

## Section 12—Abbreviations and glossary

### Abbreviations

AV:	Assessed Value
AVM:	Automated Valuation Model
BOPTA:	Board of Property Tax Appeals
CAFFAA:	County Assessment Function Funding Assistance Account
CAAP:	Computer Assisted Appraisal Program
COD:	Coefficient of Dispersion
COV:	Coefficient of Variation
CPR:	Change Property Ratio
DOR:	Department of Revenue
IAAO:	International Association of Assessing Officers
MAV:	Maximum Assessed Value
MLS:	Multiple Listing Service
PRD:	Price Related Differential
RMV:	Real Market Value
RP:	Real Property

### Glossary

**Absolute deviation:** In an array, the absolute value of the difference between a sample point and the median. For assessment purposes, the median ratio is the central tendency used to calculate the Coefficient of Dispersion. Its formula is expressed as:

$$AD = |X_i - \tilde{X}_{median}|$$

**Absolute value or number:** The value of a number regardless of its sign. For example: 3 and -3 both have an absolute value of 3. An absolute number is expressed between two vertical lines:

$$|5 - 15| = |-10| = 10$$

**Abstract of title:** A summary of all conveyances, such as deeds or wills, and legal proceedings, giving the name of the parties, the description of the land, and the agreements, arranged to show the continuity of ownership for a specific piece of property. See also title.

**Account number:** A number assigned to each property by which it is listed and identified on the assessment roll and tax roll. ORS 308.215 requires that property be listed in sequence by account number. Any number that is permanently assigned to a property can serve this purpose. Other points of reference used are key numbers, reference

numbers, etc. (Ref. 1989 Oregon Cadastral Map System, Volume 1, Concepts and Standards Manual.)

**Adjustment area:** A group of properties to which a given percentage adjustment is applied to real market value as a result of a ratio study. This group of properties is usually synonymous with a market area, maintenance area, study area, etc.

**Adjustment, market value:** The percentage or dollar amounts applied to real market value as a result of ratio studies.

#### Adjustment programs:

**Blanket adjustment program:** Adjustments, dollar or percentages, applied to all property in an equal amount, ignoring property location and/or property class. For example, a 10 percent adjustment applied to the prior year's real market value of all classes of property in a valuation area, or areas, in the county is a blanket adjustment.

**Selective adjustment program:** Adjustments applied to properties on a selective basis that considers trends and indexes as they relate to each property class, or properties within a property class. For example, varying percentage or dollar adjustments applied by class of property by appraisal area is a selective adjustment program. The percentage relationship between the prior year's real market value and an estimate of current real market value made by a qualified appraiser for a particular property.

**Adjusted sales price:** The sales price that results from adjustments made to the stated sales price to account for effect of time, personal property, financing, etc.

**"After" ratio study:** The "After" ratio study is a sales ratio study designed to test whether or not a county's annual valuation program is producing real market values that meet the requirements of bringing all properties to 100 percent of real market value. See OAR 150-308.027(5)(D)(ii) and OAR 150-309.200(B)(12).

**Appraisal date:** For mass appraisal this is a predetermined point in time to which all appraisals are made. All sales used in the pre-appraisal setup are adjusted to this date to reflect either inflationary or deflationary trends in the market. This date usually differs from the assessment date or the inspection date.

**Appraisal ratio:** The percentage relationship (ratio) between a property's current year roll real market value and its newly appraised real market value.

**Appraisal ratio study:** A statistical compilation of appraisal ratios for a representative group of properties

in the county. These properties are randomly selected on a property class basis to produce an indication of the ratio of the current year real market value for a taxable property in a particular class of property within an appraisal area or market area. Generally used in areas of limited or no sales data.

**Arithmetic mean:** A measure of central tendency also called the average. The mean is the total of all the ratios in the array divided by the number of the ratios in the array. Repeat this procedure for each property class, by market area, which you have identified in your county.

$$\bar{X} = \text{Total Ratios} \div \text{number of sales in array}$$

**Arm's-length transaction:** A transaction freely arrived at in an open market, unaffected by abnormal pressure or by the absence of normal competitive negotiations, as might be true in the case of a transaction between related parties.

**Assessment date:** January 1 at 1:00 a.m. See ORS 308.210.

**Assessment program:** The entire process used by the assessor to administer the property tax system.

**Assessment roll:** A certified document prepared annually by the assessor with a comprehensive listing of all taxable property within the county. See ORS 308.210 for contents of the assessment roll.

