# DEPARTMENT OF ASSESSMENTS AND TAXATION

# 2010 RATIO REPORT

The Honorable Martin O'Malley
And
The General Assembly of Maryland

As required by Section 2-202 of the Tax-Property Article of the Annotated Code of Maryland, I am pleased to submit the Department of Assessments and Taxation's 2010 Assessment Ratio Report. This report measures the quality of real property assessments in each of Maryland's 24 subdivisions.

Uniform and accurate assessments are the foundation of fair property taxation. Maryland's Constitution requires that all real property subject to property taxation be assessed uniformly. State law requires that assessments be based on the fair market value of the property. Therefore, uniformity and market value are the standards used to measure the quality of the assessment work performed by the Department.

This report measures assessment quality by looking at the most recent reassessment program and comparing the results of the effort to actual market conditions. Because state law requires that one-third of all real property be reassessed each year, the Department's program resulted in approximately 673,221 reassessment notices being issued in late December of 2009. These reassessments reflected our estimates of property values as of January 1, 2010. To provide an objective quality measure of that work, this report tests those reappraisal results against property sales for the 12 month period of July 1, 2009 to June 30, 2010.

The Department has adopted the national standards for measuring property assessment quality as outlined by the International Association of Assessing Officers. Those national standards, as well as our compliance with those standards, are discussed in the body of this report. Statewide, the Department has met the IAAO standard for coefficient of dispersion indicating an overall uniformity of assessments. The measures of central tendency are excellent.

I hope that you find this report useful and informative. Please feel free to share with me any suggestions that you may have to improve this report or the assessment process in Maryland.

Sincerely,

C. John Sullivan, Jr. Director

### 2010 ASSESSMENT RATIO REPORT

### <u>SECTION I – OVERVIEW</u>

The Department of Assessments and Taxation appraises real property for the purposes of property taxation. Properties are valued using the three approaches to value generally recognized by the appraisal profession: cost, sales comparison, and (when applicable) income.

In Maryland, all properties are required by law to be physically reviewed once every three years. During the review, the assessor will visit properties to verify property characteristics existing in our current assessment records. Residential property characteristics include type of structure, size, quality and type of construction, condition of structure, and any new improvements. In certain circumstances, neighborhood inspections may be made in place of individual property inspections. Commercial properties are reviewed for type of structure, size, type and quality of construction, condition of structure, current use of the property, any new improvements, types of tenants, and vacancy.

This year we valued over 673,221 properties, which require the use of mass appraisal techniques. While a fee appraiser is concerned with valuing one property at a time, an assessor is valuing whole neighborhoods. To accomplish this, special mass appraisal procedures are used. The assessor will review the data and calculate replacement costs for improvements much like a fee appraiser. The assessor will then review the sales from the area. In Maryland, the local assessment office, except in Baltimore City, receives a copy of all deeds and property sales prices as the deed transferring the property is recorded with the clerk of the court. In Baltimore City, the Department of Public Works does the data entry and provides the data to the Department. In the assessor's review and analysis of the sales, the assessor will develop land rates, depreciation tables, and sales analysis reports. After completing the analysis, the assessor applies the factors uniformly throughout the neighborhood to value all comparable properties in a uniform manner. Rental rates, vacancy and collection loss, expense ratios and capitalization rates are analyzed, and uniformly applied for comparable income producing properties.

The Department's work is reviewed by legislative auditors and is often scrutinized by individual property owners. We are continually striving for higher quality in assessment uniformity. Our quality control program begins with the individual assessor and the assessor's immediate supervisor. As work is completed, each assessor's supervisor reviews the analysis, makes recommendations, and approves the work. When the assessor completes the revaluation, the supervisor makes a random check using procedural and data editing checks. Following the completion of the revaluation, various computer edits are made to assure good valuation quality.

A measurement of quality is the assessed value/sale price ratio. A ratio is the relationship of two numbers, in this case assessed value and sale price. It measures how closely our values compare to the actual sales prices. The average assessed value/sale price ratio indicates a typical level of value. Because the marketplace is not perfect, there will always be properties that sell for more or less than can be anticipated due to factors such as sales between people unfamiliar with the

market, buyers willing to pay extra for a unique property, or escalating values in a competitive seller's market.

In mass appraisal and assessment ratio studies, we are not only concerned with average assessed value/sale price levels (ratios) but also with the degree of spread (variation) from the typical ratio. The measurement of variation is called the coefficient of dispersion (COD). The lower the COD, the more uniform the assessment level.

