

Mass Appraisal 101

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What is Mass Appraisal?

Definition: Mass appraisal is the process of valuing a large number of properties simultaneously.

Purpose: To determine property values for taxation, assessment, or other purposes (ex. TIF values).

Scope: Typically used for entire neighborhoods or communities.



Why Use Mass Appraisal?



Efficiency: Faster and cost-effective compared to individual appraisals.



Fairness: Ensures equitable property valuation.



Consistency: Provides consistent valuations for similar properties.



Timeliness: Enables regular assessment updates.

Key Concepts

Market Value: The estimated price a property would sell for in an open market.

Assessment Ratio:
The ratio of assessed value to market value.

Equalization:
Adjusting assessments to achieve uniformity and fairness.



Mass Appraisal Methods

Sales Comparison Approach: Compares recent sales of similar properties.

Income Approach: Estimates value based on income generated.

Cost Approach: Values property based on replacement cost minus depreciation.

Data Collection



PROPERTY DATA: GATHER INFORMATION ON EACH PROPERTY.



MARKET DATA: COLLECT DATA ON RECENT SALES AND MARKET TRENDS.



INCOME DATA: IF APPLICABLE, GATHER INCOME-RELATED DATA.

Data Analysis

Use

Use statistical techniques to analyze data.

Identify

Identify trends, correlations, and outliers.

Create

Create valuation models and formulas.



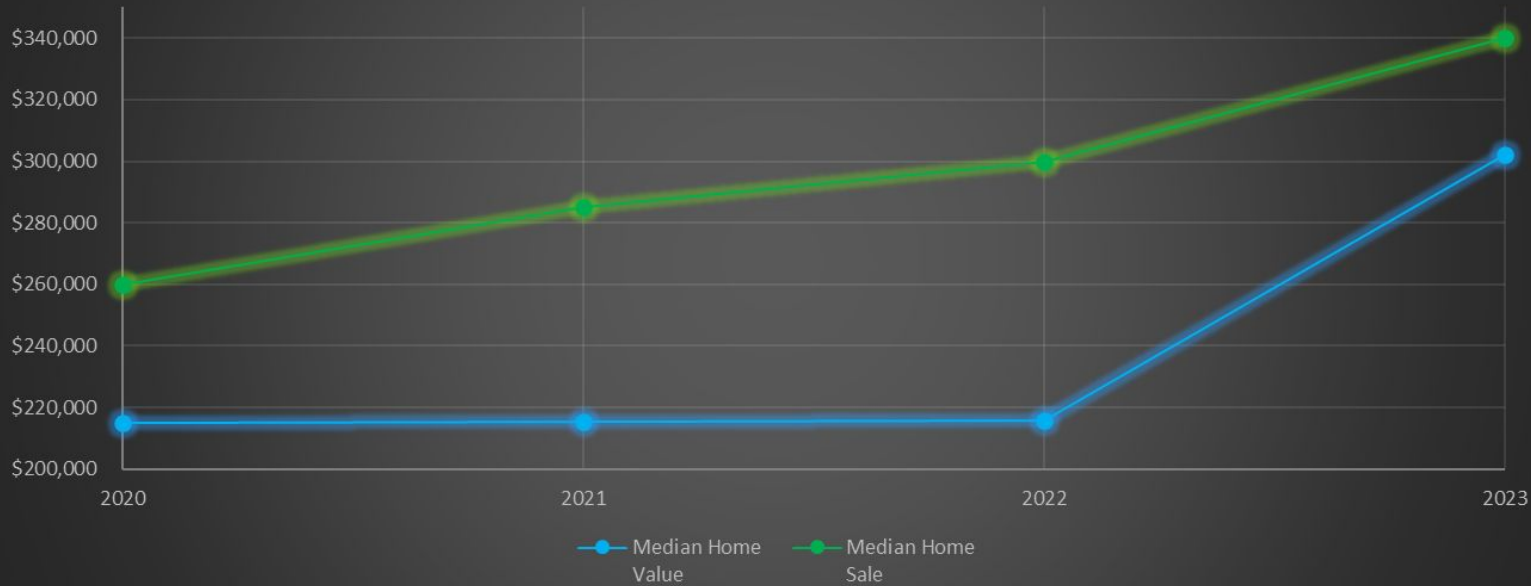
2023 Revaluation

2023 Pre-Reval	Median
Residential	70.65%
Commercial	76.38%
Overall	70.74%
2023 Post-Reval	Median
Residential	100.00%
Commercial	99.45%
Overall	100.00%
Current 2024	Median
Residential	94.84%
Commercial	95.90%
Overall	94.97%

Without a 2023 revaluation, we would be undervaluing properties by approximately 41%

Even after the 2023 revaluation, the market has already increased approximately 5%.

Assessment Vs Sales 2020-2023 (Residential Dwellings/Condos)



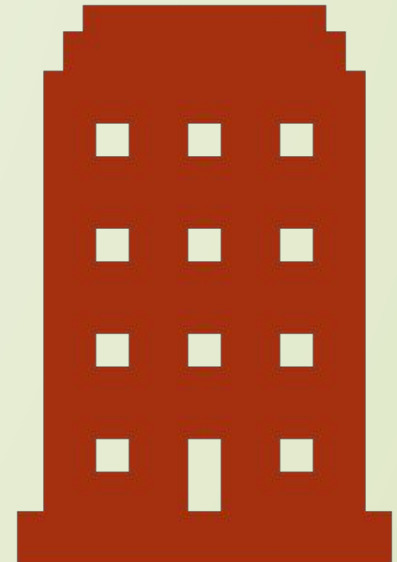
Year	Median Home Value	Median Home Sale
2020	\$ 215,000	\$ 260,000
2021	\$ 215,200	\$ 285,000
2022	\$ 215,900	\$ 300,000
2023	\$ 302,200	\$ 340,000

*2023 Median Home Sales
as of 11/07/2023*

Assessments Vs. Sales

Myths vs. Facts

- ❑ **Myth:** The assessor sets property taxes.
- ❑ **Fact:** Property taxes are set by the taxing authorities, not the Assessor.
 - ❑ Assessments are completed the first half of the year. Budget/taxes are established second half of year.
- ❑ **Myth:** If my property increases 10%, my taxes will increase 10%.
- ❑ **Fact:** There is no 1:1 relationship between assessment and taxes.
 - ❑ Taxes can decrease even if a property value increase.
 - ❑ Likewise, taxes can increase even if a property value decreases.



