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Assessor Division
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Assessment Report- Residential Overview

City and Borough of Juneau

For Assessment Year 2024

Assessment Date (Effective Valuation Date): January 1, 2024

Report Date: March 6, 2024

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Introductory Message for 2024

The City & Borough of Juneau property assessment is the Assessor's determination of the fair market value of your property as of January 1, 2024. The current year's assessment valuations reflect a residential market largely stuck in place by the presence of significantly higher borrowing costs. In essence, many homeowners who may be willing to sell their property are hesitant to give up their sub 4% mortgages.

For residential properties, purchase prices for single-family homes in Juneau remained relatively flat when compared to the prior year, yet values remain much higher than they were a few short years ago. Homes that are appropriately priced continue to require a relatively short market exposure period. This market activity is reflected in CBJ's 2024 property assessments with the vast majority of residences receiving minor adjustments. Some neighborhoods experienced a decrease in assessed value when compared to the prior year.

Certain condominiums within the borough saw a greater than typical increase over prior year valuations. Condos are valued directly against other condo units within the same development based upon the sales when data is available. These condominiums had not seen the steep increases in value that other residential sectors have seen over that past several years. The current adjustments are the result of the sales information provided to our office.

Riverfront properties received a negative value adjustment to account for a stigma related to the flooding in August. This adjustment will be monitored over the upcoming assessment cycles and further refined as indicated by market sales.

Why do CBJ assessments matter?

The assessment establishes the taxable value of your property. Your property taxes are calculated by multiplying your assessed value per thousand by the millage rate, so it is important that your assessed value is accurate. The Juneau Assembly determines this millage rate each June as they set the budget for the next fiscal year. Only when the Assembly votes on the budget and finalizes the millage rate for the coming tax year will you know your individual property tax amount. The Assembly retains the authority to raise or lower tax rates.

CBJ mailed property assessment notices on March 1, 2024. If you think your property was inaccurately assessed, you must file a petition for review by Monday, April 1, 2024 at 4:30 p.m.

Scope of Work

The valuation of residential use taxable property within the City and Borough of Juneau (CBJ).

Client & Intended Users

The intended user(s) of this report is the City and Borough of Juneau.

Intended Use

This report is intended for use by the Assessor's Office in the administration of ad valorem property taxation.

It is not intended to serve as an all-encompassing report but as a summary report of the relevant valuations.

Effective Date

The effective date of this report and the associated values is January 1, 2024, for all property types.

For ad valorem tax purposes, the Assessor is required by law to annually value all property as of January 1st of each year, at one hundred percent of the true and fair market value.

Identification of Property

The subject properties of this report are all taxable real residential properties within the City and Borough of Juneau.

Valuation Summary

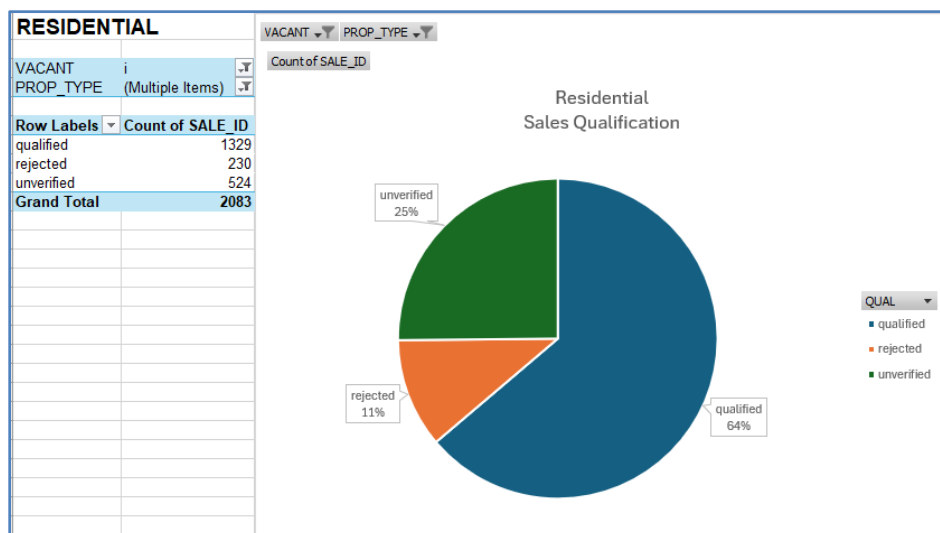
Sales Data

Sales data was gathered, screened and considered through a sales validation and verification process. Sales data is collected from property owners, appraisals, disclosed sales, and real estate professionals. A sales review and validation policy was implemented in 2021. *See Addendum A for the Sale Validation Policy.*

These are the qualification types utilized during the sales validation process:

- Qualified – Sale price disclosed, qualified and utilized within the sale review and analysis process.
- Unverified – No qualified sales information provided.
- Rejected – Rejected as a non-typical market transaction through the sale qualification process.