**Assessment year:** January 1 through December 31.

**Assessed Value (AV):** The lower of the property's maximum assessed value (MAV) or real market value (RMV). For specially assessed property, the lesser of RMV or MAV for any market portion, plus the lesser of the specially assessed value (SAV) or maximum specially assessed value (MSAV) for each individual soil class, qualified home site, and on-site development.

**Average absolute deviation:** The average of the absolute deviation in the array.

$$AAD = \frac{\sum |X_i - \tilde{X}_{median}|}{n}$$

**Average deviation:** A measure of dispersion computed by dividing the total of absolute deviations by the number of sales in the class.

**Bias:** See sample bias.

**Board of Property Tax Appeals (BOPTA):** Local appeal board that replaced the board of equalization and board of ratio review. The board convenes the first Monday in February of each year.

**Building class:** The quality classification (1-8) of the principal structure on the property sometimes referred to as the factor book class.

**Centrally assessed property (ORS 308.515):** Property assessed by the Department of Revenue. It includes property used by a company in performing any of the following businesses or services: rail transportation; private rail cars; air transportation; communications; electrical generation; transmission and distribution; natural gas distribution; gas and oil pipelines; and water transportation.

**Central tendency:** The tendency of most kinds of data to cluster around some type or central value, such as a median or mean.

**Certified assessment roll:** The real market values for the year just prior to the current roll in preparation. See assessment roll.

**Changed Property Ratio (CPR):** Ratio determined by dividing the average maximum assessed value (AMAV) by the average real market value (ARMV) for the same area and property class of unchanged property, county-wide. The constitutional definition does not include the word "countywide" in the CPR definition. If you read the definition of "Area" in ORS 308.149, it states that area means the county in which the property is located. Hence, the policy is to calculate the CPR countywide.

**Coefficient of determination (r<sup>2</sup>):** The proportion of the total variance in the dependent variable that is explained by the independent variables; the proportion of total variance explained by the regression.

**Coefficient of Dispersion (COD):** The COD facilitates comparison of the deviation or dispersion about different sized medians. It is the ratio of the average absolute deviation to the median. The average deviation is converted to a percentage. It is calculated with the following formula (since it is expressed as a percent, multiply by 100 as shown).

$$COD = \frac{AAD}{\tilde{X}_{Median}} \times 100$$

**Coefficient of Variation (COV):** A relative measure of dispersion. The ratio of the standard deviation to the arithmetic mean. Since the standard deviation is expressed as a percent of the mean, the COV facilitates comparison of variability about different sized means. The standard deviation divided by the mean, times 100 (standard deviation is expressed as a percentage), is calculated with the following formula:

$$COV = \frac{s}{\bar{X}_{Mean}} \times 100$$

**Computer Assisted Appraisal Program (CAAP):** Means any use of a computer to calculate or develop real property values, or to store any property characteristics. The entire process used by the assessor to value property using computer-assisted valuations or computerized valuation methods.

**Condition code(s):** A numeric code reflecting the circumstances of each sale transaction. It is the result of the sale confirmation process. After each sale is verified and coded as to its usability in the ratio analysis process, all sales can then be sorted by the condition code desired by the analyst. The list showing the options in a coded fashion (for concise identification) is in Chapter 5.

**Confidence interval:** For a given confidence level, the range within which one can conclude that the population parameter (such as the median or mean appraisal ratio) lies. The reliability of the confidence interval depends on the extent to which any required statistical assumptions are met.

**Confidence level:** The required degree of confidence in a statistical test or confidence interval, commonly 90, 95, 99 percent. A 95 percent confidence interval would mean, for example, that one can be 95 percent confident that the population parameter (such as the median or mean ratio of appraised values to real market values) falls in the indicated range.

**Consideration:** The price or subject matter that induces a contract; may be in money, commodity exchange, or a transfer of personal effort. In appraisal, usually the actual price at which the property is transferred.

**Contract:** An agreement between competent legal parties to do some legal act or to refrain from doing some legal act in exchange for consideration. See land contract.

**Conveyance:** A written instrument that passes an interest in real property from one person to another; may be a deed, mortgage, or lease, but not a will.

**County Assessment Function Funding Assistance Account (CAFFAA):** A fund that is established by ORS Chapter 294 to give quarterly grants to counties that provide resources to achieve compliance, if the counties planned estimate of expenditures for assessment and taxation so determined are adequate.

**Current Assessment Roll:** The roll in preparation for the tax year that lists the properties identified as of January 1.

