

# Market Value Decline?

Median Value: The MEDIAN value is the middle of a series arranged in order by value. In the example below it is the 5<sup>th</sup> in a series of 9 values. There are 4 values lower and 4 values higher. If the series contained an even number of values, say 10, it would be the average of the 5<sup>th</sup> and 6<sup>th</sup> value.

2022 Sales			2023 Sales		
Assume ALL Sold for Assessed Value			Assume ALL Sold for Assessed Value		
81,000	Rural area	1	81,000	Rural area	
92,000	Rural Area	2	92,000	Rural Area	
123,000	Rural Area	3	123,000	Rural Area	
329,000	Lakefront	4	329,000	Lakefront	
<b>600,000</b>	<b>Lakefront</b> ( <i>Median</i> )	5	<b>330,000</b>	<b>Lakefront</b> ( <i>Median</i> )	
604,000	Lakefront	6	604,000	Lakefront	
610,000	Lakefront	7	610,000	Lakefront	
670,000	Lakefront	8	670,000	Lakefront	
<u>896,000</u>	Lakefront	9	<u>896,000</u>	Lakefront	
9	Number of Sales		9	Number of Sales	
<b>600,000</b>	<b>Median Value</b>		<b>330,000</b>	<b>Median Value</b>	

In 2023 the Median sale price dropped 45%. Does this indicate assessments are 45% high? No! It means the median price was lower. If higher valued home sales dominate the market the median price will be higher. If lower valued home sales dominate the market the median price will be lower.

Mean Value: The MEAN value is the average value of a series. In the example below it is the sum of the values divided by the number of values in the series. (*Same sales used from above example*)

2022 Sales			2023 Sales		
Assume ALL Sold for Assessed Value			Assume ALL Sold for Assessed Value		
81,000	Rural area		81,000	Rural area	
92,000	Rural Area		92,000	Rural Area	
123,000	Rural Area		123,000	Rural Area	
329,000	Lakefront		329,000	Lakefront	
<b>600,000</b>	Lakefront		<b>330,000</b>	Lakefront	
604,000	Lakefront		604,000	Lakefront	
610,000	Lakefront		610,000	Lakefront	
670,000	Lakefront		670,000	Lakefront	
<u>896,000</u>	Lakefront		<u>896,000</u>	Lakefront	
4,005,000	Sales		3,735,000	Sales	
/ 9	Number of Sales		/ 9	Number of Sales	
<b>445,000</b>	<b>Mean Value</b> ( <i>Average</i> )		<b>415,000</b>	<b>Mean Value</b> ( <i>Average</i> )	

In 2023 the Mean sale price dropped 6.74%.

Does this indicate assessments are 6.74% high? No! It means the average price was lower. If higher valued home sales dominate the market the average price will be higher. If lower valued home sales dominate the market the average price will be lower.

**NOTE: All sales are the same except for one. One sale does not make a market. Mean or median prices are easily influenced by one sale and are not valid indicators to determine assessment accuracy.**