DOUGLAS COUNTY
ASSESSOR • REGISTER OF DEEDS

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Level of Value—Explanation

Assessment in Nebraska is measured based on the median level of value. It is the middle ratio of all of the assessment sales ratios for properties sold in arm's-length transactions during the applicable study period.

The study period used to measure residential assessment is a two-year window, beginning on October 1 and ending on September 30, 24 months later. For measurement in 2017, the study period includes sales occurring between October 1, 2014 and September 30, 2016. With each new year, the first year of the study period for the previous year drops out and is replaced by the most recent October 1 to September 30 period.

Here is an oversimplified example for illustration purposes:

Picture a neighborhood of four houses, all are identical in size, quality, condition, and amenities. They are all assessed at $100,000.

Year 1	Year 2	Year 3
Sale 1—Price $102,000	Sale 2—Price $105,000	Sale 4--$114,000
	Sale 3—Price $110,000	

Assessment/Sales Ratios:
Sale 1—98 (100,000/102,000)
Sale 2—95.2 (100,000/105,000)
Sale 3—90.9 (100,000/110,000)
Sale 4—87.7 (100,000/114,000)

Level of value for Year 2—Measured by the sales in the study period that includes Years 1 and 2 and would be **95.2** (middle ratio of Sales 1, 2, and 3).

Level of value for Year 3—Measured by the sales in the study period that includes Years 2 and 3 (Year 1 drops out) and would be **90.9** (middle ratio of Sales 2, 3, and 4).

This is an example of how an appreciating market—the sales for each year are increasing—can cause the ratios to change if nothing happens with the assessed value.

This is the trend we have seen for the last several years in Douglas County. Attachment A represents one of the statistics pages from the Property Tax Administrator's Report and Opinion from 2016 regarding residential property. Look at the section labeled "Date of Sale". You can see the number of sales and a statistical analysis of each quarter within the two years of the study period. If you look at the column labeled "Median", you will see the level of value for each quarter. As you can see, the first quarter of the study period has a median of 95.62. But the last two quarters are 88.84 and 87.52. The simple rule of thumb is, as sales prices rise, if assessed values stay the same, the median level of value will decline. The way level of value is measured in Nebraska tends to lag movement in the market because in looking at the statistics for the whole study period, the first year of a study period masks what the market is doing in the second.

Even post TERC adjustment, that trend is still there. Attachment B is same statistical analysis with the 2016 Commission adjustments. You see the decline in the ratios, from a first quarter sales ratio of 98.36 to a last quarter ratio of 90.19.

This trend has continued in 2017. A statistical analysis using the 2017 preliminary values is included as Attachment C. If you look at the date of sale statistics you can see a decline in the median of over 8 points, again representing a rapidly appreciating market.

Keep in mind that the median level of value means that half of the ratios are above and half below the median. It doesn't mean that every property assessed in a jurisdiction is at that level of value. It does mean that they group around that median.

There are qualitative statistics that tell you how reliable that median level of value is in representing the market. The most important of these is the COD (Coefficient of Dispersion). That number tells you how closely the ratios in your assessment/sales study cluster around the median. The tighter the grouping around the median the more reflective of the true level of value your median is likely to be. In mass appraisal literature, a residential COD below 15 is very good and represents values in which the median reflects the market values of the properties in the jurisdiction. In the case of Attachment C, the COD for each quarter of the study period is below 15. This bolsters what the medians are telling us: That we are seeing an aggressive trend toward appreciation in the market.

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RESIDENTIAL

PAD 2016 R&O Statistics (Using 2016 Values)

Qualified

Data Range: 10/1/2013 To 9/30/2015 Posted on: 3/30/2016

Number of Sales : 19,048	MEDIAN: 92	COY: 89,01	95% Median C.I.: 91.39 to 91.76
Total Sales Price : 3,567,657,208	WGT. MEAN : US	.STD: 99.69	95% Wgt Mean C.I. : 94.68 to 95.83
Total Adj. Sales Price : 3,570,564;007	MEAN: 112	Avg. Abs. Dev: 29.82	95% Mean C.I. : 110.58 to 113.42
TotalAssassedVelue: 3A01,107,543			
Avg. Adj. Sales Price: 187,451	COD,: 32.57	MAX Salas Ratio : 999.22	
Avg. Assessed Value : 178,555	PRO: 117.59	MIN Sales Ratio : *04A7*	*Printed:4/1./2016 12:58:35PM*

