

2024 Assessment Overview

“The assessor shall assess property at its full and true value as of January 1 of the assessment year...”

Alaska State Statute 29.45.110

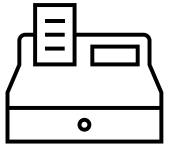


Full and True Value

“The estimated price that the property would bring in an open market and under the then-prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.”

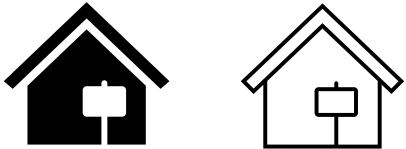
Alaska State Statute 29.45.110

Three Approaches to Value



1. Cost Approach

- Land Value + RCN – Depreciation = Value
- Replacement Cost New Less Depreciation (RCNLD)



2. Sales Comparison Approach

- Comparing sale prices of like-properties.
- Adjustments made for differences



3. Income Approach

- Investors Income expectations

Market Adjusted Cost Approach

- Replacement Cost New Less Depreciation (RCNLD)
 - Land Value + RCN – Depreciation = Value
- Compare sales of like-properties in each neighborhood
 - Is the market increasing/decreasing since last year?
 - Assessed Value/Sales Price = Ratio study
- Apply neighborhood adjustment to all properties in neighborhood
 - Based on median ratio
 - Similar properties within same neighborhood are uniformly assessed



Property Appraisal Mandate

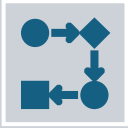
“If the assessor has a reasonable basis for the valuation method, we will approve that method so long as there was no fraud or clear adoption of a fundamentally wrong principle of valuation.”

Alaska Supreme Court Fairbanks vs. Golden Heart Utilities (2000)

Developing the Assessed Value



Visit each property – 5 year cycle



CAMA – Sketch and Improvement specifics to develop the cost approach (RCNLD).

Uniformity – Make sure we are treating like-improvements the same
Accuracy



Review Sales - Qualification

Is the sale an “Arms-Length transaction” that can be utilized in a ratio study?



Ratio study for like properties

Compare qualified sale prices vs. assessed value
Find median adjustment to reach market value

Property Classes



Residential

Single Family Residence (SFR)

SFR w/Apartment

Multi-Improvement Residences

Zero-Lot / Townhomes

Residential Condos

Plexes (2/3/4)

