

MAK Valuation Consultants

Valuation with Integrity and Expertise.

Ensuring Fair and Accurate Property Valuations

The Sale Screening Process for Assessment

[MakValuation](#)

Introduction

Accurate sales data is crucial for property tax assessment, making the sale screening process a complex yet essential task. It forms the foundation of reliable mass appraisal systems, enabling assessors to establish equitable valuations, build public trust, and successfully defend assessments during audits or appeals.

This guide offers a professional, step-by-step methodology for sale screening, specifically tailored for assessors and mass appraisal professionals.

Purpose of Sale Screening

✓ **GOAL:** Isolate valid, arm's-length transactions that occur under typical market conditions between unrelated parties.

These transactions form the foundation for:

- Valuation models
- Ratio studies
- Equity analysis

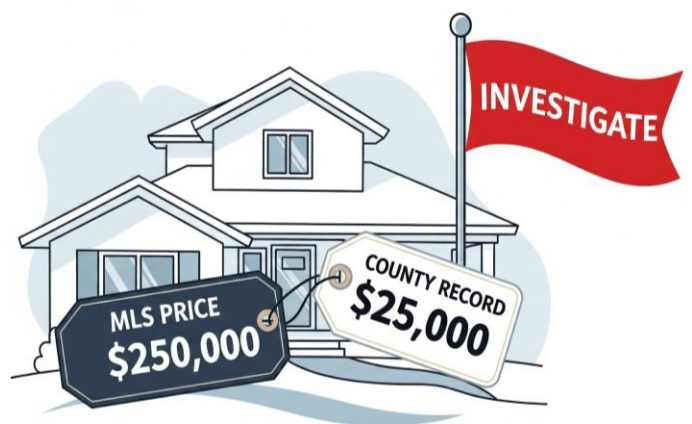
Exclude sales with:

- Undue influence
- Related parties
- Atypical conditions

✓ Ensures assessments are fair, accurate, and defensible.

Step 1: Collect and Consolidate Sales Data

- Sources include:
 - County Recorders/Register of Deeds
 - MLS
 - Property Transfer Affidavits (PTAs)
 - Third-party providers
- Include details such as:
 - Sale price and date
 - Buyer/seller names
 - Property type and use



- Financing terms
- Physical characteristics

✓ Example:

A property shows \$250,000 in MLS but \$25,000 in county records. Flag for investigation.

✦ Step 2: Conduct a Preliminary Review

- Tasks:

- Remove duplicate entries
- Flag missing fields
- Correct typos in price or date
- Match property type and use

✓ Example:

A vacant land sale mistakenly coded as a single-family residence is flagged and corrected.



VACANT LAND SALE & CORRECTION

✦ Step 3: Determine Arm's-Length Status

- Checklist:

- Was the property publicly marketed?
- Was market exposure typical?
- Were the parties unrelated?
- Were financing terms conventional?

- Red Flags:

- Foreclosures
- Sheriff sales
- Estate/intra-family transfers



✓ Example:

A parent sells to a child at half of market value. Exclude non-arm's-length.

Step 4: Apply Standardized Screening Codes

- Code System:

- Q1: Valid sale, suitable for analysis
- Q2: Mostly valid, minor issues
- U1: Non-arm's-length
- U2: Partial interest or duress

✓ Example:

A sale with unclear terms but no major red flags = Q2 until further verification.



Step 5: Verify Sale Conditions

- Verification Methods:

- MLS listings and disclosures
- Buyer/seller interviews
- Financing type review
- Renovation timing



✓ Example:

A home sold at a higher price due to a recent remodel not yet recorded. Verification confirms accuracy.

Step 6: Document Screening Decisions

- Why Document?

- Ensure consistency
- Prepare for appeals
- Build transparency

✓ Example:

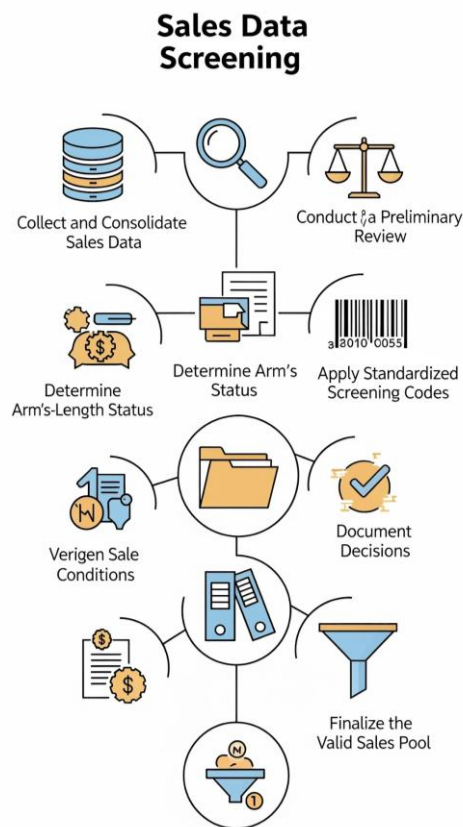
A note explains a sale was excluded because it was part of a divorce settlement with unusual financing.

✦ **Step 7: Finalize the Valid Sales Pool**

- Uses of Verified Sales:

- Model calibration
- Ratio studies
- Comparable property analysis

✓ Example: After screening, 1,200 sales are confirmed valid and entered into the model calibration process.



A DEFENSIBLE FOUNDATION

🎯 **Conclusion: A Defensible Foundation**

The sale screening process is more than an administrative task—it's a safeguard for equitable taxation. By applying consistent criteria and verifying the integrity of sales data, assessors ensure fair, accurate, and defensible assessments throughout their jurisdictions.