The residential property valuations for the year 2024 were based on a thorough analysis of qualified sales transactions that occurred between January 1, 2021, and December 31, 2023. During this period, a total of 2083 improved residential property sales were recorded. However, after carefully reviewing each transaction against the stringent qualification criteria outlined in Addendum A, 230 sales were deemed ineligible due to factors such as non-arm's length transactions, sales involving financial institutions as buyers or sellers, or sales related to estate settlements. Consequently, the final analysis incorporated 1329 qualified improved residential property sales with confirmed sale prices, ensuring a comprehensive and accurate assessment of the local real estate market.



Sales prices are adjusted for time to reflect market trends throughout the analysis range. Time trended sale adjustments are important for accurate valuation as of January 1, 2024, because market changes throughout the year can overstate or understate values. State statute requires assessments as of January 1 each year.

Approaches to Value & Canvass Cycle

The Assessor's Office considers the three approaches to value:

- Cost Approach – Land Value + RCN (Replacement Cost New) - Depreciation
- Sales Comparison Approach – Comparing qualified sale prices of like-properties.
- Income Approach – Utilizes surveyed market data and/or individual financial and sales data.

Residential properties are valued utilizing a hybrid of the Cost and Sales Comparison approaches. Cost information supplied by Marshall & Swift Valuation Services is used to develop a model of the improvements. Improvement characteristics and depreciation is considered resulting in an RCNLD value (Replacement Cost New Less Depreciation). Site value from our land model is specified for the parcel. The property is then segmented by property type and location and compared to qualified sales data of the same type and neighborhood. Market trends are reviewed, and a market adjustment factor is applied to the market segment to bring the level of appraisal to a acceptable IAAO standards. After the market adjustment factor is applied, a second ratio study is generated comparing recent sale prices with the proposed appraised values for the sold properties. The appraisal level both in updated and non-updated neighborhood are evaluated. The 2024 assessments are adjusted to the range of 95% of full market value.

The Assessor's Office utilizes a 5-year canvass rotating cycle, meaning appraisers from CBJ will physically visit the property, take exterior photos, and make any changes needed to building structural elements or land characteristics in addition to making a consideration as to the depreciation. Additionally, appraisers also record listing data, including interior photos when available and review building permits.

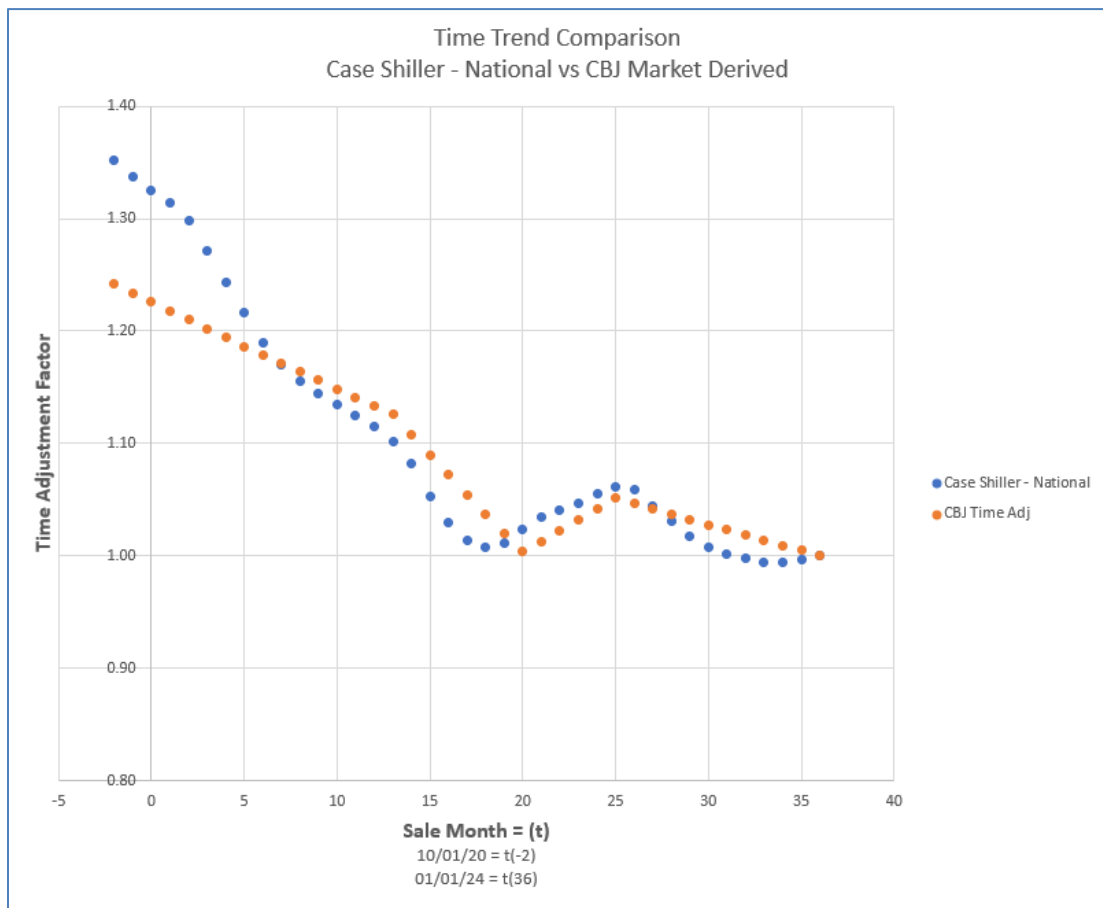
Analysis and Valuation Overview

The residential market continued its upward push in value throughout 2023 with increased sale prices across almost all residential classes.

