

**ANNUAL ASSESSMENT REPORT
OF AND PREPARED FOR THE**

Town Village City of _____ ,
County of _____ ,

State of Wisconsin

County/Municipal Code (5 digit) _____

PRESIDED OVER BY

_____, _____
(Name) (Title e.g. Chair, President)

PREPARED BY

(Assessor Name)

(Business Name)

(Mailing Address)

EFFECTIVE VALUE DATE

JANUARY 1, 20 _____

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SECTION 1

LETTER OF TRANSMITTAL

_____, 20 _____,
(Report Date)

Town Village City of _____ County of _____,

(Official Address)

Dear _____,
(Name) (Title e.g. Chair, President)

I am aware of, understand, and have correctly used recognized procedures, methods and techniques necessary to produce a credible mass appraisal for your municipality as of January 1, 20 _____.

The municipality is both the client and the intended and authorized user of this report. Property tax distribution is the intended use. I am not responsible for unauthorized use of this report, nor are any agents of my company (if applicable).

This report and the procedures, methods and techniques conform to the requirements of the current *Uniform Standards of Professional Appraisal Practice* (USPAP), Wisconsin Constitution, Wisconsin Statutes, case law, administrative rules, and the *Wisconsin Property Assessment Manual* (WPAM). USPAP in no way interferes or supersedes the reference in state law (sec. 70.47(8)(i), Wis. Stats.) which states "The board shall presume that the assessor's valuation is correct. That presumption may be rebutted by a sufficient showing by the objector that the valuation is incorrect." Compliance with USPAP is not evidence to discredit a value. The value may be appealed; not the report. That is, failure to comply with USPAP is not grounds for appeal.

We have inspected the properties based upon guidelines in the *Wisconsin Property Assessment Manual* [and our contract]. Please understand that the detail of our inspection was within the scope of property appraisal versus that of a building inspector or engineer. Other than those items identified in this report, on the property record cards, or in the record file, the appraiser knows of no adverse physical conditions affecting the properties as of the effective date of the assignment. Any undisclosed or undiscovered physical problems could adversely affect a property's value.

Authorized users are cautioned that the final opinions of value are based on certain information, assumptions, and possible limiting and hypothetical conditions. When and if any of these exist, they are identified in the body of this report and in the individual property record files. Any change to these conditions may affect the appraiser's opinion of value. A due diligence review of this report by the client and other authorized user is strongly recommended.

Respectfully submitted,

(Statutory Assessor)

Assessor Certification Level: _____

Expiration Date: _____

SUMMARY OF REQUIRED DATES AND REPORTS

General Description of the Jurisdiction:

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ESTIMATED LEVEL OF ASSESSMENT: _____ %

