

Sales Ratio Study & State Valuations

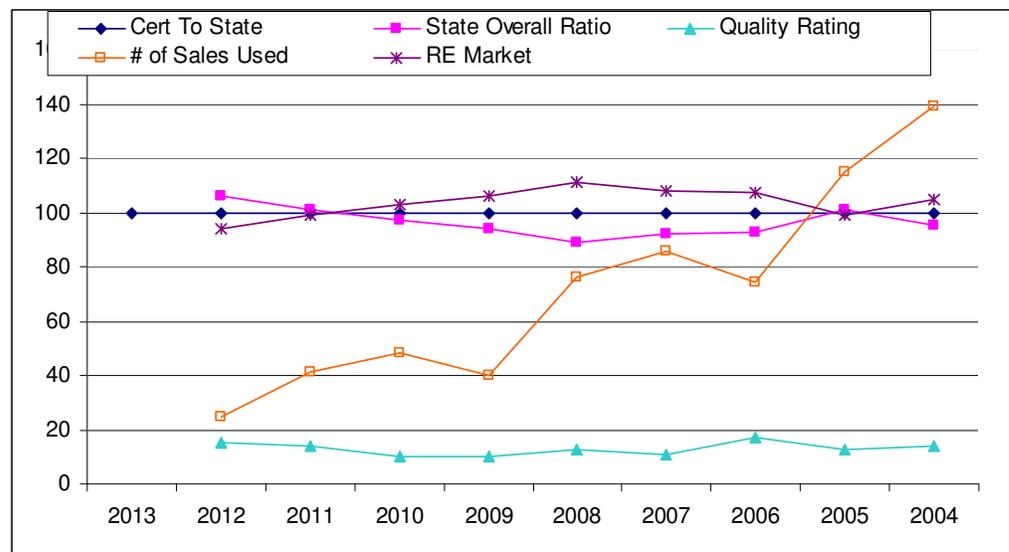
The chart below shows the Sales Ratio and Quality Rating for the past nine years since the implementation of the Revaluation in 2005. The Sales Ratio Studies are a review of the arm's length sales that have taken place from July of one year to June of the next year.

Take a careful look at the number of sales that the State has used in determining the Ratio.

Although the number of Sales has dropped the Quality Rating has stayed under 20, which is good. The Sales Ratio in 2004 was close to 100% and then dropped to its low mark in 2008 before going up to its high in 2012 of 106%. Note that when the Sales Ratio goes down the Real Estate Market goes up and in turn when the Ratio goes up the RE Market goes down.

As you can see the Real Estate Market hit a peak during the Ratio Study of 2007-08 and has been declining steadily in the past four years.

The average selling price of the homes in the Ratio Studies went from \$178,800 in 2006 to a new low of \$152,376 in the last Ratio Study.

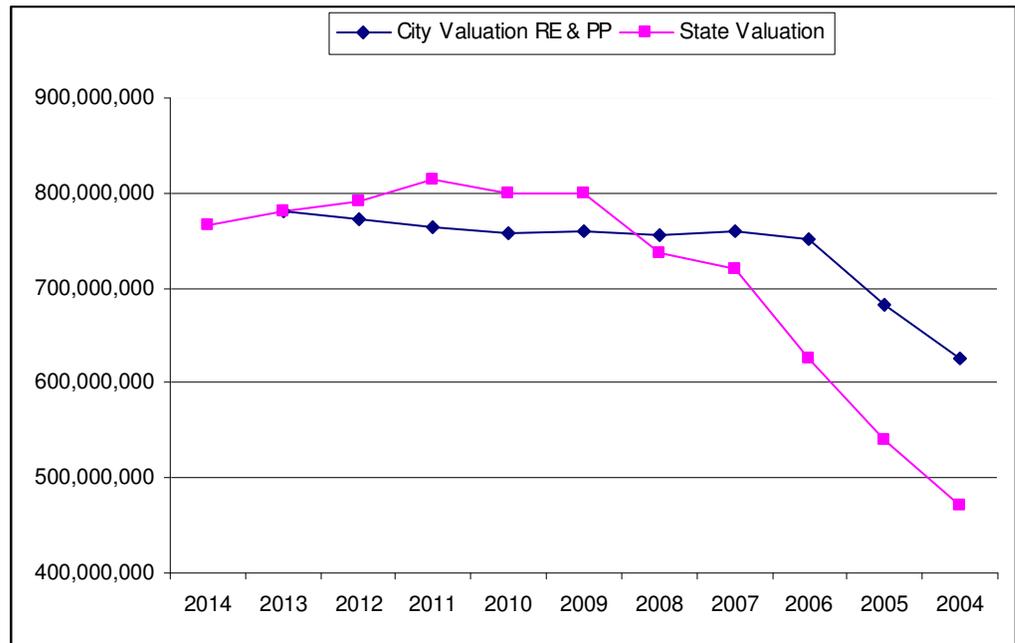


The Ratio Certified to the State has been 100% since 2004. If the Sales Ratio decreases or increases more than ten points the Certified Ratio would have to change and then all exemptions and personal property would have to be adjusted to maintain an equitable assessment.

The overall review of the graph shows that the City's assessments to date are fair and equitable even when the market has slowed and the number of sales has greatly declined.

This graph below shows the State Valuation vs. the City's Valuation. The State Valuation is projected by using the latest two State Sales Ratio Studies.

The 2014 State Valuation is an excise where the Sale Ratio Studies for 2011-12 and 2010-11 are used to set the valuation for 2014. This takes into account the number of abatements and supplemental assessments granted, along with the amount of reimbursements from the State for the Homestead and BETE applications granted.



The City Valuation is the actual valuation for that year. It is the previous year's assessments plus value from new construction from permits and updated personal property from declarations.