DATE OF SALE*

RANGE	COUNT	MEQIAN	MEAN	WGT.MEAN	COO·	PRO	MIN	MAX	95%_Medlan_C.I.	Avg.Adj. Sale Price	Avg. Assd. Val
__ Qrtrs__											
OI-OCT-13 To 31-DEC-13	1,972	95.82	114.17	100.02	29.36,	114.15	18.47	990.91	95.07 to 96.18	179,802	179,845
OI-JAN-14 To 31-MAR-14	1,528	94.33	112.87	98.93	28.93	113.89	42.14	988.25	93.80 to 94.89	182,887	180,737
OI-APR-14 To 30-JUN-14	2,741	92.11	108.94	94.74	25.82	112.88	29.80	993.80	91.64 to 92.71	190,752	180,714
01-JUL-14 To 30 SEP I4	2,822	92.31	112.72	95.33	31.73	118.24	40.48	993.23	91.87 to 92.87	189,113	180,289
01-0CT-14 To 31-DEC-14	2;082	92.98	113.74	95.25	33.17	119.4f	08.88	945.90	92.37 to 93.87	179,838	171,103
OI-JAN-15 To 31-MAR-iS	1,700	91.94	118.09	97.50	38.19	119.07	45.04	999.22	91.43 to 92.83	183,897	179,291
OI-APR-15 To 30-JUN-15	3,300	88.84	117.30	94.79.	41.74	123.75	04.47	910.14	88.40 to 89.27	189,498	179,821
OI-JUL-15 To 30.-SEP-15	2,903	87.52	104.81	90.16	29.84	118.03	18.84	909.21	87.18 to 87.95	195,918	178,840
__ Study Yrs__											
OI-OCT-13 To 30-SEP-14	9.,063	93.23	111.28	96.73	29.01	115.04	18.47	993.80	93.00 to 93.5.0	186,456	.180,353
01-0CT-14 To 30-SEP Is	9,985	89.77	112.88	93.93	35.78	119.94	04.47	999.22	89.50 to 90.04	188,354	176,922
__ CalandarYrs__											
OI-JAN-14 To 31-DEC-14	9,173	92.75	111.22	95.72	29.79	118.19	08.88	993.80	92.51 to 92.97	188,382	178,406
__ ALL__	1.9,048	91.57	112.00	95.25	32.57	117.59	04.47	999.22	91.39 to 91.78	187,451	178,555

VALUATION GROUPING

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRO	MIN	MAX	95%_Medlan_C.I.	Avg.Adj. Sale Price	Avg. Assd. Val
01	4,289	92.34	102.10	91.42	25.02	111.68	04.47	933.57	91.59 to 93.21	118,599	106,598
02	632	104.82	131.62	107.52	48.43	122.41	18.84	832.65	101.25 to 10 .74	47,768	51,360
03	3,970	89.77	94.73	89.61	15.27	105.71	42.21	987.93	89.43 to 90.28	252,558	228,307
04	4,487	90.08	93.83	90.68	12.49	103A7	44.8Q	864.21	89.73 to 90.50	158,104	143,377
05	3,113	92.72	150.74	103.90	69.65	145.08	12.17	990.91	92.35 to 93.07	252.	282,073
06	2,577	92.94	135.06	1 0 U 5	53.76	132.48	35.33	999.22.	92.58 to 93.32	211,621	215,750
__ ALL__	19,048	91.57	112.00	95.25	32.57	117.59	04.47	999.22	91.39 to 91.76	187,451	178,555

PROPERTY TYPE*

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	·COO	PRD	MIN	MAX	95%_Madlan_C.I.	Avg.Adj. Sala Price	Avg. Assd;Vel
01	19,048	91.57'	112.00	95.25	32.57	117.59	*04.41*	999.22	91.39to91.78	187,451	178,555
06											
.01											
__ .ALL__	19,048	9.1.57	112.00	95.25	32.57	117.59	04.47	999.22	91.39to91.76	187,451	178,555

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•PAD2016':iimc,iijci-8iiti iilcji2016 Values•

What IF Stat Page: 1

RESIDEN'l'IAL IMPROVED

Type : Qualified

Number of Sales :	19,048	Median :	94	COV :	86.90	95% Median C.I. :	94.19 to 94.57
Total Sales Price :	3,567,657,208	Wgt. Mean :	98	STD :	99.57	95% Wgt. Mean C.I. :	97.62 to 98.79
Total Adj. Sales Price :	3,570,564,007	Mean :	115	Avg.Abs.Dev :	30.05	95% Mean C.I. :	113.17 to 115.99
Total Assessed Value :	3,506,434,673						
Avg. Adj. Sales Price :	187,451	COD :	31.84	MAX Sales Ratio :	1057.09		
Avg. Assessed Value :	184,084	PRD :	116.68	MIN Sales Ratio :	04.47		

