



Iowa Department of
REVENUE
Property Tax Division

2017 ISAA Fall School

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Property Tax Division Administrator

Multi-Residential Committee

- Met Six Times
- Recommendations and Actions
 - Reviewed Robert Gloudemans original report
 - Assisted in data and sales gathering efforts with Districts
 - Recommendations:
 - Sales Tax Payments by City/County
 - College Population
 - Prison Population
 - Rental Information
 - Random Selection Process
 - Audit Procedures
 - Peer Group Data ISU
 - DOT Transportation Data and Traffic Counts

Multi-Residential Committee

- Participated in meetings with Robert Gloudemans
- Reviewed initial model with Robert Gloudemans
- Discussed alternatives for Local Economic Variables
 - Stable; Growth; Decline (Neighborhood variable)
 - Market Areas 1 – 5 (Local Jurisdiction variable)
 - 1 = Least Desirable
 - 5 = Most Desirable
- Issues with Local Economic Variables
 - Lack of classifying declining neighborhoods when appropriate (Neighborhood)
 - Lack of individual property specific ranking for least to most desirable neighborhoods (Local Jurisdiction)

Process 2 Steps

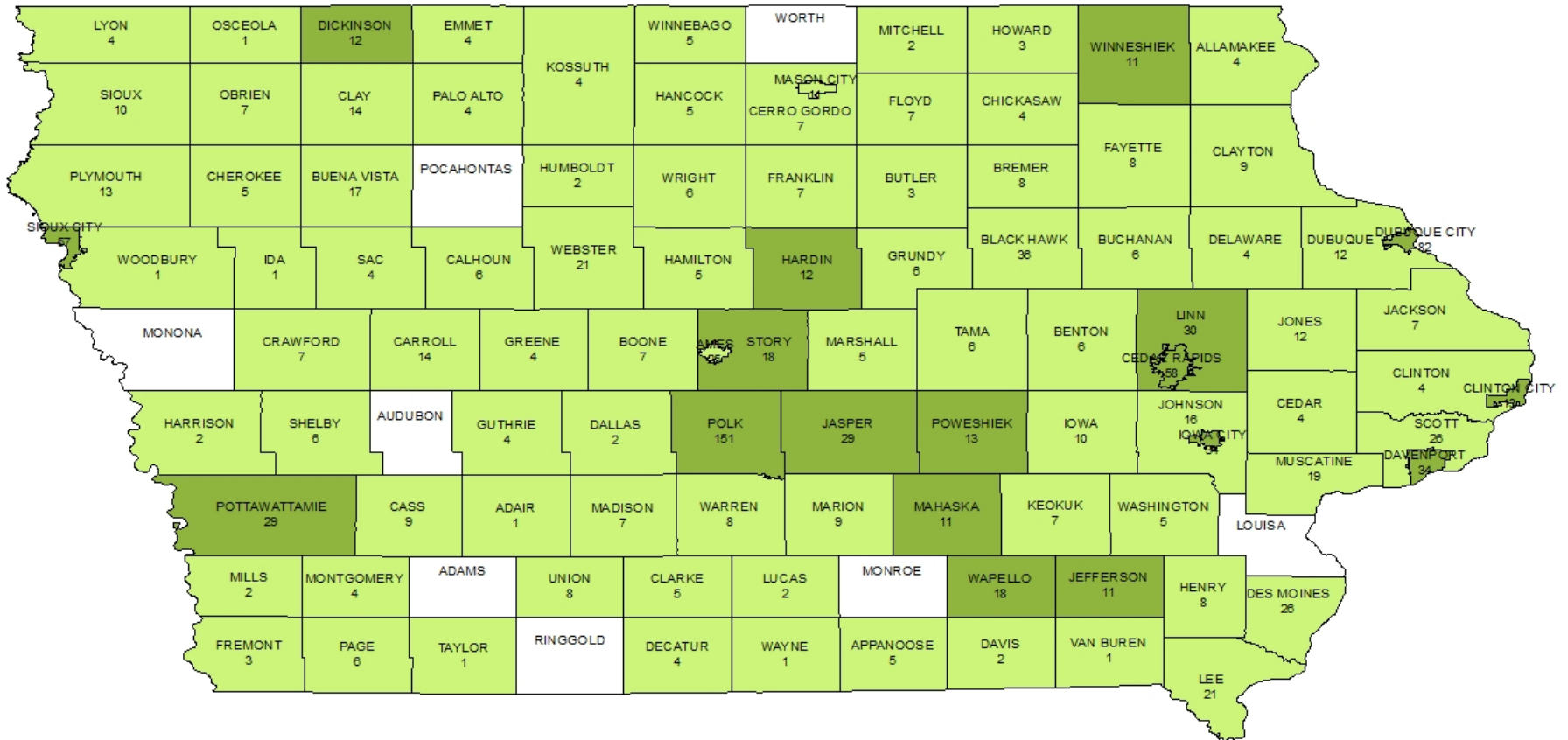
1. Model Development
2. Uses 4 Years Sales
3. Determines Variables
4. Measures Fit
5. Results in a formula