In the balance of this report, Section II will give a more detailed explanation of the statistical terms as applied to assessment administration and quality control. Section III explains the International Association of Assessing Officer's Standard of Performance for ratio studies. Section IV gives an overview of statewide appraisal quality for the most recent valuation of triennial Group 1, performed in December 2009.

### <u>SECTION II – RATIO STATISTICS</u>

The purpose of this ratio study is to test the quality of the assessment product. The quality of the assessment product is examined from both an assessment level and assessment uniformity standpoint. Assessment level examines the degree to which the assessments are performed based upon the statutory requirement of full market value. Assessment uniformity measures the degree to which different properties are assessed at equal percentages of their market values. From our most recent valuation, we perform many ratio studies examining neighborhoods, types of structures, age of structures, etc.

We use as a performance gauge several measures of central tendency. Each measure of central tendency is affected differently by outliers. A ratio of assessed value to sale price is calculated for each property. The average ratio is the total of all ratios divided by the number of sales. The average (mean) ratio has a natural upward bias. This would indicate a higher level of assessment than has actually occurred. The median is the midpoint of any data listed from lowest to highest. The median ratio is the point where half the ratios fall above and half ratios fall below. The median ratio counts each ratio equally. It is less biased by extreme ratios (outliers) or by individual property values. The weighted ratio is the total of all assessed values divided by the total of all sale prices. Since the weighted ratio counts each dollar equally, it is swayed by higher priced properties.

In addition to the general level of assessments, we are also concerned with the relative spread or variation that individual ratios fall from the typical. There are two measurements of variability: coefficient of dispersion and coefficient of variation. These statistics measure horizontal inequities, or the dispersion of ratios regardless of the value of the individual properties. The coefficient of dispersion is calculated by dividing the average absolute deviation by the median ratio. The average absolute deviation is calculated by subtracting the median ratio from each ratio, adding all the results but ignoring positive and negative signs, and dividing by the number of ratios. Acceptable coefficients of dispersion depend on property type but should typically be 20% or less. Coefficient of variation is calculated by dividing the standard deviation by the mean or average ratio and multiplying by 100. The variance is calculated by subtracting the mean from each ratio, squaring the differences, summing the squared differences, dividing by the total number of ratios less one. The standard deviation is calculated by taking the square root of the variance. The coefficient of dispersion is the preferable measure of variance unless a sample

is normally distributed. In a normal distribution situation, coefficient of variation is the preferable measure of variance.

Another statistical measure used to gauge assessment uniformity is the Price Related Differential (PRD). The PRD tests to see if higher or lower valued properties are assessed at the same level. It is calculated by dividing the average ratio by the weighted ratio. This statistic measures vertical inequities. When low-value properties are valued at a higher percentage of their market value, the property taxes levied against these assessments would be considered regressive. Conversely, if high-value properties are valued at a higher percentage of their market value, property taxes levied against these assessments would be considered progressive. Typically, PRDs have an upward bias because higher priced properties are more unique. PRDs should range between 0.98 and 1.03, except for very small samples. For example, a PRD of 1.03 indicates under valuation of high priced properties, while a PRD of .98 shows an under valuation of low priced properties.

Other descriptive statistical methods that may be used to analyze the assessment product are histograms, frequency distributions, and scatter diagrams. Due to the scope of this report, we have not examined them here. For further information on statistics relating to assessments, please refer to the International Association of Assessing Officers' publication "Improving Real Property Assessment".

Table I is the Fiscal Year 2011 Real Property Base/Ratio by Subdivision with assessment ratios expressed relative to full value. Table II is a history of weighted assessment ratios converted to full value (100% levels) that allows for comparison between years by adjusting for statutory changes in the assessment level. Table III displays examples of the statistical calculations used in this report.

Tables IV and V show the residential and commercial 2010 Ratio Study data by subdivision at assessed full market value level for the area most recently assessed. Following the ratio study is Table VI of the report detailing issues of assessment and appraisal quality that are summarized in Section IV.

### <u>SECTION III – RATIO STUDY STANDARDS VALUES TO SALE PRICES</u>

The International Association of Assessing Officers (IAAO) is a professional organization of assessing officials which provides educational programs, assessment administration standards, and research on appraisal and tax policy issues. IAAO has developed numerous standards and texts on appraisal and assessment administration. Additionally, the organization is a founding member of the national Appraisal Foundation which developed the Uniform Standards of Professional Appraisal Practice (USPAP).

