
Residential Revaluation Report

2013 Mass Appraisal of Mobile Homes In Courts
for 2014 Property Taxes

Prepared For
Steven J. Drew
Thurston County Assessor

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CERTIFICATE OF APPRAISAL

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with *the Uniform Standards of Professional Appraisal Practice*.
- I have not personally inspected all of the property that is the subject of this report. Other appraisers involved in the review of property are listed on the following page.
- No one provided significant analytical assistance to the person(s) signing this certification.

Appraiser # 054, Appraisal Analyst ____ (signature on file) _____ Date _____

APPRAISAL TEAM

Often teams of appraisers complete one or more parts of a mass appraisal. Major contributors to this appraisal project include the following:

Physical Inspection Team: 006 - Residential Appraiser
 028 - Senior Appraiser
 029 - Senior Appraiser
 030 - Senior Appraiser
 037 - Senior Appraiser
 042 - Senior Appraiser
 050 - Senior Appraiser
 057 - Senior Appraiser

Sales Validation: 007 - Lead Appraiser
 013 - Appraiser Analyst
 035 - Appraiser Analyst
 054 - Appraiser Analyst
 056 - Appraiser Analyst

Analysis and Model Building: 052 - Chief Deputy

Final Review: 052 - Chief Deputy

MASS APPRAISAL CONCLUSIONS

Appraisal Date: January 1, 2013
Area Name / Number: Mobile Homes In Courts
Physical Inspection: Last inspected in 2013

Summary of Neighborhood Adjustments, Sales Ratios, and Assessed Value Changes:

2014 Mobile Homes in Courts Summary Statistics														
Nbhd	Bldg Factor	New Bldg Adj.	# Sales	Mean Ratio	Median Ratio	Wtd. Mean Ratio	PRD	COD	Mean Value	Median Value	Mean \$ Change	Median \$ Change	Mean % Change	Med. % Change
MHPR	0.38	0.40	3	0.899	0.961	0.832	1.081	0.111	\$5,503	\$6,588	-\$97	-\$272	-3.26%	-3.89%
MHFR	0.50	0.46	46	0.897	0.945	0.851	1.055	0.306	\$9,439	\$8,278	-\$855	-\$976	-0.62%	-9.56%
MHAV	0.60	0.51	109	0.960	0.944	0.927	1.036	0.262	\$15,306	\$11,681	-\$2,245	-\$2,251	-3.87%	-15.39%
MHGD	0.68	0.65	48	0.975	0.912	0.932	1.046	0.229	\$35,734	\$34,920	-\$2,272	-\$2,250	-6.85%	-6.17%
MHEX	0.75	0.65	12	0.953	0.973	0.956	0.997	0.087	\$79,666	\$79,967	-\$12,634	-\$12,492	-14.13%	-12.57%
Overall			218	0.949	0.944	0.926	1.024	0.252	\$21,974	\$14,425	-\$2,500	-\$1,896	-4.40%	-12.74%

Sales used in Analysis: Sales used in the analysis are validated following the guidelines laid out in the Sales Verification Procedure. Multi-parcel and multi-building sales are generally excluded as not being representative of this market area.

Number of Parcels in the Population: The population of manufactured homes in courts within Thurston County equals approximately 4,300 parcels.

Conclusion and Recommendation: Since the values recommended in this report improve uniformity, assessment level, and equity, we recommend posting them for the 2014 Tax Roll.

PREMISE OF THE APPRAISAL

Supporting Documents Used in the Mass Appraisal

"A mass appraisal is the process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing."¹

A mass appraisal for ad valorem taxes is a complicated process involving large amounts of data, gathered and analyzed by teams of appraisers. We do not intend this document to be a self-contained documentation of the mass appraisal but to summarize our methods, data, and to guide the reader to other documents or files, upon which we relied. These documents may include the following:

- Individual property records maintained in a computer database
- Sales ratios and other statistical studies
- Market studies
- Model building documents
- Real estate sales database.
- Previous studies and reports filed in our office.
- Assessor's manuals for data collection analysis.
- Revaluation and sales verification manuals
- Property Tax Advisory Publications by the Washington State Dept. of Revenue.
- Title 84 RCW Property Tax Laws (Washington State Law)
- WAC 458 (Washington Administrative Code)

The Appraisal Standards Board of the Appraisal Foundation annually publishes the *Uniform Standards of Professional Appraisal Practice* (USPAP). These standards are written by appraisers to regulate their profession and are the minimum standards for the conduct of property appraisal in the United States. They cover real, personal, and business property. We rely upon these standards in the development and reporting of our assessed values.

CLIENT AND INTENDED USERS

This report was prepared for Steven J. Drew, Thurston County Assessor. Other intended users include the County Board of Equalization and the State Board of Tax Appeals.

¹ USPAP, Appraisal Standards Board of the Appraisal Foundation, p. 3

ASSUMPTIONS AND LIMITING CONDITIONS

The Appraisal Report, of which this statement is a part, is expressly subject to the following conditions:

This revaluation is a mass appraisal assignment resulting in conclusions of market value. No one should rely on this study for any purpose other than administration and distribution of ad valorem taxation. The opinion of value on any parcel may not be applicable for any use other than ad valorem taxation.

That the maps and drawings in this report are included to assist the reader in visualizing the property; however, no responsibility is assumed as to their exactness.

That the legal description as given is assumed correct. No survey or search of title of the property has been made for this report, and no responsibility for legal matters is assumed.

The report assumes good merchantable title and any liens or encumbrances that may exist have been disregarded.

The opinions and values shown in the report apply to the subject parcels only. The assessors made no attempt to relate the conclusions of this report to any other revaluations, past, present, or future.

The assumptions governing the use of multiple linear regression analysis have been met unless otherwise stated.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimates is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, not for any expertise or engineering knowledge required to discover them.

SPECIAL ASSUMPTIONS, LIMITING, AND HYPOTHETICAL CONDITIONS

We assume that none of the subject land is contaminated or that any contamination would affect the value except as shown in individual property records or otherwise stated.

Because of budget restraints, we have not inspected all comparable sales. We have inspected the interiors of only a small percentage of the properties.

JURISDICTIONAL EXCEPTION

Washington exempts all or a portion of the market value on specific types of property including "open space," agricultural, forest, home improvement, and some low-income housing.

PURPOSE AND INTENDED USE

The intended use of this appraisal is for administration of ad valorem taxation. After certification by the Assessor, these values will be used as the basis for assessment of real estate taxes payable in 2014. We do not intend the values to be used for or relied upon for any other purpose.

This report serves as a record of the revaluation which is subject to review and change by the County Board of Equalization, the Washington State Board of Tax Appeals, and the courts.

TRUE AND FAIR VALUE

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 1/8/57; AGO 65-66, No. 65, 12/31/65)

The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

DATE OF APPRAISAL

Properties are appraised as of January 1, 2013.

This report was completed May 09, 2013.

PROPERTY RIGHTS APPRAISED

This appraisal is of the fee simple interest in the real property. The fee simple estate is the absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.²

PERSONAL PROPERTY NOT INCLUDED IN THE APPRAISAL

No personal property was included in the value. Fixtures are generally accepted as real property. Business value is intangible personal property and it is not appraised.

