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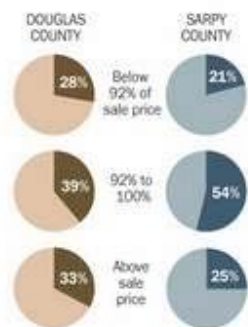
31% of valuations topped sale price

By [Paul Goodsell](#)

WORLD-HERALD STAFF WRITER

HOUSE VALUATIONS OFTEN EXCEED MARKET

Accuracy of 2011 valuations on houses that sold last year.



SOURCE: World-Herald analysis of Douglas and Sarpy County records.

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• **Check your valuation:** A new site from The World-Herald, [Curbwise.com](#) lets you see your 2011 valuation before it's mailed out by the Assessor's Office. The site also shows sales trends and information about your neighborhood.

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Three out of 10 homeowners in Douglas and Sarpy Counties might be paying more than their share of property taxes, according to a World-Herald analysis of property valuations and recent sales.

The analysis suggests that county assessors might have been able to lower valuations more this year because of weaknesses in the local real estate market. And it indicates that thousands of homeowners might be able to make a case for lower valuations during Board of Equalization protests in June.

“Those are the ones that are going to come in and protest,” acknowledged Douglas County Assessor Roger Morrissey. “The protest period is for those to come and show us where we're wrong.”

New valuations for 2011 will be mailed to property owners on Friday in Douglas County and on Tuesday in Sarpy.

The valuations will be used to calculate property taxes paid in 2012, using tax rates set by local governments this summer.

Overall, both Douglas and Sarpy Counties meet state standards for the accuracy of their 2011 valuations on a countywide basis. But the state's statistical tests don't mean that all individual valuations are correct.

The World-Herald looked at more than 8,000 sales during 2010 and compared the sale price on each house to the new 2011 valuations.

Ideally, valuations should be 92 percent to 100 percent of sale prices, which is the state's target range for accuracy. But the newspaper's analysis found that was true for only 43 percent of those 2010 sales. The accuracy rate was better in Sarpy County, slightly worse in Douglas.

Nearly 31 percent of those sales in the two counties were for a lower price than the valuation, meaning that the valuations may be too high. For the remaining 26 percent, the valuations appear to be too low — below the state's target range.

Those valuations are slightly less accurate than last year's numbers.

A year ago, Douglas and Sarpy assessors cut valuations for 70,000 homeowners amid a slumping real estate market.

This year, about 40,000 homeowners — roughly one in five — are receiving reductions.

Most of those cuts are in Sarpy County, where nearly all valuations were updated this year. In most cases, the Sarpy cuts were small.

In Douglas County, only one out of nine homeowners had any change in valuations. For those with reductions, however, the cuts were sometimes 20 percent or more.

County officials said they did not think the local housing market had changed enough — for either better or worse — to justify valuation cuts that

were deeper or more widespread.

“The market is flat,” Morrissey said. “There has not been a significant raise or drop. Why am I going to go in and raise a lot or lower a lot when the market is basically the same?”

In fact, Morrissey said, median house prices actually went up last year, although the trend varied by neighborhood.

Sarpy Assessor Dan Pittman said new home construction is starting to pick up, and existing houses are selling closer to their listing prices.

Assessors also said it's inevitable that valuations will differ from sale prices on some individual homes. For example, the new valuations attempt to pinpoint market values as of Jan. 1, 2011, yet few houses are sold on that date.

“The market constantly changes,” Morrissey said. “We're trying to hit a moving target. You're going to find some above and some below.”

In addition, he said, county appraisers usually don't go inside houses, and they don't always know details that can affect the market value of a house.

Assessors said their goal is to minimize the discrepancies.

That can be tricky in a tough real estate market, where a flurry of foreclosures can erode prices and where shrewd buyers can drive hard bargains.

Real estate agent Lois Finkel saw that recently on a 10,000-square-foot house she listed in Linden Estates, initially for \$1.7 million. The owner had paid \$1.55 million in 2008, and it was on the tax rolls for nearly that much.

The house had seven bedrooms, 10 baths, a four-car heated garage and a backyard landscaped with waterfalls.

But when it finally sold in March, the house brought just \$1.25 million.

“Property values have gone down,” Finkel said. “Today's market is very picky and very conservative.”

Lower priced neighborhoods also have been hit hard, with many foreclosures and other distressed sales. That's why, in Douglas County, a number of those areas were given lower valuations this year. Even so, sale prices for some houses fell even below the reduced assessments.

State law gives property owners the right to protest their valuations, regardless of whether they changed this year, to their County Board of Equalization during June.

Morrissey said valuations are opinions or estimates of market value. In some cases, valuation protests can help make those estimates more accurate.

“Show us where we're wrong,” he said, “and there will be changes made.”

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