



# The Assessor of Property

Spring 2011

www.padctn.com

## Davidson County, TN



### Desktop Inspection Tools Save Time And Money, Improve Accuracy

Shortly after the new millennium arrived, Davidson County Chief Deputy Assessor George Rooker Jr. could see the handwriting on the wall as he prepared office budgets.

He knew tighter budgets were on the horizon, requiring ways to do more with less as the office re-inspected and re-appraised more than 237,000 real estate parcels at least every four years, and more than 21,000 business tangible personal property accounts annually.

To prepare for the challenges, Rooker managed a comprehensive strategic planning process with one of its main elements as the identification of emerging computer technology that could maximize use of budget dollars. As the plans unfolded each year, the office moved toward use of better technology to save time and money, while also improving the accuracy of appraisals.

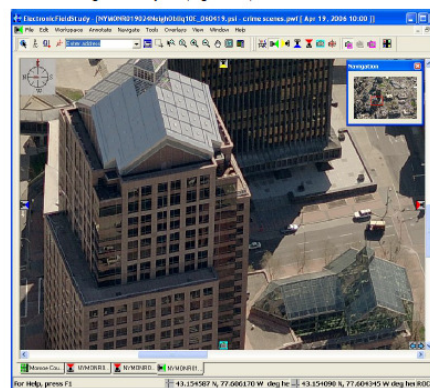
Now, with Rooker serving as the elected Assessor, the office has assembled a full set of **Desktop Inspection Tools**, which are utilized interactively to perform complex tasks that take hundreds of staff hours to accomplish manually. These tools not only bring significant gains in productivity, they enable higher standards of accuracy in property valuation.



Pictometry International to update information on property records.

**Pictometry** captures aerial images from an angle to create a more natural-looking three-dimensional view so that our

In 2007, the office first began using aerial photography produced by



Assisted Mass Appraisal) system. About the same time, the office will also unveil a geo-coding system called **StreetScape** as another relevant component.

### StreetScape



Developed by a visual data intelligence company aptly called **iLookAbout**, **StreetScape** captures high-resolution images from the right-of-way and matches them with our assessment data including property address, section, block lot and owner name.

These high-quality street-level photographs can be used to: verify existing property information; determine style, exterior wall material and quality of construction; determine access to the property and parking areas; and provide a look at the "curb appeal" of a property, among other observed characteristics.

appraisers can see land features and structures clearly and in their entirety. Multiple photographs are merged into oblique views for all directions.

Later this month, **Pictometry** will provide new aerials for our 2013 reappraisal cycle, which will then be integrated with our **Patriot Properties** CAMA (Computer-



continued, Page 2

## Desktop Inspection Tools Save Time and Money, Improve Accuracy, continued ...



Currently, **SteeScape** is wrapping up its street-level photography of properties in which field work has not been completed. Eventually, we will have **SteeScape** images on file for every parcel of land and structure in Davidson County. Other Metro offices will benefit from having access to these images, including Police, Fire, Emergency Services, Planning, Traffic, Utilities and Public Works.

**Patriot Properties' AssessPro** integrates a complete property value analysis and reporting function. Our appraisers maintain mobile field data collection using a Tablet PC. The lightweight tablet allows unlimited numbers of entries in: buildings; land and yard items; sketching for measurement purposes; and digital photography.

**AssessPro** helps determine the appraised value by using state-of-the-art algorithms and cutting-edge analytics. Furthermore, it integrates with both **Pictometry** and **SteeScape** for a full-circle software solution for property assessment management. It also works well with a software program called **Spatialist**, which helps our analyst teams develop models based on the most current conditions during the final stages of reappraisal. This tool was particularly helpful in establishing values during the 2009 reappraisal when real estate markets were retreating from record high values.



Obviously, the long-term implication of using these desktop inspection and appraisal analysis tools is that they will help eliminate many field inspections that cost substantial money for both vehicle use and employee time in transit.

Field inspections will still be required for new construction, remodeling and other changes in property. But the additional time afforded appraisers at their desks is being used to develop higher quality estimates of value to bring us closer to our ultimate goal of equity in the evaluation of each parcel.

## We Have News

### Online Filing Increases For Schedule B's

Online filing of Tax Schedule Bs for reporting tangible personal property owned or leased by for-profit businesses continues to gain in popularity with almost one-third of Davidson County business owners choosing the Web Site method. We encourage use of this convenient system because it saves substantial time and money for both the reporting business and our office, as it receives, audits and stores the returns seamlessly.