IAAO's Standard on Ratio Studies was first published in September 1980 and was revised in January 2010. The Standard is advisory in nature. This Standard provides guidance to those performing ratio studies in the mass appraisal field regarding the design, statistics, performance measures and other issues related to such studies. The Maryland Department of Assessments and Taxation uses the fundamental ratio statistical measures of the Standard and has adopted IAAO's Assessment Ratio Performance Standard as the criteria to judge the performance of Maryland revaluations.

### The IAAO Ratio Performance Standards are:

### Ratio Study Uniformity Standards Indicating Acceptable General Quality\*

<b>General Property Class</b>	Jurisdiction Size /Profile /Market Activity	Max COD
Residential improved (single family dwellings,	Very large jurisdictions / densely populated / newer properties / active markets	5.0 to 10.0
condominiums, manuf.	Large to mid-sized jurisdictions / older & newer properties / less active markets	5.0 to 15.0
housing, 2-4 family units)	Rural or small jurisdictions / older properties / depressed market areas	5.0 to 20.0
Income-producing	Very large jurisdictions / densely populated / newer properties / active markets	5.0 to 15.0
properties (commercial, industrial, apartments,)	Large to mid-sized jurisdictions / older & newer properties / less active markets	5.0 to 20.0
moustrui, apartinonts,)	Rural or small jurisdictions / older properties / depressed market areas	5.0 to 25.0
Residential vacant land	Very large jurisdictions / rapid development / active markets	5.0 to 15.0
	Large to mid-sized jurisdictions / slower development / less active markets	5.0 to 20.0
	Rural or small jurisdictions/ little development / depressed markets	5.0 to 25.0
Other (non-agricultural)	Very large jurisdictions / rapid development / active markets	5.0 to 20.0
vacant land	Large to mid-sized jurisdictions / slower development / less active markets	5.0 to 25.0
	Rural or small jurisdictions/ little development / depressed markets	5.0 to 30.0

## These types of property are provided for general guidance only and may not represent jurisdictional requirements.

- ➤ The COD performance recommendations are based upon representative and adequate sample sizes, with outliers trimmed and a 95% level of confidence.
- ➤ Appraisal level recommendation for each type of property shown should be between 0.90 and 1.10.
- > PRD's for each type of property should be between 0.98 and 1.03 to demonstrate vertical equity. PRD standards are not absolute and may be less meaningful when samples are small or when wide variation in prices exist. In such cases, statistical tests of vertical equity hypotheses should be substituted
- ➤ CODs lower than 5.0 may indicate sales chasing or non-representative samples.

Source: Standard on Ratio Studies; International Association of Assessing Officers; Kansas City, MO; January 2010; pg 33.

Ratio studies may be performed for various reasons including appraisal accuracy and assessment equity studies, to judge the need for management of a reappraisal, to identify problems with appraisal procedures, to assist in market analysis, and to adjust appraised values. Many ratio study design issues must be considered depending on the purpose of the ratio study.

This study considers unadjusted sales price data six months prior to and six months after the date of finality (date of valuation, January 1<sup>st</sup>) for which assessments have become effective so that an unbiased estimate of assessment performance can be obtained. Sales that are arms-length transactions between willing and informed buyers and sellers are used in this study. Maryland's ratio performance is good and conforms to the IAAO Standard.

While several measures of central tendency are calculated (average, median, and weighted ratios), the median is less affected by extreme ratios. The IAAO observes in its Standard that the median is generally the preferred measure of central tendency for monitoring appraisal performance. For this reason, median ratios are used in this study to measure compliance with IAAO standards.

As a proxy for time adjustments, this report uses sales from six months before the date of finality to six months after the date of finality. Under normal circumstances, with steadily changing property values, these sales will balance. In unusual circumstances, when property values are rapidly changing, this will affect the ratio statistics. Sales of property and market value increased for several years, however beginning in the second half of 2006 the market began to slow and values softened. Despite this slowdown, measures of central tendency are still less than 100.0%.

Over the past three years, property values have experienced a decrease in value. On average, statewide residential values decreased by 20% and commercial property increased by 5%.

Property value changes varied by region in the state since the last triennial revaluation in January, 2007. The largest percentage of decrease in residential property was in Charles, Frederick, Prince George's, Howard, and Worcester Counties. The only increase in assessed value was in Allegany County with a minimal change of .1%.

Statewide, the Department met the IAAO standard for coefficient of dispersion indicating an overall uniformity of assessments. The measures of central tendency are excellent.

