**Government of the District of Columbia**
**Mayor Muriel E. Bowser**
**Office of the Chief Financial Officer**
**Glen Lee, CFO**

OFFICE OF TAX AND REVENUE

# Real Property Tax Administration

# FY 2025 Assessment Ratio Report

May 20, 2025

**Government of the District of Columbia**
**Office of the Chief Financial Officer**
**Office of Tax and Revenue**

May 20, 2025

The Honorable Muriel E. Bowser
Mayor of the District of Columbia

and

The Honorable Phil Mendelson
Chairman of the Council of the District of Columbia

Dear Mayor Bowser and Chairman Mendelson:

In accordance with D.C. Code § 47-823(c), I am pleased to submit the Office of Tax and Revenue's (OTR) Fiscal Year 2025 Assessment Ratio Report. This report evaluates the quality of real property assessments within the District of Columbia.

Uniform and accurate assessments for similar properties are the foundation of fair property taxation. District law and the Federal Constitution require that all real property subject to property taxation be assessed uniformly. District law also requires that assessments be based on the estimated market value (fair market value) of the property. Therefore, uniformity and market value are the standards used to measure the quality of the assessment work performed by the Real Property Tax Administration.

This report evaluates the quality of property assessments by examining the most recent reassessment program and comparing its results to actual market data. District law mandates that all real property be assessed annually, leading to the assessment of 214,458 properties this year. Annual assessment notices are mailed to all properties, except for those owned by the government. Consequently, 208,993 reassessment notices were issued in February 2024, which will take effect for Fiscal Year 2025. These reassessments reflect the Office of Tax and Revenue's (OTR) estimated property values as of January 1, 2024. To provide an objective measure of performance, this report compares the reassessment results with actual property sales from the calendar year 2023.

The Office of Tax and Revenue (OTR) complies with the national standards established by the International Association of Assessing Officers for the evaluation of property assessment quality. The data indicates that the District of Columbia sustains acceptable levels of accuracy and uniformity in its property assessments.

I sincerely hope that you find this report both helpful and informative. I welcome any suggestions you may wish to share regarding ways to enhance this report or improve the assessment process in the District of Columbia.

Respectfully,

Keith J. Richardson

Keith J. Richardson
Deputy Chief Financial Officer
Office of Tax and Revenue

# FY 2025 ASSESSMENT RATIO REPORT

## *Overview*

The Office of Tax and Revenue's (OTR) Real Property Tax Administration (RPTA) assesses real property for purposes of property *Ad Valorem* taxation. A portion of all properties will be physically reviewed each year. During the review, RPTA appraisers will visit properties to verify property characteristics existing in our current assessment records. The characteristics include property type, size, quality of construction, condition of structure and any new improvements.

For Fiscal Year (FY) 2025, the District assessed 214,458 properties. The magnitude of the reassessment requires the use of mass appraisal techniques. In using the mass appraisal technique, an RPTA appraiser values all properties in an entire neighborhood at a time with standardized appraisal method(s) and statistical testing. This is in contrast with the practice of a fee appraiser, who is concerned with valuing one property at a time.

When real property is transferred, the deed and transfer documents are filed with the Recorder of Deeds of the District of Columbia. These documents are imaged, used as a record to change ownership on the assessment roll, and used to capture sales information. RPTA's Assessment Division reviews all deeds and property sales prices after the deed transferring the property is recorded. In the appraiser's review and analysis of the sales, the appraiser will develop land rates, depreciation tables, and sales analysis and/or market analysis reports. After completing the analysis, the appraiser applies the factors uniformly throughout the neighborhood to value all comparable properties.

Supervisory personnel carefully review each RPTA appraiser's work, and the RPTA appraiser's work is also scrutinized by individual property owners. We are continually striving for higher quality in assessment uniformity. Our quality control program begins with the individual appraiser and the appraiser's immediate supervisor. As work is completed, each supervisor reviews the analysis, making revisions or approving the work. When the appraiser completes the revaluation, the supervisor makes a random check using procedural and data editing reports. Following the completion of the revaluation, various computer edits are made to ensure good valuation quality.

A measurement of quality is the assessed value/sale price ratio. The ratio is the relationship between two numbers; in this case it is the relationship between the assessed value and sale price. The ratio measures how closely our values compare to the actual sales prices. The average assessed value/sale price ratio indicates the typical level of assessment. The real estate market is an imperfect market; there will always be properties that sell for more or less than can be anticipated due to factors such as sales between people unfamiliar with the market or buyers willing to pay extra for a unique property, among other reasons.