Online	4,390	32.3%
Mail	8,996	66.1%
Walk-Ins	225	1.7%
<b>Total Returns</b>	<b>13,641</b>	<b>100.0%</b>

### Sales Ratio On Target At 99.82%

A Sales Ratio study yielded a county ratio of .9982 for Davidson County's 2011 tax year. We expect the State Board of Equalization to adopt this rate, along with that of other county sales ratios, by the first of June. Disqualified sales generally are those involved in foreclosure proceedings or sales which do not show the true market value of the property under normal willing seller-buyer, arms-length circumstances.

10,679	Warranty Deeds Recorded for 2011
6,498	Qualified Sales That Resulted In County Ratio
4,521	Disqualified Sales
3,497	Non-Warranty Deeds

### Performance-Based Management Updated

The Assessor's office has been focusing on producing results that benefit the public through an updated performance management system that includes better ways to:

- ☐ Understand public needs
- ☐ Identify and implement programs that will meet these needs
- ☐ Assure that policies, strategies and services are in alignment
- ☐ Collect and analyze performance information
- ☐ Apply information to continuously improve results and become more efficient
- ☐ Use data more efficiently to inform policy decisions
- ☐ Support accountability, both within the organization and to the public
- ☐ Provide understandable information on performance to the public

### ~ WELCOME ~

The Metropolitan Trustee's office has now moved into the Howard Office Building, Suite 220, directly across from the Assessor of Property. We extend a warm welcome to Trustee Charlie Cardwell and his staff.

The Trustee's Office collects property taxes.

## ***We Remember The '200-Year' Flood***

***May 1 - May 2, 2010:***

The city of Nashville experienced its heaviest one- and two-day rainfall amounts in history!

The 7.25 inches which fell on May 2 broke the record for the most rain in a single day (6.60 inches set September 13, 1979.) Nashville's third greatest day of rain occurred on May 1 with its 6.32 inches.

By the end of May 23, we had already witnessed the rainiest May in Nashville's history!

Our office may have set some of its own records in responding to the flood.



## ***Meet the Metro Board of Equalization***

Property owners who wish to challenge the assessment of a property may appeal to the Metro Board of Equalization. The local board meets on June 1 of each year and sits in regular sessions as required until the equalization process has been completed.

The board employs certified residential real estate appraisers as hearing officers to listen to appellants and staff appraisers as a first level of administrative appeal of complaints regarding classification and/or valuation. The board then reviews and certifies the hearing officers' recommendations. Appellants may appeal a local board decision to the State Board of Equalization.

Current members of the Metro Board of Equalization will serve until April 2012. They are:

**Ms. Jean Harrison:** Ms. Harrison is an attorney who practices in the fields of construction law, property tax use, septic regulation, utility and administrative/governmental law. She has worked closely with local governments on issues pertinent to codes enforcement and utility regulation, and has been in private practice for ten years, specializing in construction and land use matters.

**Mr. Melvin Lowe:** Mr. Lowe has served on the Metro Board of Equalization since 2010. His term will end in 2012.

**Mr. Trasbin Stoner, II:** Mr. Stoner is a real estate professional with Coldwell Banker Andrews & Associates in Nashville. He has been active in urban revitalization and renovation for 20 years with a business specialty in the revival of foreclosed homes.

**Mr. Peter Westerholm:** For the past nine years, Mr. Westerholm has worked with the Budget and Strategic Planning office for the State of Tennessee. He stays involved in various community activities, lending his time and support to a number of arts, civic and neighborhood organizations.