Commercial properties are generally less similar than residential properties. Many commercial properties are income producing and are valued using the income approach to value. Most commercial uses are cyclical in nature. Various segments of the commercial real estate market may be ascending in value as a class, while others may be declining in market popularity. Commercial property values have been less affected by the recent low interest rates for residential mortgages. Because of the uniqueness of commercial and industrial properties, measures of central tendency tend to vary more widely than with residential properties.

The number of commercial properties is small compared to the number of residential properties. In several jurisdictions, the number of commercial properties which have sold is so small that the statistical measures are prone to bias. Allegany, Calvert, Caroline, Dorchester, Garrett, Harford, Howard, Kent, Queen Anne's, St. Mary's, Somerset, Talbot, Washington, Wicomico and Worcester Counties all had fewer than 10 arms-length commercial transfers for Group 1. In those jurisdictions, individual statistical measures would be unreliable due to sample size.

The number of commercial sales decreased from 278 statewide in the 2009 Ratio Report to 207 statewide in the 2010 Ratio Report.

### <u>SECTION IV – STATEWIDE COMPARISON OF DEPARTMENT'S VALUES</u> <u>TO SALE PRICE</u>

Quality is the degree of excellence of a product or service; the extent to which it measures up to certain standards. In this case, a measure of quality is the ratio study measuring whether the assessor appraised properties uniformly at market value. The ratio study conducted in this report is based upon sales data occurring, for the most part, after the time period of sales used by the assessor in the group of properties being reassessed.

Assuming the assessor applied the mass appraisal model uniformly to all properties, this ratio study should show uniformity of assessment. This ratio study is a cross check by Department management to assure quality of the mass appraisal work product. The ratio statistics for each county in Table IV was conducted on 14,667 improved residential property sales from July 1, 2009 to June 30, 2010 and compares the Department's valuations to sale prices.

The frequency distribution in Table VI and statistics following present a statewide ratio analysis of improved residential property sales from July 1, 2009 to June 30, 2010 comparing the Department's values to sales prices. The measures of central tendency indicate that properties are valued at approximately 92% of sale price and that on average all other properties have very similar ratios as indicated by the 8.87 Coefficient of Dispersion. Additionally, higher valued properties are assessed at a similar level to lower valued properties as indicated by a Price Related Differential statistic of 1.01. A price related differential of 1.00 indicates vertical uniformity across all strata of property values.

The analysis from Table VI and the following descriptive statistics indicates that values determined by assessors for the most recent triennial Group 1 valuation attained a uniform and appropriate level of value. At the time of valuation, the assessments were close to the sale price.

In summary, the data shows that properties throughout the State are assessed uniformly as required by law.

TABLE I
Fiscal Year 2011 Real Property Tax Base/Ratio by Subdivision

This table shows the taxable assessable base and ratios of real property used for different purposes. Ratios shown are median ratios of arms-length sales of properties in Group 1 that were sold between July 1, 2009 and June 30, 2010, compared with the Department's January 1, 2010, assessed value. In jurisdictions with fewer than 10 commercial sales, the statewide ratio is used (see Table V). A ratio of 100% is used for property not assessed on market value.