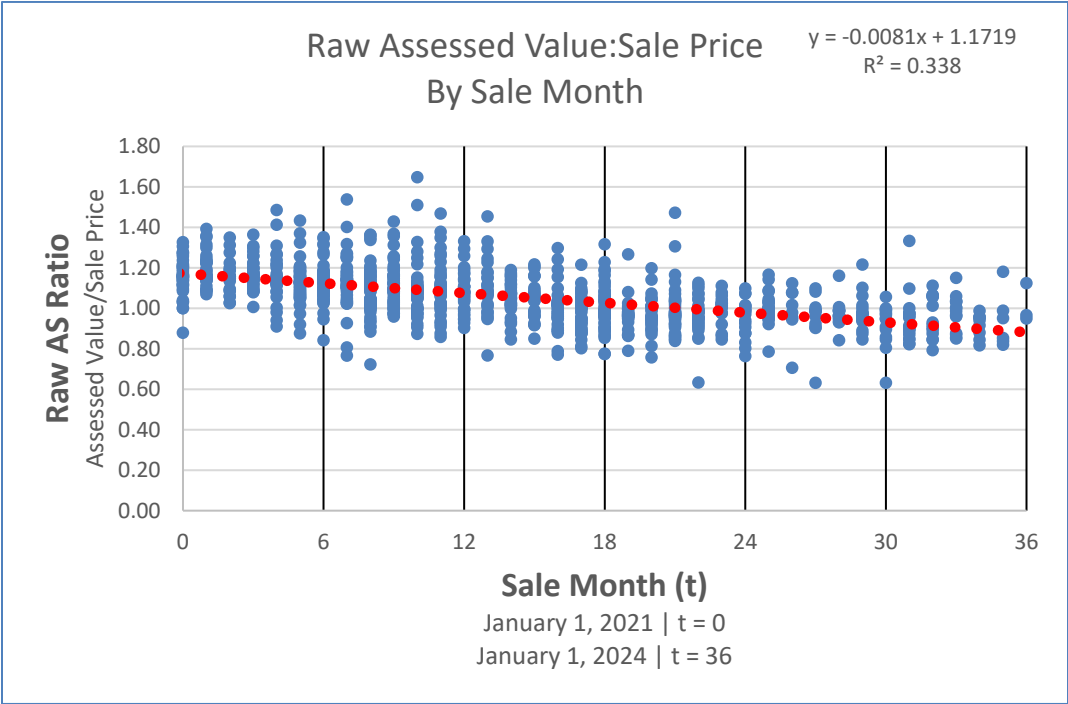
This table summarizes the median sale price and number of sales by property class and year:

Median Sale Price by Class & Sale Year				# of Sales by Class & Sale Year				
VACANT i				VACANT i				
MedianSP	Sale Year			Count of SALE_ID	Sale Year			
Property Class	2021	2022	2023	Property Class	2021	2022	2023	Grand Total
Single Family Residence	457,000	520,000	529,750	Single Family Residence	257	174	66	497
Mobile Home on Land	210,000	187,500	171,913	Mobile Home on Land	12	3	3	18
Mobile Home in Park	48,000	55,000	68,000	Mobile Home in Park	54	46	23	123
Multiple Improvement	625,000	727,500	553,500	Multiple Improvement	8	4	3	15
Duplexes	494,500	547,500	597,500	Duplexes	20	11	4	35
Triplexes	455,000	720,000		Triplexes	1	1		2
Fourplexes	560,000	700,000		Fourplexes	1	5		6
Single Family Residence w/Apt	610,000	689,000	720,000	Single Family Residence w/Apt	31	29	11	71
Zero-lots	350,000	375,000	440,950	Zero-lots	55	43	18	116
Townhomes	348,000	423,000	417,000	Townhomes	18	16	4	38
Condos	243,000	282,000	328,500	Condos	131	95	50	276
Cabins	101,000	227,500		Cabins	2	2		4
				Grand Total	590	429	182	1201