State Law Reference		
Art. IV Sec. 28	I took the assessor's oath of office on	
70.35(1), 70.35(2)	I sent personal property returns on.	
70.365	I mailed Notices of Changed Assessment on.	
70.10, 70.49(1), 70.32(2), 70.30	I signed the affidavit and attached it to the roll on	
79.095	I submitted the Exempt Computer Report to Wisconsin Department of Revenue (DOR) on.	
73.03(5)	I submitted the Municipal Assessment Report to DOR on	
66.1105(6)(a)	I submitted all required TID information to DOR on	
70.44(1) 70.44(3)	I discovered and corrected omitted real or personal property	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
	I provided written notice to property owners about their appeal rights .	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
70.45	I held Open Book on.	
	The number of parcels reviewed at Open Book was	
	The number of changes to value resulting from Open Book was.	
	I sent revised notices on.	
70.47(1)	The Board of Review (BOR) will meet on.	
	If the BOR met and needed to adjourn, they rescheduled to	
70.47(3)(ag)	I will be present at the BOR to defend assessments	<input type="checkbox"/> Yes <input type="checkbox"/> No
70.52	Do you know if the clerk checked for double assessments, imperfect descriptions or other errors?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Do you know if the clerk checked for omitted real estate parcels or personal property accounts?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	When notified by the clerk of palpable errors or omitted parcels, I reviewed and revalued the property in error and certified the value to the clerk . .	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
	I verified that when I was informed of palpable or omitted property, it was added to the roll by the clerk.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. This appraisal uses the guidelines and standards prescribed in the *Wisconsin Property Assessment Manual* published for the current assessment year. (DOR WPAM and Guides are located online at: <http://www.revenue.wi.gov/html/govpub.html>)
2. The appraiser is not responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser believes the title is correct and marketable.
3. The appraiser will provide testimony and appear in court as required for the office of municipal assessor and for any contractual agreements with the municipality.
4. The appraiser has noted on the individual property record cards any adverse conditions observed during the inspection of the subject's property. Unless otherwise stated on the property record card, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property.
5. This appraisal is prepared for ad valorem tax purposes. This report and the procedures, methods and techniques conform to the requirements of the *Uniform Standards of Professional Appraisal Practice*, Wisconsin Constitution, Wisconsin Statutes, case law, administrative rules, and the *Wisconsin Property Assessment Manual*. Depending on the property, there may be specific valuation guidelines and the reconciliation of data must be performed according to statutes, such as with agricultural property. Because of this, the Jurisdictional Exception applies in some instances.
6. Each property has been appraised as though under responsible ownership and competent management.
7. All property within the municipality has been assessed as of January 1.
8. Unless noted, it is assumed that all required licenses, certificates of occupancy, consents, or other instruments of legislative or administrative authority from any private, local, state, or national government entity, have been obtained for any use on which the value opinions contained within this report are based.
9. Information, estimates and opinions furnished to the appraiser and incorporated into the analysis were obtained from sources assumed to be reliable and a reasonable effort has been made to verify such information. However, no warranty is given for the reliability of this information.
10. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Neither a compliance survey nor a specific analysis has been conducted for any property to determine if it conforms to the various detailed requirements identified in the ADA. It is possible that such a survey might identify non-conformity with one or more ADA requirements, which could lead to a negative impact on the value of the property(s). Because such a survey has not been requested and is beyond the scope of this appraisal assignment, we did not take into consideration adherence or non-adherence to ADA in the valuation of the properties addressed in this report.
11. Use of this report and its conclusions is limited to the administration of property taxes according to the governing laws of the State of Wisconsin.
12. The Municipal Assessment Report (MAR), upon completion, will become part of this report.

Other:

CLIENT, INTENDED USERS AND INTENDED USE

The subject municipality is the client and intended user of this report.

This is an annual assessment report for ad valorem tax purposes and it is specifically made for property tax distribution. The intended use of this report and its conclusions is limited to the administration of property taxes according to the governing laws of the State of Wisconsin.

EFFECTIVE DATE OF APPRAISAL AND REPORT

The State of Wisconsin requires all property to be valued as of January 1 in any given year. The appraisal date for this report is January 1, 20 _____. The report was submitted to the client on _____.

DEFINITION OF VALUE

Definition of Market Value:

According to the *Uniform Standards of Professional Appraisal Practice* (USPAP), the definition of market value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

JURISDICTIONAL EXCEPTIONS

When the guidelines in *Uniform Standards of Professional Appraisal Practice* (USPAP) conflict with state statute or case law, state law governs. This is stated in USPAP and is referred to as the "jurisdictional exception." The Wisconsin Constitution, state statute, case law, administrative rule and the *Wisconsin Property Assessment Manual* (WPAM) establish a hierarchy of valuation methods.

Section 70.32 Wis. Stats. states that the most reliable valuation approach uses a sale of the subject property to estimate value – but only if that sale is recent, meets all of the requirements of an arm's length sale, and the value is confirmed by an analysis of sales of reasonably comparable properties.

The second best valuation method uses sales of properties similar to the subject parcel, called a "sales comparison" approach to value. If no reliable comparable sales are available, then other factors may be used to value the property. Cases often refer to this hierarchy as the "three tiers."

For further discussion, see the WPAM, Chapter 21 State ex rel. Markarian v City of Cudahy (1970).

Since 1998, the assessed value of "**farmland**" for property tax purposes has been based on the productive capacity of the land. The 1995-97 Budget Act changed the standard for assessing farmland from market value to use value assessment. In a use value assessment system, an agricultural property's use is the most important factor in determining its assessment classification. Chapter Tax 18 specifies the use value calculation. Agricultural building sites and residences of the farm operator's spouse, children, parents, or grandparents are classified as "Other" and should be assessed at market value.

Section 70.32(2)(c)1d Wis. Stats. defines "**agricultural forest**" as "land that is producing or is capable of producing commercial forest product . . . and shall be assessed at 50% of its full value."

Wisconsin Act 33 specifies how "**undeveloped land**" is valued for assessment purposes under sec. 70.32(4) at 50% of its full value. Undeveloped land includes areas commonly called marshes, swamps, thickets, bog or wet meadows.