	Number of	f Residential		Commercial		Agricultural		Use Value		Total	Weighted
	Properties	Base	Ratio	Base	Ratio	Base	Ratio	Base	Ratio	Base	Ratio
Allegany	38,706	2,702,495,608	89.2%	837,441,516	93.5%	117,153,610	89.2%	0	100.0%	3,657,090,734	90.1%
Anne Arundel	200,333	66,632,333,700	90.0%	14,939,926,795	91.8%	563,241,332	90.0%	18,783,325	100.0%	82,154,285,152	90.3%
Baltimore City	218,723	26,539,209,625	88.8%	10,392,353,625	98.7%	0	88.8%	0	100.0%	36,931,563,250	91.4%
Baltimore	279,198	66,307,037,396	90.3%	18,505,270,976	96.0%	1,235,300,241	90.3%	36,728,700	100.0%	86,084,337,313	91.5%
Calvert	41,380	11,710,089,474	94.0%	1,260,287,378	93.5%	326,246,511	94.0%	1,660	100.0%	13,296,625,023	94.0%
Caroline	15,981	2,276,119,085	96.0%	376,586,146	93.5%	422,579,009	96.0%	517,286	100.0%	3,075,801,526	95.7%
Carroll	64,149	16,927,101,168	89.8%	2,286,897,908	86.4%	1,113,462,283	89.8%	11,614,066	100.0%	20,339,075,425	89.5%
Cecil	45,603	8,289,959,319	91.5%	1,865,379,056	91.6%	580,610,700	91.5%	9,800	100.0%	10,735,958,875	91.6%
Charles	60,602	14,525,761,731	90.9%	2,836,491,305	99.3%	511,042,234	90.9%	17,204,450	100.0%	17,890,499,720	92.1%
Dorchester	22,286	2,598,081,806	95.6%	463,111,537	93.5%	335,069,749	95.6%	17,452,444	100.0%	3,413,715,536	95.3%
Frederick	89,758	22,970,607,850	90.6%	4,920,849,862	82.7%	1,434,165,755	90.6%	31,720,297	100.0%	29,357,343,764	89.2%
Garrett	28,266	4,172,442,482	89.5%	461,880,328	93.5%	216,887,761	89.5%	0	100.0%	4,851,210,571	89.9%
Harford	94,249	22,561,332,375	91.2%	4,140,773,896	93.5%	841,933,147	91.2%	0	100.0%	27,544,039,418	91.6%
Howard	97,343	37,368,302,124	87.1%	8,420,232,752	93.5%	500,943,055	87.1%	0	100.0%	46,289,477,931	88.2%
Kent	12,885	2,437,205,500	90.5%	390,742,143	93.5%	410,206,720	90.5%	505,106	100.0%	3,238,659,469	90.8%
Montgomery	314,486	140,031,234,687	90.9%	34,029,433,293	79.2%	674,122,771	90.9%	105,856,798	100.0%	174,840,647,549	88.4%
Prince George's	273,567	72,923,663,535	93.6%	22,732,507,983	100.9%	29,745,558	93.6%	24,405,041	100.0%	95,710,322,117	95.3%
Queen Anne's	25,043	7,016,718,356	90.4%	796,112,651	93.5%	860,552,531	90.4%	1,119,496	100.0%	8,674,503,034	90.6%
St. Mary's	46,213	10,657,853,725	93.3%	1,536,525,039	93.5%	680,665,486	93.3%	13,067,457	100.0%	12,888,111,707	93.3%
Somerset	16,137	1,255,253,931	83.6%	267,842,475	93.5%	165,409,181	83.6%	1,204,830	100.0%	1,689,710,417	85.0%
Talbot	20,384	7,888,836,637	93.8%	1,013,612,732	93.5%	1,164,998,130	93.8%	4,428,490	100.0%	10,071,875,989	93.8%
Washington	55,984	9,554,501,277	92.7%	3,398,581,326	93.5%	641,467,757	92.7%	13,582,533	100.0%	13,608,132,893	92.9%
Wicomico	44,723	5,345,156,144	88.0%	1,452,735,785	93.5%	366,200,961	88.0%	4,731,296	100.0%	7,168,824,186	89.1%
Worcester	65,133	14,780,571,767	91.9%	2,739,811,300	93.5%	324,560,286	91.9%	129,640	100.0%	17,845,072,993	92.2%
Statewide	2,171,132	577,471,869,302	90.4%	140,065,387,807	93.5%	13,516,564,768	90.4%	303,062,715	100.0%	731,356,884,592	91.0%

