



SALES TIME ADJUSTMENTS

IMPACTS

THE ASSESSMENT PROCESS

To calculate the 2015 values, the law dictates that Colorado counties use the property sales from January 1, 2013 through June 30, 2014. (However if necessary to find sales, it is allowable by law to go prior to 2013 in 6 months increments, but not to exceed 5 years.) To establish the effect that TIME played on the sales price of properties during that period, a sales ratio must be calculated on each sale. This is done by dividing the 2014 value by the sale price of each sale, thus creating a graph to show an increase or decrease over the time period used. Time adjustments are analyzed by looking at the neighborhood and property type levels and then applied as a rate per month. To put all the valid sales to a June 30, 2014 level, a significant Time Adjustment was necessary.

Example: A sale in January, 2013 must be TIME TRENDED to June 30, 2014. If a sale is 18 months old and has a factor of 1% per month, the original sales price in January 2013 would have to be time adjusted up by 18% to reflect the June 30, 2014 level of value. The new TIME ADJUSTED sales price is then used in the final valuation process for real property in Adams County.

In addition, the S&P (Standard & Poor) released its finding for housing indices in the Denver Metro area for the period ending January 2015, and their information supports the same growth rate as the time trending study performed in the Adams County Assessor's Office. The link to the S&P findings is: <http://us.spindices.com/index-family/real-estate/sp-case-shiller>.