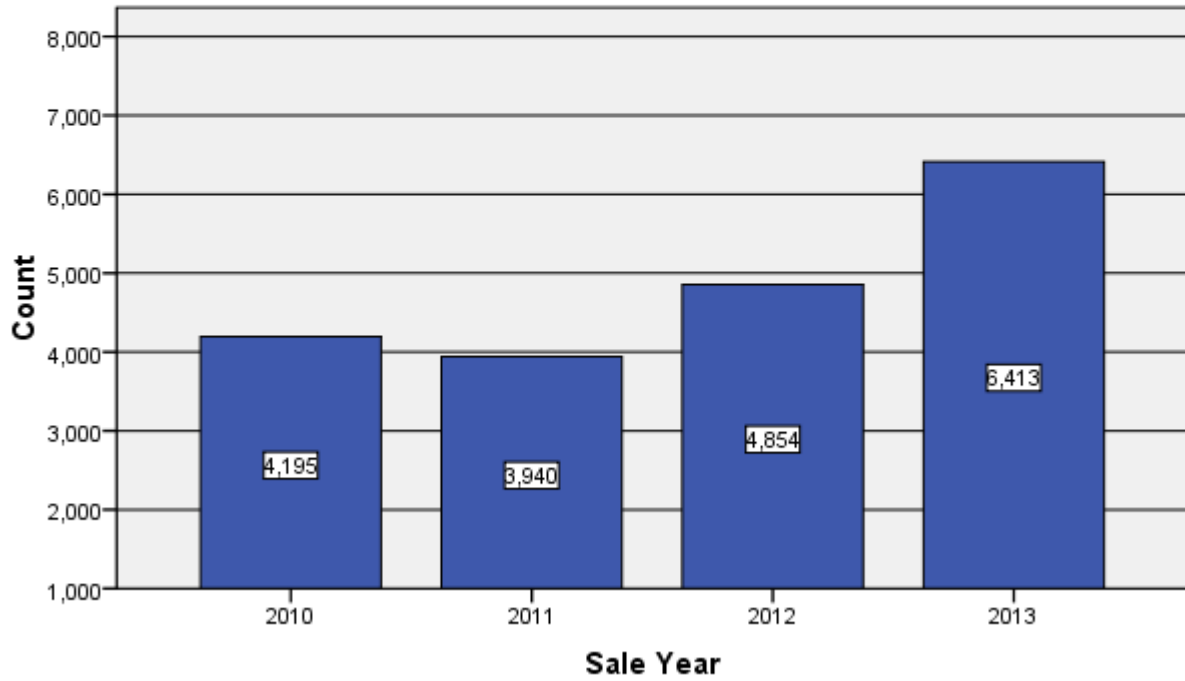
**Median Sale Price by  
Month - Year 2013**

Sale Month	Sale Price
January	\$165,000
February	\$169,500
March	\$160,250
April	\$167,500
May	\$169,000
June	\$173,000
July	\$175,000
August	\$165,000
September	\$172,500
October	\$165,000
November	\$170,000



### Number of Sales through November

Years 2010 - 2013



### Number of Sales through November by Year

Sale Year	Count
2010	4,195
2011	3,940
2012	4,854
2013	6,413