In mass appraisal and assessment ratio studies, we are not only concerned with the typical level of assessment as indicated by the average assessed value/sale price levels (ratios), but also the degree of spread, or variation, from the typical ratio. One such statistical measurement of variation is called the coefficient of dispersion (COD). The lower the COD, the more uniform the assessments.

The subsequent portion of this report provides detailed explanation of the statistical terms as applied to assessment administration and quality control and explain the International Association of Assessing Officers' (IAAO) Standard of Performance for ratio studies.

## *RATIO STATISTICS*

The purpose of this ratio study is to test the quality of the assessment product of the most recently valued properties. From our most recent valuation, we have performed many ratio studies examining neighborhoods, types of structures, age of structures, etc. We use ratio studies as a performance gauge that includes several measures of central tendency. A measure of central tendency indicates the typical level of assessments to actual selling prices of real estate. These may be the average of the assessed value/sale price ratios, the weighted average of the assessed value/sale price ratios or the median of the assessed value/sale price ratios. The average assessed value/sale price ratio is simply the average of all the ratios in the sample. The weighted assessed value/sale price ratio is the result of dividing the total of the assessments by the total of the sale prices. The median assessed value/sale price ratio is the midpoint ratio of all ratios after the ratios are arrayed from highest to lowest.

While several measures of central tendency may be calculated (average, median, and weighted average), the median is less affected by extreme ratios. Therefore, IAAO observes in its standards that the median is generally the preferred measure of central tendency for monitoring assessment performance. For this reason, median ratios are used in this study to measure compliance with IAAO standards.

In addition to the general level of assessments, we are also concerned with the relative spread or variation that individual ratios depart from the typical ratio. This is measured by the coefficient of dispersion. The coefficient of dispersion is calculated by dividing the average absolute deviation by the median ratio. To calculate the average absolute deviation, subtract the median ratio from the individual ratios and add all the results, ignoring positive or negative signs, and then divide the sum by the number of ratios. The acceptable level for the coefficient of dispersion depends upon the type of properties being reviewed. According to IAAO, coefficients of dispersion should typically be 20% or less, depending on the types of properties being valued.

Another statistical measure used to gauge assessment uniformity is the Price-Related Differential (PRD). The PRD tests to see if higher and lower valued properties are assessed at the same level. PRD is calculated by dividing the mean ratio by the weighted mean ratio. PRDs should range between 0.98 and 1.03, except for very small samples. For example, a PRD greater than 1.03 indicates an under-valuation of high-priced properties, while a PRD less than 0.98 shows an under-valuation of low-priced properties.

### *FY 2025 Residential Real Property Assessment Ratio by Neighborhood*

The table presented below outlines the assessment ratio data for residential properties based on real property transactions. These ratios pertain to arms-length sales that occurred between January 1, 2023, and December 31, 2023, and are juxtaposed with the reassessment for fiscal year 2025, effective January 1, 2024, as determined by the Real Property Tax Administration (RPTA). It is important to note that in neighborhoods with fewer than 20 sales, the statistical findings may not accurately reflect prevailing market conditions due to the limited sample size.