Two unique agricultural products, cranberries and fish, are produced on "specialty land" and are assessed at use value rates. Fish ponds used for animal aquaculture qualify as agricultural as they are analogous to pasture.

The State Public Records Board has published the Wisconsin Municipal Records Manual which establishes minimum record retention times of 7 years for public records, with the following exceptions:

- No assessment roll containing forest acreage may be destroyed without prior approval of the Secretary of Revenue.
- Real Estate Transfer Returns need only be retained for five years.

A public record as defined in sec. 19.32, Wis. Stats., "includes but is not limited to, handwritten, typed or printed pages, maps, charts, photographs, films, recordings, tapes (including computer tapes) and computer printouts."

Wisconsin courts have ruled that the use of the discounted cash flow for subdivisions violates the principle of uniformity. This uniformity provision also extends to condominiums.

Restrictions on the valuation of Subsidized Housing as specified in sec. 70.32 (1g) Wis. Stats., and in court cases as explained in WPAM Chapter 9, directly affect the outcome of Subsidized Housing valuation. These restrictions, including not allowing income tax credits or subsidized mortgage rates to be used in the valuation of these properties, are a jurisdictional exception.

Many assessors are required to live in their jurisdiction or they and/or their relatives own property in their jurisdiction and therefore receive a tax bill directly related to the amount of the value opinion. This interest in the property is disclosed in the Certification and is considered a jurisdictional exception.

A written summary of the Assessor's Board of Review Testimony does not need to be added to the workfile, because the Clerk's summary of the Board of Review and the official record of the proceedings if kept by the Clerk are deemed sufficient.

Personal Property may be valued using the Statement of Personal Property per sec. 70.35 Wis. Stats., in lieu of the analysis and model requirements for Personal Property.

Other jurisdictional exceptions may be found in the Wisconsin Property Assessment Manual (WPAM) and substantiated by case law.

IDENTIFICATION OF THE PROPERTY RIGHTS AND PROPERTY BEING APPRAISED

Property Rights Appraised: The property rights appraised are defined in Chapter 70.03 Wis. Stats., case law and further described in the *Wisconsin Property Assessment Manual*. The attributes of each property can be found in the property record cards or files maintained in the municipal assessor's office. These include legal descriptions, parcel identifiers, addresses, photos and sketches. Section 70.03 Wis. Stats., states in part, "Real property', 'real estate' and 'land', when used in chs. 70 to 76, 78 and 79, include not only the land itself but all buildings and improvements thereon, and all fixtures and rights and privileges appertaining thereto..."

A description of the properties being appraised is presented in the table under "Valuation Methods."

This report does not include manufacturing, utility, or telco properties in the municipality as they are assessed by the Wisconsin Department of Revenue.

HIGHEST AND BEST USE

Highest and Best Use is defined in Chapter 7 of the *Wisconsin Property Assessment Manual*:

"Highest and best use is defined as that use which over a period of time produces the greatest net return to the property owner. The possible uses of a property have a significant influence on its value. Because most properties could be put to a number of different uses, it is necessary to determine which of the possible uses is the highest and best use. There are a number of factors that influence the highest and best use of a property.

"The contemplated use must be legal. That is, it must not violate any government regulations. This would include such items as zoning, building codes, health codes, criminal laws, and other regulations. For example, an office building may represent the greatest net return on a parcel of real estate; however, if this use is prohibited by zoning laws, it does not represent the highest and best use.

"The use must be complementary. It must be in balance with the uses of the property around it. This is explained in the principle of conformity.

"The highest and best use should not be a highly speculative use. The use should produce the greatest net return over a reasonable time period. An income stream of high return over a short time may not be as valuable as that use which generates a smaller income but over a longer period of time.

"The highest and best use of a property can change over time. Changes in the economy, society, and neighborhood can result in new uses of properties. Therefore, the assessor should be periodically re-viewing the data on highest and best use and change the conclusions if necessary.

"It's important to recognize that the current use of a particular property does not necessarily represent the highest and best use or the full market value of the property. All of the available uses of the property should be considered. According to the book, *Readings in Highest and Best Use*, 'The fact that a property is adaptable to secondary uses may be an important consideration to a prospective buyer and thus influence market value.'"

In summary, highest and best use represents the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value. For purposes of this report, it is assumed that the current use of the property represents the highest and best use unless stated otherwise on the property record card or in the file.