State Department of Assessments and Taxation

Decemeber 2010

**TABLE II Assessment Levels** 

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Allegany	92.1	95.3	95.0	96.8	92.6	95.6	96.4	98.5	93.4	99.9	95.2	95.0	93.0	89.6	90.1
Anne Arundel	94.2	93.9	96.1	93.0	90.9	90.6	89.8	87.4	84.4	84.5	85.6	96.0	95.2	95.1	90.3
Baltimore City	95.4	97.0	92.5	92.8	90.5	94.7	94.3	94.9	95.0	74.3	85.2	92.0	94.7	91.6	91.4
Baltimore	96.5	95.9	96.3	92.9	94.1	93.0	91.3	92.7	86.5	88.5	83.5	94.0	94.6	94.8	91.5
Calvert	92.9	94.2	94.7	94.2	93.6	92.4	90.4	87.3	82.1	82.3	85.6	95.0	95.4	96.0	94.0
Caroline	92.3	97.0	95.9	96.2	94.3	92.7	92.2	88.3	87.3	81.7	88.9	95.0	95.3	92.8	95.7
Carroll	95.8	95.9	96.7	95.3	94.0	92.1	92.0	89.5	86.6	85.9	89.7	96.0	97.1	94.0	89.5
Cecil	94.6	94.7	95.9	88.4	94.0	93.1	92.0	91.8	88.9	86.0	91.0	94.0	94.9	94.9	91.6
Charles	92.0	96.6	94.6	95.1	94.3	92.6	92.0	88.6	88.9	87.1	88.0	94.0	96.4	93.4	92.1
Dorchester	94.0	91.3	93.3	93.4	94.3	92.9	89.1	89.3	85.4	67.0	79.3	91.0	96.9	90.2	95.3
Frederick	96.8	96.2	93.6	95.0	92.8	89.0	90.2	87.4	88.9	83.7	90.9	96.0	98.2	95.6	89.2
Garrett	93.4	98.6	87.5	96.2	93.4	94.6	93.7	83.8	91.6	88.6	91.8	95.0	92.7	91.0	89.9
Harford	93.4	94.3	93.4	93.1	92.2	92.6	89.1	88.2	85.0	85.5	85.0	93.0	96.1	92.8	91.6
Howard	94.8	93.5	94.3	93.9	95.1	92.0	92.2	90.1	88.2	89.8	92.5	97.0	96.5	93.1	88.2
Kent	98.7	95.6	94.3	95.8	91.4	91.0	92.0	92.6	87.3	86.0	83.9	94.0	95.2	91.0	90.8
Montgomery	97.4	98.4	97.6	95.7	93.8	92.1	88.2	91.0	93.3	93.2	95.5	98.0	96.4	95.4	88.4
Prince George's	96.4	94.4	94.9	96.2	94.7	94.0	91.0	90.5	83.8	83.0	85.1	91.0	98.2	96.4	95.3
Queen Anne's	94.5	93.2	94.0	98.2	91.5	92.6	93.8	90.5	86.8	88.7	87.9	96.0	96.4	91.1	90.6
St. Mary's	94.6	96.8	95.0	96.1	95.3	93.7	93.1	89.5	83.8	80.4	88.2	95.0	97.9	96.6	93.3
Somerset	96.3	91.9	95.8	97.2	94.0	93.6	94.5	94.5	85.2	85.5	86.2	86.0	92.5	89.3	85.0
Talbot	93.7	93.0	96.3	92.2	93.1	89.7	84.4	87.4	89.6	83.3	88.7	96.0	98.0	93.9	93.8
Washington	96.0	96.0	95.3	95.8	90.9	93.7	92.6	89.1	91.1	87.4	90.0	97.0	97.2	91.8	92.9
Wicomico	93.4	93.9	94.3	94.3	93.4	91.8	91.8	89.8	90.6	84.0	82.9	89.0	90.3	88.9	89.1
Worcester	93.2	94.8	90.4	90.7	89.5	84.5	89.4	76.8	86.8	83.2	89.2	97.0	93.9	93.9	92.2
Statewide	95.9	96.0	95.5	94.4	93.3	92.1	90.5	90.0	88.2	86.0	89.7	96.0	95.7	94.0	91.0

State Department of Assessments and Taxation

December 2010

TABLE III Illustrated Ratio Study Statistics

(1.)		(2.)	(3.)	(4.)	(5.)	
Property		Sale	Assessed	Ratio	Absolute	
Number		Price	Value	A/S %	Deviation	
					from Median	
1		28,000	22,400	80%	20%	
2		22,000	19,250	88%	12%	
3		63,500	55,575	88%	12%	
4		55,900	51,700	92%	7%	
5		20,000	19,000	95%	5%	
6		21,000	20,475	98%	2%	
7		80,000	80,000	100%	0%	
8		40,000	40,000	100%	0%	
9		33,000	33,300	101%	1%	
10		45,000	46,125	103%	3%	
11		24,000	25,200	105%	5%	
12		39,000	41,925	108%	8%	
13		37,000	41,625	113%	13%	
14		40,300	45,800	114%	14%	
15		51,000	59,925	118%	18%	
TOTAL		599,700	602,300	1500%	120%	
Average Ratio	=	Total of Ratios (4.)	)	Number of Sales (1.)	=	
Average Natio	_	1500%	)	15	_	100%
Weighted Ratio	=	Total of Assessed Values (3.)	`	Total of Sale Prices (2.)		
Weighted Ratio	_	602,300	)	599,700	=	100%
Average Deviation	=	Total Deviations (5.)	)	Number of Sales (1.)		
Average Deviation	_	120%	ý	15	=	8%
Median Ratio	=	Middle Value of Data Array 100%			=	100%
		(i.e. property #8)				
Coefficient of	=	Average Deviation (5.)	)	Median Ratio (4.)		
Dispersion		8%	)	100%	=	7.98
Price Related	=	Average Ratio (4.)	)	Weighted Ratio		
Differential		100%	)	100%	=	1.00

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TABLE IV 2010 Residential Ratio Study

This table shows arms-length sales of improved residential and condominium properties in Group 1 from July 1, 2009, through June 30, 2010. Ratios compare the Department's January 1, 2010 value to the actual sale price.