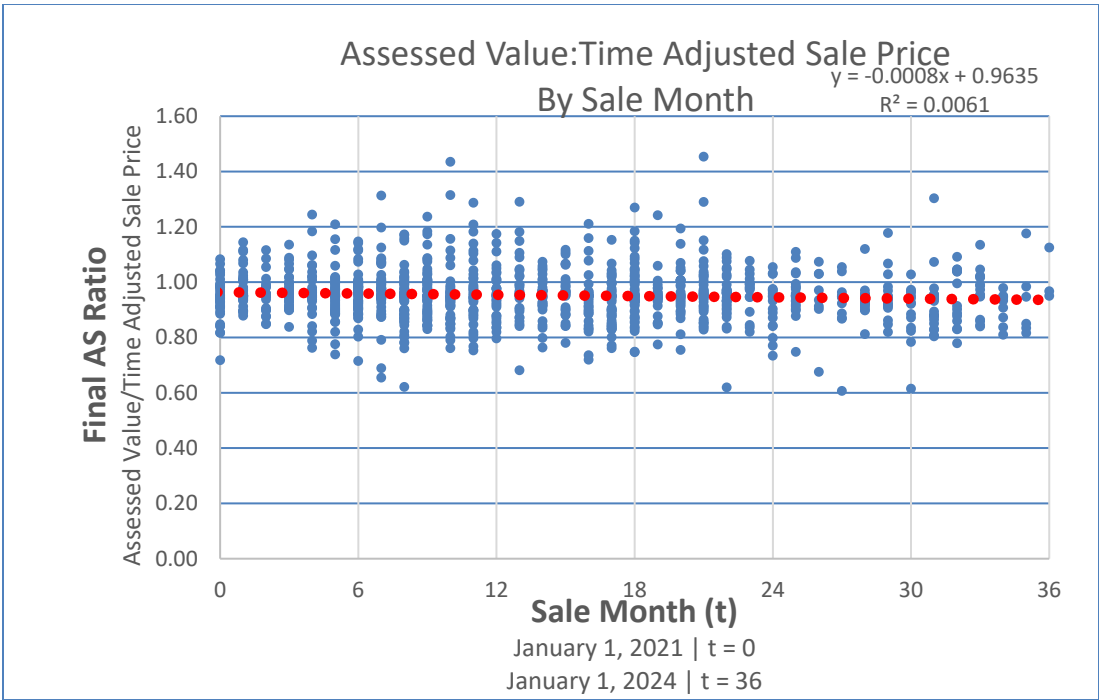
Time adjustment of sales allows for the analysis of sales information once time has been eliminated as a variable. Time adjustment for the purpose of this appraisal is to January 1, 2024. As illustrated in the chart below, the time adjustment function we utilized in this year's analysis largely mirrored the national Case Shiller Housing Price Index.



The chart below shows the A/S ratio in relation to sale date. Note that as time increases from 0 (assessment date of 1/1/2024), the A/S ratio decreases. This trend shows that market values are increasing over time.



Once all residential sales have been adjusted for time (Sale Month), the R-Squared is reduced to near 0.00 which indicates that the time adjustment has removed the impact of time (Sale Month). In other words, after accounting for the potential effect of the sale date, the time in which a residential property was sold no longer has any significant impact on explaining or predicting its sale price. Once controlled for the timing of the sale, we can fairly compare similar properties sold within the studies date range.