² *The Dictionary of Real Estate Appraisal. 3d ed. Appraisal Institute, p.140*

MARKET AREA AND PROPERTIES APPRAISED

The subjects of this mass appraisal are manufactured homes in courts located throughout Thurston County. These properties are generally influenced by the same broad market trends. These manufactured homes are further stratified by the quality of the court, which was found to have a significant influence on the subject property value.

Our property records contain photographs, sketches, legal descriptions and other characteristics of land and buildings on each property.

CITY AND NEIGHBORHOOD DESCRIPTION

Mobile homes in courts are broken into 5 neighborhoods that represent the quality of the court in which they are located. The neighborhoods are designed to reflect similar land and building characteristics and neighborhood amenities that each mobile home court has to offer. They are all considered to be stable in terms of the quality of neighborhood in which they are located.

ZONING

Thurston County exercise jurisdiction over land use and community planning. The regulations for use and development can be found in its ordinances. We show property zoning as a land characteristic on our digital maps.

HIGHEST AND BEST USE

True and fair value -- Highest and best use. Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use. [WAC 458-07-30 (3)]

The highest and best use concept is based upon traditional appraisal theory and reflects the attitudes of typical buyers and sellers. The market sets the highest and best use based on the theory of wealth maximization for the owner with consideration given to community goals.

To estimate highest and best use, four elements are considered:

1. Possible use. What uses of the site in question are physically possible?
2. Permissible legal use. What uses of the site are permitted by zoning and deed restrictions?
3. Feasible use. Which possible and permissible uses will produce a net return to the owner of the site?

4. Highest and best use. Among the feasible uses, the use which will produce the highest net return or the highest present worth?

The highest and best use of the land or site if vacant and available for use may be different from the highest and best use of the improved property. This is true when the improvement is not an appropriate use, but it contributes to the total property value.

For the purpose of this appraisal the highest and best use of the each property is considered to be a manufactured or mobile home in a mobile home park.

SCOPE OF THE APPRAISAL

Under state law, the assessor receives a copy of each Real Estate Excise Tax Affidavit and is therefore privy to the sale price, date, and description of all real estate sales. Our staff compiles and verifies this data into our sales database as explained in our sales verification procedure.

Thurston County is on a six-year revaluation cycle. Every property is revalued annually. At least once each six years, each property is inspected and its data refreshed. The assessor collects property characteristic data as discussed in the Residential Data Standards Manual.

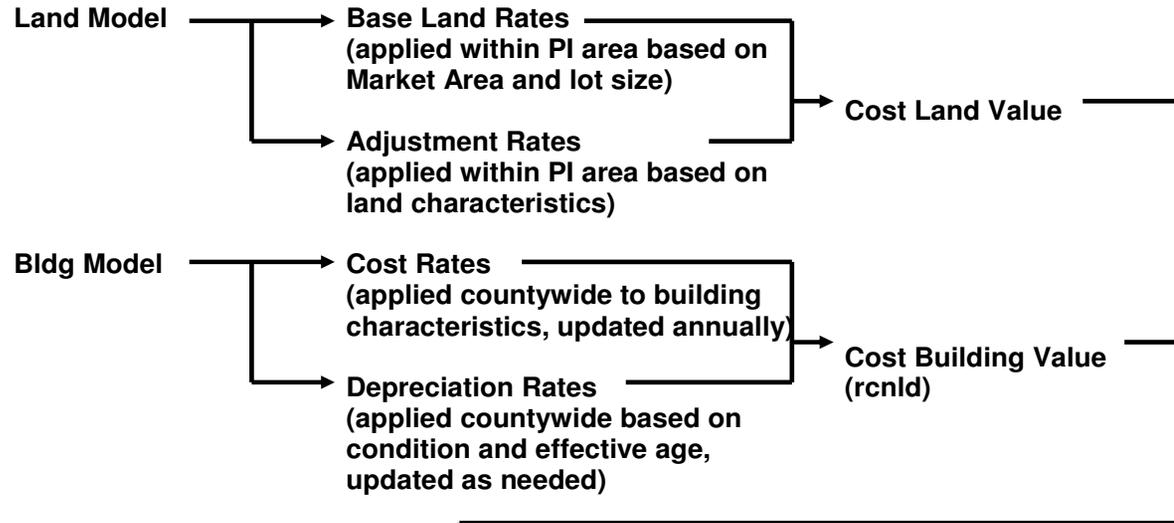
The appraisal considers the cost approaches to value with sales used to calibrate the model to a specific neighborhood. Neighborhood adjustments are widely used to adjust for time and location and are a normal and standard part of the cost approach to value. The Marshall Swift cost manual provides what they call current cost multipliers and local area multipliers to adjust for time and location. Because this is a national valuation service, we fine tune their cost rates even further to consider differences between neighborhoods and local market trends. Whether we make these adjustments to the raw land and cost rates or to the preliminary cost values, does not impact the mathematical calculation and does not affect the final result. It is more convenient to apply the time and location adjustments to the preliminary cost values, because it makes the statistical updating of values from year to year much easier.

A market model (strict sales approach) has not been developed for 2013 due to time and budget limitations. The use of an income approach was not considered to be applicable because homes in this area are not typically purchased for their income potential.

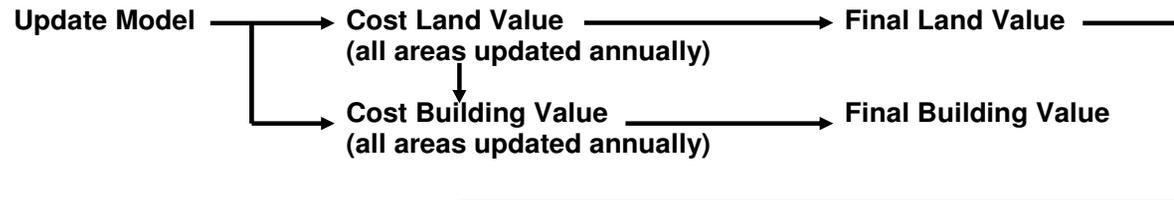
The flow chart on page 11 describes the land model developed as part of the mass appraisal process and how it is used in the sales adjusted cost approach. The model is discussed in more detail starting on page 12.

RESIDENTIAL VALUATION PROCESS

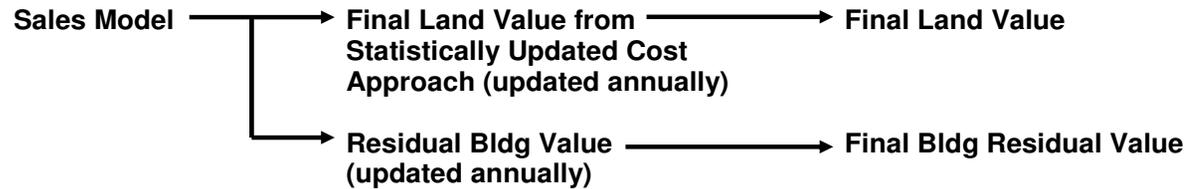
Cost Approach



Statistical Update of Cost Approach by Nbhd



Sales Approach



COST APPROACH

Land Model Specification

- Land model specification is not applicable for mobile homes in courts

Land Model Calibration

- Land model calibration is not applicable for mobile homes in courts

Multiple Regression Analysis Assumptions

Multiple regression analysis is based on several assumptions regarding the data going into the model and the output from the calibration process. These assumptions are validated to determine the accuracy of the model and identify any limitations that may exist. A detailed discussion of the MRA assumptions is included in the Appendix.

