

Market Value Decline?

Median Value: The MEDIAN value is the middle of a series arranged in order by value. In the example below it is the 5th in a series of 9 values. There are 4 values lower and 4 values higher. If the series contained an even amount of values, say 10, it would be the average of the 5th and 6th value.

2023 Sales		2024 Sales	
Assume ALL Sold for Assessed Value		Assume ALL Sold for Assessed Value	
81,000	Rural area	81,000	Rural area
92,000	Rural Area	92,000	Rural Area
123,000	Rural Area	123,000	Rural Area
329,000	Lakefront	329,000	Lakefront
600,000	Lakefront (Median)	330,000	Lakefront (Median)
604,000	Lakefront	604,000	Lakefront
610,000	Lakefront	610,000	Lakefront
670,000	Lakefront	670,000	Lakefront
<u>896,000</u>	Lakefront	<u>896,000</u>	Lakefront
9	Number of Sales	9	Number of Sales
600,000	Median Value	330,000	Median Value

In 2024 the Median sale price dropped 45%. Does this indicate assessments are 45% high? No! It means the median price was lower. If higher valued home sales dominate the market the median price will be higher. If lower valued home sales dominate the market the median price will be lower.

Mean Value: The MEAN value is the average value of a series. In the example below it is the sum of the values divided by the number of values in the series. *(Same sales used from above example)*

2023 Sales		2024 Sales	
Assume ALL Sold for Assessed Value		Assume ALL Sold for Assessed Value	
81,000	Rural area	81,000	Rural area
92,000	Rural Area	92,000	Rural Area
123,000	Rural Area	123,000	Rural Area
329,000	Lakefront	329,000	Lakefront
600,000	Lakefront	330,000	Lakefront
604,000	Lakefront	604,000	Lakefront
610,000	Lakefront	610,000	Lakefront
670,000	Lakefront	670,000	Lakefront
<u>896,000</u>	Lakefront	<u>896,000</u>	Lakefront
4,005,000	Sales	3,735,000	Sales
/ 9	Number of Sales	/ 9	Number of Sales
445,000	Mean Value	415,000	Mean Value

In 2024 the Mean sale price dropped 6.74%.

Does this indicate assessments are 6.74% high? No! It means the average price was lower. If higher valued home sales dominate the market the average price will be higher. If lower valued home sales dominate the market the average price will be lower.

NOTE: All sales are the same except for one. One sale does not make a market. Mean or median prices are easily influenced by one sale and are not valid indicators to determine assessment accuracy.