SECTION 2

SCOPE OF WORK

As stated in the letter of transmittal, this report is produced as a result of the assessor's assignment to appraise the subject municipality. The use of the values is for the fair and equitable distribution of the property tax.

To accomplish this task and produce credible results, the assessor and assessment staff completed the following tasks:

Check all that apply:

- Identified all sales within the municipality occurring in the year prior to the assessment date. Enter the number of sales _____
- Reviewed all sales for validity as arms-length transactions.
- Field inspected all valid sales within the municipality occurring in the year prior to the assessment date. Enter the number of sales field inspected _____
- Analyzed all sales within the municipality occurring in the year prior to the assessment date.
- Conducted ratio studies for the last assessment date and the current assessment date.
- Reviewed building permits. Enter the number of building permits _____
- Inspected new construction. Enter the number of inspections _____
- Analyzed new construction.
- Field inspected all parcels with current agricultural classification. Enter the number of agricultural parcels inspected in field.. _____
- Updated values of agricultural land with values supplied by DOR.
- Collected income and expense information for income-producing property.
- Calculated and reviewed data relating to capitalization rates for appraising income-producing properties.
- Identified and valued all personal property.

The Scope of Work includes the analysis and consideration of the highest and best use of property, along with the location, physical, economic, and legal aspects associated with the taxable properties.

Scope of Work Notes:

The following sources of information indicated can be found on the Internet at the following address:

Objects	Web Address
Parcel Maps	
Neighborhood Delineation Maps	
Photos	
Physical Attributes	

The following steps were taken to determine market values for all classes of property as required by sec. 70.32 Wis. Stats. In completing this task, the assessor used the three recognized approaches to value when appropriate and necessary: the sales comparison approach, the income approach, and the cost approach. Due to the nature and complexity of this assignment, the assessor:

- a. Identified the parcel subject to property assessment and taxation
- b. Defined the market area in which the subject property competes
- c. Identified the characteristics that relate to value in the market area
- d. Specified models that reflects the relationship among the characteristics affecting value in the market area
- e. Calibrated models to determine the contribution of the individual characteristics affecting value
- f. Tested models to determine how well they function
- g. Applied models to the characteristics of the properties being appraised
- h. Reviewed the mass appraisal results

Market Analysis: Market analysis determines the effect on value of existing land use regulations, reasonably probable modifications of such regulations, economic supply and demand, and the physical adaptability of the real estate, neighborhood trends, and the highest and best use of the real estate. Supply and demand market trends are also analyzed for the year previous to the assessment date to the extent that the data is available. If any required data is unavailable or is considered unreliable, an explanation is provided. The following information is the basis for my conclusions, and provides support for those conclusions regarding trends and overall market conditions as reported in this report. The supply and demand market trends were identified by neighborhood/market area when necessary.

Neighborhood/Market Area Map, Identification: A map of the municipality with delineated neighborhood/market area is included in the addenda. The neighborhood table corresponds to the map and identifies each neighborhood/market area by number or code name, the approximate parcel mix, and the general overall highest and best use of each neighborhood. The highest and best use of each parcel is on the property record card or file.

Parcel Data Collection and Validation: Property data is collected throughout the one-year assessment cycle. Attributes collected are noted on the property record cards for the different classes of property. Sample record cards are included in the addendum of this report.

The following table shows the work activity by approximate percentage for each class. *The Wisconsin Property Assessment Manual (WPAM)* defines full revaluations, exterior revaluation, interim market update, and annual review/maintenance.

Class Code	Class Type	Full Revaluation	Exterior Revaluation	Interim Market Update	Review/Maintenance
Class 1	Residential				
Class 2	Commercial				
Class 4	Agricultural				
Class 5	Undeveloped				
Class 5m	Agri Forest				
Class 6	Prod Forest				
Class 7	Other				
Personal Property					

Analysis of Local Trend: Various statistical analyses were performed to determine the current trend in real estate sales for this jurisdiction. Included in this analysis were _____ sales dating January 1, 20 ____ through December 31, 20 ____ . Sales occurring one or two years prior to the assessment date are analyzed to determine if the market is stable, appreciating or depreciating.