BUILDING COST SPECIFICATION

- **Model Format for RCNLD:**

$$BV = [(c_1 \times Q_1) + (c_2 \times Q_2) + (c_3 \times Q_3) + \dots] \times \text{Pct. Good}$$

Where: Building Components = $Q_1, Q_2, Q_3 \dots$

Costs per unit = $c_1, c_2, c_3 \dots$

CONSTRUCTION COST TABLES

Marshall Swift cost rates, adjusted to the current year and local area, are used to determine the replacement cost of each residential improvement. Adjustments can also be made for various structure types and for other building components based on locally advertised building costs.

The complete set of rate tables is too lengthy to include here. However, an example of the rates for the main floor level of a residence by quality grade is shown below. The complete set of rate tables is stored within the Sigma CAMA System.

BASE-MOBH-28		24	46.31	52.06	60.09	71.08	80.66	93.22	100.68
BASE-MOBH-28		28	43.41	49.04	56.65	71.08	80.66	93.22	100.68
BASE-MOBH-28		32	41.00	46.54	53.78	68.08	77.38	90.07	97.27
BASE-MOBH-28		36	38.98	44.40	51.35	65.50	74.55	87.29	94.27
BASE-MOBH-28		40	37.23	42.54	49.24	63.24	72.07	84.81	91.60
BASE-MOBH-28		44	35.72	40.94	47.40	61.25	69.85	82.59	89.20
BASE-MOBH-28		48	34.38	39.49	45.76	59.47	67.88	80.59	87.04
BASE-MOBH-28		52	33.18	38.21	44.28	57.86	66.08	78.76	85.06
BASE-MOBH-28		56	32.11	37.06	42.96	56.39	64.46	77.08	83.25
BASE-MOBH-28		60	31.12	36.00	41.76	55.06	62.98	75.55	81.59
BASE-MOBH-28		64	30.24	35.04	40.66	53.84	61.60	74.12	80.05
BASE-MOBH-28		68	29.42	34.16	39.65	52.70	60.35	72.79	78.61
BASE-MOBH-28		72	28.67	33.34	38.71	51.65	59.17	71.55	77.28
BASE-MOBH-28		76	27.98	32.58	37.85	50.67	58.07	70.40	76.03
BASE-MOBH-28		80	27.33	31.88	37.05	49.76	57.05	69.32	74.86

DEPRECIATION ANALYSIS

Effective Age

The effective age of a building is largely based on its overall condition. It is a measure of how old a building looks and not how old it actually is. As a result, any type of maintenance, repair, remodel, or renovation will tend to reduce the effective age. The more extensive the maintenance or repair work the more the effective age is reduced. This concept suggests that a very old building can be brought back to almost new condition, thereby reducing the effective age to a level that is typical of much newer construction.

The condition of manufactured homes has been found to reflect their actual age most of the time. Therefore, the effective age will be equal to their actual age in most cases.

Depreciation Rate Tables

The depreciation rates are expressed as a percent good. These rates have been taken from the manufactured home section of the Marshall Swift Cost Manual. Although they are not calibrated to our specific market, they provide a general indication of the loss in value due to the physical deterioration of a manufactured home over a more limited economic life. The condition rating and neighborhood trends more accurately adjust their final value to the local market.

Percent Good for Detached Structures and Manufactured Homes		
Effective Age	Detached Structures	Manufactured Homes
0	100	100
1	99	99
2	98	97
3	98	96
4	97	95
5	96	93
6	95	91
7	94	90
8	93	88
9	92	86
10	91	84
11	90	82
12	89	80
13	88	78
14	87	76
15	85	74
16	84	72
17	83	70
18	81	68
19	80	66
20	79	63
.	.	.
.	.	.
.	.	.
.	.	.

39	47	22
40	45	21
41	43	21
42	41	20
43	40	
44	38	
45	37	
46	35	
47	34	
48	32	
49	31	
50	29	
51	28	
52	27	
53	25	
54	24	
55	23	
56	22	
57	22	
58	21	
59	21	
60	20	

Condition

Because many properties are in better or worse condition than what is typical for their age, we need a method to adjust the depreciation rate accordingly. There are two ways to accomplish this. One is to adjust the effective age and the other is to adjust the condition rating to raise or lower the amount of depreciation that is applied.

Adjusting the effective age would involve a fairly complex set of instructions and calculations for different situations that may be encountered. Minor remodels, major renovations, and building additions would require different adjustment techniques. Even with these procedures in place, there would be substantial appraiser judgment involved that would open the door for inconsistencies in the way effective age is determined and depreciation is applied.

A better method is to establish guidelines for determining the condition rating to apply to each property. In general, if an improvement to a parcel of land is typical for its age and has received average maintenance, it would be considered to be in average condition. If the improvement has had less than average maintenance, it will be in less than average condition. If the improvement has received better than average maintenance, it will be in better than average condition.

NEIGHBORHOOD ADJUSTMENT MODEL SPECIFICATION

The equation for the neighborhood adjustment has an additive model format but without the constant term.

$$V = b_2(BV)$$

Where b_2 is based on an analysis of sales and appraiser judgment

NEIGHBORHOOD CALIBRATION OF COST MODEL

Each neighborhood is analyzed to consider the unique characteristics, amenities, and market conditions of each geographical area. This final adjustment to the neighborhood building trends is largely based on the appraiser's

judgment guided by the region wide analysis. An iterative process of adjusting the initial coefficients is applied to each neighborhood to reach the desired level of assessment, PRD and COD.³

As an example, final adjustments for neighborhood "MHAV" are shown below.

- **Final Neighborhood adjustments for MHAV:**

- $b_2 = 0.51$ building value adjustment

Final Ratios for MHAV	
Mean	.960
Median	.944
Weighted Mean	.927
Price Related Differential	1.036
Coefficient of Dispersion	.262

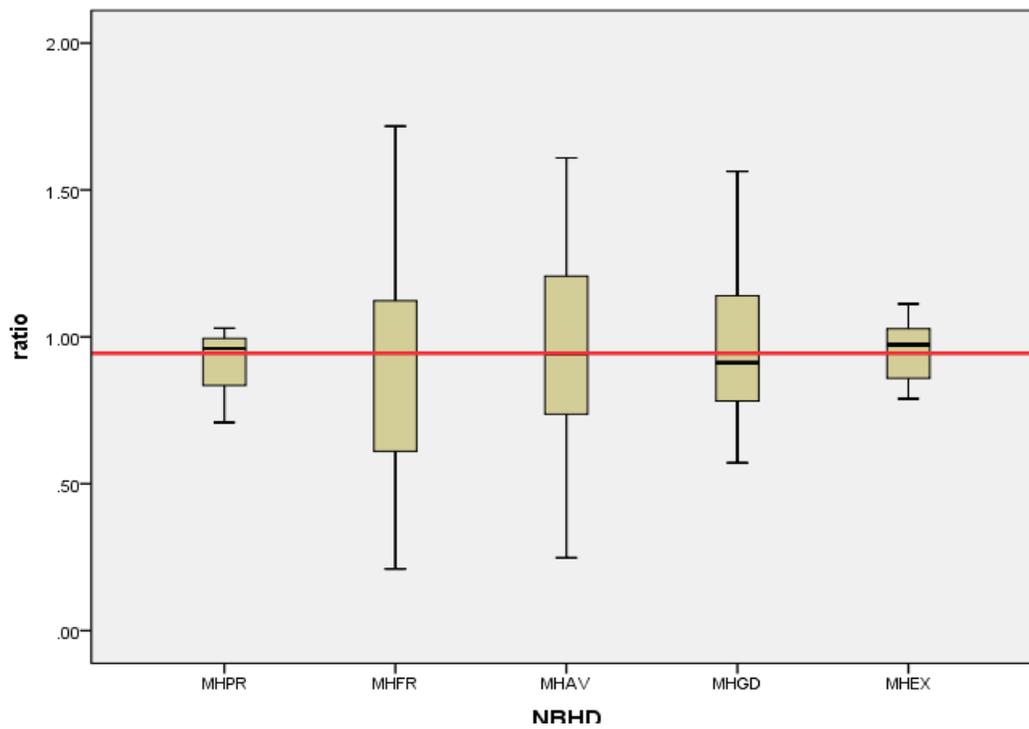
The sales ratio analysis of each neighborhood is included in the appendix along with the list of the sales that were used in the analysis.