Manufactured Homes



Commercial

Retail

Office

Medical

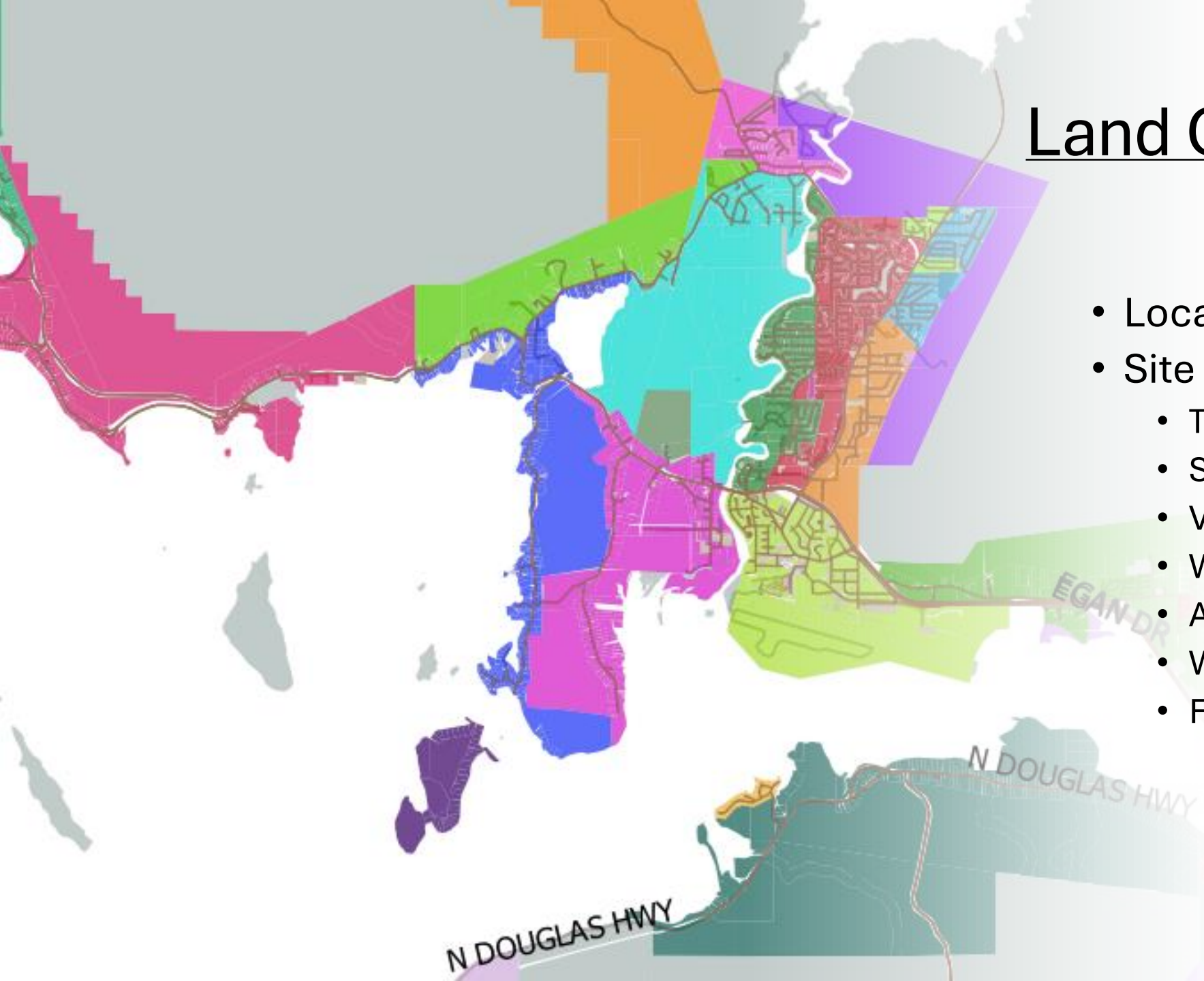
Hotel

Industrial

Multifamily

Land Characteristics

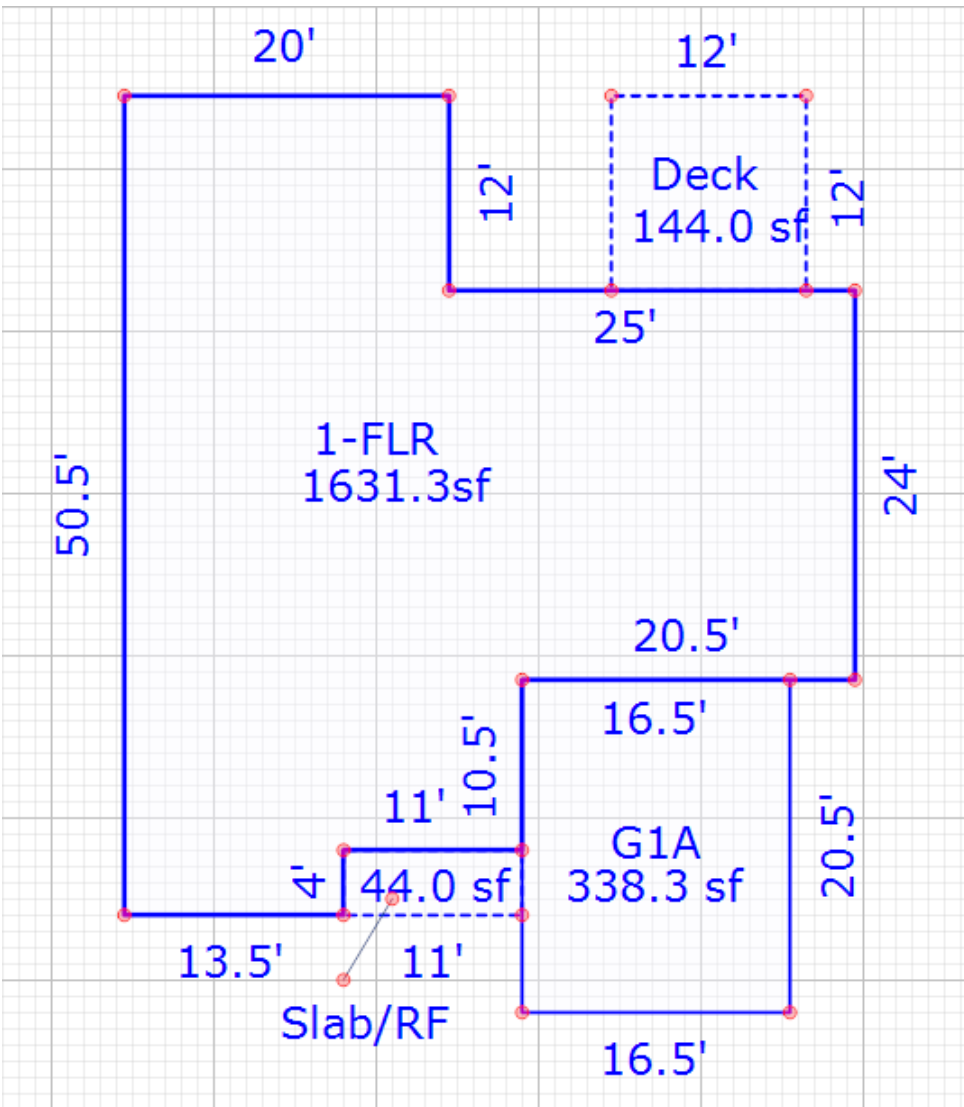
- Location, location, location
- Site Utility
 - Topography
 - Shape
 - View
 - Waterfront
 - Access
 - Wetlands
 - Flood Zones



Residential Property



Cost Report - Residential



10264	Record	1	
Parcel Code Number	5B2401170200	Building Type	R- Single-family Residence
Owner Name	DERR LACEY E	Quality	3
Parcel Address	4176 ASPEN AVE	Construction	Stud Frame
Effective Year Built	2004	Total Livable	1631
Year Built	1961	Style	One Story

Improvement	Description	Quantity	Unit Cost	Percent	+/-	Total
Base						
Exterior	Frame, Cement Fiber Siding		89.60	80%		
Exterior	Frame, Siding, Wood		22.20	20%		
Roof	Metal, Formed Seams		9.64	100%		
Heating	Forced Air Furnace		0.00	100%		
Adjusted Base Cost		1,631	121.44			198,069

Exterior Improvement(s)						
Other Garage	Attached Garage (SF)	338	36.25			12,253
Other Garage	Garage Finish, Attached (SF)	338	8.22			2,776
Porch	Wood Deck (SF)	144	24.90			3,586
Porch	Slab Porch (SF) with Roof	44	28.75			1,265
Total						19,881

Additional Feature(s)						
Feature	Fixture	8				14,400
Total						14,400

Sub Total 232,350

Condition	Average					
Local Multiplier			1.22	[X]		283,467
Current Multiplier			1.14	[X]		323,152
Quality Adjustment				[X]		323,152
Neighborhood Multiplier			1.00	[X]		323,152
Depreciation - Physical		1.00 [X]	20.00	[-]		64,630
Depreciation - Functional				[-]		0
Depreciation - Economic				[-]		0
Percent Complete			100.00	[-]		258,522
Cost to Cure						
Neighborhood Adjustment			132	[X]		82,727