| Number | Neighborhood Name | Number of Sales | Average Sales Price | Median Sales Price | Median Ratio | Mean Ratio | Weighted Mean Ratio | Coefficient of Dispersion | Price Related Differential |
|---|---|---|---|---|---|---|---|---|---|
| 1 | AMERICAN UNIVERSITY | 65 | 1,411,028 | 1,400,000 | 98.4 | 97.8 | 97.9 | 2 | 1 |
| 2 | ANACOSTIA | 36 | 486,324 | 452,000 | 96.5 | 97.3 | 96.6 | 5 | 1.01 |
| 3 | BARRY FARMS | 29 | 449,928 | 479,000 | 97 | 97.1 | 97 | 4 | 1 |
| 4 | BERKELEY | 19 | 2,165,000 | 2,025,000 | 96 | 96.3 | 96.8 | 3 | 0.99 |
| 5 | BRENTWOOD | 34 | 568,788 | 527,500 | 97.5 | 97 | 96.3 | 3 | 1.01 |
| 6 | BRIGHTWOOD | 91 | 662,035 | 670,000 | 98.2 | 97.5 | 97.6 | 4 | 1 |
| 7 | BROOKLAND | 215 | 725,732 | 765,000 | 97.3 | 97.4 | 97.5 | 4 | 1 |
| 8 | BURLEITH | 31 | 1,853,221 | 1,759,000 | 98.7 | 98.6 | 98.6 | 2 | 1 |
| 9 | CAPITOL HILL | 112 | 1,150,332 | 1,175,000 | 97.8 | 98 | 97 | 5 | 1.01 |
| 10 | CENTRAL | 248 | 814,855 | 575,000 | 99.7 | 99 | 97.1 | 7 | 1.02 |
| 11 | CHEVY CHASE | 150 | 1,436,956 | 1,370,000 | 97.9 | 98.4 | 98.1 | 3 | 1 |
| 12 | CHILLUM | 31 | 801,908 | 720,800 | 98.2 | 98.9 | 98.3 | 4 | 1.01 |
| 13 | CLEVELAND PARK | 90 | 827,703 | 465,000 | 98.1 | 97.3 | 97.2 | 6 | 1 |
| 14 | COLONIAL VILLAGE | 9 | 1,490,444 | 1,375,000 | 98.7 | 98.7 | 98.6 | 2 | 1 |
| 15 | COLUMBIA HEIGHTS | 363 | 705,381 | 693,000 | 97.4 | 98.2 | 98.1 | 5 | 1 |
| 16 | CONGRESS HEIGHTS | 164 | 373,719 | 419,850 | 94.8 | 89.7 | 95.5 | 13 | 0.94 |
| 17 | CRESTWOOD | 18 | 1,570,347 | 1,421,000 | 98.5 | 96.8 | 97.1 | 3 | 1 |
| 18 | DEANWOOD | 144 | 447,040 | 440,000 | 95.8 | 96 | 96 | 4 | 1 |
| 19 | ECKINGTON | 120 | 799,145 | 748,500 | 98.2 | 98.1 | 98 | 4 | 1 |
| 20 | FOGGY BOTTOM | 54 | 496,730 | 328,250 | 98.2 | 98.6 | 98.1 | 6 | 1 |
| 21 | FOREST HILLS | 64 | 804,606 | 447,500 | 99.4 | 98.1 | 98.3 | 5 | 1 |
| 22 | FORT DUPONT PARK | 77 | 422,966 | 425,000 | 97.4 | 96 | 96.1 | 4 | 1 |
| 23 | FOXHALL | 15 | 1,566,103 | 1,600,000 | 97.9 | 97.5 | 97.7 | 2 | 1 |
| 24 | GARFIELD | 65 | 886,558 | 505,000 | 97.5 | 97.9 | 98.2 | 3 | 1 |
| 25 | GEORGETOWN | 134 | 1,780,999 | 1,520,000 | 99.4 | 98.6 | 98.7 | 3 | 1 |
| 26 | GLOVER PARK | 69 | 797,821 | 670,000 | 96.9 | 96.6 | 96.3 | 3 | 1 |
| 27 | HAWTHORNE | 6 | 1,909,167 | 1,400,000 | 98.4 | 96.9 | 94.3 | 2 | 1.03 |
| 28 | HILLCREST | 80 | 472,728 | 502,500 | 97.5 | 96 | 97 | 9 | 0.99 |
| 29 | KALORAMA | 123 | 1,212,453 | 655,000 | 99.6 | 98.6 | 97.7 | 6 | 1.01 |
| 30 | KENT | 33 | 2,263,652 | 1,813,500 | 97.9 | 97.1 | 97.7 | 3 | 0.99 |
| 31 | LEDROIT PARK | 47 | 1,057,069 | 1,175,000 | 97.7 | 98 | 98 | 4 | 1 |
| 32 | LILY PONDS | 30 | 439,790 | 426,250 | 98.8 | 96.8 | 96.9 | 3 | 1 |