## **ASSESSOR OF PROPERTY 2010 Flood Prorate Services**

<b>240,000</b>	<b>Number of FEMA inspections with which our office assisted</b>
<b>17,000</b>	<b>Additional Inspections conducted for Prorate purposes</b>
<b>3,438</b>	<b>Regular Flood Prorates</b>
<b>1,004</b>	<b>Special Flood Prorates</b>
<b>1,857</b>	<b>Regular Prorates restored back to original value for 2011</b>
<b>1,540</b>	<b>Parcels that have not been repaired as of January 1, 2001</b>

## ***Calendar : May - June, 2011***

<b>MAY 20</b>	Deadline for Assessor to complete assessments and mail assessment change notices. ( <b>TCA 67-5-508</b> ) Note - If a municipality has collection dates different from the county, assessments for the city must be completed not less than forty (40) days prior to the beginning tax due date of the municipality. ( <b>TCA 67-5-504</b> )
	Deadline for Assessor to post public notice regarding public inspection of assessment records and appeal to the County Board of Equalization. ( <b>TCA 67-5-508</b> )
	Deadline for religious, charitable, scientific, and educational institutions to apply for exemption. ( <b>TCA 67-5-212</b> )
<b>JUNE 1</b>	County Board of Equalization session begins. Length of session varies based on county population. ( <b>TCA 67-1-404</b> )
<b>JUNE 30</b>	Deadline for collection officials to submit tax relief applications and credit vouchers for preceding tax year to Division of Property Assessments. ( <b>TCA 67-5-701</b> )
<b>JUNE TO JULY</b>	Trustee prepares list of parcels for which property taxes are delinquent as of June 1 for purposes of producing delinquent tax notices. ( <b>TCA 67-5-2402</b> )
<b>JUNE 1 TO JULY 1</b>	Court Clerk to provide Trustee with list of property involved in collection suits. ( <b>TCA 67-5-2403</b> )

