

# Section 4—Sales data collection and standard data format

The ratio study begins with collecting information on all sales throughout the county. All available sales should be used for each property class to provide an accurate reflection of the assessment program.

## Sales data year

- The sales collection year is January 1 through December 31. Sales data collection must be organized, timely, and continuous. Each month's sales should be completed by the last working day of the following month. **The sales analysis process can be started prior to the first of the year.** Sales processing should be completed as soon as possible so that the sales listings can be compiled to include all December sales by February 15.
- After the sales data have been gathered and arrayed, analysis and computation begin. This generally takes place between January 1 and July 1 (due date of the completed ratio study report). Analysis for the current year and sales collection for the coming year overlap. As statistical analysis begins for the current year, sales collection for the coming year is also taking place.
- The certified ratio study is to be finalized by July 1 or a date set by the department.

## Market data sources

Sales information is taken from recorded instruments such as deeds, mortgages, and contracts. Other information from unrecorded sources, such as comments from realtors or appraisers, can be used only when thorough verification has been conducted.

Written procedures should be developed that outline the timely movement of sales information from the clerk's office through the assessor's office and then to the data analyst. This process is known as sales take-off. The data analyst needs to ensure that the sales collection, confirmation, and qualification process is current.

### Data sources

- Primary sources for real property transactions include recorded and unrecorded property transfers such as deeds, contracts, and mortgages.
- Manufactured structure data is collected from recorded sale instruments and title transfers.
- Secondary sources includes individual buyers and sellers; records of real estate offices; multiple-listings services; title companies; government and private sector fee appraisers; building contractors; financial institutions; and developers.

Secondary sources are very important when data is limited. They can provide information regarding market activity. A banker may explain a policy regarding sales after foreclosure, i.e., whether a sale price is market value or liquidation value. Real estate brokers can verify whether a listing is above or below the market. Listing prices can be used in the ratio study for supporting data only when they are adjusted for the typical differences between the asking prices and final sale consideration. The adjustments must be developed in a special study.

## Sales database

Pertinent information is maintained in a sales database. This is an organized filing system with related market information, such as prices and trends from actual sales, real estate publications, and regional economic and employment information. This information is used by the data analyst to understand market activity and can be used to develop special studies related to the ratio and adjustment program.

## Property sale identification

It is important to identify each transaction in the computer generated sales database system with the appropriate map and tax lot numbers. Other identification numbers that can be used, but not to replace map and tax lot numbers, are:

- Account number;
- Reference number;
- Key number; and
- Serial number.

**Note:** If more than one account is included in a sale, all accounts need to be identified within the database.

## Standard data format

### ORS 306.125(1)

All Oregon counties now process assessment and taxation information by computer. This information must be submitted in standard data exchange formats, as required by ORS 308.215, 308.217, 308.219, 309.310, and 311.105.

The sales database should contain all pertinent information regarding transactions. The sales listings and related statistical data will be developed from the database. Not all information maintained in the database

is used to create the sales listings. The program should have the flexibility to sort on any of the data fields.

## Data fields

The following data fields should be included in any sales database. This database need not be entirely separate from the assessment roll or other databases maintained by the county, provided the analyst is able to store, view, and retrieve the necessary information.

1. Grantor's name—seller.
2. Grantor's address (optional).
3. Grantee's name—buyer.
4. Grantee's address.
5. Account number—consists of township, range, section, and tax lot numbers.
6. Code area number—the taxing district code.
7. Instrument number—deed, volume, and page numbers; instrument number; or other identifying numbers to locate the recordation of the deed or contract.
8. City—city code numbers (if used).
9. Building class—the principal building class as shown on the appraisal inventory record, computer print-out, or envelope. Other buildings shall be coded by type, enabling separate adjustments, if necessary.
10. Year built—the year the principal building was constructed.
11. Percent good—a measure of depreciation (physical, functional, and economic) determined for the principal building.
12. Year appraised—the assessment year for which the field appraisal of the property was made. ORS 308.234.
  - This information allows separate studies of current RMV levels based on appraisals prepared in different years.
  - If the land and improvements were valued separately for different assessment years, the earliest date will be considered the year appraised.
  - For counties that recalculate, care should be taken to maintain the actual year of last physical inspection of the property upon which the basic characteristics were determined, e.g., square foot area, quality class, condition, other improvements, etc.
13. Appraisal area—appraisal area within the county. (See also "Market area.")
  - Counties are no longer required to maintain six appraisal maintenance areas.
  - Counties may continue to maintain six appraisal maintenance areas or identify new appraisal areas based on their needs analysis and available resources.
14. Market area—a group of properties that generally share important characteristics that influence value. See OAR 150-309.200(A) and 150-308.234.

