Modeling During Mixed Neighborhood Life Cycles
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ABSTRACT TEXT: During the 2020 Reassessment for the City of Philadelphia, we discovered an issue while modeling for residential properties. Models are developed for zones; specific geographic zones included neighborhoods that were in different stages of the neighborhood life cycle. This led to an issue with the reliability of our models. This presentation will present those issues and the solution which was used.

The presentation will discuss:
- Why and how to use Geographic Market Areas when modeling.
- How to define zones.
- Explain what a neighborhood Life Cycle is and how it will affect a Model.
- How to test to see if this is an issue with your model.
- How time trends will be affected if you don't consider this in your model.
- Solutions to help with this problem

Valuation of Multi-Purpose Buildings
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ABSTRACT TEXT: An emerging trend in the industry is where large buildings are used for multiple purposes. It used to be that an office building was made up of office square footage. An apartment building contained apartments. There may have been a small retail area for the occupant’s convenience, but the building primarily served a single purpose. We are increasingly seeing office buildings that have several floors of retail, some floors of apartments, restaurants, fitness centers, a parking garage, medical offices and where some of the building has been sold off as condos. We see an apartment building that has a 35,000 square foot Target store on the first couple of floors. An industrial building that also contains a charter school. This makes great economic sense to an investor, who can minimize risk by diversifying their portfolio, not by owning many different single purpose buildings, but within one building.

Valuation of these multipurpose buildings presents a special challenge to the assessor. How do we create adjustment rates and coefficients for apartments in an office building? Retail square footage in an apartment building? Many jurisdictions have people who specialize in specific types of buildings, but do not have the required expertise to evaluate other types.

This presentation demonstrates an income based solution that is used in Philadelphia for addressing this problem. We will show how the technique has performed for some of our flagship buildings. We hope that participants will join in an open discussion of techniques and methods that can be applied in other jurisdictions.