| Number | Neighborhood Name | Number of Sales | Average Sales Price | Median Sales Price | Median Ratio | Mean Ratio | Weighted Mean Ratio | Coefficient of Dispersion | Price Related Differential |
|---|---|---|---|---|---|---|---|---|---|
| 33 | MARSHALL HEIGHTS | 43 | 400,121 | 445,000 | 96.4 | 97.7 | 96.4 | 7 | 1.01 |
| 34 | MASS. AVE. HEIGHTS | 1 | 5,400,000 | 5,400,000 | 106.1 | 106 | 106.1 | 0 | 1 |
| 35 | MICHIGAN PARK | 12 | 826,167 | 733,750 | 96.8 | 95.4 | 94.7 | 5 | 1.01 |
| 36 | MOUNT PLEASANT | 163 | 845,854 | 725,000 | 96.8 | 96.7 | 96.6 | 4 | 1 |
| 37 | N. CLEVELAND PARK | 27 | 1,736,150 | 1,580,000 | 97.6 | 97.3 | 97.3 | 3 | 1 |
| 38 | OBSERVATORY CIRCLE | 42 | 932,719 | 460,000 | 96.7 | 96.9 | 96.3 | 6 | 1.01 |
| 39 | OLD CITY #1 | 531 | 905,183 | 855,000 | 98.1 | 98.3 | 97.7 | 5 | 1.01 |
| 40 | OLD CITY #2 | 654 | 805,094 | 642,500 | 97.8 | 97.9 | 97.7 | 5 | 1 |
| 41 | PALISADES | 37 | 1,623,779 | 1,375,000 | 98.1 | 98.3 | 98.6 | 3 | 1 |
| 42 | PETWORTH | 240 | 751,475 | 751,250 | 98.6 | 99 | 98.5 | 5 | 1 |
| 43 | RANDLE HEIGHTS | 74 | 409,971 | 417,500 | 96.3 | 97.7 | 96.7 | 5 | 1.01 |
| 44 | NOMA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 46 | SW WATERFRONT | 133 | 1,386,574 | 735,500 | 95 | 96.8 | 95.6 | 5 | 1.01 |
| 47 | RIGGS PARK | 98 | 657,013 | 669,500 | 97.9 | 96.9 | 96 | 5 | 1.01 |
| 48 | SHEPHERD PARK | 66 | 938,139 | 919,745 | 97.9 | 97.6 | 97.2 | 3 | 1 |
| 49 | 16TH STREET HEIGHTS | 76 | 1,025,301 | 929,500 | 98.1 | 97.8 | 96.9 | 4 | 1.01 |
| 50 | SPRING VALLEY | 28 | 3,087,631 | 2,493,630 | 98.1 | 97.5 | 97.4 | 2 | 1 |
| 51 | TAKOMA PARK | 18 | 685,452 | 639,000 | 99.3 | 99.2 | 99.1 | 4 | 1 |
| 52 | TRINIDAD | 140 | 565,986 | 535,000 | 99.2 | 99.3 | 99 | 4 | 1 |
| 53 | WAKEFIELD | 16 | 1,005,719 | 832,500 | 97.8 | 98.5 | 99.9 | 3 | 0.99 |
| 54 | WESLEY HEIGHTS | 66 | 1,558,705 | 969,500 | 97 | 97.2 | 98 | 2 | 0.99 |
| 55 | WOODLEY | 4 | 2,394,500 | 2,468,500 | 98.9 | 98.8 | 98.8 | 1 | 1 |
| 56 | WOODRIDGE | 66 | 749,854 | 728,000 | 98.8 | 98.4 | 98.1 | 4 | 1 |
| 66 | FORT LINCOLN | 31 | 574,117 | 570,000 | 97.6 | 97.5 | 97.7 | 4 | 1 |
| 67 | ST ELIZABETHS | 13 | 652,004 | 630,167 | 95.3 | 96 | 95.7 | 3 | 1 |
| 73 | NAVY YARD | 8 | 798,625 | 600,000 | 99.8 | 99 | 98.9 | 3 | 1 |

FY 2025 Commercial Real Property Assessment Ratio by Neighborhood

This table presents the real property assessment ratio data for commercial properties. The ratios pertain to arms-length sales of properties that occurred between January 1, 2023, and December 31, 2023. These sales are compared with the RPTA's FY 2025 reassessment, which is effective January 1, 2024. Please note that in neighborhoods with fewer than 20 sales, the statistics may not accurately reflect actual market conditions due to the small sample size.