Neighborhood Adjustment Model Validation

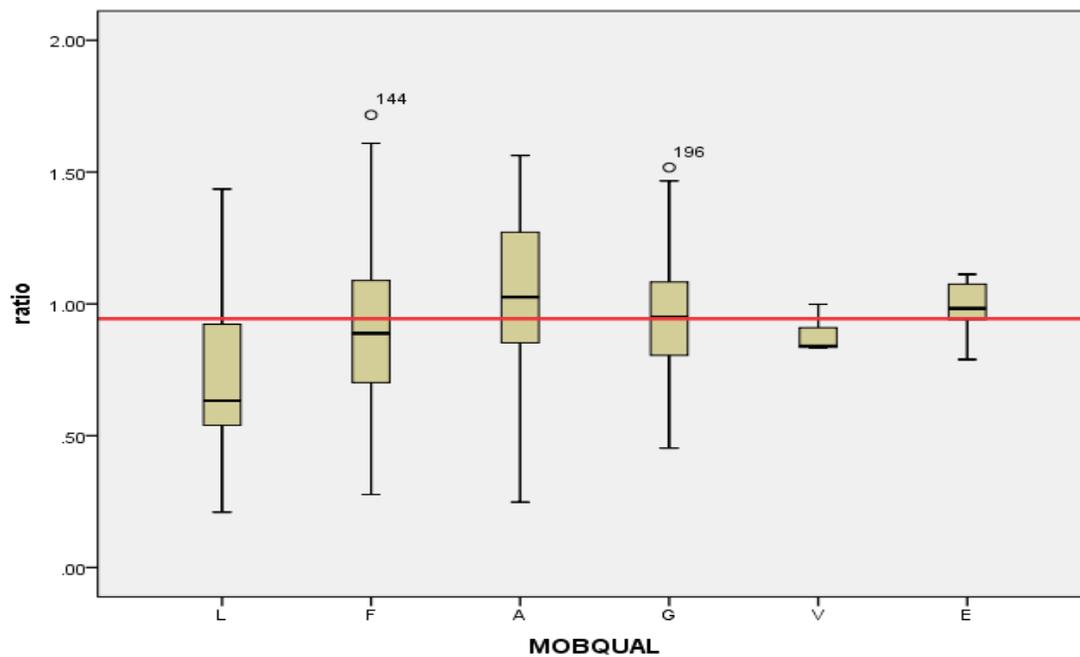
Neighborhood trends were calibrated using 218 sales that took place between 01/01/2012 to 03/31/2013 trended to 01/01/2013.

³ Refer to the model summary and regression coefficients work file.

