Property Assessment Valuation Errata

Page 29–30: The Four Tests shows as:

The four tests are (1) physical possibility, (2) legal permissability, (3) financial feasibility, and (4) maximum productivity.

It should show as

The four tests are (1) legal permissability, (2) physical possibility, (3) financial feasibility, and (4) maximum productivity.

Page 287: Sentence near the bottom of the page

The total cost to cure is then $18,750 in step 3 ($3,750 – $6,000 + $16,500).

should read

The total cost to cure is then $14,250 in step 3 ($3,750 – $6,000 + $16,500).

($30,000 – $9,000 = $21,000) + ($18,750 – $12,000 = $6,750) = $27,750

should read

($30,000 – $9,000 = $21,000) + ($14,250 – $12,000 = $2,250) = $23,250.

Page 288: The step-by-step calculation shows

1. Cost of existing item*	$30,000
2. Less any depreciation already charged	−$9,000
Added to	
3. Cost to cure (all costs)	+ $18,750
Or	or
Value loss	+ $0
4. Less cost if installed new	−$12,000
5. Functional obsolescence–curable	$27,750

*Cost of existing item = replacement, original, or trended reproduction cost.

It should show

1. Cost of existing item*	$30,000
2. Less any depreciation already charged	−$9,000
Added to	
3. Cost to cure (all costs)	+ $14,250
Or	or
Value loss	+ $0
4. Less cost if installed new	−$12,000
5. Functional obsolescence–curable	$23,250

*Cost of existing item = replacement, original, or trended reproduction cost.

Page 291: The step-by-step calculation table shows $1,000 for step 2 but it should be $10,000.

Page 430: Computation of Ratios

The ratios used in a ratio study are formed by dividing appraised values (A)
made for tax purposes by other estimates of market value, such as sale prices (S)
or independent appraisals. For example, a property appraised for tax purposes at
~~$350,000~~ $280,000 and sold for ~~$280,000~~ $350,000 has a ratio of 0.80, or 80 percent.
Gross assessed values (values before subtraction of partial exemptions) may

be substituted for appraised values where the statutory level of assessment is 100 percent of market value.

$A \div S = \$280,000 \div \$350,000 = 0.80$.

Note the numbers are reversed in the text of the first paragraph and therefore contradict the numbers in the formula ($A \div S = \$280,000 \div \$350,000 = 0.80$.)

Page 441: table 15-7, example B: The sale price for sale number 5 shows as $200,000. The sale price for sale number 5 should be $700,000.

Page 444: table 15-10, example A: The average absolute deviation total shows as 0.999. The average absolute deviation should be 0.991.

Page 447: table 15-12, example B, variance shows $1.1650 - 6 = 0.19412$
It should show $1.1650 \div 6 = 0.1941$ (THIS NUMBER SHOULD BE 0.1942)

Page 445: table 15-11, last column shows

Absolute Difference from Median
0.340
0.380
0.433
0.500
0.567
0.620
0.660
0.694

it should show

Absolute Difference from Median
0.160
0.120
0.067
0.000
0.067
0.120
0.160
0.694

Page 447: table 15-12, example B, variance shows 1.1650 – 6 = 0.19412

It should show 1.1650 ÷ 6 = 0.1941

Page 451: table 15-15, COV calculation shows (0.12170 ÷ 0.500) × 100 = 214.3

It should show (0.12170 ÷ 0.500) × 100 = 24.34%

Page 452: table 15-16, example B: Regressivity, PRD calculation shows 1.045/0.959 = 1.13

It should show 1.045/0.926 = 1.13

It should show (0.12170 ÷ 0.500) × 100 = 24.34%

Page 540: "eternal obsolescence" should be "external obsolescence"