Replacement Cost less Depreciation 341,249

5/2/2023 Appeal. Exterior photos and 2019 Appraisal. Chng metal preformed --> formed, Chng EYB 2006 --> 2004, chng siding wood 100 --> wood 80 & cement fiber 20. Revalued -JC
 2023 Original Value: Site: \$124,800 Improvements: \$345,200 Total: \$470,000
 2023 Proposed Value: Site: \$124,800 Improvements: \$339,100 Total: \$463,900
 Appellant accepted via email
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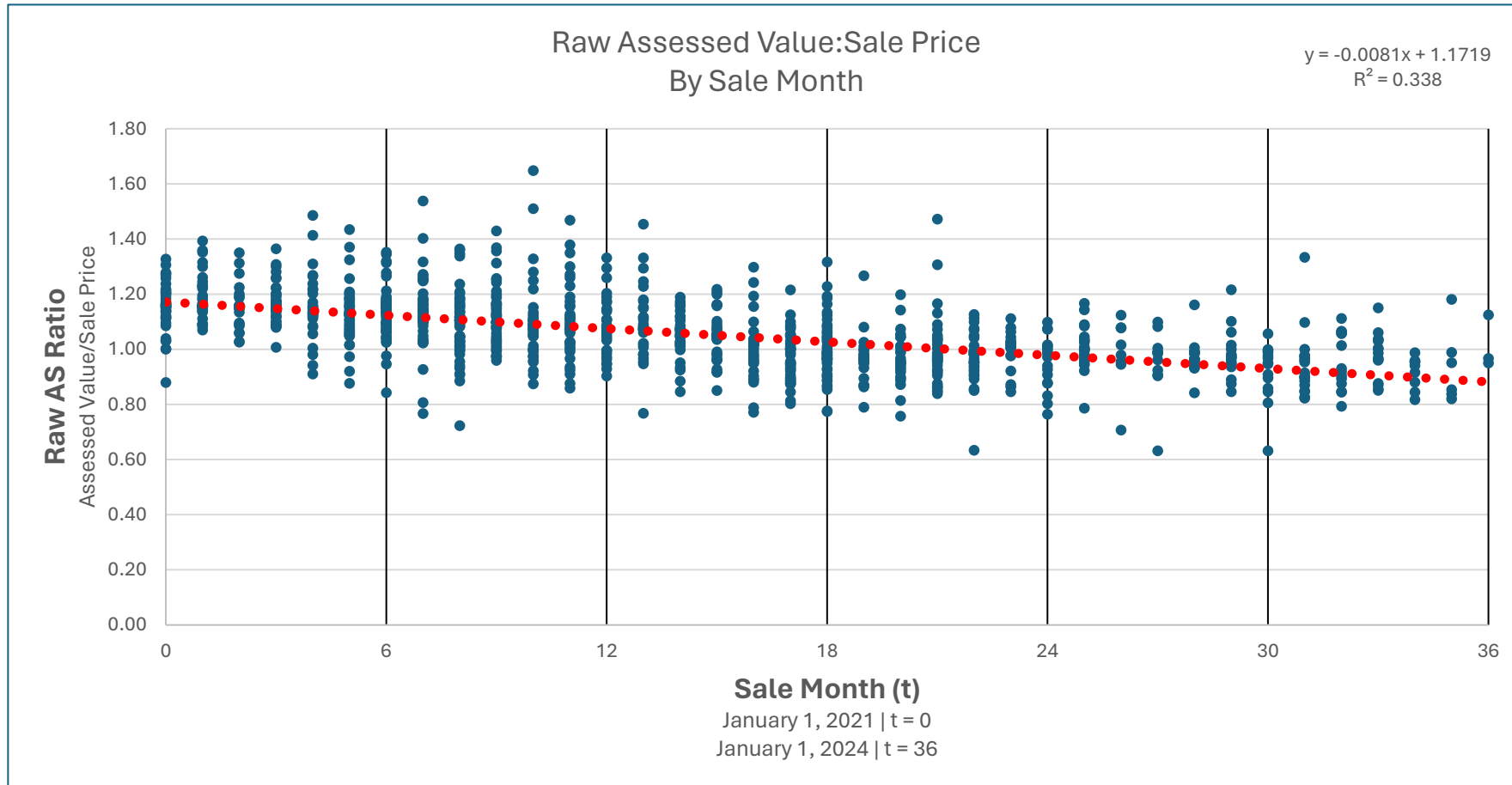
LOT 183
 02/22/13 F/i per area canvas, updated file, sketch, photo & cost data. dw
 canvass updated photo, sketch and revalued. removed OR.
 jack_atbrecht - 4/15/2016 1:42:47 PM
 08/29/22 Canvas, photos 08/24/22. Chg EYB from 2009 to 2006, p/u shed, dk, SFH & slb w/rl. Chg wd siding to fiber. Revalued.
 Dora_Prince - 8/29/2022 2:33:04 PM

Miscellaneous Improvements		
Solid Fuel Heater		[+] 2,000
Storage Shed Under 200SF		[+] 1,000
Total Miscellaneous Improvements		3,000

Total Improvement Value [Rounded] **\$344,200**

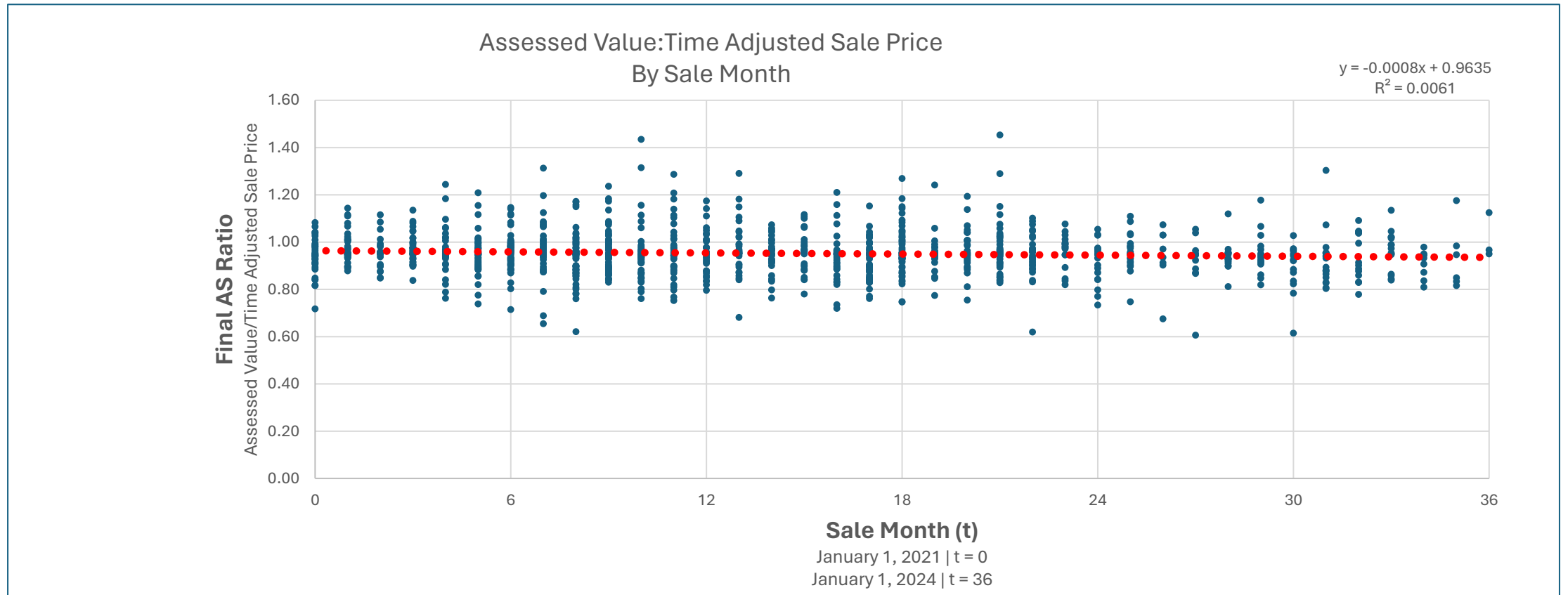
Neighborhood A/S Ratio Study

- Assessed Value / Sale Price
- < 1.00 = assessment undervalued
- > 1.00 = assessed value overvalued