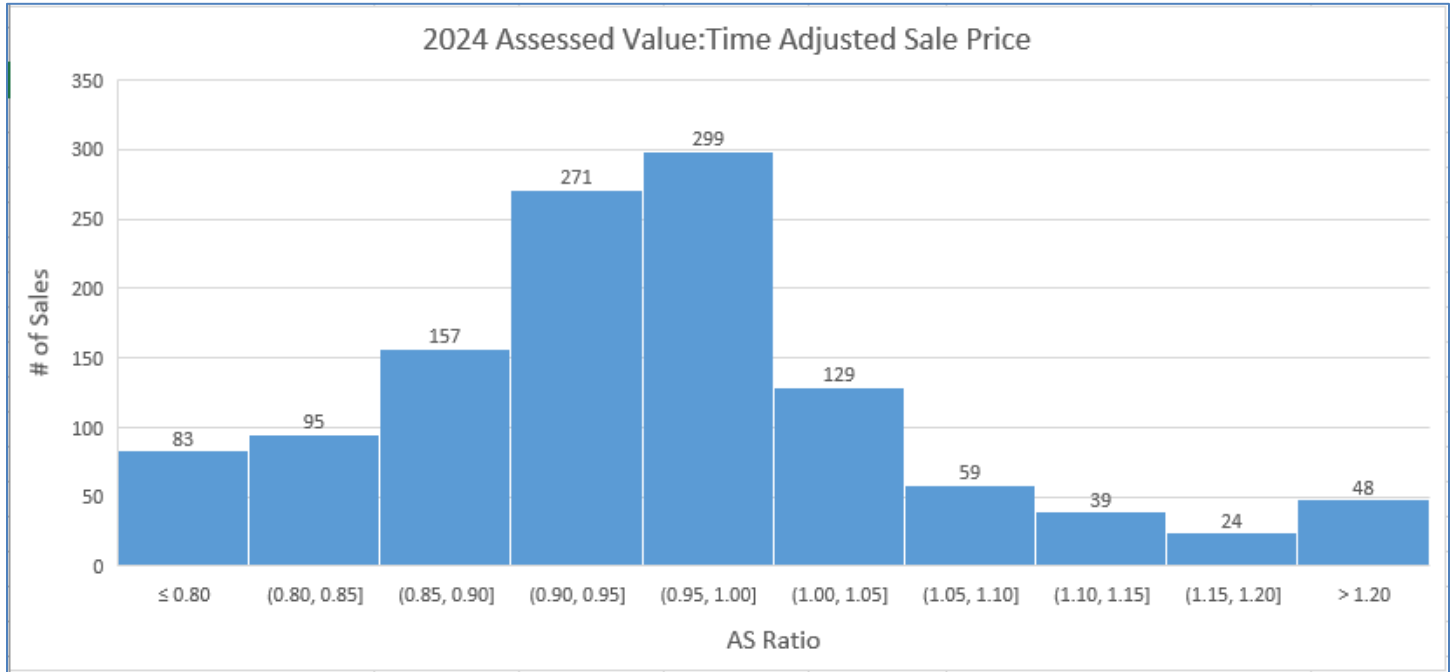


The following charts are from the sales analysis AFTER the calibration adjustments.

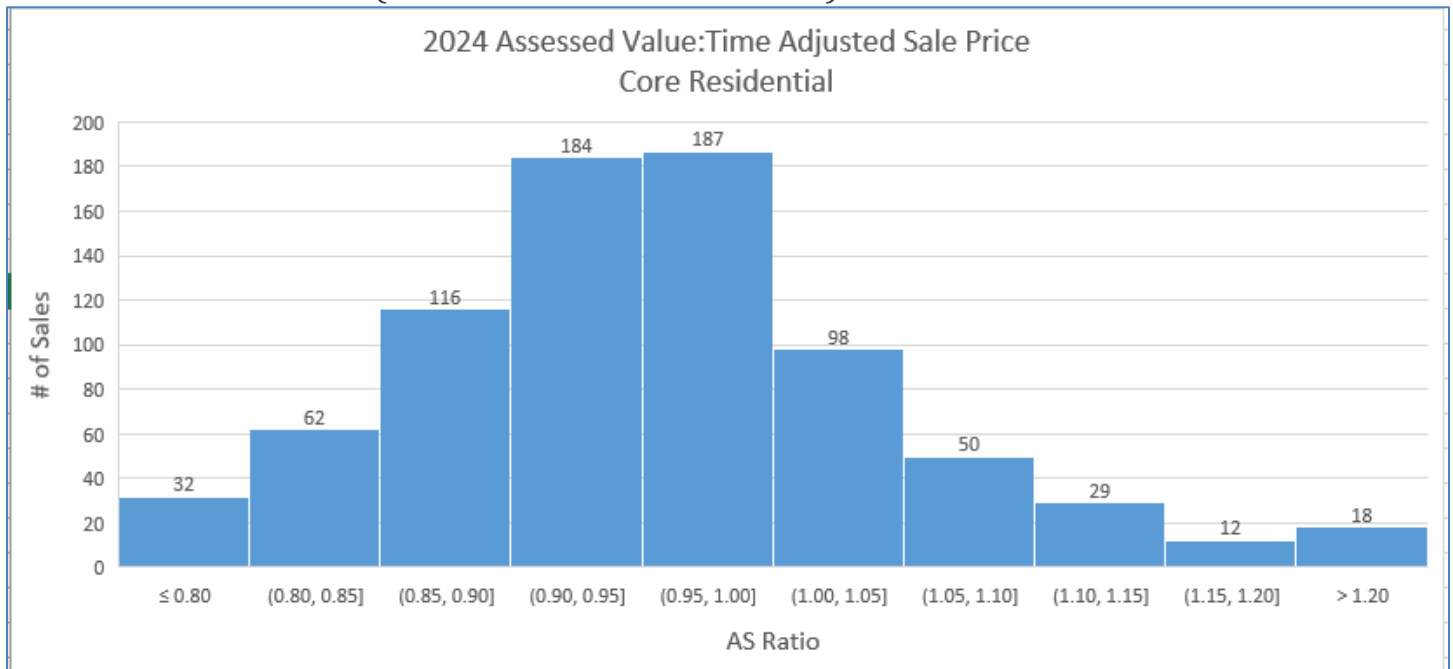
The histograms below display the distribution of the 2024 assessed values in relation to sale prices (Time Adjusted AS Ratio).

Note: that the majority of properties are within .90 – 1.00. Our target ratio for 2024 is 0.95 (95% of market value).