	Nonelean	A	Madian	Wai alata d	A	C = - £6; =: =	Dui an Dalata d	C4	C = - CC: =:	Madian
	Number	Average	Median	Weighted	Average	Coefficient	Price Related	Standard	Coefficient	Median
4.11	of Sales	Ratio	Ratio	Ratio	Deviation	of Dispersion	Differential	Deviation	of Variation	Sale Price
Allegany	119	88.3%	89.2%	88.8%	6.6%	7.39	1.00	0.09	10.17	\$140,200
Anne Arundel	1,612	91.9%	90.0%	90.7%	9.1%	10.08	1.01	0.12	13.53	\$320,000
Baltimore City	1,193	93.2%	88.8%	89.9%	12.8%	14.43	1.04	0.18	19.32	\$160,000
Baltimore	2,055	92.0%	90.3%	91.1%	8.2%	9.07	1.01	0.11	11.87	\$225,000
Calvert	177	94.3%	94.0%	94.0%	6.8%	7.28	1.00	0.09	9.78	\$372,000
Caroline	41	96.1%	96.0%	95.1%	9.7%	10.13	1.01	0.14	14.12	\$208,000
Carroll	515	91.0%	89.8%	90.5%	6.1%	6.83	1.01	0.08	9.10	\$315,000
Cecil	224	91.9%	91.5%	92.4%	8.0%	8.76	1.00	0.11	12.06	\$200,000
Charles	611	91.3%	90.9%	90.9%	5.7%	6.31	1.00	0.08	8.93	\$267,990
Dorchester	45	94.5%	95.6%	94.3%	6.9%	7.20	1.00	0.09	9.24	\$179,000
Frederick	911	91.1%	90.6%	90.3%	6.4%	7.04	1.01	0.09	10.11	\$339,000
Garrett	54	88.5%	89.5%	86.4%	10.3%	11.55	1.02	0.14	16.17	\$116,250
Harford	472	92.6%	91.2%	91.7%	7.7%	8.47	1.01	0.11	11.46	\$310,000
Howard	1,078	87.7%	87.1%	87.5%	4.6%	5.27	1.00	0.06	7.22	\$425,000
Kent	27	90.7%	90.5%	93.3%	9.4%	10.40	0.97	0.11	12.55	\$200,000
Montgomery	3,276	91.7%	90.9%	90.4%	7.1%	7.85	1.01	0.10	10.93	\$465,000
Prince George's	856	94.9%	93.6%	93.4%	9.5%	10.15	1.02	0.13	13.21	\$265,000
Queen Anne's	122	92.1%	90.4%	92.1%	8.2%	9.07	1.00	0.11	11.62	\$371,500
St. Mary's	156	94.0%	93.3%	93.9%	6.4%	6.86	1.00	0.09	9.44	\$281,250
Somerset	15	85.3%	83.6%	84.4%	10.5%	12.52	1.01	0.13	15.12	\$102,000
Talbot	268	95.4%	93.8%	94.5%	8.0%	8.53	1.01	0.11	11.54	\$264,165
Washington	304	93.0%	92.7%	90.8%	7.2%	7.82	1.02	0.10	10.26	\$230,500
Wicomico	294	88.0%	88.0%	87.8%	8.0%	9.15	1.00	0.11	13.04	\$159,480
Worcester	242	93.0%	91.9%	92.4%	8.1%	8.77	1.01	0.10	11.01	\$246,750
G	14.667	01.00/	00.40/	00.60/	0.00	0.07	1.01	0.11	12.20	#205 000
Statewide	14,667	91.8%	90.4%	90.6%	0.08	8.87	1.01	0.11	12.29	\$295,000

 $\begin{tabular}{ll} State Department of Assessments and Taxation \\ December \, , 2010 \end{tabular}$ 

TABLE IV-B
Statewide Residential Ratio Study Frequency Statistics

	Average Detic		
	Average Ratio		
Total of Ratios =	13464.40	=	91.80%
Number of Sales	14,667		710070
	,		
	Weighted Ratio		
T-4-1 A 1 W-1	4 704 220 250		00.610/
Total Assessed Values =	4,704,228,350	=	90.61%
Total Sales Prices	5,191,654,432		
	Average Deviation		
Total Deviations =	1,176	=	0.08
Number of Sales	14,667		
	Coefficient of Dispersi	on	
Average Absolute Deviation =	0.080187	=	8.87
Median Ratio / 100	90%		0.07
	2 4 7 4		
	Price Related Different	tial	
Average Ratio =	91.80%	=	1.01
Weighted Ratio	90.61%		

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**Table V**Commercial Ratio Study 2010

The table below shows statistics on arms-length sales between July 1, 2009 and June 30, 2010 of commercial property in assessment Group 1. Ratios compare the Department's January 1, 2010, value to the actual sale price.