Neighborhood A/S Ratio Study

- The impact of time is removed from the sale
- Compare like-sales and find median A/S
- Adjust median A/S to target ratio (typically 1.00)
- Assessments will be above and below the median: Target is +/-5% of market



Neighborhood (Market) adjustment is applied to all Single Family Residences in the neighborhood.

Condition	Average			
Local Multiplier		1.22	[X]	283,467
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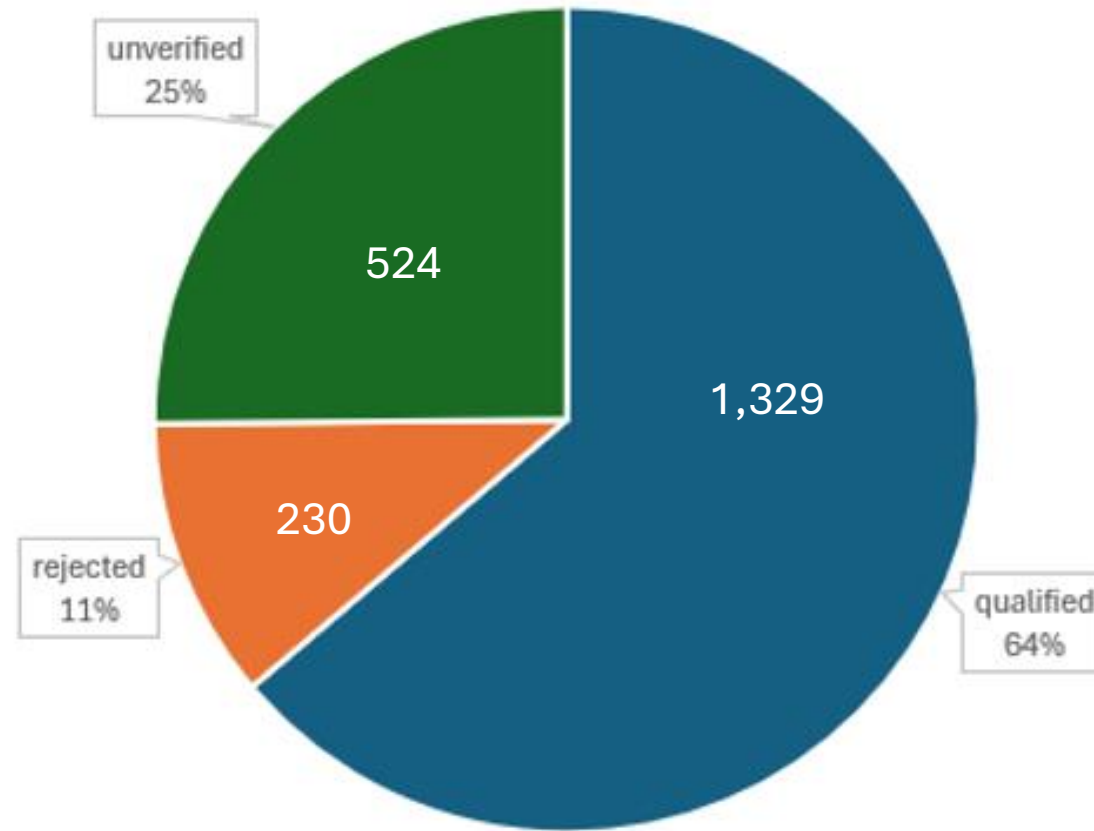


2024 Residential Assessments

More of the same, just less of it.....

- Residential inventory is low, costs are high
- Cheap mortgage rates result in “The Golden Handcuffs”
- Sale prices have slightly increased in the last year