The method(s) used to determine the market trend:

- Results of trending ratio studies as provided by DOR:
- Analysis of square foot selling price:
- Paired sales analysis:
- Regression analysis:
- Other - Explain: _____

Based on the above analysis, the local trend for the period January 1, 20 ____ to January 1, 20 ____ is:
 _____ % per year (indicate positive or negative annual trend) Residential
 _____ % per year (indicate positive or negative annual trend) Commercial

Include all relevant spreadsheets in the addenda for the methods used in your analysis.

Trend Explanation:

VALUATION METHODS

Model: According to International Association of Assessing Officer's (IAAO) *Mass Appraisal of Real Property*, a model is “a representation of how something works. For purposes of appraisal, a representation (in words or equation) that explains the relationship between value and variables representing supply and demand factors.”

Model Specification: According to IAAO's *Mass Appraisal of Real Property*, “Model Specification is the formal development of a model in a statement or equation, based on data analysis and appraisal theory. During model specification, one determines the variables to test or use in a mass appraisal model.”

Model Calibration: From IAAO's *Mass Appraisal of Real Property*, “Model Calibration is the development of the adjustments or coefficients from market analysis of the variables to be used in a mass appraisal model.”

Model Validation: Validation of the model is accomplished by a ratio study showing the results of the model before and after changes in model specification or calibration.

Application of the Valuation Method used to Appraise Property: The following table shows the approximate parcel count (or percentage) in each class for which the indicated method was applied.

Class Code	Class Type	Land Values From Market	Cost Models			Sales Models		Income Model
			WPAM Costs Volume II	Other Cost Manual	Composite Conversion Factor	Composite Adjust Grid	Statistical Model	Direct or Yield Method
1	Residential							
2	Commercial							
4	Agricultural							
5	Undeveloped							
5m	Agri Forest							
6	Prod Forest Land							
7	Other							
P1	Boats & Other Watercraft							
P2	Machinery, Tools & Patterns							
P3	Furniture, Fixtures & Equipment							
P4A	Other							
P4B	Buildings on Leased Land							
	Mobile Homes							

LAND VALUATION

A separate valuation is required for land and improvements for entry onto the assessment roll, according to sec. 70.32, Wis. Stats. Further, the estimation of land value as a separate entity is required when using the cost approach. There are several ways to estimate land value depending on the data available and the type of property.

The subject municipality had the following sales during the year previous to the assessment date:

Class Code	Class Type	Number of Bare Land Sales
1	Residential	
2	Commercial	
4	Agricultural	
5	Undeveloped	
5m	Agri Forest	
6	Prod Forest	
7	Other	

Model Specification:

Check the method(s) used for appraising land:

- | | |
|---|---|
| <input type="checkbox"/> Comparative Unit Method
<input type="checkbox"/> Base-Lot Method
<input type="checkbox"/> Allocation Method
<input type="checkbox"/> Abstraction Method | <input type="checkbox"/> Anticipated Use or Development Method
<input type="checkbox"/> Capitalization of Ground Rent
<input type="checkbox"/> Land Residual Capitalization
<input type="checkbox"/> Other _____ |
|---|---|

Model Calibration:

Class Code	Class Type	Approximate Unit Value Range
1	Residential	
2	Commercial	
4	Agricultural	
5	Undeveloped	
5m	Agri Forest	
6	Prod Forest	
7	Other	

Model Validation: If there are sufficient vacant land sales, a ratio study of those sales is included in the addenda.

Influence Factors: Influence factors are applied to individual parcels to account for external influences due to location, shape, size, view or topography. Those influences can be either positive or negative. An example of a positive influence might be a location adjacent to a park. An example of a negative influence might be a residential lot located next to a landfill.

Influence factors are determined by analyzing vacant sales and looking at the indicated land residual of improved sales. Influence factors in this jurisdiction were applied for the following reasons:

Class Code	Class Type	Reasons for Influence Factors
Class 1	Residential	
Class 2	Commercial	
Class 4	Agricultural	
Class 5	Undeveloped	
Class 5m	Agri Forest	
Class 6	Prod Forest	
Class 7	Other	

Land Tables: Table-driven land values ensure equity throughout the jurisdiction. **The land tables are presented in the addenda.** These tables show the figures that were applied to the subject land parcels within the municipality.

Land Notes:

IMPROVED PROPERTY VALUATION

COST APPROACH

Model Specification:

Identify the technique(s) used to determine model specification:

- Volume II of the *Wisconsin Property Assessment Manual* is being used to specify residential, apartments, agricultural property and other.
- Marshall Valuation Services is being used to specify commercial property.
- I have developed my own model specification.
- Other cost (identify) _____

Building Units vary depending on the type of property. Cost-per-square-foot is used for most building improvements. However, volume units are used for things such as tanks. Units usually reflect the attribute by which the asset sells in the marketplace.

