Price Indexes for Submarkets: The Hierarchical Blending Method
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ABSTRACT TEXT: Controlling for changing market trends is a critical component of AVMs and other mass appraisal valuation exercises. The use of pre-calculated price indexes is a common method for addressing these market changes. Ideally, the price index would be created for the exact area in the valuation exercise. In reality, however, matching price index geographic coverage to the specific valuation assignment can be difficult. Large area indexes can be too broad and miss localized price movements, while small area indexes are often plagued with high levels of variability due to small sample sizes.

To address both of these issues, we offer a hierarchical blending process that utilizes both large regional trends together with more fine-grained localized price movement to create indexes for customized areas or sets of properties.

The Pros and Cons of Model Transparency
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ABSTRACT TEXT: The Boulder County Assessor's Office set out on a mission to find efficiencies in our value defense reports that would allow us to review values in greater detail and in less time. To accomplish our task, we had to let go of appraiser-determined adjustments and put our model on display. Using model-based adjustments ensured equity across all properties and challenged the thinking of our appraisers and taxpayers. We acquired software that allowed us to achieve this and it lead to a greater level of model transparency for our appraisers, the public, and our hearing officers. Our change management approach included technical challenges with data and software, public education outreach, the re-design of multiple reports, increased training of appraisers regarding modeling and statistics, and then defending the model at Board of Equalization hearings.