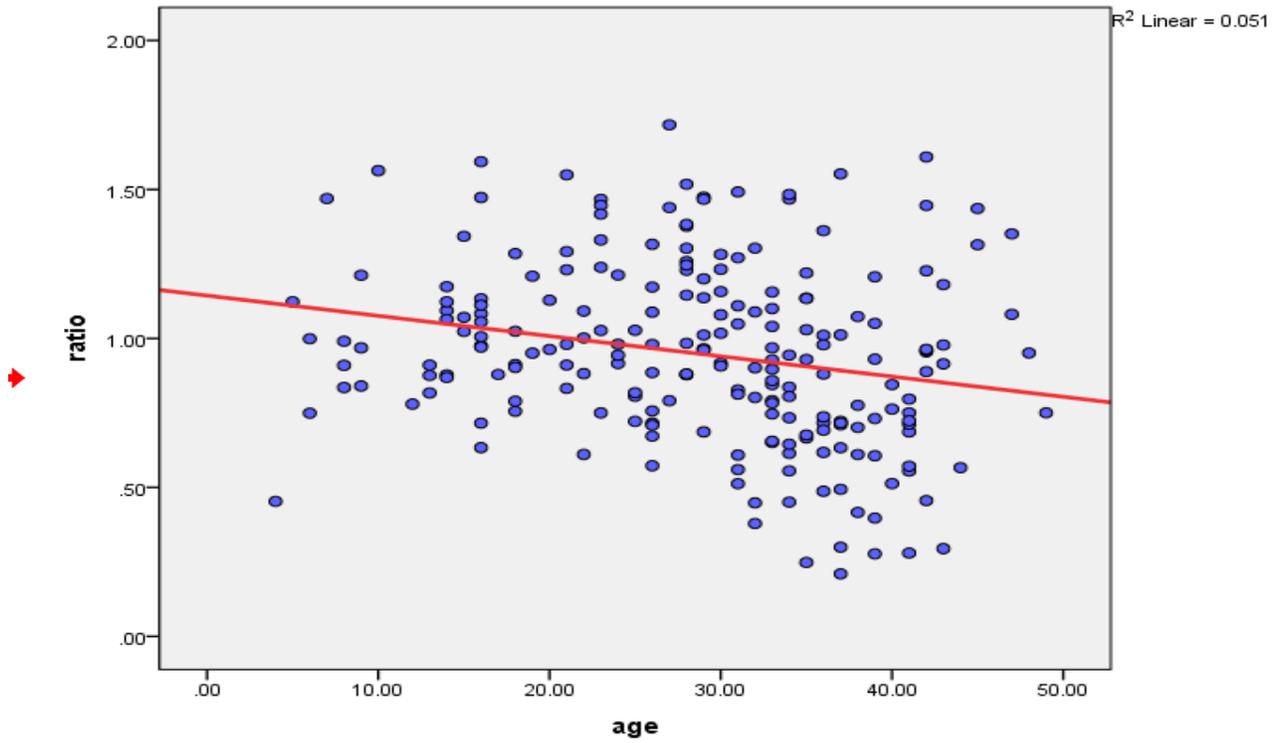
Assessment Uniformity by Neighborhood



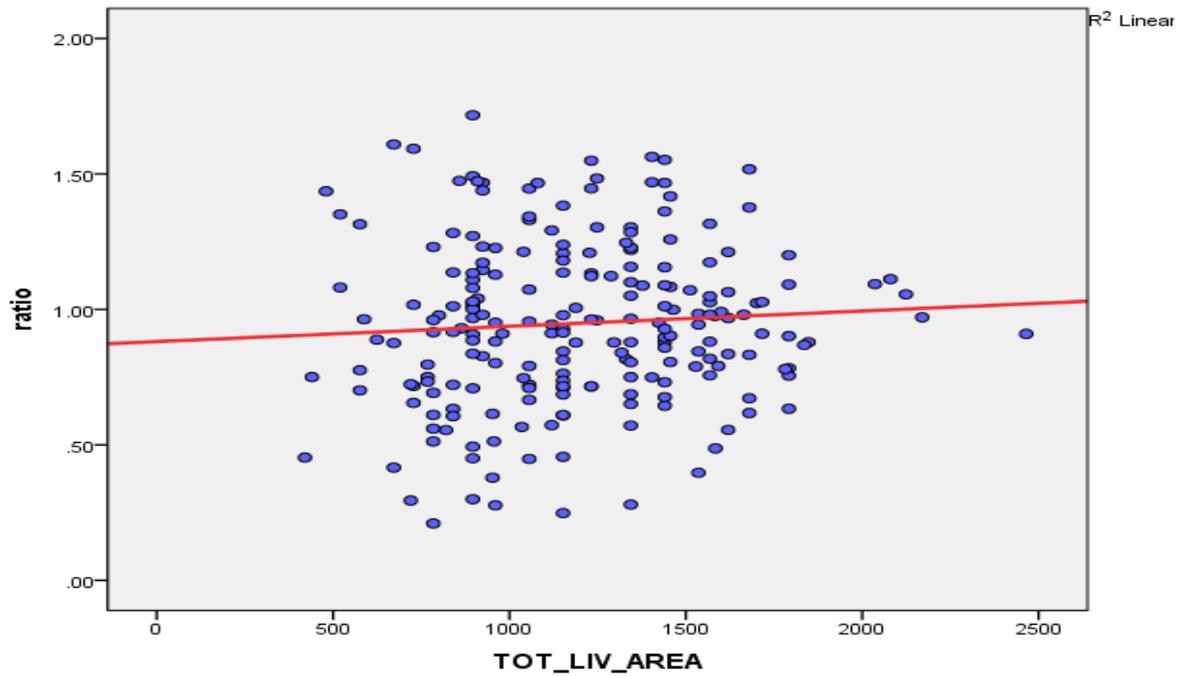
Assessment Uniformity by Quality Grade



Assessment Uniformity by Year Built



Assessment Uniformity by Square Feet of Living Area



RECONCILIATION AND CONCLUSION

Considering the quantity and quality of data and the reliability of the various models as shown in the performance tests above, we have concluded that the Sales Adjusted Cost Approach produces an accurate estimate of market value.

SUMMARY OF INVENTORY STATISTICS

NBHD		Final Value	Total Chg \$	Total Chg %
MHPR	Mean	\$2,655	\$69	2.28
	Median	\$800	\$0	0.00
MHFR	Mean	\$9,441	-\$944	-7.79
	Median	\$6,300	-\$900	-10.00
MHAV	Mean	\$16,251	-\$3,138	-12.30
	Median	\$13,400	-\$2,800	-15.95
MHGD	Mean	\$38,651	-\$2,219	-5.86
	Median	\$38,600	-\$2,200	-5.58
MHEX	Mean	\$81,891	-\$14,095	-15.26
	Median	\$86,950	-\$13,250	-13.05
Total	Mean	\$19,802	-\$2,628	-9.45
	Median	\$13,100	-\$1,900	-12.96

APPENDIX

Neighborhood MHPR

NBHD	PARCEL ID	WIDTH	TLA	SALE DATE	SALE PRICE	TRENDED SP
MHPR	99900164800	1	896	5/29/2012	\$2,500	\$2,262
MHPR	99801225000	1	784	1/19/2012	\$8,000	\$6,857
MHPR	99801509200	1	896	4/14/2012	\$12,000	\$10,715

MHPR Ratio Statistics New Value/Trended Sale Price	
Mean	.899
Median	.961
Weighted Mean	.832
Price Related Differential	1.081
Coefficient of Dispersion	.111

Neighborhood MHFR

NBHD	PARCEL ID	WIDTH	TLA	SALE DATE	SALE PRICE	TRENDED SP
MHFR	99900118700	1	480	11/21/2012	\$1,200	\$1,171
MHFR	99800897100	1	588	10/3/2012	\$2,000	\$1,929
MHFR	99800416600	1	896	3/22/2012	\$2,400	\$2,114
MHFR	99801342800	1	440	3/1/2013	\$2,500	\$2,560
MHFR	99800506400	1	784	9/4/2012	\$3,000	\$2,857
MHFR	99801136300	1	924	2/9/2013	\$4,000	\$4,048
MHFR	99801069100	1	896	7/30/2012	\$4,000	\$3,714
MHFR	99801073400	1	896	1/28/2013	\$4,500	\$4,500
MHFR	99900238400	1	896	3/27/2012	\$5,000	\$4,405
MHFR	99800311000	1	896	3/19/2013	\$5,000	\$5,119
MHFR	99800502400	1	728	9/20/2012	\$5,000	\$4,762
MHFR	99800037900	1	720	1/31/2012	\$5,000	\$4,286
MHFR	99800255600	1	896	2/1/2013	\$6,000	\$6,071
MHFR	99900972300	1	980	1/30/2013	\$6,000	\$6,000
MHFR	99901030300	1	728	5/1/2012	\$7,000	\$6,334
MHFR	99900461900	1	720	3/28/2013	\$7,000	\$7,167
MHFR	99801203500	1	896	11/28/2012	\$8,000	\$7,810
MHFR	99800172700	2	1152	3/16/2013	\$8,500	\$8,702
MHFR	99801417800	2	768	3/13/2013	\$8,900	\$9,112
MHFR	99901071700	1	784	9/26/2012	\$9,000	\$8,572
MHFR	99900737700	1	924	10/7/2012	\$9,000	\$8,679
MHFR	99800081200	2	1152	8/20/2012	\$9,000	\$8,464
MHFR	99800402700	1	896	1/13/2012	\$9,000	\$7,715
MHFR	99901196900	1	910	12/29/2012	\$10,000	\$9,881
MHFR	99901243900	2	1248	5/5/2012	\$10,000	\$9,048
MHFR	99801429800	2	1152	11/20/2012	\$12,000	\$11,714
MHFR	99801022600	1	952	7/1/2012	\$12,500	\$11,607
MHFR	99900787600	1	896	2/17/2012	\$13,000	\$11,298
MHFR	99900898900	1	896	5/21/2012	\$13,500	\$12,215
MHFR	99801162200	2	1056	2/28/2013	\$14,900	\$15,077
MHFR	99901191500	2	1440	8/3/2012	\$15,000	\$14,107
MHFR	99901245500	1	672	4/4/2012	\$15,000	\$13,393
MHFR	99800727300	2	960	11/1/2012	\$15,000	\$14,643
MHFR	99800138700	2	1440	6/5/2012	\$15,000	\$13,750
MHFR	99900150300	1	840	6/15/2012	\$15,900	\$14,575
MHFR	99801017800	1	784	3/1/2012	\$16,543	\$14,574
MHFR	99801243100	1	784	2/21/2012	\$17,000	\$14,774
MHFR	99901242300	1	784	11/28/2012	\$17,500	\$17,083
MHFR	99801456900	2	1296	10/10/2012	\$18,500	\$17,839