Sales 2021-2023



Median Sale Price

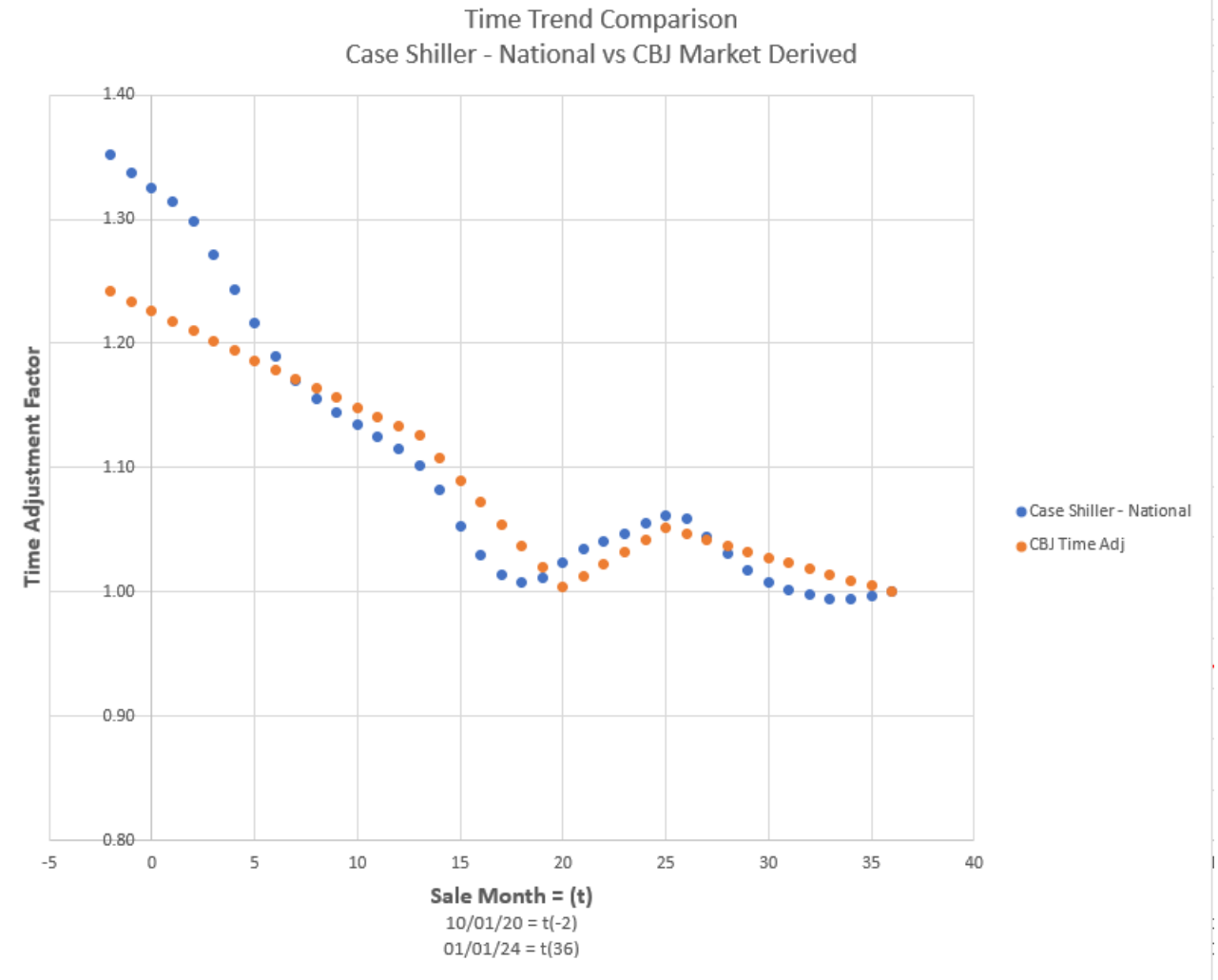
MedianSP	Sale Year		
Property Class	2021	2022	2023
Single Family Residence	457,000	520,000	529,750
Mobile Home on Land	210,000	187,500	171,913
Mobile Home in Park	48,000	55,000	68,000
Multiple Improvement	625,000	727,500	553,500
Duplexes	494,500	547,500	597,500
Triplexes	455,000	720,000	
Fourplexes	560,000	700,000	
Single Family Residence w/Apt	610,000	689,000	720,000
Zero-lots	350,000	375,000	440,950
Townhomes	348,000	423,000	417,000
Condos	243,000	282,000	328,500
Cabins	101,000	227,500	

Low Inventory

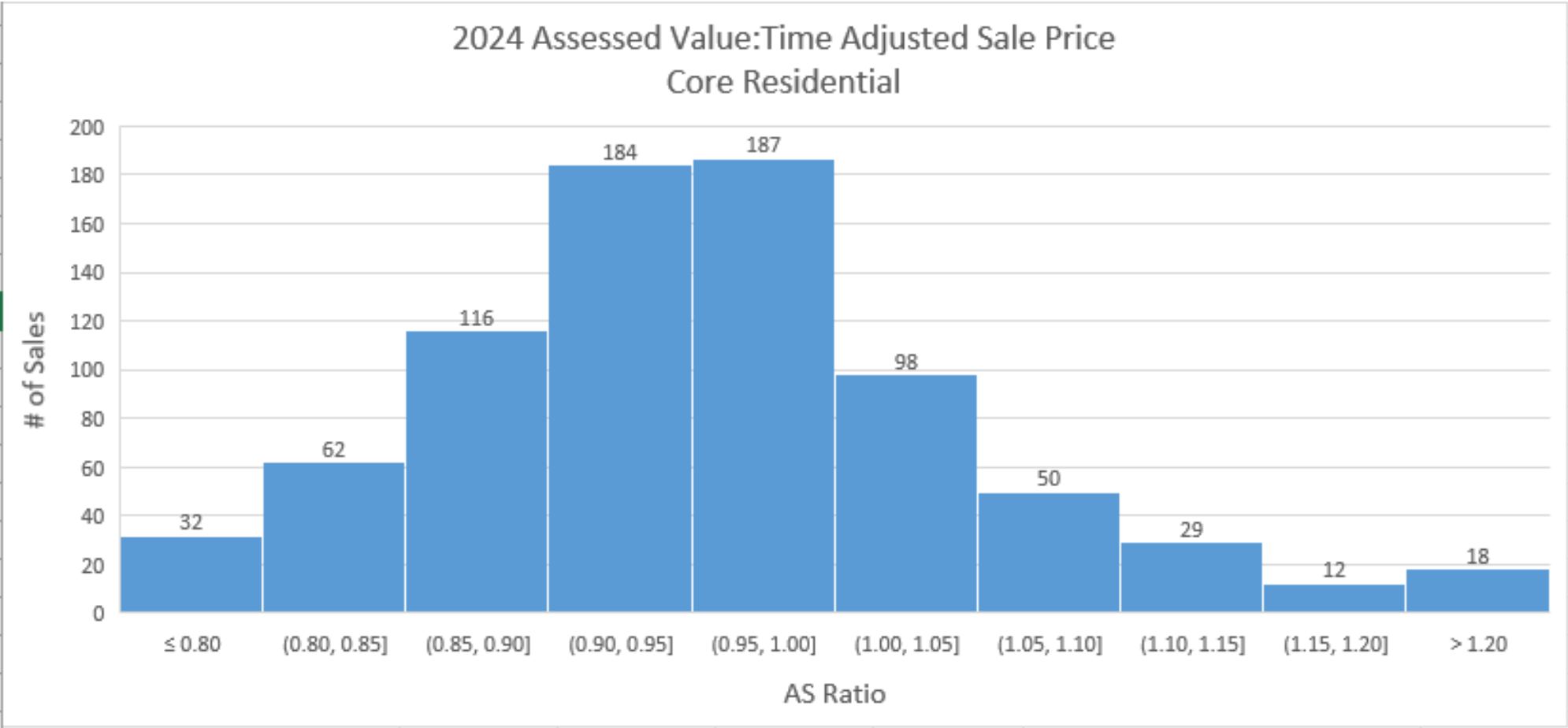
The golden handcuffs of cheap mortgage rates.....”If we sell where do we go?”