Model Calibration:

The cost model is calibrated by studies of new construction. These studies can be extensive and appraisers usually contract for cost figures through professional cost services. Volume II of the *Wisconsin Property Assessment Manual* (WPAM) provides cost figures for residential, apartment, and agricultural property. The figures in the WPAM were developed by a professional mass appraisal firm and were published as of 2001 and are maintained annually by the publication of local modifiers.

The local modifiers have two components: the first is a modifier for location, and the second is a modifier for time.

The location modifier is an adjustment from a central geo-source to all other locations. For example, the central source in year one would have a location modifier of 1.00. A distant location where materials and labor are less expensive may have a location modifier of .95.

The time modifier represents a component that reflects the change in material and labor cost from year to year. For example, three years after the original cost analysis, the costs may have increased by 15%. Therefore, the modifier would be 1.15.

Depending on the cost service, the modifiers may be combined and provided as one figure or they may have to be built-up from individual figures. Modifiers are usually presented by factors which can be chain-multiplied to derive a final figure.

Identify the technique(s) used to determine model calibration:

- Volume II of the *Wisconsin Property Assessment Manual* is being used to calibrate residential, apartments, agricultural property and other.
- Marshall Valuation Services is being used to calibrate commercial property.
- I have developed my own cost figures.
- I have validated the multiplier (as supplied in WPAM, Volume II).
- I have developed my own depreciation tables.

Validation of Costs and the Multiplier: Under any of the calibration methods, it is prudent to validate the multiplier. Chapter 8 of WPAM states, "Actual known costs of construction should be compared with the costs as estimated by the tables whenever possible. Such comparisons will help to build the assessor's confidence in the validity of the cost tables, and provide the basis for warranted adjustments to the local modifier."

A table in the Addenda showing the relationship between the costs of new construction and the effects of the multiplier recommended by the cost service has been included.

Validation of Depreciation: Under any of the calibration methods, it is prudent to validate the depreciation tables. According to WPAM, "The assessor should study the CDU rating system with its definitions, keeping in mind that the tables are only guides and the true measure of depreciation must be obtained from market studies. With valuation experience, the tables can be refined to give adequate residual, or percent good estimates . . . the assessor will find these tables extremely useful for being consistent in depreciation considerations."

A step-by-step discussion of depreciation analysis is presented on pages 135 through 156 of IAAO's *Mass Appraisal of Real Property*.

If there is an adequate number of sales, a ratio study was included to identify sales before changes were made to the depreciation table and again after changes.

Cost Notes:

SALES COMPARISON APPROACH:

Model Specification:

There are several models that can be typically applied using sales comparison. The first is the traditional sales comparison approach whereby the appraiser selects recent sales of similar properties that are located in the same neighborhood as the subject property. The appraiser then adjusts the sales to make them similar to the subject. The resulting adjusted sales prices are then used to estimate the likely selling price of the subject.

Multiple regression analysis uses a statistical method to analyze sales. The process analyses the variance in selling price in terms of property attributes. The result is an equation that can be used to estimate value for unsold properties. The process also generates figures that can be used in the traditional sales comparison approach as described above. The method requires a number of sales that represent a sufficient sample of the total parcel base.

Identify the specification(s) used to establish the model:

- Sales comparison
- Multiple regression analysis
- Other - Explain: _____
- Not Applicable - insufficient sales

Model Calibration:

The process of determining the actual adjustment amounts for the traditional sales comparison approach is calibration. There are several ways to determine the adjustment factors for use in the sales comparison approach. The appraiser can (a) simply compare unadjusted sale prices, (b) use cost figures for adjustment, (c) use paired-sales analysis to determine adjustments, or (d) use a statistical analysis such as regression to determine the adjustments.

The following calibration technique(s) were used:

- Sales listing showing property attributes
- Sales comparison approach with adjusted comparables
- Multiple regression analysis
- Other - Explain: _____
- Not Applicable - insufficient sales

Model Validation:

The appraiser should validate any selected model by comparing the estimated values for those properties that sold to the actual sale prices. The smaller the difference, the more accurate the model.