MHFR	99900658400	2	1232	9/14/2012	\$20,900	\$19,905
MHFR	99901161000	2	1188	5/1/2012	\$22,000	\$19,905
MHFR	99901147600	2	1512	4/30/2012	\$25,000	\$22,322
MHFR	99800443700	2	1584	6/19/2012	\$25,000	\$22,917
MHFR	99900993400	2	1232	12/11/2012	\$26,000	\$25,691
MHFR	99801518700	2	1120	8/23/2012	\$27,500	\$25,864
MHFR	99900876600	2	1232	6/25/2012	\$35,000	\$32,084

MHFR Ratio Statistics New Value/Trended Sale Price	
Mean	.897
Median	.945
Weighted Mean	.851
Price Related Differential	1.055
Coefficient of Dispersion	.306

Neighborhood MHAV

NBHD	PARCEL ID	WIDTH	TLA	SALE DATE	SALE PRICE	TRENDED SP
MHAV	99900176000	1	624	1/13/2012	\$2,935	\$2,516
MHAV	99800042500	2	864	8/1/2012	\$4,200	\$3,950
MHAV	99800165700	2	1056	10/31/2012	\$4,500	\$4,339
MHAV	99800745300	2	1152	8/21/2012	\$4,700	\$4,420
MHAV	99800472700	1	924	9/1/2012	\$4,950	\$4,714
MHAV	99801194800	1	672	2/27/2012	\$5,000	\$4,345
MHAV	99800793200	1	520	1/5/2012	\$5,000	\$4,286
MHAV	99900125200	1	952	1/23/2013	\$5,000	\$5,000
MHAV	99800889500	2	768	11/9/2012	\$5,500	\$5,369
MHAV	99800838000	1	520	4/2/2012	\$5,900	\$5,268
MHAV	99800889500	2	768	2/29/2012	\$5,915	\$5,141
MHAV	99801271700	1	576	6/18/2012	\$5,990	\$5,491
MHAV	99801271700	1	576	2/16/2013	\$6,000	\$6,071
MHAV	99802171200	2	1056	5/16/2012	\$6,500	\$5,881
MHAV	99801221300	1	896	10/24/2012	\$7,000	\$6,750
MHAV	99801443300	1	840	8/6/2012	\$7,000	\$6,583
MHAV	99801492100	1	896	1/15/2013	\$7,200	\$7,200
MHAV	99800905800	1	576	11/25/2012	\$7,500	\$7,321
MHAV	99802925400	2	1056	8/31/2012	\$8,000	\$7,524
MHAV	99900819500	1	924	2/14/2013	\$8,000	\$8,095
MHAV	99802913300	2	960	9/12/2012	\$8,000	\$7,619
MHAV	99800572500	1	910	8/24/2012	\$8,000	\$7,524
MHAV	99900757000	1	728	5/31/2012	\$8,000	\$7,238
MHAV	99800533700	1	896	2/27/2013	\$8,000	\$8,095
MHAV	99800762700	2	1536	5/11/2012	\$8,300	\$7,510
MHAV	99801250600	1	840	3/19/2013	\$8,700	\$8,907
MHAV	99800992600	2	1344	10/30/2012	\$8,900	\$8,582
MHAV	99900822700	1	840	4/30/2012	\$9,000	\$8,036
MHAV	99801069800	1	896	1/29/2013	\$9,500	\$9,500
MHAV	99800083800	2	1056	7/10/2012	\$9,900	\$9,193
MHAV	99800974800	2	956	9/19/2012	\$9,900	\$9,429
MHAV	99800316200	2	1344	11/20/2012	\$10,000	\$9,762
MHAV	99901149000	1	924	12/15/2012	\$10,000	\$9,881
MHAV	99801521900	1	896	9/24/2012	\$10,000	\$9,524
MHAV	99802983600	2	1152	10/5/2012	\$10,000	\$9,643
MHAV	99900604600	1	896	1/30/2012	\$10,000	\$8,572
MHAV	99800838900	2	960	8/15/2012	\$10,000	\$9,405
MHAV	99800026400	2	672	1/16/2013	\$10,690	\$10,690
MHAV	99800083800	2	1056	1/17/2012	\$10,900	\$9,343
MHAV	99801251600	1	858	4/5/2012	\$10,990	\$9,813

MHAV	99801060000	1	924	2/14/2012	\$11,350	\$9,864
MHAV	99800287300	2	1152	7/3/2012	\$11,500	\$10,679
MHAV	99801216100	2	840	7/13/2012	\$11,500	\$10,679
MHAV	99800606900	1	840	9/19/2012	\$11,500	\$10,953
MHAV	99801523300	2	1568	3/25/2013	\$12,000	\$12,286
MHAV	99802213400	2	1440	8/20/2012	\$12,000	\$11,286
MHAV	99900132700	1	784	4/25/2012	\$12,000	\$10,715
MHAV	99801527000	1	924	6/4/2012	\$13,000	\$11,917
MHAV	99900572600	1	728	9/7/2012	\$13,000	\$12,381
MHAV	99900331500	2	1056	12/20/2012	\$14,000	\$13,833
MHAV	99901244200	2	1344	12/20/2012	\$14,000	\$13,833
MHAV	99800298200	2	1152	3/16/2012	\$14,000	\$12,334
MHAV	99800135800	2	1440	10/29/2012	\$14,000	\$13,500
MHAV	99800366900	2	1056	4/23/2012	\$14,000	\$12,500
MHAV	99800239800	1	784	8/27/2012	\$14,500	\$13,637
MHAV	99800387900	2	1620	2/16/2012	\$14,900	\$12,949
MHAV	99800294200	2	1440	1/14/2013	\$15,000	\$15,000
MHAV	99800746900	2	1536	2/19/2013	\$15,000	\$15,179
MHAV	99900432600	2	1040	2/24/2012	\$15,500	\$13,471
MHAV	99801199700	2	1440	4/27/2012	\$16,170	\$14,438
MHAV	99900579900	2	1120	1/25/2013	\$16,500	\$16,500
MHAV	99801462400	2	1440	10/12/2012	\$16,500	\$15,911
MHAV	99800553100	2	1056	4/30/2012	\$17,500	\$15,626
MHAV	99800117600	2	1035	9/7/2012	\$17,900	\$17,048
MHAV	99900314400	2	1080	5/4/2012	\$18,000	\$16,286
MHAV	99801301200	2	1344	2/3/2012	\$18,000	\$15,644
MHAV	99800811300	2	820	8/7/2012	\$18,000	\$16,929
MHAV	99800020300	2	1344	9/5/2012	\$18,000	\$17,143
MHAV	99900984000	2	1056	2/20/2012	\$18,090	\$15,722
MHAV	99801075800	2	1440	3/29/2012	\$18,200	\$16,034
MHAV	99801352300	2	1680	12/4/2012	\$19,000	\$18,774
MHAV	99900654800	2	960	6/8/2012	\$19,000	\$17,417
MHAV	99800846500	2	1152	3/23/2012	\$19,000	\$16,739
MHAV	99900307000	2	1152	4/17/2012	\$20,000	\$17,858
MHAV	99900249100	2	1120	11/30/2012	\$20,000	\$19,524
MHAV	99801222200	2	1152	4/27/2012	\$20,000	\$17,858
MHAV	99901236200	2	1680	3/1/2012	\$20,000	\$17,620
MHAV	99800317300	2	1152	10/31/2012	\$20,000	\$19,286
MHAV	99900875700	2	1232	2/1/2013	\$21,000	\$21,250
MHAV	99901216900	2	1344	2/3/2012	\$22,000	\$19,120
MHAV	99800867200	2	1248	1/24/2012	\$22,000	\$18,858
MHAV	99800503500	2	1344	7/23/2012	\$22,000	\$20,429
MHAV	99802926800	2	1152	1/22/2013	\$22,700	\$22,700
MHAV	99800563600	2	1152	3/21/2012	\$22,900	\$20,175