**Data:** In appraisal, it is the information pertinent to a specific assignment. In statistics, it is information or fact, most generally in numerical form, that can be classified by qualitative characteristics (ratios), size, frequency distribution, or time (time series or regression analysis).

**Date of sale:** Date conveyance instrument was signed and notarized, signifying the date that sale price or terms were agreed upon between the buyer and seller.

**Deed:** A legal instrument in writing that, when properly executed and delivered, conveys an estate or interest in real property. Examples, listed in their order of importance, are:

**General warranty deed, a.k.a.: warranty deed, statutory warranty deed:** This deed provides the greatest amount of protection of any other deed type to the grantee. Grantor warrants protection (covenants) against all valid claims to the property's title since private ownership and into perpetuity.

**Special warranty deed:** This deed conveys the title to the described property with limited protection for the grantee. The protection, referred to as warrants or covenants, is limited to the acts created or suffered by the grantor.

**Bargain and sale deed:** This deed conveys the entire estate as [legally] described, held by the grantor. There are no warranties or covenants concerning the quality of title being conveyed by the grantor.

**Quitclaim deed:** This deed is used to convey title or relinquish the interest, if any, of the grantor. No quality of title is implied.

**Trust deed:** A deed by which a trustor (borrower) conveys his title to a trustee for the benefit of a beneficiary (lender) as security for money borrowed against the property.

**"Statutory—deed":** Refers to ORS 93.580 et seq; cites in statute the implied covenants, minimal verbiage for certain deeds; cites the types of deeds with this reference; provided for by legislative action.

**Deviation:** The difference between the selected ratio (central tendency) and the individual ratios in an array. In this formula the median is used.

$$D = X_i - X_{Median}$$

**Dispersion:** In statistics, the degree of scatter of a set of terms or observations, usually measured from a central tendency such as the mean or median.

**Equity:** The degree to which assessment bears a consistent relationship to real market value. Equity of assessment means property groups are valued at the same level of assessment, for example 100 percent of RMV. Equity is closely related to uniformity. See also horizontal inequity and vertical inequity.

**Frequency distribution:** A tabulation of individual ratios, usually expressed in a graph format, determined by counting the ratios falling within uniform ratio spreads, such as: 10, 20 or 30 percentage points.

**Geometric mean:** A measure of central tendency that is not as susceptible to distortion as the mean and weighted mean. This measure of central tendency is computed by multiplying all the ratios together in the array and dividing by their -nth root, where n is the number of sales in the array.

$$\text{Geometric mean} = X_{Geo. Mean} = \sqrt[n]{X_1 \times X_2 \times \dots \times X_n}$$

**Grantee (buyer):** A legal party to which property is transferred by deed or other instruments.

**Grantor (seller):** A legal party who transfers property by deed or grants property rights through any other instrument (seller).

**Heterogeneous:** Mixed, varied, non-homogeneous.

**Highest and best use:** The highest value that a property is capable of attaining at the time of appraisal considering the legally permitted use, financial feasibility, the capability to produce the greatest net return to the land and/or buildings over a given period, and what is physically possible.

**Histogram:** A bar chart or graph of a frequency distribution in which the lengths of the horizontal or vertical bars are proportional to the number of the percentages of observations in each defined set(s) of boundaries.

**Hold-out-sample:** A sample of sales that have been collected after the sales ratio year, whereby the ratio level is determined from this sample and a comparison is made of the current ratio level to the projected ratio level.

**Homogeneous:** Describes a market area where the property types and uses are similar, and the inhabitants have compatible cultural, social and economic interests.

**Horizontal inequity:** Differences based on criteria of improvement grades rather than value range in the levels of appraisal of groups of properties. For example, properties in one market area may have a higher appraisal level than similar properties in another market area. See vertical inequity.

**Index:** A number, usually expressed as a percentage, used to measure change such as a construction cost index. Indexes are developed to identify the amount of change to be made by applying adjustments. (See relative index for further explanation as to how it was used in previous ratio studies.)

**Instrument:** In relation to real estate, the term refers to a formal legal document, such as deed, contract, mortgage, lien, lease, will, etc. For assessor use, the instrument must have recordation number(s) from the County Clerk's office in which the property is located.

**Instrument number:** Volume and page, microfiche, or other traceable filing number to locate the date and time of instrument recordation, as with deeds, mortgages, contracts, liens, etc.

**Land contract:** A real estate installment purchase agreement whereby the buyer may use, occupy, and enjoy land, but no deed is given by the seller (no title has been passed) until all or specified part of the sale price has been paid; subsequently evidenced by a valid recorded deed. (Also referred to as land sale contract, contract for sale, memorandum of contract.)