1. Sample/Model Appraisal Properties
2. Final Formula Applied
3. Uses Same Variables
4. Formula used for sales/
modeled appraisal
ratio study
5. Used to determine
compliance in
equalization worksheet

Base Model

- Apartment; stable neighborhood; jurisdictions < 10 sales
or
- Jurisdiction >10 sales but did not have individual jurisdiction variable (t score <1.50)
- Resulting model: jurisdictions are NOT lumped with or compared to Polk County

Map of # sales used in model: sale years 2013-2016



Local Economic Variables

t score >1.50

- Polk
- Sioux City
- Iowa City
- Linn
- Jasper
- Dickinson
- Hardin
- Jefferson
- Winneshiek
- City of Dubuque
- Cedar Rapids
- Davenport
- Pottawattamie
- Story
- City of Clinton
- Mahaska
- Poweshiek
- Wapello
- All others received the Neighborhood Factor

Significant Variables

Constant Base Value

Condition

Occupancy Type

Grade

Size Ratio

Garage

Age \leq 60

RCN

Land Size

– Conversions and Manufactured Home Parks

Significant Variables

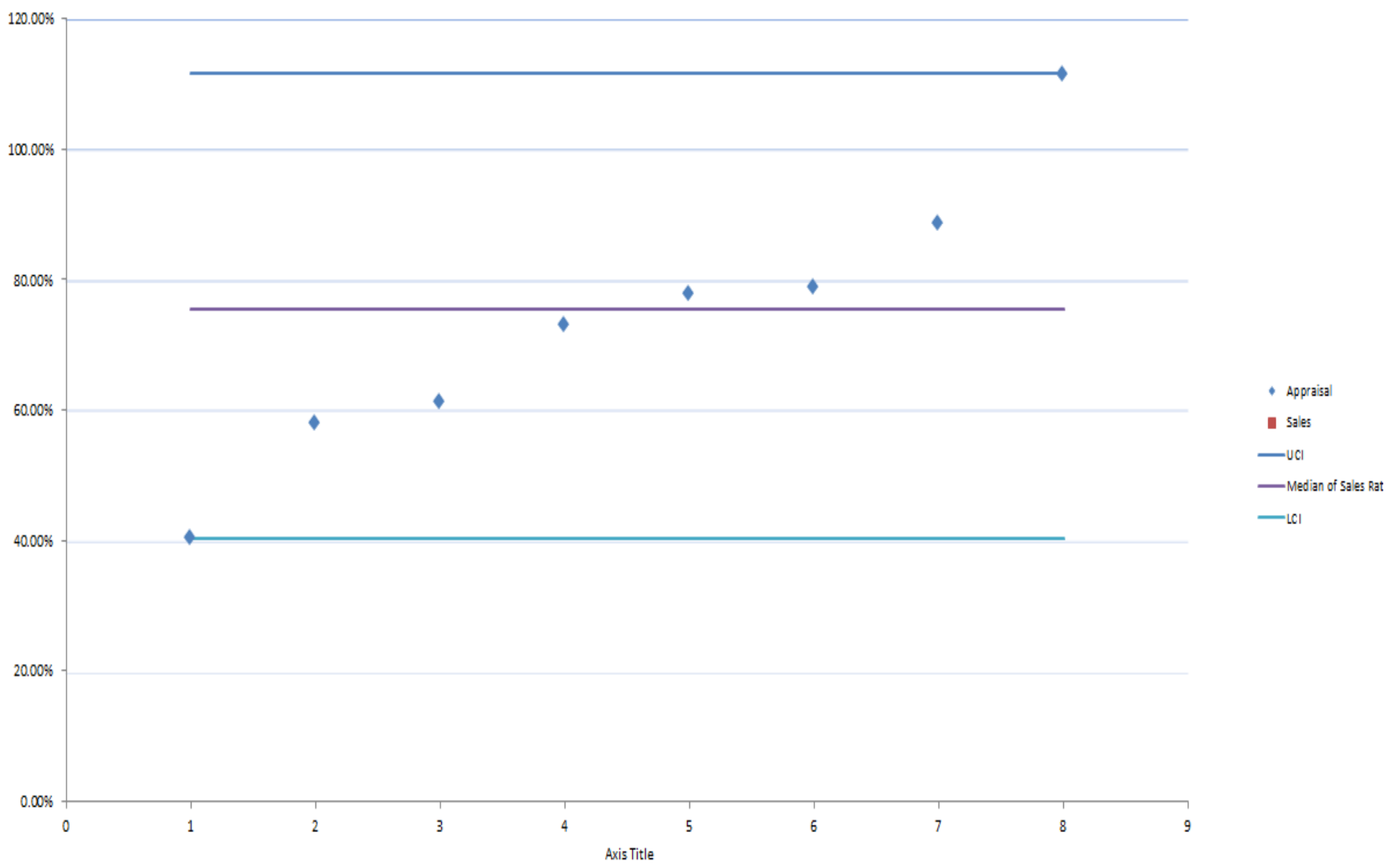
- Traffic Count
- Population
- Population Growth
- Median Income
- Multi-Residential % Housing