MHAV	99900603200	2	1792	2/13/2012	\$23,000	\$19,989
MHAV	99900117900	2	1377	7/27/2012	\$23,000	\$21,358
MHAV	99800227600	2	1152	2/11/2013	\$23,000	\$23,274
MHAV	99900385200	2	1568	3/19/2013	\$24,000	\$24,571
MHAV	99802765300	2	1344	2/13/2013	\$24,000	\$24,286
MHAV	99901184500	2	1404	9/18/2012	\$25,000	\$23,810
MHAV	99801213900	2	1792	1/3/2013	\$25,000	\$25,000
MHAV	99900596700	2	960	2/7/2013	\$25,000	\$25,298
MHAV	99800674200	2	1152	12/6/2012	\$25,000	\$24,702
MHAV	99800635300	2	1792	5/25/2012	\$25,500	\$23,072
MHAV	99900801300	2	1120	10/25/2012	\$30,000	\$28,929
MHAV	99900772000	2	1456	8/24/2012	\$30,000	\$28,215
MHAV	99800470800	2	1440	5/25/2012	\$30,000	\$27,144
MHAV	99900590100	2	1344	9/28/2012	\$30,950	\$29,477
MHAV	99900095400	2	1456	5/25/2012	\$32,500	\$29,406
MHAV	99901161800	2	1848	9/25/2012	\$35,000	\$33,334
MHAV	99901247100	1	420	12/14/2012	\$35,000	\$34,583
MHAV	99901156500	2	1620	12/28/2012	\$36,000	\$35,572
MHAV	99900869100	2	1456	5/14/2012	\$37,000	\$33,477
MHAV	99901156500	2	1620	2/6/2013	\$44,000	\$44,524
MHAV	99900740700	2	1424	11/8/2012	\$45,000	\$43,929
MHAV	99900034600	2	1664	9/18/2012	\$50,000	\$47,620
MHAV	99900925900	2	1701	10/12/2012	\$50,000	\$48,215
MHAV	99900890500	2	1792	3/27/2013	\$62,000	\$63,476
MHAV	99901185200	2	1404	9/28/2012	\$70,000	\$66,668

MHAV Ratio Statistics New Value/Trended Sale Price	
Mean	.960
Median	.944
Weighted Mean	.927
Price Related Differential	1.036
Coefficient of Dispersion	.262

Neighborhood MHGD

NBHD	PARCEL ID	WIDTH	TLA	SALE DATE	SALE PRICE	TRENDED SP
MHGD	99800933000	2	1152	2/1/2012	\$6,000	\$5,215
MHGD	99800735500	1	840	4/27/2012	\$8,000	\$7,143
MHGD	99800469700	2	1248	11/16/2012	\$12,000	\$11,714
MHGD	99800923100	2	800	8/15/2012	\$12,000	\$11,286
MHGD	99800188600	2	1152	3/1/2013	\$12,000	\$12,286
MHGD	99800755100	2	1440	4/28/2012	\$14,000	\$12,500
MHGD	99800553300	2	1040	1/6/2012	\$14,000	\$12,001
MHGD	99800665800	2	1440	4/27/2012	\$19,000	\$16,965
MHGD	99800666100	2	1344	5/1/2012	\$20,000	\$18,096
MHGD	99801324900	2	1456	2/28/2013	\$22,000	\$22,262
MHGD	99900352600	2	1232	1/4/2013	\$23,900	\$23,900
MHGD	99900639000	2	1232	2/8/2013	\$25,000	\$25,298
MHGD	99901114400	2	1404	4/30/2012	\$25,000	\$22,322
MHGD	99801352900	2	1680	8/10/2012	\$25,000	\$23,512
MHGD	99800984100	2	1152	1/23/2013	\$26,000	\$26,000
MHGD	99801371200	2	1344	2/14/2012	\$26,195	\$22,766
MHGD	99800606100	2	960	7/6/2012	\$28,000	\$26,001
MHGD	99801115800	2	1568	10/16/2012	\$28,500	\$27,482
MHGD	99800475900	2	1344	5/29/2012	\$31,000	\$28,048
MHGD	99800511200	2	1440	9/6/2012	\$32,000	\$30,477
MHGD	99800671300	2	1792	5/12/2012	\$32,500	\$29,406
MHGD	99900516400	2	1456	5/17/2012	\$35,000	\$31,668
MHGD	99801508100	2	1331	8/7/2012	\$35,000	\$32,917
MHGD	99800560000	2	1440	4/18/2012	\$37,000	\$33,037
MHGD	99901240900	2	1288	8/1/2012	\$39,000	\$36,679
MHGD	99900754600	2	1227	7/18/2012	\$39,900	\$37,051
MHGD	99801119600	2	1152	10/24/2012	\$39,900	\$38,475
MHGD	99801297300	2	1344	5/3/2012	\$40,000	\$36,192
MHGD	99801358400	2	1344	7/12/2012	\$40,000	\$37,144
MHGD	99801183500	2	1536	1/8/2013	\$41,500	\$41,500
MHGD	99801397500	2	1536	9/13/2012	\$45,000	\$42,858
MHGD	99900085400	2	1232	2/2/2012	\$45,000	\$39,109
MHGD	99800929500	2	1344	10/1/2012	\$46,000	\$44,358
MHGD	99900148500	3	1716	7/25/2012	\$49,107	\$45,600
MHGD	99801502200	2	1568	9/12/2012	\$49,900	\$47,524
MHGD	99901030400	2	1568	12/14/2012	\$50,000	\$49,405
MHGD	99801397300	2	1592	2/23/2012	\$55,000	\$47,800
MHGD	99900430500	2	1568	9/19/2012	\$56,000	\$53,334
MHGD	99801332500	2	1568	3/16/2012	\$56,900	\$50,128
MHGD	99900986100	2	1620	8/6/2012	\$57,000	\$53,608
MHGD	99801505900	2	1680	3/25/2013	\$58,500	\$59,892

MHGD	99900131700	2	1568	2/19/2013	\$60,000	\$60,714
MHGD	99900584600	2	1680	7/6/2012	\$72,000	\$66,859
MHGD	99900814500	2	1792	12/7/2012	\$74,000	\$73,119
MHGD	99900986300	2	1836	3/2/2012	\$84,950	\$74,840
MHGD	99901063000	2	1782	7/30/2012	\$88,000	\$81,716
MHGD	99901162900	2	1620	10/31/2012	\$96,000	\$92,572
MHGD	99901153400	3	2465	8/23/2012	\$125,000	\$117,562