**Locally appraised:** Real and personal property appraised by county assessor's staff.

**Manufactured structure:** A class of structures built off-site, designed to be moved "...on the public highways that have sleeping, cooking and plumbing facilities that are intended for human occupancy, and that are being used for residential purposes." This class of structure includes manufactured dwellings, mobile homes, manufactured homes, recreational vehicles, and recreational structures and are further identified by year of manufacture and limitations of use described in ORS 446.003.

**Market area:** That geographic area or political jurisdiction within which alternative similar properties are effectively competitive with the subject property in the minds of probable potential purchasers. A group of properties that generally share important characteristics that influence value. Each market area should contain a sufficient number of accounts to ensure an adequate sales sample for analysis.

**Market price:** The amount actually paid, or to be paid, for a property in a particular transaction. Differs from market value in that it is an accomplished or historic fact, whereas market value is and remains an estimate until proved. Market price involves no assumption of prudent conduct by the parties, or absence of undue stimulus, or of any other condition basic to the fair or open market value concept.

**Mass appraisal:** A method of appraising a large number of properties at one time by adopting standard techniques, giving due consideration to the valuation process so that uniformity and equity of values can be achieved between all properties.

**Maximum assessed value (MAV):** A term defined by Measure 50, passed by Oregon voters in 1997. The maximum (limit) of a property's assessed value (AV). For the 1997-98 tax year, maximum assessed value (MAV) was the 1995-96 real market value (RMV) less 10 percent. For tax years after 1997-98, the MAV will be the greater of 103 percent of the property's assessed value from the prior year or 100 percent of the property's MAV from the prior year. MAV may be increased or recalculated under certain circumstances to reflect changes to the property (exceptions).

**Mean:** The result of adding all the values of a variable and dividing by the number of values. (See also arithmetic mean or average.)

**Median:** A measure of central tendency calculated by determining the exact middle ratio in an array. The value of the middle item where an odd number of items are arrayed according to size; or the arithmetic average of the two central items, if there is an even number of items. It is a positional average and is not affected by the size

of extreme values. In an array, for an example, extreme ratios may skew the mean or the weighted mean. However, the median and the geometric mean will be less subject to the influence of the extreme ratios.

$$(n + 1) \div 2$$

$n$  equals the number of sales in the array.

**Midpoint (selected ratio):** A ratio within the sales collection period that best represents the majority of sales activity (month or quarter). Not necessarily the middle of the sale year.

**Mode:** A ratio that occurs most frequently in a ratio array.

**Modular home/structure:** “Mobile modular unit” means a prefabricated structure that is more than eight and one half feet wide, is used for commercial or business purposes and is capable of being moved on the highway. Per ORS 308.866.

**Multiple listing service (MLS):** A commercial service that provides a system that pools the price listings of all member real estate companies, for a fee. It effectively expands the offerings a real estate agency may show to prospective buyers and extends the marketing of an agency’s own listings.

**Neighborhood:** See market area.

**Normal distribution:** A theoretical frequency distribution often approximated in real world situations. It is symmetrical and bell shaped; 68 percent of the observations occur within one standard deviation of the mean and 95 percent within two standard deviations of the mean.

**Outlier:** An observation that has an unusual value, that varies widely from a measure of central tendency. Some outliers occur naturally, others may be due to data error.

**Parameter:** Descriptive characteristics of a population as a whole. For instance, it could be the average square footage, or the average real market value, or the average percent good in the market place.

**Personal property:** Any property that is not realty; all moveable items not permanently affixed to or part of real estate. Also known as chattels. Intangible personal property (i.e., mortgages, computer software, etc.) is not assessable in Oregon. Beginning in 1997-98, most personal property accounts less than \$10,000 in value, but excluding manufactured structures, are not required to pay property tax.

**Population:** All the properties in an appraisal area, market area, or study area.

**Price-related differential (PRD):** The price-related differential is a measurement of assessment **regressivity** and **progressivity**. It is calculated by dividing the mean by the weighted mean. Price-related differentials greater than 1.00 suggest that the high-valued parcels in the

array are under-appraised (regressive), thus pulling the weighted mean below the mean. If the price-related differential is less than 1.00, it suggests that the high-valued parcels are relatively over-appraised (progressive), pulling the weighted mean above the mean.

$$PRD = \bar{X}_{Mean} \div X_{Wt. Mean}$$

**Progressivity:** Appraisals are considered progressive where high-valued properties are over-appraised relative to low-valued properties.