DATE OF SALE*

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg.Adj.SalePrice	Avg.AssdValue
____Qrtrs__											
10/01/2013 To 12/31/2013	1,972	98.36	116.89	103.31	28.87	113.14	18.47	990.91	97 .83 to 99.06	179,602	185,541
01/01/2014 To 03/31/2014	1,528	96.98	115.22	102.06	28.60	112. 89	42.14	1016.47	96.:31 to 97.75	182,687	186,454
04/01/2b14 To 06/30/2014	2,741	95.05	109.64	97.76	25.06	112.15	29.55	993.80	94.67 to 95.61	190,752	186,475
07/01/2014 To 09/30/2014	2,822	94.87	115.39	98.39	31.15	117 .28	40.48	1057.09	94.40 to 95.37	189,113	186,074
10/01/2014 To 12/31/2014	2,082	95.75	116.31	98.13	32.43	118.53	08.86	945.90	95.15 to 9.6.51	179;638	176,281
01/01/2015 To 03/31/2015	1,700	94	11	,100.13	35.42	118.25	45.04	999.22	93.97 to 95.48	183,897	184,135
04/01/2015 To 06/30/2015	3,300	91.72	119.86	97.63	40.57	122.77	04.47	910.14	91.25 to 92.23	189,496	184,997
07/01/2015 To 09/30/2015	2,903	90.19	107.10	92.99	29.17	115.17	17.33	909.21	89.74 to 90.71	195,916	182,185
Study Yi;s											
10/01/2013 To 09/30i2014	9,063	96.15	113.95	99.83	28.43	114.14	18.47	1057.09	95.84 to 96.43	186,456	186,143
10/01/2014 To 09/30/2015	9;985	92.68	115.16	96.74	34.86	119.04	04.47	999.22	92.33 to 92.97	188,354	182,215
__ Calendar Yrs--											
01/01/2014 To 12/31/2014	9,173	95.45	113.85	98.74	29.23	115.30	08.86	1057.09	95.18 to 95.79	186,382	184,034

What IF

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RESIDENTIAL IMPROVED

PAD 2017 R&O Statistics 2016 Values

Base Stat

Type: Qualified

Date Range: 10/01/2014 to 09/30/2016 Posted Before: 01/17/2017

Number of Sales :	17,916	Median :	99.	COV :	24.10	95% Median C.I. :	98.78 to 99.18
Total Sales Price :	3,610,703,719	Wgt. Mean :	99	STD :	24.37	95%. Wgt. Mean C.I. :	98.93 to 99.44
Total Adj. Sales Price :	3,615,830,481	Mean :	101	Avg.Abs.Dev :	12.20	95% Mean C.I. :	100.74 to 101.46
Total Assessed Value :	3,586,413,512						
Avg. Adj. Sales Price :	201,821	COD :	12.33	MAX Sales Ratio :	792.06		
Avg. Assessed Value :	200,179	PRD :	101. 93	MIN Sales Ratio :	00.68	Printed : 01/17/2017	

DATE OF SALE*

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg.Adj.SalePrice	Avg.AssdValue
__ Qrtrs__											
10/01/2014 To 12/31/2014	1,723	104.22	106.88	-104. 02	12.97	102.75	21. 56	373.67	103.53 to 104.87	190,054	197,696
01/01/2015 To 03/31/2015	1,484	103.07	105.46	103.09	12.15	102.30	36.00	454.74	102.46 to 103.73	191,596	197,510
04/01/2015 To 06/30/2015	2,787	99.97	101.36	99.86	10.84	101. 50	32.67	572. 36	99.49 to 100.46	200,697	200,422
07/01/2015 To 09/30/2015	2,530	99.24	100.98	99.00	11. 61	102.00	06.10	623.88	98.73 to. 99.64	204,351	202,311
10/01/2015 To 12/31/2015	2,018	99.90	102.86	100.52	12.76	102.33	39.87	739.84	99.38"to 100.55	199,323	200,352
01/01/2016 To 03/31/2016	1,643	99.65	102.97	100 .11	13.46	102.86	00.68	792.06	99.24 to 100.37	200,886	201,100
04/01/2016 To 06/30/2016	2,942	95.66	96.85	95.96	11.60	100_. 93	34.11	636.90	95.25 to 96.08	209,226	200,780
07/01/2016 To 09/30/2016	2,789	95.85	97.19	96.03	11. 79	101.21	27.35	441.17	95.40 to 96.24	207,907	199,657
__ study Yrs__											
10/01/2014 To 09/30/2015	8,524	101. 06	103.08	100.95	11. 90	102 .11	06.10	623.88	100.79 to 101.34	198,046	199,925
10/01/2015 To 09/30/2016	9,392	97.24	99.31	97.64	12.43	101. 71	00.68	792.06	97.03 to 97.42	205,248	200,410
-- Calendar Yrs--											
01/01/2015 To 12/31/2015	8,819	100.27	102.28	100.28	11.79	101. 99	06.10	739.84	99.96 to 100.53	199,900	200,458
ALL											
10/01/2014 To 09/30/2016	17,916	98.97	101.10	-99.19	12.33	101. 93	00.68	792.06	98.78 to 99.18	201,821	200,179