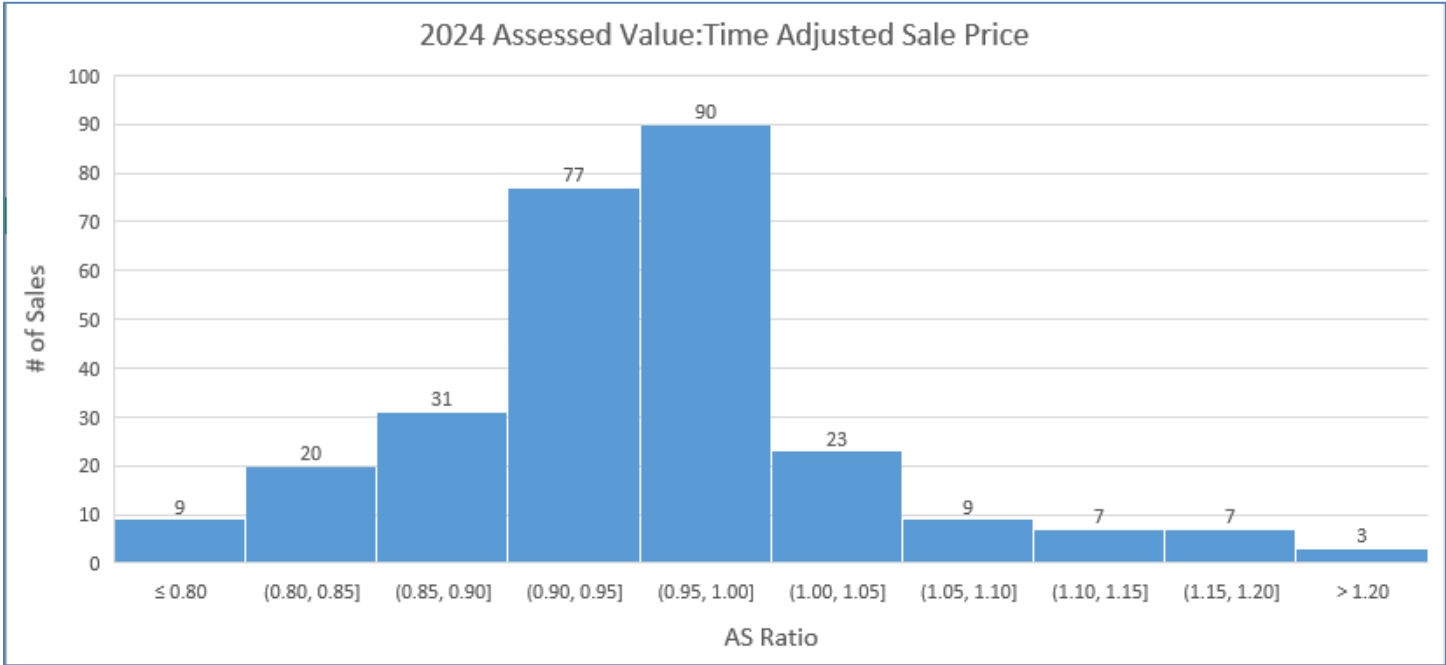
All improved residential sales



Core residential sector (no mobile homes or condos)



Condominiums



Assessed Values

The charts below show the average change in value between assessment year 2023 and 2024 by dollar value and by percentage respectively. Single family homes, which represent the largest residential segment registered an average increase of 2.12%.

CHANGES IN ASSESSED VALUE BY Property type				
Row Labels	Count	2023	2024	Chg \$
Single Family Residence	5053	535,996	541,866	5,869
Single Family Residence w/Apt	800	682,988	691,617	8,629
Duplexes	309	558,512	574,478	15,966
Triplexes	44	580,175	602,205	22,030
Fourplexes	107	619,910	687,307	67,396
Zero-lots	865	387,034	388,616	1,582
Townhomes	192	413,567	416,301	2,734
Condos	1346	279,393	288,046	8,653
Multiple Residential Improvements	220	784,017	794,755	10,738
Cabins	186	128,522	130,701	2,180
Mobile Home on Land	225	221,797	214,069	-7,728
Mobile Home in Park	961	53,979	58,221	4,242
Vacant Land	1823	145,026	138,293	-6,733
Grand Total	12131	401,617	406,238	4,620

CHANGES IN ASSESSED VALUE BY Property type		
Row Labels	% Chg AV	Count
Single Family Residence	2.12%	5053
Single Family Residence w/Apt	3.24%	800
Duplexes	4.86%	309
Triplexes	3.44%	44
Fourplexes	10.97%	107
Zero-lots	0.44%	865
Townhomes	0.68%	192
Condos	3.33%	1346
Multiple Residential Improvements	2.01%	220
Cabins	1.24%	186
Mobile Home on Land	-1.66%	225
Mobile Home in Park	7.30%	961
Vacant Land	-1.42%	1823
Grand Total	2.13%	12131

The charts below shows changes in assessed value by neighborhood. Because each neighborhood identified by the Assessor's Office is studies individually, it is expected to see variation in changes throughout. Large adjustments are often due to new construction such as in the Pederson Hill nieghborhood, or due to sales that were previously not disclosed to the Assessor's Office.