## What Is The Current Real Estate Prognosis For Davidson County, TN?

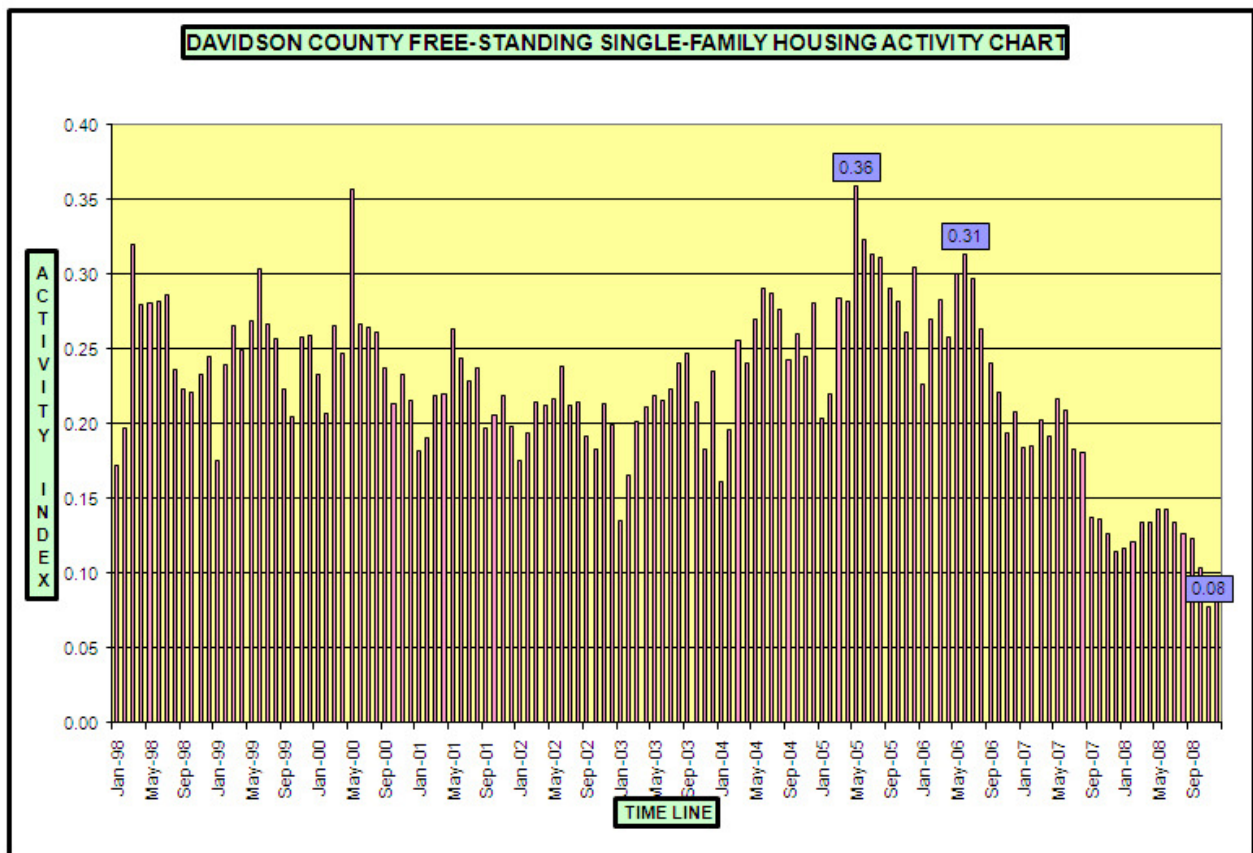
### REAL ESTATE MARKET POSTURE AS SEEN THROUGH THE ACTIVITY PRISM

As we all know, price is the ultimate measurement of market strength or weakness; however, price only occurs when there is interaction between potential buyers and sellers.

Focusing on market volume is one pre-measure of performance. It seems intuitive that the higher the activity level, the greater the upward price-push, and conversely the lower the activity level, the greater the chance for price stagnation (as we have seen recently price decline.)

Insofar as the housing market is concerned, RealTracs (Multiple Listing Service) has been chosen as a comprehensive database for use herein. Internally, the Assessor's office can track sales through its database; however, the volume of listings is equally important, but these are not a part of the internal file.

### MLS (Multiple Listing Service) REPORT



From 1998 through the end of 2006, the number of sales of free-standing single-family dwellings annually in Davidson County as reported through RealTracs (real estate property finder) grew from 7,741 to 10,711. The average number of listings per month of the same product grew from 2,596 to 3,496 over the same time period. (It is of some significance to note that this growth is not just a function of market growth, but includes the expansion of RealTracs as a superior method of advertising and shopping for housing. This factor will not distort this analysis inasmuch as sales will be compared to listings in consistent time periods.)

It should come as no surprise that since the end of 2006, the volume of listings has grown while the volume of sales has declined. During 2010, the average number of listings per month grew to 4,669, and the number of sales per year declined to 5,457.

For this article, we have chosen to compare the volume of sales per month to the average number of listings per month to derive an "index" number. The result is that the higher the index, the stronger the market, and conversely the lower the index, the weaker the market.

Statistics behind the above graph develop an index range from 0.07 to 0.36. The mean and median indices are 0.20 and 0.21 respectively. The index actually peaked in the summer of 2005 and vacillated through to the summer of 2006 before beginning its steady decline. As of February of 2011, the index stood at 0.10. To say the least, single-family residential activity is lethargic. The market is currently at a low not previously seen during the period studied.

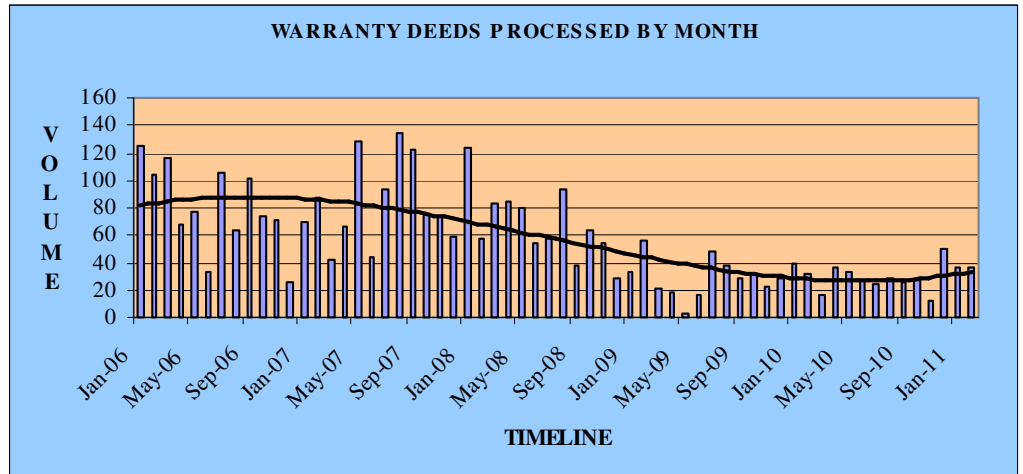
*continued, Page 5*

## What Is The Current Real Estate Prognosis For Davidson County, TN? -- continued

Regarding commercial transfer activity, this office tracks warranty deeds. No fewer than two office personnel read each deed for the purpose of classifying and coding each transaction.