MHGD Ratio Statistics New Value/Trended Sale Price	
Mean	975
Median	.912
Weighted Mean	.932
Price Related Differential	1.046
Coefficient of Dispersion	.229

Neighborhood MHEX

NBHD	PARCEL ID	WIDTH	TLA	SALE DATE	SALE PRICE	TRENDED SP
MHEX	99901006400	2	1188	10/18/2012	\$65,000	\$62,679
MHEX	99900997500	2	1330	10/26/2012	\$69,000	\$66,536
MHEX	99901184200	2	1464	1/25/2012	\$87,000	\$74,575
MHEX	99901152000	2	1318	3/23/2012	\$89,000	\$78,408
MHEX	99901009800	3	1716	1/31/2013	\$90,000	\$90,000
MHEX	99900878000	3	2080	7/16/2012	\$91,000	\$84,502
MHEX	99900958500	3	2036	8/15/2012	\$92,000	\$86,525
MHEX	99900892800	3	1582	2/28/2012	\$92,000	\$79,956
MHEX	99901154400	3	1600	2/13/2013	\$95,000	\$96,131
MHEX	99900919800	3	2124	6/8/2012	\$95,000	\$87,086
MHEX	99900800500	3	1528	2/20/2013	\$95,000	\$96,131
MHEX	99900889600	3	2170	8/31/2012	\$103,750	\$97,576

MHEX Ratio Statistics	
New Value/Trended Sale Price	
Mean	.953
Median	.973
Weighted Mean	.956
Price Related Differential	.997
Coefficient of Dispersion	.087

OVERALL SALES RATIOS FOR MOBILE HOMES IN COURTS

New Value/Trended Sale Price	
Mean	.949
Median	.944
Weighted Mean	.926
Price Related Differential	1.024
Coefficient of Dispersion	.252

MULTIPLE REGRESSION ANALYSIS ASSUMPTIONS

Complete and Accurate Data:

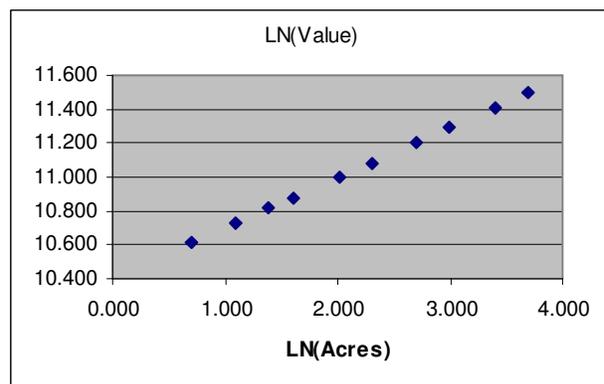
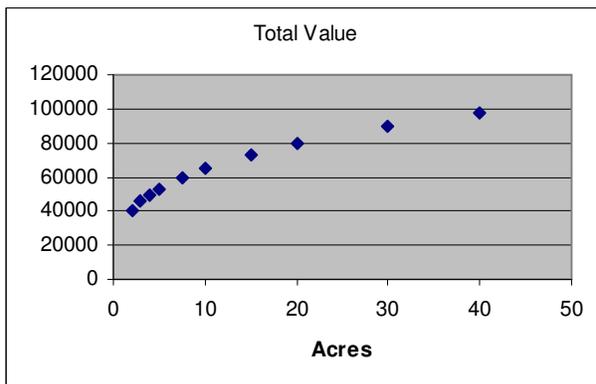
- Data definitions and standards have been developed to ensure our data is as complete and accurate as possible.
- A procedure has been established to ensure sales are properly verified.
- Annual training is conducted to remind appraisers of the standard that have been developed.

Representativeness:

- It is assumed that the sale sample adequately represents variables in the model.
- Violation of this assumption may affect the accuracy of the model in predicting the value of properties that are under-represented. For example, if there are no sales of “Excellent” view, the model would make no distinction from the typical “Average” view and an “Excellent” view. Using scalar or linearized variables in the model has mitigated this potential problem.

Linearity:

- It is assumed that the marginal contribution of a variable is constant over the range of values for the variable. Each additional unit of size or quantity adds equally to the value.
- The assumption is violated when economies of scale or other non-linear relationships are present.
- Developing a multiplicative land model has helped to create linear relationships between the dependent variable and independent variables.
- For example, using the natural logarithm of the lot size (acres) addresses the decreasing marginal utility of adding additional units of land. See example below.



Additivity:

- It is assumed that the marginal contribution of one independent variable is not affected by the changes in other variables.
- The assumption is violated when one independent variable interacts with another.
- This assumption generally does not hold for land models
 - Land characteristics are often interactive. For example, the adjustment for view may be influenced by the size or topography of the land parcel.
- A multiplicative model helps to address this issue but converting the format to log-linear terms.

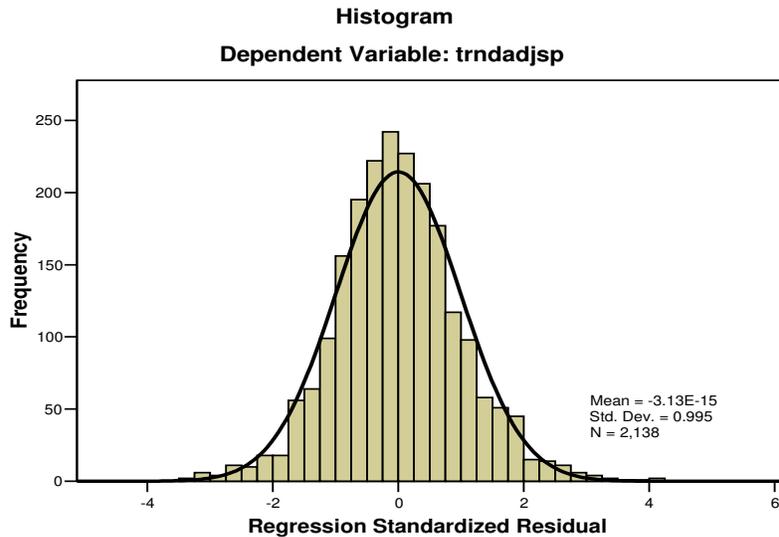
No Correlation between Independent Variables:

- It is assumed that there is no correlation between independent variables.
- This assumption is addressed by reviewing the correlation matrix and by either eliminating one of the correlated variables or combining the highly correlated variables.

Normal Distribution of Residual Errors:

- Violation of this assumption affects the interpretation of the SEE, COV, and t-statistics.

- With large samples and proper screening of the sales, this assumption is typically not a problem.
- The assumption is verified by examining a histogram of residual errors. See example below.



Constant Variance of the Error Term (homoscedasticity):

- The residual errors should be consistent as prices increase.
- Violation of this assumption implies the residual errors are not evenly distributed (heteroscedasticity).
- As a result the model will chase high priced sales that may not be representative of the market.
- Sales have been properly screened to ensure accuracy of the data, and outliers have been removed to reduce the likelihood of this problem.
- Expressing the sale price (dependent variable) in per square foot or per acre terms has also helped to minimize this potential problem.
- Verified by examining a scatter diagram comparing residual errors to corresponding predicted values. See scatter diagram below as an example. The horizontal line-of-best-fit indicates that the residual errors are evenly distributed among the predicted values.