**Property class:** A three-digit code number, maintained on a continuing basis, for each individual parcel of locally assessed real property in a county. The classification assigned will be determined by the land’s highest and best use except when specially assessed. OAR 150-308.215(1)-(A) lists the property class codes approved by the department.

**Ratio:** Relational value in number or degree between two similar things. The relative size of two quantities expressed as the quotient of one divided by the other. See sales ratio.

**Ratio study:** The assessor’s certified ratio study required by ORS 309.200-(A) and filed with the clerk of the Board of Property Tax Appeals (Oct. 15). The contents must comply with OAR 150-309.200(B) and the current assessor’s ratio study procedures manual. This study estimates the percentage relationship between (1) the total prior year’s real market value of taxable property on the prior assessment roll, and (2) the total current real market value of the same properties in each property class countywide; in each appraisal area; within each appraisal area within each market area; and/or by month and quarter by sale date.

**Real Market Value (RMV):** The amount in cash that could reasonably be expected to be paid by an informed buyer to an informed seller, each acting without compulsion in an arm’s-length transaction occurring as of the assessment date for the tax year. As established by ORS 308.205.

**Real market value ratio:** The percentage relationship between the prior year’s real market value of taxable property on the certified assessment roll and the same property on the current assessment roll.

**Real Property (RP):** An identified parcel or tract of land including any improvements. For purposes of the ratio study, all real property accounts in the county including those that the Department of Revenue is responsible for, i.e., utilities, unless otherwise indicated.

**Recalculation:** An automated valuation processing method where traditional mass-appraisal set-up techniques are utilized and applied. These techniques and market-based value components are implemented using tabled, computer-aided formats replicating real market value levels for applicable classes of real property.

**Recordation date:** The calendar date and time of day that the written evidence of a completed transaction became of public record or notice in the county where the real property is located. This date and time are the critical elements which establish priority in the chain of title of a property.

**Relative index:** An index that calculates the percentage a property class contributes to the countywide ratio.

**Reliability:** In a statistical sense, concerns the degree of confidence one can place in a calculated statistic for a sample. There are two related measures of reliability: confidence intervals and standard error.

**Regressivity:** Appraisals are considered regressive where high-valued properties are under-appraised relative to low-valued properties.

**Rural:** Pertaining to the area outside the relatively larger and moderate-sized cities and surrounding population concentrations. Rural properties are generally characterized by farms, ranches, small towns, and unpopulated regions. Check with the planning and zoning department in your county for specific applications, limitations, and requirements. Also, check with utility companies and lending institutions for further considerations.

**“Rurban:”** Areas on the fringe of urban development that are, or may be in the process of being developed for urban uses. See caveats for rural.

**Sale:** The act of selling; exchange of goods or services for an amount of money or its equivalent (*Webster’s Dictionary*). For ratio purposes, see also arm’s-length transaction.

**Sales analysis:** Sales data used to analyze RMV levels by measuring changes in sales prices against prior year’s RMVs.

**Sales array:** A grouping of sales listed in ascending order according to the size of the ratio.

**Sales list:** A listing of all sales used in the ratio study prepared in accordance with OAR 150-309.200(c).

**Sale price:** The price at which the property actually sold. (See also market price.)

**Sales Ratio:** The percentage relationship between RMV from the certified assessment roll and the selling price for a particular property. This can be expressed as a percent or decimal. The common practice is to express the ratio as a whole number. Multiply the quotient by 100. This ratio is also an indication of RMV level.

$$\text{Sales ratio} = (\text{RMV} \div \text{Sales Price}) \times 100 = \text{Ratio}$$

**Sales ratio study:** A statistical compilation of sales ratios designed to produce an indication of the real market value ratio of each property class countywide and each property class within each appraisal area, property class within each market area, and property class within each study area.

**Sales take-off:** The systematic process of taking pertinent information from recorded and unrecorded property transfers (deeds) on a month-by-month basis and organizing this information in a database or manual sales record file for future use.

**Sample:** A set of observations selected from a population. If the sample was randomly selected, basic concepts of probability may be applied.

**Sample bias:** Bias is a systematic distortion of the results from consistent error. It may be due to some flaw in measurement (poor statistical technique or application of condition codes), the method of selecting the sample (the consistencies and intentional distortion in the real estate marketplace), or the poor selection of market area parameters.

**Scatter diagram:** A graphic means of depicting the relationship or correlation between two variables by plotting one variable on the horizontal axis and one variable on the vertical axis. Often in ratio studies, it is informative to determine how ratios are related to other variables. A variable of interest is plotted on the horizontal axis and the ratios on the vertical axis.