15. Acres—total acres included in the transaction (if available).
16. Ratio—a percentage obtained by dividing the RMV from the current certified roll by the sale price (SP) ( $\text{Roll RMV} \div \text{SP} = \text{Ratio}$ ).
17. Condition (reject) code—a code assigned to each sale to indicate whether the sale qualifies to be included in the ratio study. See section 5, pages 9–10, of this manual.
18. Condition code explanation—specific explanation as to why the condition code was selected.
19. Roll year—current assessment roll is the roll being prepared for the tax year beginning July 1 of the current calendar year, per OAR 150-309.200(A)(7).

**Note:** Prior year sales will have a different roll year than current year sales. These sales must be analyzed to determine if a trend exists and properly adjusted to the current assessment date.

20. Real market value—the RMV of land and improvements including manufactured structures taken from the current certified roll.

**Caution:** If the sale was vacant land, do not use the value of a new improvement or site improvements that may have been added to the roll. Likewise, if a parcel is consolidated or segregated after the sale, be sure the RMV does not include the consolidated or segregated value. Do not include increments of value that result from repair, remodeling, or additions that occurred after the sale. It is advisable to take the RMV at the time of the sale and make changes only to reflect adjustments or reappraisal.

If a sale involves more than one account, the total of the land and improvements from all accounts involved must be used. The combined total must reflect the total RMV from the current certified roll. These accounts must be "flagged" and cross-referenced in the sales file.

21. Sale price—the sale price or amount of consideration shown on the deed or contract.
22. Sale price data—(gathered from confirmation).
  - **Terms:** financing type, down payment, interest rate, and duration of the mortgage;
  - **Conditions** surrounding the sale (foreclosure, distress, open market, illness, length of time on market, the property's physical condition, etc.);
  - **Encumbrances or liens** assumed by the purchaser;
  - **Adjustments to the sale price** may include, but are not limited to: personal property, points paid by the grantor, repair allowances, or any exempt portions included in the selling price (designated forestland, timber, and historic property).

23. Date of sale—the date the sale instrument was signed or the sale price was agreed upon between seller and buyer. The recordation date indicates the date the transaction became public record.
  24. Property class—outlined in chapter 3, see OAR 150-308.215(1)-(A), (Rev. 7/06).
  25. County number (1 through 36)—usable for multi-county ratio study report (see list in appendices).
  26. Instrument type—warranty deed, trust deed, contract, etc.
  27. Zoning—residential, commercial, industrial, farm, etc.
  28. Multiple-account indicator—more than one parcel (account) in transaction.
  29. Comments.
  30. Staff member confirming that sale.
  31. Optional information—additional information may be captured, if determined appropriate. This may include items such as:
    - Storing an adjustment to a recorded price (for personal property);
    - Noting sales questionnaires have been sent or received;
    - Storing the adjusted sale price and date;
    - Identifying unusual properties (waterfront, etc.).
- Appraisal area identification (number or letter);
  - Property class;
  - Market area, sub-area, down to the adjustment area level;
  - Building class;
  - Year appraised;
  - Year built (for improved property classes);
  - Percent good;
  - Condition code;
  - Account numbers;
  - Township, range, section, and tax lot numbers;
  - Code area number (taxing code) (optional);
  - Instrument number;
  - Number of acres (if required);
  - Land RMV;
  - Improvement RMV;
  - Total RMV;
  - Sale price (may be adjusted to consider items such as personal property);
  - Sale date;
  - Sale number;
  - Sale ratio;
  - Type of instrument; and
  - Other accounts included in sale.

## Sales listing

Sales listings are developed from valid sales occurring during the sales year. Information in the sales listing shall include the complete identification of the property and the information necessary to develop an RMV adjustment factor.

After the sales are screened, confirmed, and coded, they are stored in the sales file until the sale listings are run. These sales form the primary sales listings and must be sortable by:

- Property class countywide;
- Property class for each market area or appraisal area;
- Property class for each market area, within each appraisal area; and
- Property class using sale date, by month and quarter.

These groups of sales are listed in **ascending** order according to the size of the ratio. This is called arraying. After the sales are arrayed, each sale is numbered in sequence.

## Sales listing format

The sales listing must be in tabular form. The following information should be transferred from each sale record:

## Statistical data

A variety of statistical information is developed from the sales listings (see detail in Chapter 7), including:

- Sales ratio arrays in ascending order;
- Frequency distribution; and
- Central tendencies and related statistics.

### Median

Average absolute deviation (AAD) and  
Coefficient of dispersion (COD)

### Arithmetic mean

Standard deviation and  
Coefficient of variation (COV)

### Weighted mean

Price related differential (PRD)

### Geometric mean

### Mode

Graphs (charts) showing trends in ratios should be included in the summaries. When data are lacking, graphs based on sales by quarter may have significance. The graphs provide a visual analysis of the change of ratio trends during the year. (See section 6.)

# Sales data collection flowchart example