The sales comparison model was validated by:

- Comparing the value estimates using the model against the sale prices
- Other - Explain: _____
- Not Applicable - insufficient sales

Sales Comparison Notes:

INCOME APPROACH:

Model Specification:

There are two models that can be used to appraise commercial properties using the income approach.

The specification(s) used for the income approach were:

- Direct Capitalization
- Yield Capitalization
- Other - Explain: _____
- Not Applicable

Model Calibration:

The calibration(s) used for the income approach were:

- Data from Market
- Data from Professionally Acceptable Sources
- Other - Explain: _____
- Not Applicable

Model Validation:

The validations used to test the income model were:

- Comparing the value estimates using the model against the sale prices
- Other - Explain: _____
- Not Applicable - insufficient sales

Income Approach Notes:

ALL MODELS ARE INCLUDED IN THE ADDENDA.

VALUATION OF PERSONAL PROPERTY

To provide a uniform estimate of the market value of personal property, according to sec.70.35, Wis. Stats., the DOR recommends the use of Composite Conversion Factors. These factors combine a 150% declining balance depreciation schedule with an inflation factor based on the Producer Price Index and are incorporated into the Statement of Personal Property (PA-003).

RECONCILIATION AND VALUE SUMMARY

The reconciliation for a mass appraisal occurs at the parcel level and is included on the property record card, the valuation printout, or in the work file. The approaches to value are considered in conjunction with Wisconsin case law and statute. The mass appraisal results have been reviewed to ensure fairness and equity. The data has been reconciled based on the quality and quantity of data available and the relevance of the approaches, methods and techniques used. Recognized and professional acceptable mass appraisal techniques have been used.

Additional Notes:

PERFORMANCE & TEST MEASURES

Calculate and report the performance/test statistics for each class. The “before” ratio study compares the prior year assessments to the sales from the prior year. The “before” test statistics for January 1, 2013 compare the January 1, 2012 assessments to the sales that occurred during 2012.

Major Classes →	Residential	Commercial	Other:
Number of Valid Sales			
Total Assessed Value of Valid Sale Parcels			
Total Sales Price of the Valid Sale Parcels			
Aggregate Ratio			
Mean			
Median			
Coefficient of Dispersion			
Coefficient of Concentration			
Price-Related Differential			

After the valuations are completed for 2013, a second ratio study is conducted to verify valuation changes made during the revaluation process (if applicable) produced credible results. In this scenario the test statistics for January 1, 2013 compare the assessments for January 1, 2013 to the sales that occurred during 2012.

Major Classes →	Residential	Commercial	Other:
Number of Valid Sales			
Total Assessed Value of Valid Sale Parcels			
Total Sales Price of the Valid Sale Parcels			
Aggregate Ratio			
Mean			
Median			
Coefficient of Dispersion			
Coefficient of Concentration			
Price-Related Differential			

Ratio Study Notes:

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved. If either my property or property owned by any family member is within the municipality, I certify that I have complied with the ethical provisions of the Wisconsin Statutes and *Uniform Standards of Professional Appraisal Practice* (USPAP) when appraising these properties.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Inspections of properties that are the subject of this report are outlined in the “Scope of Work” section of this report.
- I affirm that my data collection program incorporates quality control measures including checks and audits to ensure current and consistent records.
- If anyone provided significant mass appraisal assistance, I have provided their name, certification level, and a description of the work provided by those individuals in the addenda of this report.
- I have been primary assessor since _____
(Date)
- The last revaluation was completed _____
(Date)

To file this report, you must agree it is true, correct, and complete, by checking “yes” box below. This will serve as your lawful signature for this report.

I declare that this report and all attachments are true, correct, and complete to the best of my knowledge and belief.

Do you agree with the statement above? Yes No

PRIMARY ASSESSOR

(Person who signs the roll)

Name		Assessor Certification Level <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Certification Expiration Date
Company Name (if applicable)	Address		Phone Number ()
E-mail Address		Webpage Address	
Client Name	County Name	Effective Date of Appraisal	
<input type="checkbox"/> Town <input type="checkbox"/> Village <input type="checkbox"/> City of _____			

CONTRACTED APPRAISER

(Only if applicable)

Name		Assessor Certification Level <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Certification Expiration Date
Company Name (if applicable)	Address		Phone Number ()
E-mail Address		Webpage Address	
Client Name	County Name	Effective Date of Appraisal	
<input type="checkbox"/> Town <input type="checkbox"/> Village <input type="checkbox"/> City of _____			