CHANGES IN ASSESSED VALUE BY Geographic Area				
Row Labels	Count	2023	2024	Chg \$
Auke Bay	390	679,793	666,620	-13,173
Auke Mountain	192	586,645	551,377	-35,268
Back Loop North	286	607,088	599,853	-7,235
Back Loop South	241	526,878	521,412	-5,466
Bayview	60	708,248	711,243	2,995
Bonnie Brae	118	433,581	446,056	12,475
Casey Shattuck	167	457,333	470,844	13,511
Central Valley	1196	478,871	484,784	5,913
Condo	1328	282,773	291,544	8,770
Douglas	532	486,449	489,431	2,983
Glacier Spur	167	544,319	544,374	55
Government	555	3,030	1,428	-1,601
Highlands	326	514,946	514,794	-152
Juneau Townsite	458	464,776	463,518	-1,258
Lemon Creek	601	741,186	753,654	12,467
Mendenhall Peninsula	289	573,146	586,953	13,807
Mobile Home in Park	1022	50,810	54,746	3,935
Montana Creek	9	29,722	30,767	1,044
North Douglas	519	480,620	507,899	27,279
Northeast Valley	598	431,341	433,937	2,596
Out the Road	95	373,807	386,633	12,826
Pederson Hill	44	451,759	494,118	42,359
Point Louisa	341	692,777	740,780	48,004
Remote	614	570,703	556,786	-13,917
South Valley	657	624,687	624,979	291
Southeast Valley	356	484,681	499,946	15,265
Tee Harbor	286	548,131	570,487	22,356
Thane	105	459,885	468,312	8,427
Twin Lakes	370	624,912	616,959	-7,953
West Juneau	434	569,838	576,734	6,895
West Valley	647	621,576	650,033	28,456
Grand Total	13003	462,214	468,437	6,222

CHANGES IN ASSESSED VALUE BY Geographic Area

Row Labels	% Chg AV	Count				
Auke Bay	-0.63%	390				
Auke Mountain	-5.07%	192				
Back Loop North	-1.08%	286				
Back Loop South	-0.41%	241				
Bayview	0.31%	60				
Bonnie Brae	3.15%	118				
Casey Shattuck	2.61%	167				
Central Valley	2.29%	1196				
Condo	3.37%	1328				
Douglas	1.01%	532				
Glacier Spur	-0.29%	167				
Government	-0.86%	555				
Highlands	1.06%	326				
Juneau Townsite	0.23%	458				
Lemon Creek	3.45%	601				
Mendenhall Peninsula	4.81%	289				
Mobile Home in Park	6.77%	1022				
Montana Creek	1.64%	9				
North Douglas	5.71%	519				
Northeast Valley	1.74%	598				
Out the Road	4.15%	95				
Pederson Hill	17.05%	44				
Point Louisa	7.07%	341				
Remote	0.37%	614				
South Valley	0.54%	657				
Southeast Valley	5.60%	356				
Tee Harbor	5.74%	286				
Thane	2.12%	105				
Twin Lakes	1.12%	370				
West Juneau	1.22%	434				
West Valley	-2.02%	647				
Grand Total	2.22%	13003				

Overview Reconciliation & Conclusions

This intent of this report is to provide an overview of the reconciliation and conclusions. Much deliberation and review occur within the analysis process that cannot be captured here.

Overall, residential property assessed values have increased by 2.13%. Each property type and neighborhood are analyzed individually against current sales, so variation between property types and location is expected and appropriate. As expected, recently canvassed neighborhoods saw greater variation due to updated data from field inspections.

The residential market continues to have high demand and low inventory and although building costs have remained relatively flat since 2023, high construction costs have buoyed existing inventory.

The Assessor's Office will continue to monitor the market impacts of the riverfront flooding over the next coming assessment cycles.

Summary

After consideration of the data, the various models, and the performance measurements and tests as dictated by state statute and the IAAO, we have applied the changes to the assessed values for 2024 as indicated by market sales as outlined in the above sections.

All three approaches were considered for all properties when appropriate. Similar appraisal methodologies were applied to similarly classed properties to promote equity and uniformity. For some classes of properties one or more of the approaches to value were not given significant weight.

Statements & Definitions

Type and Definition of Value (Interest Being Appraised)

The value being assessed is fee simple ownership interest at 100% of market value as of the effective date. Market value is the amount of money a willing buyer, not obligated to purchase, would pay and a willing seller, not obligated to sell, would accept for a property.

Highest and Best use Definition

A property's use may or may not represent its highest and best use. The highest and best use is the most profitable use given the probable legal, physical, and financial constraints.

Statement of Assumptions and Limiting Conditions

1. This report and the associated assessed values are intended for ad valorem taxation purposes and may not be applicable for any other use.
2. The following are general statements. Records pertaining to individual properties may list specific exceptions.
3. It is assumed that:
 - Title is free and clear.
 - There are no encroachments.
 - There are no hidden defects or conformity issues.
 - There is no contamination or hazardous materials present.
4. Property attributes observed upon exterior inspection are assumed to be representative of interior attributes when interior inspections were not feasible.

Certification Statement

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 the personal, impartial, and unbiased professional analyses, opinions, and conclusions of the Assessor's Office.
- I and the Assessor's Office staff have no present or prospective interest in the property that is the subject of this report except any personal real estate holdings we may have within the borough. No individual inspected their own property.
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions and conclusions were developed, and the report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- We have made a personal inspection of the properties that are the subject of this report as outlined in our revaluation plan.
- The Assessor's Office staff provided significant mass appraisal assistance to the person (the Assessor) signing this certification.