| Number | Neighborhood Name | Number of Sales | Average Sales Price | Median Sales Price | Median Ratio | Mean Ratio | Weighted Mean Ratio | Coefficient of Dispersion | Price Related Differential |
|---|---|---|---|---|---|---|---|---|---|
| 2 | ANACOSTIA | 4 | 1,796,250 | 1,675,000 | 86.3 | 83.8 | 84.3 | 12 | 0.99 |
| 3 | BARRY FARMS | 2 | 30,408,750 | 30,408,750 | 80.9 | 80.9 | 73.1 | 12 | 1.11 |
| 6 | BRIGHTWOOD | 1 | 10,185,000 | 10,185,000 | 83.2 | 83.2 | 83.2 | 0 | 1 |
| 7 | BROOKLAND | 7 | 2,478,571 | 1,525,000 | 99.5 | 99 | 100.7 | 7 | 0.98 |
| 9 | CAPITOL HILL | 8 | 4,000,000 | 2,612,500 | 90.4 | 84.4 | 77.6 | 15 | 1.09 |
| 10 | CENTRAL | 11 | 21,183,261 | 5,600,000 | 87.7 | 87.3 | 96.4 | 11 | 0.91 |
| 11 | CHEVY CHASE | 1 | 425,000 | 425,000 | 95.6 | 95.6 | 95.6 | 0 | 1 |
| 12 | CHILLUM | 1 | 850,000 | 850,000 | 97 | 97 | 97 | 0 | 1 |
| 15 | COLUMBIA HEIGHTS | 18 | 4,174,833 | 1,850,000 | 89.2 | 82.3 | 75.3 | 14 | 1.09 |
| 16 | CONGRESS HEIGHTS | 7 | 1,664,429 | 1,200,000 | 93.8 | 91 | 94.3 | 7 | 0.97 |
| 18 | DEANWOOD | 4 | 1,468,750 | 1,107,500 | 105.3 | 102 | 91.1 | 20 | 1.12 |
| 19 | ECKINGTON | 4 | 1,142,250 | 747,000 | 98.5 | 88.8 | 70.3 | 16 | 1.26 |
| 20 | FOGGY BOTTOM | 3 | 6,323,333 | 1,400,000 | 95.4 | 107 | 97.4 | 13 | 1.1 |
| 21 | FOREST HILLS | 1 | 1,500,000 | 1,500,000 | 89.8 | 89.8 | 89.8 | 0 | 1 |
| 22 | FORT DUPONT PARK | 1 | 1,100,000 | 1,100,000 | 94.4 | 94.4 | 94.4 | 0 | 1 |
| 24 | GARFIELD | 2 | 39,080,000 | 39,080,000 | 95.9 | 95.9 | 92.3 | 5 | 1.04 |
| 25 | GEORGETOWN | 12 | 2,200,375 | 1,510,000 | 96.6 | 88.8 | 83.5 | 10 | 1.06 |
| 28 | HILLCREST | 3 | 2,293,333 | 1,950,000 | 91.4 | 102 | 91.6 | 18 | 1.12 |
| 29 | KALORAMA | 4 | 5,287,500 | 5,350,000 | 96.6 | 93.5 | 94.2 | 7 | 0.99 |
| 33 | MARSHALL HEIGHTS | 1 | 1,188,800 | 1,188,800 | 75.1 | 75.1 | 75.1 | 0 | 1 |
| 35 | MICHIGAN PARK | 3 | 963,333 | 740,000 | 97.4 | 95.3 | 93.7 | 3 | 1.02 |

