

## Section 9—Additional analysis

When the initial sales listings are inadequate, supplemental studies are necessary to develop reliable ratio conclusions.

### Examples

Supplemental studies are prepared and analyzed in the same consistent manner as other studies. The following supplemental studies are recognized and approved by the Department of Revenue:

- A. Combined property class study
- B. Market area study
- C. Sub-area study
- D. Appraisal ratio study
- E. Rent study
- F. Outbuilding study
- G. Multiple listing study (properties for sale)
- H. Building class study
- I. Value range study
- J. Age/life study
- K. Multi-year study
- L. Straddle study or time period study

### Appraisal ratio studies

**Appraisal ratio studies** are a physical appraisal of a sample of properties typical of the market area. Appraisal ratio studies are used when sales data are not adequate to derive valid ratio conclusions. An appraisal ratio study is compiled and computed in the same manner as a sales ratio study. Current certified roll values are divided by the newly reappraised values to derive ratio conclusions for the remaining properties in the area.

A qualified appraiser, other than the one who originally appraised the properties, should appraise a random sample of properties. The sample should include enough accounts to be representative of the property class and market area.

Data that can be used in an appraisal ratio study includes: gross rent multipliers, construction cost indices, prior years' sales, real estate trends, and sales data from other counties.

The procedure for an appraisal ratio study includes the following steps:

1. Select a random sampling (usually 1 percent of accounts) of properties to be appraised.
2. Assign a qualified appraiser to appraise the properties.
3. Examine the selected properties.
4. Correlate data (sales, gross rent multipliers, cost indices, etc.). Place value estimates on properties.
5. Compute ratios by comparing newly appraised values of sample with current roll RMVs.
6. Conclude ratio array, analyze ratios for anomalies within the market area and property class.

### Straddle study

A straddle or time period study is any study where the sample is developed from sales spanning equal distance from each side of a specific point (e.g., assessment date).

### Examples

January 1 is the assessment date. A six-month study of sales should include October, November, December, January, February, and March.

This study can be used as an after-ratio study to ascertain that corrective trends applied did, in fact, bring roll values to 100 percent RMV.

These studies are also used when properties are revalued annually to test the new values for 100 percent RMV as of the set-up date.