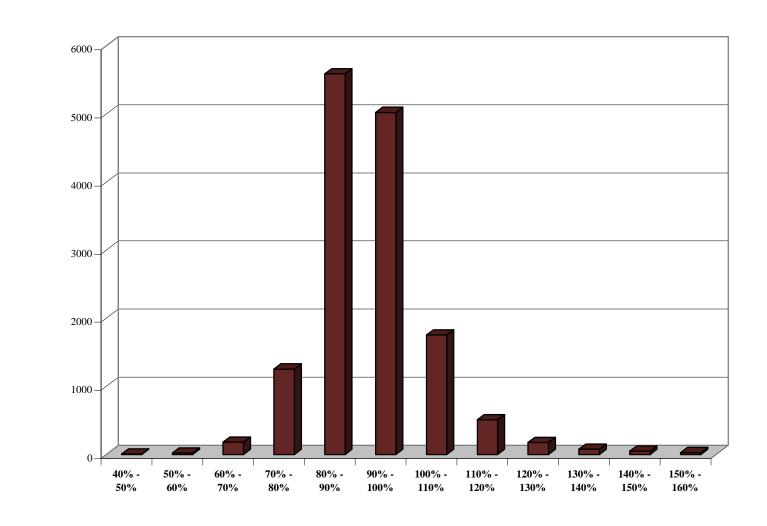
Ratio statistics are shown for all counties, even where the number of sales is so small that there is not a sufficient sample to provide accurate statistics. In cases where there are fewer than 10 sales, the ratio statistics are not used to calculate the base (Table I) or evaluate the performance (Table VII).

	Number	Total Assessed	Total	Weighted	Average	Median
	of Sales	Values	Sales Prices	Ratio	Ratio	Ratio
Allegany	4	999,200	1,140,000	87.6%	96.7%	89.4%
Anne Arundel	22	8,699,200	9,699,500	89.7%	93.9%	91.8%
Baltimore City	29	13,443,700	13,335,221	100.8%	98.4%	98.7%
Baltimore County	27	49,296,800	52,788,660	93.4%	95.6%	96.0%
Calvert	5	3,955,400	4,394,000	90.0%	93.0%	87.4%
Caroline	1	161,700	267,500	60.4%	60.4%	60.4%
Carroll	10	3,785,300	4,789,420	79.0%	86.4%	86.4%
Cecil	11	12,358,100	15,537,988	79.5%	89.0%	91.6%
Charles	11	11,795,900	12,044,844	97.9%	103.2%	99.3%
Dorchester	1	29,200	31,250	93.4%	93.4%	93.4%
Frederick	10	15,150,300	16,716,050	90.6%	86.5%	82.7%
Garrett	0	N/A	N/A	N/A	N/A	N/A
Harford	4	1,566,800	1,771,615	88.4%	87.5%	88.5%
Howard	8	3,932,300	4,288,640	91.7%	92.6%	88.8%
Kent	0	N/A	N/A	N/A	N/A	N/A
Montgomery	16	75,785,900	97,310,919	77.9%	76.5%	79.2%
Prince George's	16	9,042,100	9,153,725	98.8%	100.8%	100.9%
Queen Anne's	3	1,372,500	1,462,359	93.9%	94.4%	95.8%
St. Mary's	5	2,418,200	3,015,000	80.2%	87.0%	83.3%
Somerset	2	774,100	872,000	88.8%	81.8%	81.8%
Talbot	7	4,362,800	4,645,000	93.9%	95.6%	94.9%
Washington	4	3,103,900	3,085,000	100.6%	91.2%	92.6%
Wicomico	9	2,323,200	2,878,000	80.7%	92.9%	89.1%
Worcester	2	511,500	552,500	92.6%	97.6%	97.6%
Statewide	207	\$224,868,100	\$259,779,191	86.6%	92.9%	93.5%

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000000TABLE VI Department's Values Compared to Property Sale Prices



Number of Sales

**Ratio of Assessed Value to Sale Price**