| Number | Neighborhood Name | Number of Sales | Average Sales Price | Median Sales Price | Median Ratio | Mean Ratio | Weighted Mean Ratio | Coefficient of Dispersion | Price Related Differential |
|---|---|---|---|---|---|---|---|---|---|
| 36 | MOUNT PLEASANT | 5 | 3,682,530 | 1,925,000 | 99.9 | 99.3 | 87.9 | 13 | 1.13 |
| 39 | OLD CITY #1 | 16 | 1,921,188 | 1,425,000 | 96.6 | 97.5 | 97.4 | 3 | 1 |
| 40 | OLD CITY #2 | 20 | 6,098,800 | 2,050,000 | 96.2 | 96.4 | 95.5 | 14 | 1.01 |
| 41 | PALISADES | 2 | 1,287,500 | 1,287,500 | 81.7 | 81.7 | 76.9 | 19 | 1.06 |
| 42 | PETWORTH | 9 | 1,395,556 | 1,305,000 | 93.2 | 87.4 | 87.6 | 12 | 1 |
| 43 | RANDLE HEIGHTS | 4 | 18,881,250 | 17,905,075 | 61.5 | 60.5 | 49.7 | 20 | 1.22 |
| 44 | NOMA | 1 | 1,920,000 | 1,920,000 | 86.8 | 86.8 | 86.8 | 0 | 1 |
| 46 | SW WATERFRONT | 1 | 82,000,000 | 82,000,000 | 81.8 | 81.8 | 81.8 | 0 | 1 |
| 49 | 16TH STREET HEIGHTS | 3 | 2,592,000 | 1,751,000 | 87.8 | 88.4 | 88.5 | 6 | 1 |
| 50 | SPRING VALLEY | 1 | 47,500,000 | 47,500,000 | 82.1 | 82.1 | 82.1 | 0 | 1 |
| 51 | TAKOMA PARK | 2 | 5,020,518 | 5,020,518 | 85.1 | 85.1 | 92.4 | 17 | 0.92 |
| 52 | TRINIDAD | 4 | 2,496,250 | 770,000 | 98.1 | 95.6 | 80.6 | 11 | 1.19 |
| 56 | WOODRIDGE | 5 | 3,915,200 | 2,150,000 | 76 | 75.2 | 75.1 | 24 | 1 |

The central tendency statistics presented above—mean, median, and weighted mean—are classified as “point estimates” due to their nature as single numerical values utilized to approximate characteristics of all properties within the District. To enhance the reliability of these estimates and ascertain that the sample values accurately reflect the population, an additional evaluation known as the confidence interval may be conducted. This analysis serves to confirm the validity of the estimates by providing a range within which the true population values are likely to fall.

A confidence interval is defined as "a range of values that is believed, with a specified probability, to contain the true average value of a population." If the confidence interval overlaps with the IAAO standard range of 0.90 to 1.10, we cannot reject the hypothesis that the median ratio complies with IAAO standards. Conversely, if the confidence interval does not overlap with this range, we can conclude with 95% certainty that the assessments do not meet the IAAO standard.
The confidence intervals measure the degree of precision of assessment levels derived from measuring the mean, median and weighted mean of statistical samples.

Additional descriptive statistical methods that can be employed to analyze the assessment product include frequency distributions, scatter diagrams, and coefficients of variation. However, due to the scope of this report, a comprehensive examination of these methods is not provided herein. For more detailed information regarding statistical approaches related to assessments, it is recommended to consult the International Association of Assessing Officers' publication, "Property Assessment Valuation."

The table below shows the summary of ratio statistics for the FY 2025 assessment citywide.

**SUMMARY OF SALES RATIO STATISTICS FY 2025**

| Property Type | # of Sales | Average Sale Price | Median Sale Price | Median Ratio | Mean Ratio | Weighted Mean Ratio | COD | PRD | 95% Confidence Interval | Price Related Bias (PRB) |
|---|---|---|---|---|---|---|---|---|---|---|
| All | 5524 | $1,052,307 | $700,000 | 97.7 | 97.4 | 95.4 | 5 | 1.02 | 0.976 - 0.979 | 0.007 |
| Residential | 5353 | $888,295 | $690,000 | 97.8 | 97.6 | 97.6 | 5 | 1.00 | 0.976 -0.979 | 0.012 |
| Commercial | 171 | $6,186,546 | $1,756,000 | 94.8 | 90.1 | 85.8 | 12 | 1.05 | 0.925 - 0.961 | 0.018 |

The summary of the ratio statistics table above clearly outlines the real property assessment ratios for all properties throughout the District. This data reflects the arm's-length sales of properties sold between January 1, 2023, and December 31, 2023. The table provides detailed statistics for both residential and commercial properties. The residential property ratios are fully compliant with IAAO standards, demonstrating a strong and effective assessment process. However, the commercial property ratios indicate a need for improvement, as evidenced by the assessment ratios of commercial properties sold in the twelve months leading up to January 1, 2024, valuation effective date.

## *COMPARISON OF RPTA's VALUES TO SALE PRICES*

Quality refers to the degree of excellence of a product or service, as well as how well a product meets specific standards. In this context, a measure of quality is the ratio study, which assesses whether the RPTA appraiser evaluated properties consistently and at their estimated market value. If the appraiser applied the mass appraisal model uniformly across all properties, the ratio study should demonstrate uniformity in assessment. This study serves as a cross-check by the RPTA management to ensure the quality of the mass appraisal process.