Count of SALE_ID	Sale Year			
Property Class	2021	2022	2023	Grand Total
Single Family Residence	257	174	66	497
Mobile Home on Land	12	3	3	18
Mobile Home in Park	54	46	23	123
Multiple Improvement	8	4	3	15
Duplexes	20	11	4	35
Triplexes	1	1		2
Fourplexes	1	5		6
Single Family Residence w/Apt	31	29	11	71
Zero-lots	55	43	18	116
Townhomes	18	16	4	38
Condos	131	95	50	276
Cabins	2	2		4
Grand Total	590	429	182	1201

We are on trend with the Nation



Majority of sales are at or below Assessed Value



Year over Year change in Value

CHANGES IN ASSESSED VALUE BY Property type		
Row Labels	% Chg AV	Count
Single Family Residence	2.12%	5053
Single Family Residence w/Apt	3.24%	800
Duplexes	4.86%	309
Triplexes	3.44%	44
Fourplexes	10.97%	107
Zero-lots	0.44%	865
Townhomes	0.68%	192
Condos	3.33%	1346
Multiple Residential Improvements	2.01%	220
Cabins	1.24%	186
Mobile Home on Land	-1.66%	225
Mobile Home in Park	7.30%	961
Vacant Land	-1.42%	1823
Grand Total	2.13%	12131

Row Labels	% Chg AV	Count
Auke Bay	-0.63%	390
Auke Mountain	-5.07%	192
Back Loop North	-1.08%	286
Back Loop South	-0.41%	241
Bayview	0.31%	60
Bonnie Brae	3.15%	118
Casey Shattuck	2.61%	167
Central Valley	2.29%	1196
Condo	3.37%	1328
Douglas	1.01%	532
Glacier Spur	-0.29%	167
Government	-0.86%	555
Highlands	1.06%	326
Juneau Townsite	0.23%	458
Lemon Creek	3.45%	601
Mendenhall Peninsula	4.81%	289
Mobile Home in Park	6.77%	1022
Montana Creek	1.64%	9
North Douglas	5.71%	519
Northeast Valley	1.74%	598
Out the Road	4.15%	95
Pederson Hill	17.05%	44
Point Louisa	7.07%	341
Remote	0.37%	614
South Valley	0.54%	657
Southeast Valley	5.60%	356
Tee Harbor	5.74%	286
Thane	2.12%	105
Twin Lakes	1.12%	370
West Juneau	1.22%	434
West Valley	-2.02%	647
Grand Total	2.22%	13003

Neighborhood Change in Value



Condominiums

- All condominiums are valued by the sale comparison model
- Condominiums with no direct sales available are adjusted by developing a general market trend



2024
Commercial
Assessments

2024 Commercial Assessments

- No overall change for 2024
- Warehouse +5% average change
 - Canvassed all warehouses, updated data, updated cost values
 - Warehouses have not been updated in many years
 - Significant improvement to uniformity
 - Compare qualified sales to cost values
 - 19 sales considered, 10 utilized
 - Adjust to target of 95% of market value

Median Time-Adjusted Sale Price	1.09
Desired A/S Ratio	0.95
Final A/S Ratio	0.95
Average Change 2024	5%

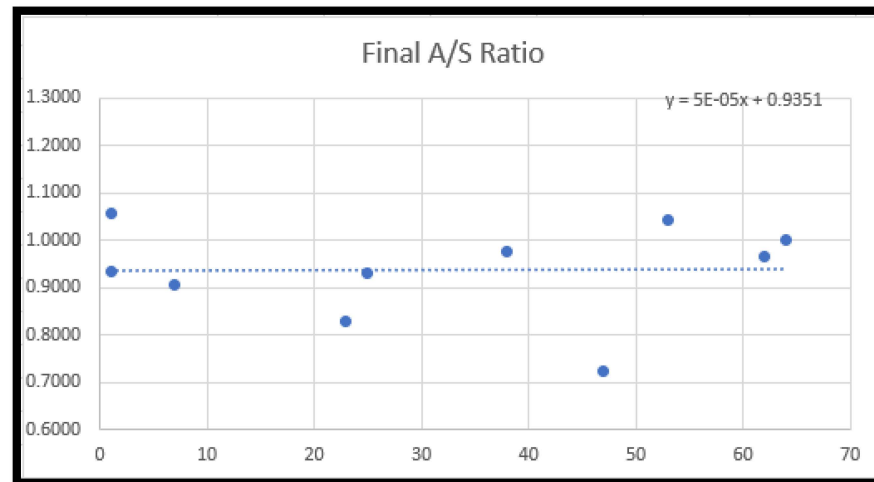
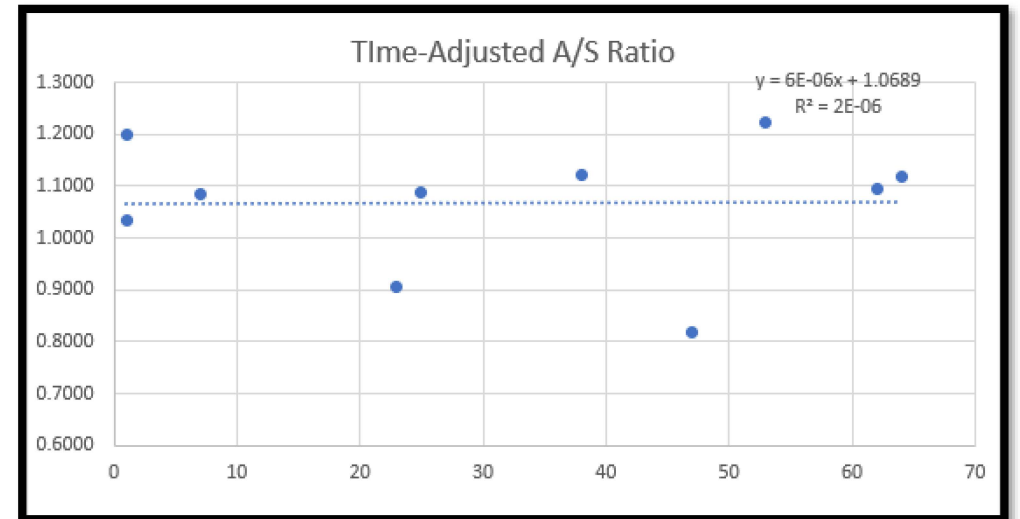
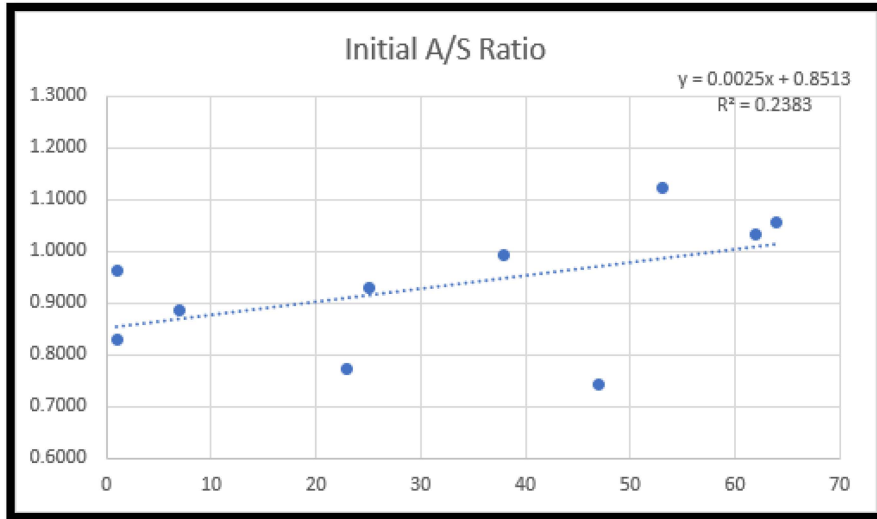
Warehouse Sales