Significant Variables

- Neighborhood Factor: Stable Decline Growth
 - Only applies to jurisdictions where did not have Local Economic Variable with > 10 sales and those with < 10 sales
- Local Economic Variable: 1-5
 - Some jurisdictions had their own variable if > 10 sales and t score > 1.50 ; remainder jurisdictions this variable was not used

Value Per Unit = 46,422		
*	PropType_Factor	Apt=1.000, Conv=0.921, NurseHome=1.150, AsstLiv=1.650, MH_Park=0.235
*	AvgUnitSize_Factor	(AvgUnitSize/BaseUnitSize)^.312. Does not apply to MH parks. Avg Unit Sizes: Apt=800, Conv=725, AsstLiv=700, NurseHome=400 Example: for Apt with Avg Unit Size of 650: $(650/800)^{.312} = .937$
*	RCN_Factor	$((RCN/Units)/60000)^{.305}$. MH_Park=1.000. Example: $((\$1,000,000/10)/60,000)^{.305} = 1.686$
*	Age_Factor	$(.9907)^{Age1to60} * (.9962)^{Age61to115}$ Example for 80 year old property: $(.9907)^{60} * (.9962)^{20} = .529$
*	Grade_Factor	1,2,3=1.063; Else=1.00
*	Condition_Factor	1=1.217, 2=1.102, 3=1.000, 4=.799, 5=.704. 6=.576
*	Garage_Factor	$1.089^{(GarStalls/Units)}$ capped at 1.5 stalls/unit Example for property with 24 units and 12 stalls: $(1.089)^{(12/24)} = 1.044$
*	LotSize_Factor_Conv	$((LotSize/Units)/2000)^{.149}$. Applies only to Conversions. Example for 15,000 sqft lot with 5 units: $((15000/5)/2000)^{.149} = 1.062$
*	LotSize_Factor_MH	$((LotSize/Units)/6000)^{.257}$. Applies only to Mobile Homes. Example for 120,000 sqft lot with 24 units: $((120,000/24)/6000)^{.257} = .954$
*	Traffic_Factor	1 (0 to 999 cars/day) = .586; 2 (1,000 to 1,999 cars/day) = .725; Else = 1
*	Population_Factor	$(Co_Pop2014 \text{ Capped at } 100000/25000)^{.152}$ Example for Pop of 10,000: $(10000/25000)^{.152} = .870$
*	PopGrowth_Factor	$Co_Pop2014/Co_Pop2010$ capped at .95 and 1.05)^3.470. Example for County with -2% Growth: $(0.98)^{3.470} = .932$
*	MedIncome_Factor	$(Co_Median_Income \text{ capped at } 60,000/45,000)^{.572}$ Example for county with Med Income of 38,500 = $(38500/45000)^{.572} = .915$
*	PctMultiRes_Factor	$(1+PlaceMultiRes_Percent-.20)^{.308}$ Example for place with 35% MultiRes: $(1+.35-.20)^{.308} = (1.15)^{.308} = 1.044$
*	Juris_Nbhd_Factor	Varies by Juris and NBHD Desirability Rating. Only applies to Juris with 10+ sales NBHD Desirability Rating: 1=.75, 2=.90, 3=1.00, 4=1.10, 5=1.20
*	Nbhd_Factor_LT10	Growth = 1.231, Stable = 1, Decline = .859. Only applies to Juris with < 10 sales

2017 Equalized Value = \$3,527,851.00



Summary

Modeled Appraisal Statistics

- Apartments
 - n= 639
 - Median = 79.5%
 - COD = 26.11%
- Nursing Homes
 - n= 58
 - Median = 69.0%
 - COD = 21.66%
- MHP
 - n = 70
 - Median = 51.5%
 - COD = 52.64%
- Conversions
 - n= 337
 - Median = .985%
 - COD = 25.90%
- Assisted Living
 - n= 20
 - Median = 73%
 - COD = 20.11%

Policy on # of Sales

- 15 sales in Prior Year
- **Or**
- 15 sales in Prior Two Years
- **Or**
- Less than 15 Sales
 - Add Modeled Appraisals based on the Model Application to Sample Properties
 - Sales/Modeled Appraisal Ratio Study Statistics

Summary Statistics

- Ratio Studies
 - Median
 - Mean
 - Weighted Mean
 - COD
 - PRD
 - Lower 90% Confidence Interval
 - Upper 90% Confidence Interval
 - Tolerance Adjusted COD
 - Trimmed Confidence Interval
 - Determination of compliance

Summary

- Established Policy on # of Sales
- Established Policy on COD and Confidence Intervals
- Established Policy on Trimmed Confidence Intervals
- Established Policy on Confidence Interval Interpretation and Determination of 5% above or below 100%

Determinations

- Random Selection Process needs to more closely represent the proportion of occupancy types
- Manufactured Home Parks
 - Will not be included in the model
 - If randomly selected will be appraised in traditional manner
- Materials from appraisal staff on Unit Counts working with Assessors to improve instructions