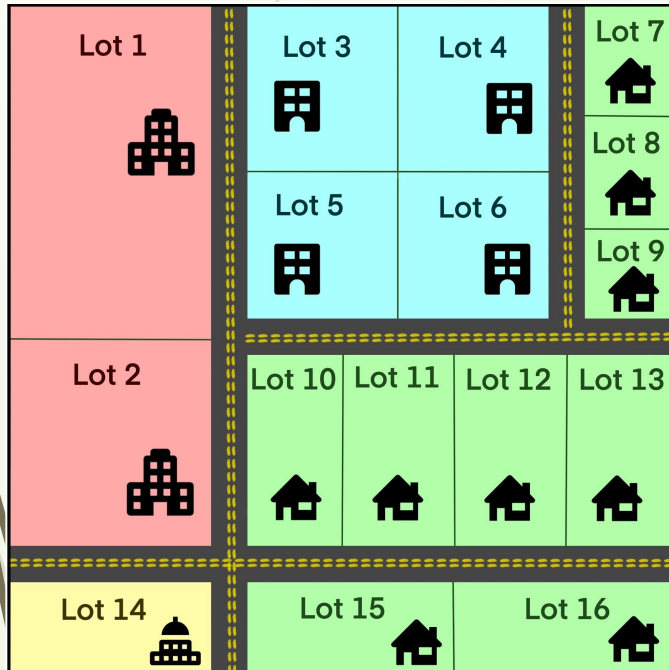
Basic Property Tax Calendar/Formula

- Assessments: January – May/June
- City Budget: June – November
- Millage Rate: November/December
- Tax Bills Issued: December

- $\text{Tax Levy} / \text{Citywide Assessed Value} = \text{Tax \& Millage Rates}$

Tax Levy	\$ 125,000,000		
Citywide Value	\$ 6,000,000,000	Median Value	\$ 250,000
Tax Rate	2.083 %	Estimated Taxes	\$ 5,208.33
Millage Rate	\$ 20.83 (per \$1,000 in AV)		

Property Tax Assessment Example



Property Type	Previous Value	Previous Taxes	New Value	New Taxes	Value Change	Taxes Change
Commercial	\$ 750,000	\$ 18,181.82	\$ 925,000	\$ 17,889.15	23.33%	-1.61%
Commercial	\$ 500,000	\$ 12,121.21	\$ 725,000	\$ 14,021.23	45.00%	15.68%
Condo	\$ 200,000	\$ 4,848.48	\$ 250,000	\$ 4,834.91	25.00%	-0.28%
Condo	\$ 200,000	\$ 4,848.48	\$ 250,000	\$ 4,834.91	25.00%	-0.28%
Condo	\$ 200,000	\$ 4,848.48	\$ 250,000	\$ 4,834.91	25.00%	-0.28%
Condo	\$ 200,000	\$ 4,848.48	\$ 250,000	\$ 4,834.91	25.00%	-0.28%
Exempt	\$ -	\$ -	\$ -	\$ -		
Residential	\$ 125,000	\$ 3,030.30	\$ 150,000	\$ 2,900.94	20.00%	-4.27%
Residential	\$ 125,000	\$ 3,030.30	\$ 150,000	\$ 2,900.94	20.00%	-4.27%
Residential	\$ 125,000	\$ 3,030.30	\$ 150,000	\$ 2,900.94	20.00%	-4.27%
Residential	\$ 300,000	\$ 7,272.73	\$ 400,000	\$ 7,735.85	33.33%	6.37%
Residential	\$ 300,000	\$ 7,272.73	\$ 400,000	\$ 7,735.85	33.33%	6.37%
Residential	\$ 300,000	\$ 7,272.73	\$ 400,000	\$ 7,735.85	33.33%	6.37%
Residential	\$ 300,000	\$ 7,272.73	\$ 400,000	\$ 7,735.85	33.33%	6.37%
Residential	\$ 250,000	\$ 6,060.61	\$ 300,000	\$ 5,801.89	20.00%	-4.27%
Residential	\$ 250,000	\$ 6,060.61	\$ 300,000	\$ 5,801.89	20.00%	-4.27%
Levy	\$ 100,000		\$ 102,500	Levy	Average Change of Value	
Overall Value	\$ 4,125,000		\$5,300,000	Overall Value	26.78%	
Tax Rate	2.42%		1.93%	Tax Rate	Average Change of Taxes	
Millage Rate	\$ 24.24		\$ 19.34	Millage Rate	1.14%	



Additional Resources



- City of Waukesha, Assessor's Office Webpage
 - <https://www.waukesha-wi.gov/government/departments/assessors-office.php>
- State of Wisconsin, Department of Revenue
 - <https://www.revenue.wi.gov/Pages/Assessors/home.aspx>
- International Association of Assessing Officers (IAAO)
 - <https://www.iaao.org/>

Thank You!

- Waukesha City Assessor's Office
- Phone: 262-524-3510
- E-Mail: assessors@waukesha-wi.gov