Included in Study							
Parcel ID	Address	SP	Sale Date	Initial A/S	Time Adju	Final A/S	Note
4B1701020020	10011 GLACIER	650,000	11/17/20	0.7415	0.8192	0.7236	
4B1701080020	10012 CRAZY HORSE	800,000	02/13/20	0.9912	1.1213	0.9761	
5B1201020041	5433 SHAUNE	1,780,000	01/15/19	0.9307	1.0895	0.9318	
5B1201020140	5438 SHAUNE	675,000	02/11/22	1.0311	1.0953	0.9671	
5B1201060140	5720 CONCRETE	1,400,000	01/18/17	0.9619	1.1992	1.0579	
5B1201330160	2005 ANKA	749,823	07/21/17	0.8849	1.0860	0.9070	multiparcel, removed 140/151 value
5B1201390031	5436 COMMERCIAL	1,090,000	04/06/22	1.0570	1.1169	1.0004	
5B1501040020	8855 MALLARD	900,000	11/16/18	0.7708	0.9070	0.8300	
5B1501050040	8717 MALLARD	1,300,000	05/03/21	1.1240	1.2225	1.0412	
6D0701000020	4755 DOUGLAS	357,300	01/27/17	0.8299	1.0346	0.9329	multiparcel, owner broke out price

Removed from Study	
4B1701090052	New building after sale
4B1701100170	Improved since sale
5B1201020100	Related party
5B1201040052	Improved since sale: New building
5B1201060171	Multiparcel sale
5B1201300170	Conflicting sales data
5B1501020170	Appraisal Value, no sale price
5B1601210010	Conflicting sales data
7B0901040090	Outlier, land near hospital, building has been removed

- Sales with changes to the improvements after the sale cannot be compared to the previous assessed value
- Related parties \neq Arms-length transaction
- Multiparcel sales typically do not have specific sales prices assigned to each parcel

Warehouse Ratio Studies



Office Buildings

- Office Buildings -6.3% Average change
 - Compare qualified sales to assessed values (Ratio Study)
 - 17 sales considered, 12 utilized
 - Median Time Adjusted ratio of 1.02
 - Adjust to target of 95% of market value

MedianTime-Adjusted	1.02
Desired A/S Ratio	0.95
Final A/S Ratio	0.95
Average Change 2024	-6.3%

Office Building Sales

Included in Study							
Parcel ID	Address	Sale Price	Sale Date	Initial A/S	Time-Adjusted A/S	Final A/S	SaleNote
1C030C280080	712 TWELFTH	930,000	1/30/2017	1.0732	0.9681	0.9055	
1C060K680010/20/30	410 WILLOUGHBY	15,044,000	12/3/2021	0.7612	0.7382	0.6902	Multiple Parcel Sale, combined parcels for study
1C060K700011	612 WILLOUGHBY	680,000	6/16/2021	1.1087	1.0673	1.0098	
1C060K700020	607 SEVENTH	430,000	6/10/2021	0.7575	0.7292	0.6716	
1C060U050022	1108 F	1,741,000	7/20/2018	0.8603	0.7934	0.7589	Removed parking lot AV from sale price for study
4B1701020041	10002 GLACIER	2,100,000	4/5/2019	1.1564	1.0783	0.9945	
5B1501010014	8390 AIRPORT	3,230,000	8/26/2022	1.2477	1.2220	1.1163	
5B1601010011	9000 GLACIER	800,000	10/4/2022	1.1929	1.1711	1.1277	
5B1601010021	9040 GLACIER	650,000	2/11/2022	1.3226	1.2858	1.2375	
5B1601010220	9110 GLACIER	530,000	3/25/2022	0.8909	0.8671	0.8258	
7B0901030031	3100 CHANNEL	9,744,050	6/25/2020	0.9078	0.8611	0.7905	
7B0901030071	3161 CHANNEL	1,540,000	4/11/2017	1.4139	1.2802	1.2166	

Removed from Study

1C070K810010	Improvements after sale - convert large area to medical clinic
5B1301070020	Converted from office to recovery housing
5B1401050030	Vacant parcel under construction
4B1701100021	Outlier - have sale price and appraisal value
5B1201010010	Multiparcel, Outlier, changes after sale