Mary Hammond, City and Borough of Juneau Assessor

Addendum A – Sales Validation Policy



Assessment Procedures

Sales Validation and Verification

Sales Validation/Qualification process

Sales Validation is the process of determining if a sale of real property occurred and whether it reflects the market value of the property transferred. A survey letter requesting the sale price and conditions is sent to the buyer and seller of real property in the City and Borough of Juneau when a transaction is identified.

The primary classifications for a “transaction” in the validation process are:

- **Non-Sale:** Examples include deed corrections, transfers to a trust, and foreclosure. The current process in Govern is to not create a sales record for the non-sale transactions. If after a sales record is created it is discovered to be a non-sale it can be marked as “Rejected” in the Qualification field.
- **Market Sale:** These are sales that are, to the best of our knowledge, market sales.
- **Non-market Sale:** These are transactions that are sales but are not considered market sales. This would include sales that are:
 - Non-Arms-Length Transactions
 - Purchase of Contiguous Property
 - Family
 - Estate
 - Divorce
 - Bank Sales (Sales After Foreclosure)
 - Tax Sales and Auctions
 - Related Entity
 - Pre-foreclosure and Short Sales
 - Multi-Parcel Sales (Unless the parcels are clearly an economic unit that likely would never be sold separately and there is a mechanism to automatically pull the totals from the CAMA system or there is reasonable opportunity to manually adjust the data such as for a one-time special study)
 - Any sale with known duress

While it is desirable to include as many sales as possible in the sales sample, clean data is paramount. It is well established that the above-listed sales conditions often lead to sales that are not representative of the overall market. In certain circumstances the decision may be made to include one of these sales, however, it needs to be well substantiated and documented as to why an exception is being made.

Documentation in Govern

- **Govern Qualification Field**
 - **Unverified** – Continued research. This is the default category for new sales records. Records in this category are sales that are to be researched and categorized.
 - **Qualified** – Appears to be an arms-length sale with a disclosed sales price.
 - **Rejected** – Identified as or suspect of a non-market sale, or sales that due to limitations with the Computer Assisted Mass Appraisal System (CAMA) system are excluded from the overall ratio study but may be used in special studies. These include multi-parcel sales, or improvements on vacant land after the sale.
 - **Not Qualified** – Not being further researched. These are sales that have been researched but for which there is inadequate information to make a determination. Typically, these sales would not be actively researched further

but that, if we came across additional information, could be reclassified. An example would be a property that we know sold but we could not find any listing information for, we don't know if it was marketed, we have no sales price and there has been no response to the buyer/seller letters. If a number of months later it shows up as a comp in an appraisal and from that we figure out that it was marketed (under an alternate address or some other reason that caused us not to be able to find the listing) and we now have all of the information that we need to determine that it was a market sale and to verify the sale price then we could reclassify it to Qualified.

- Notes
 - As validation research is completed, it should be documented through notes in Govern.
 - If you have a possible but not verified sales price please do not put it in the sales price field but rather document it in the notes. The only prices listed in the sales price field should be verified sales prices.
- Govern Condition Code (Used for State reporting.)
 - For any "Rejected" sales a classification for the rejection needs to be selected.
 - Rejection classifications are:
 - Bank Sale
 - Divorce
 - Family Sale
 - Invalid – This classification is used as a last resort category to capture rejected sales that do not fit in one of the other categories.
 - Related Entity
 - Tax Sale
 - "Valid" – This classification does not need to be filled in for qualified sales. While it is not required it is preferable that it be filled in.
 - In addition, an "Adjustment Reason" needs to be selected in the Adjustment Reason field for each rejected sale.

Steps to Sales Validation

- Check document (type of instrument, who signed, considerations, unusual terms, personal property mentioned)
- Review names for relationship potential (if sale involves LLC or other business look up principles)
- Review Notes in Sales Information (under Functions)
- Review Notes in Communication (Notes) Report
- Check for Buyer and Seller Sales Inquiry Letter responses
- Review I drive listings folder
- Review internet for exposure indications and property data

Addendum B – Full and True Value Definitions

CBJ 15.05.100 Determination of full and true value:

Property shall be assessed at its full and true value in money, as of January 1 of the assessment year. In determining the full and true value of property in money, the person making the return, or the assessor, as the case may be, shall not adopt a lower or different standard of value because same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which the property would sell at auction, or at a forced sale, either separately or in the aggregate with all of the property in the taxing district, but the assessor shall value the property at a sum which the assessor believes it is fairly worth in money at the time of assessment.

(CBJ Code 1970, § 15.05.100; Serial No. 70-33, § 3, 1971)

State law reference(s)—Full and true value, AS 29.45.110.

Alaska State Statute 29.45.110:

The estimated price that the property would bring in an open market and under the then-prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.