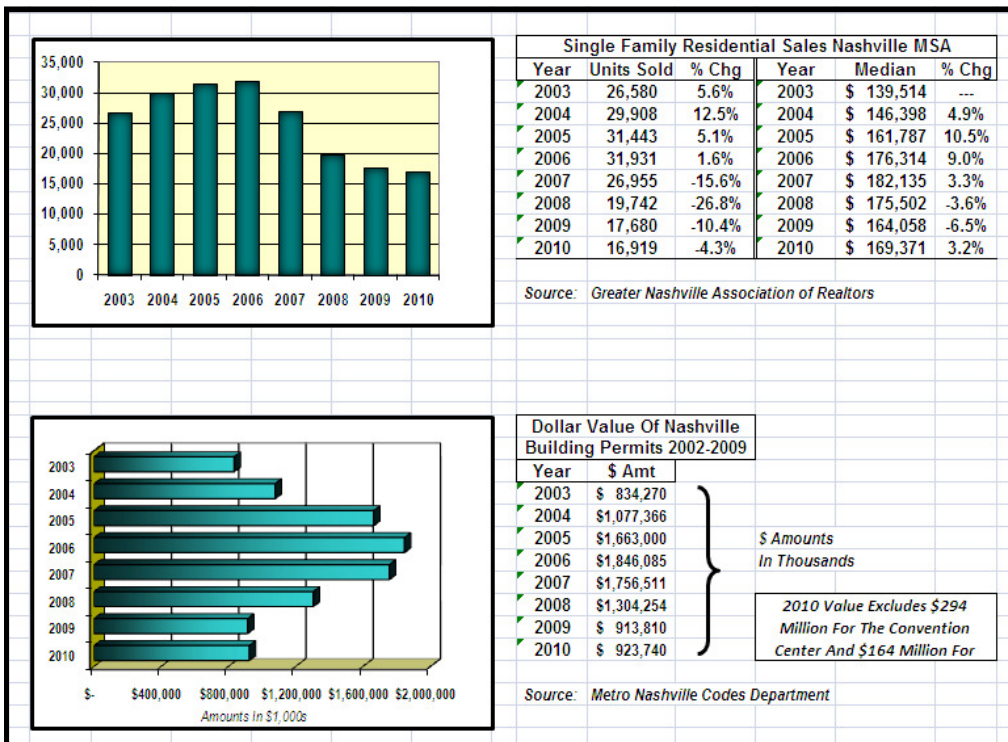
The accompanying graph depicts the processing of commercial deeds by this office on a monthly basis, and plots a steady decline in transaction activity from January 2006 through February of 2011. During 2006, it was not unusual for this office to process in excess of 100 deeds per month.

More recently, the volume has been in the range of 25 to 30 per month. From an activity standpoint, residential market lethargy remains. On the commercial side, there is some modest sign of increased activity.



### GNAR (Greater Nashville Association of Realtors) REPORT

Nashville's housing industry has been one of the strongest contributors to the local economy since 2000, but this industry has followed the national trend and has been in decline since 2007.



According to the GNAR, home sales increased at an average annual rate of 8.6% from 2000 through 2005. MSA (Metropolitan Statistical Area) home sales peaked in 2006 and declined at an average annual compound rate of 14.7% through 2010. Median home sales have declined 2.4% per year since 2007.

The dollar value of building permits for Davidson County also reached a peak in 2006 and declined at an average annual rate of 15.9% through 2010.

2010 showed some signs of improvement with the number of homes sold at the lowest decline since 2007, and the average median home price actually increased 3.2% in 2010.

Nashville's building permits also held steady for 2010, compared to 2009.

### House Price Index Falls 0.8 Per Center In 4th Quarter 2010

U.S. house prices fell in the fourth quarter of 2010, according to the Federal Housing Finance Agency's (FHFA) seasonally adjusted purchase-only house price index (HPI).

The HPI, calculated using home sales prices information from Fannie Mae- and Freddie Mac-owned mortgages, was 0.8 percent lower on a seasonally adjusted basis in the fourth quarter than in the third quarter of 2010. The unadjusted national decline was 2.2 percent. Over the past year, seasonally adjusted prices fell 3.9 percent from the fourth quarter of 2009 to the fourth quarter of 2010.