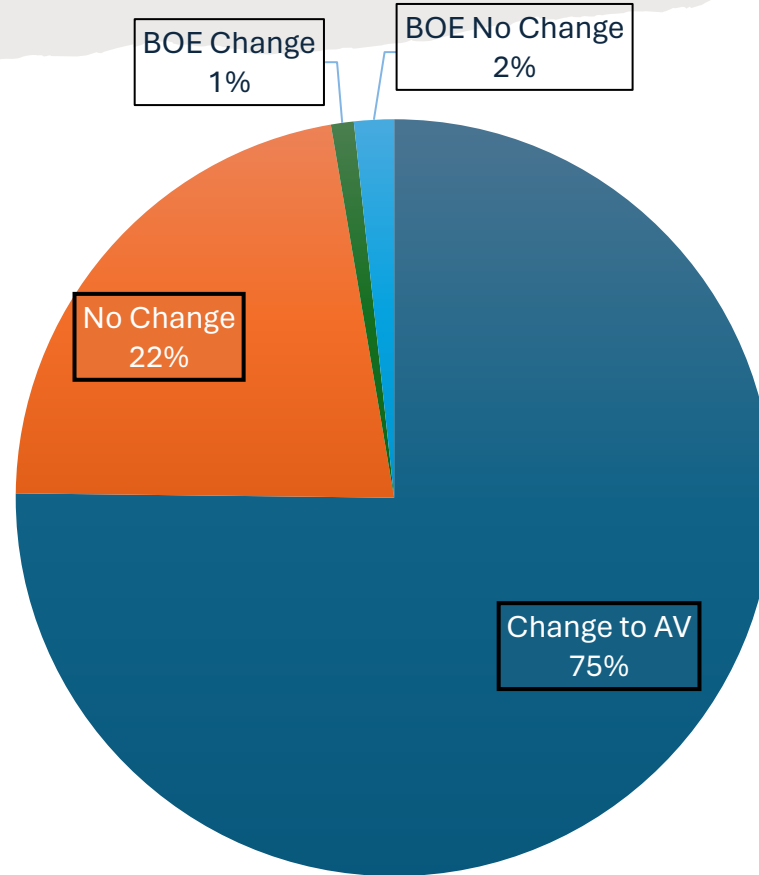
- Sales with changes to the improvements after the sale cannot be compared to the previous assessed value
- Multiparcel sales typically do not have values assigned to each parcel

Appeal Time.....



2023 Appeals

- 400 appeals total
- 309 resulted in some change
- 91 no change to value

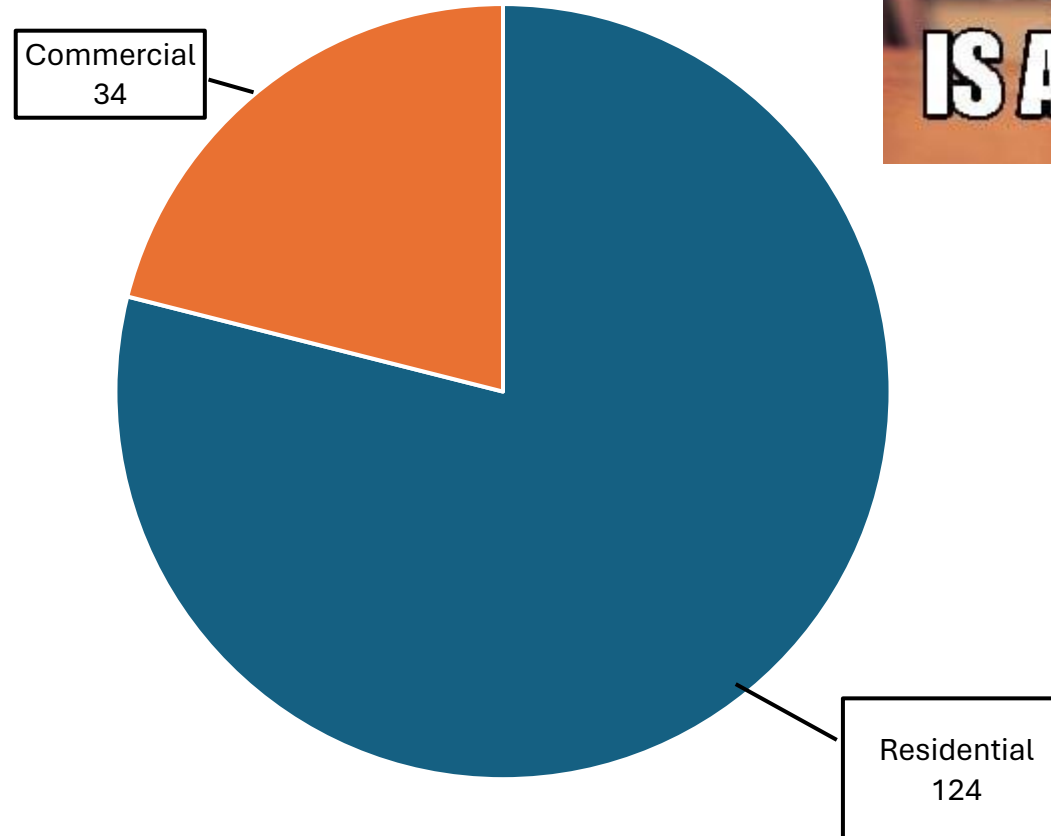


BOE's

- 2.75% of Appeals resulted in a BOE hearing
- 1 Appellant Estimate of Value Upheld
- 3 Assessor's Recommended Value Upheld
- No change 7

2024 Appeals

- 158 Appeals Total
- 124 Residential Appeals
- 34 Commercial Appeals



Appeals

Collect new information and review current information

- Uniformity – similar structures should be valued using the same measuring stick
 - Same approach to value
 - Same considerations (quality, condition, depreciation, features)

Educational process for the Assessor's Office and the Appellant

- Most taxpayers do not know the information we have and considerations we make until we walk through our process
- We collect and review property information and evidence
- Typically, we do not have pictures of the interior of buildings

Appeals

Helpful Evidence

- Appraisals
- Sale Prices
- Pictures
- Rents, Cap Rates, Profit and Loss (Commercial)
- Comparable Properties

Anecdotal evidence is not evidence that we can utilize

- “My neighbor told me that the housing market is plummeting”

Appeals

Burden of Proof rests with the Appellant

- We have spent the year collecting market data and analyzing sales. Unless we find an error or actual evidence is presented to us resulting in a needed change, we stick with our assessment

It is not a negotiation

It is the assembly's role to determine tax burden.

- If you give a “break” to one individual or a group of properties, it is inequitable for the rest of the community, the tax burden moves to others in the community

Appeals

Fee Appraisals

- Appraisals are estimates of value
- All Shapes and Sizes – Why was the appraisal performed? What was considered?
- Time adjustments are needed to consider market trends as of January 1
- We do not match appraisal values
 - We review for accuracy of our model and adjust building and land elements
 - Typically, we are very close to the appraisal value with necessary adjustments



Thank you!