**Similarity, percent of (PS):** A measurement of sample bias developed by the Oregon Department of Revenue. Percent of Similarity compares some known parameters of the population with its estimate from the sample. The measurement is simply the smaller (from the sample or population) number divided by the larger (from the sample or the population) number and expressed as a percent.

$$PS = \frac{\text{small number}}{\text{large number}} \times 100$$

**Situs address:** The physical U.S. Mail address/location of the property (street address, rural route, etc.) although, typically assigned by the local planning division.

**Standard deviation:** A measure used to check the variation of the sample from the mean. The statistic calculated from a set of numbers by subtracting the mean from each value and squaring the remainders, adding together these squares, dividing by the size of the sample less one, and taking the square root of the result.

$$s = \sqrt{\frac{\sum (X_i - \bar{X}_{Mean})^2}{n - 1}}$$

**State responsibility industrial accounts (ORS 306.126, OAR 150-306.126):**

*Principal industrial property:* Any unit of industrial property having a RMV of the improvement on the assessment roll for the preceding year of over \$5 million. Some examples: sawmills, food processing facilities, printing and publishing operations, etc.

**Secondary industrial property:** Any unit of industrial property having a RMV of the improvement on the assessment roll for the preceding year of more than \$1 million but of \$5 million or less. Some examples of state responsibility accounts: sawmills, plywood plants, paper mills, electronics, chemical manufacture, food processing, metals, etc.

**Statistical class (stat class):** A three-digit classification code (not to be confused with property classification) of structural improvements. This code identifies characteristics of that structure such as: type, stories, building class, etc.

**Straddle study:** Any study sensitive to change from a specific point, where the sample is developed from sales spanning equal distance from each side of the specific point (assessment date).

**Stratification:** A process of dividing data into smaller components, such as: identifying individual components of sales data and separating them from a larger assortment of sales data for analysis purposes. Examples could include analyses by square foot, by age, or year built. Another example could be stratifying an array of ratios into ranges—to 25 percent, 25 to 50 percent, 50 to 75 percent, etc.

**Study area:** Usually a smaller delineation than a market area. Typically, it is a group of properties identified during the sales ratio process when an analysis of the sales indicates a separate market is developing due to unique characteristics setting these properties apart from the rest of the area. A study area may develop into a market area or valuation area.

**Suburb, suburban:** A town or unincorporated developed area in close proximity to a city. Suburbs, largely residential, are often dependent on the city for employment and support services; generally characterized by low-density development relative to the city.

**Tax year:** The period for which the property is taxed (July 1–June 30).

**Title:** The union of all elements that constitute proof of ownership. It is the evidence that the owner is in legal possession of the property.

**Trend:** A series of related changes, such as real estate price trends, time trends, market trends, etc.

**Usable sale:** A sale used in a ratio study that meets the criteria for an arm's-length transaction.

**Urban property:** Real estate located in an urban area, generally characterized by relatively high-density development and extensive availability of city water and sewer service. See also rural, "rurban," and suburban.

**Valuation:** A universal term used to encompass all methods of valuing property, from the traditional physical reappraisal to alternative methods (i.e., recalculation, etc.).

**Valuation area:** An area in a county generally composed of one or more school districts, a city or political subdivision, or any other logical division established by the county assessor for the purpose of conducting an orderly valuation of taxable properties as required by ORS 308.234. All real properties in such an area normally will be valued at the same time.

**Valuation date:** The roll year for which the last valuation was made of the property.

**Variable:** Mathematically, in an equation, a component or value subject to change; statistically a phenomenon or characteristic associated with a population or sample.

**Vendee:** A buyer, typically associated with contract of sale.

**Vendor:** A seller, typically associated with contract of sale.

**Vertical inequity:** Differences in the levels of appraisal of properties related to the value ranges of the properties. That is, properties of higher value levels have appraisal levels different from properties of lower value. See horizontal inequity. See IAAO texts. Often referred to when discussing price-related differential (PRD) with the PRD falling within the range of .98 and 1.03.

**Weight:** The percentage value that represents the relative importance of each element's contribution to the total.

**Weighted mean:** A measure of central tendency determined by dividing the sum of the RMVs in an array by the sum of the sale prices (or other indications of market value) for each property class in each market area or countywide.

$$X_{Wt. Mean} = (\text{Total RMVs} \div \text{Total Sale Prices}) \times 100$$

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