The ratio study was conducted on 5,353 sales of improved residential properties and 171 sales of improved commercial properties between January 1, 2023, and December 31, 2023. It compares these sales to the valuations recorded on the tax roll for fiscal year 2025.

The table below summarizes the FY 2025 Real Property Assessment/Sale Ratio for residential properties by neighborhood within the District of Columbia. The same table displays similar information for commercial properties, which summarizes the compliance with standards by property type for the FY 2025 assessment program.

| 2025 | Residential Median Ratio | Residential Coefficient of Dispersion | Residential Price-Related Differential | Commercial Median Ratio |
|---|---|---|---|---|
| AMERICAN UNIVERSITY | + | + | + | Ø |
| ANACOSTIA | + | + | + | Ø |
| BARRY FARMS | + | + | + | Ø |
| BERKELEY | Ø | Ø | Ø | Ø |
| BRENTWOOD | + | + | + | Ø |

| 2025 | Residential Median Ratio | Residential Coefficient of Dispersion | Residential Price-Related Differential | Commercial Median Ratio |
|---|---|---|---|---|
| BRIGHTWOOD | + | + | + | Ø |
| BROOKLAND | + | + | + | Ø |
| BURLEITH | + | + | + | Ø |
| CAPITOL HILL | + | + | + | Ø |
| CENTRAL | + | + | + | Ø |
| CHEVY CHASE | + | + | + | Ø |
| CHILLUM | + | + | + | Ø |
| CLEVELAND PARK | + | + | + | Ø |
| COLONIAL VILLAGE | Ø | Ø | Ø | Ø |
| COLUMBIA HEIGHTS | + | + | + | Ø |
| CONGRESS HEIGHTS | + | + | x | Ø |
| CRESTWOOD | Ø | Ø | Ø | Ø |
| DEANWOOD | + | + | + | Ø |
| ECKINGTON | + | + | + | Ø |
| FOGGY BOTTOM | + | + | + | Ø |
| FOREST HILLS | + | + | + | Ø |
| FORT DUPONT PARK | + | + | + | Ø |
| FOXHALL | Ø | Ø | Ø | Ø |
| GARFIELD | + | + | + | Ø |
| GEORGETOWN | + | + | + | Ø |
| GLOVER PARK | + | + | + | Ø |
| HAWTHORNE | Ø | Ø | Ø | Ø |
| HILLCREST | + | + | + | Ø |
| KALORAMA | + | + | + | Ø |
| KENT | + | + | + | Ø |
| LEDROIT PARK | + | + | + | Ø |
| LILY PONDS | + | + | + | Ø |
| MARSHALL HEIGHTS | + | + | + | Ø |
| MASS. AVE. HEIGHTS | Ø | Ø | Ø | Ø |
| MICHIGAN PARK | Ø | Ø | Ø | Ø |
| MOUNT PLEASANT | + | + | + | Ø |
| N. CLEVELAND PARK | + | + | + | Ø |
| OBSERVATORY CIRCLE | + | + | + | Ø |
| OLD CITY #1 | + | + | + | + |
| OLD CITY #2 | + | + | + | Ø |
| PALISADES | + | + | + | Ø |
| PETWORTH | + | + | + | Ø |
| RANDLE HEIGHTS | + | + | + | Ø |
| NOMA | Ø | Ø | Ø | Ø |
| SW WATERFRONT | + | + | + | Ø |
| RIGGS PARK | + | + | + | Ø |
| SHEPHERD PARK | + | + | + | Ø |
| 16TH STREET HEIGHTS | + | + | + | Ø |
| SPRING VALLEY | + | + | + | Ø |
| TAKOMA PARK | Ø | Ø | Ø | Ø |
| TRINIDAD | + | + | + | Ø |

| 2025 | Residential Median Ratio | Residential Coefficient of Dispersion | Residential Price-Related Differential | Commercial Median Ratio |
|---|---|---|---|---|
| WAKEFIELD | Ø | Ø | Ø | Ø |
| WESLEY HEIGHTS | + | + | + | Ø |
| WOODLEY | Ø | Ø | Ø | Ø |
| WOODRIDGE | + | + | + | Ø |
| FORT LINCOLN | + | + | + | Ø |
| ST ELIZABETHS | Ø | Ø | Ø | Ø |
| NAVY YARD | Ø | Ø | Ø | Ø |

+ = Meets IAAO Standard

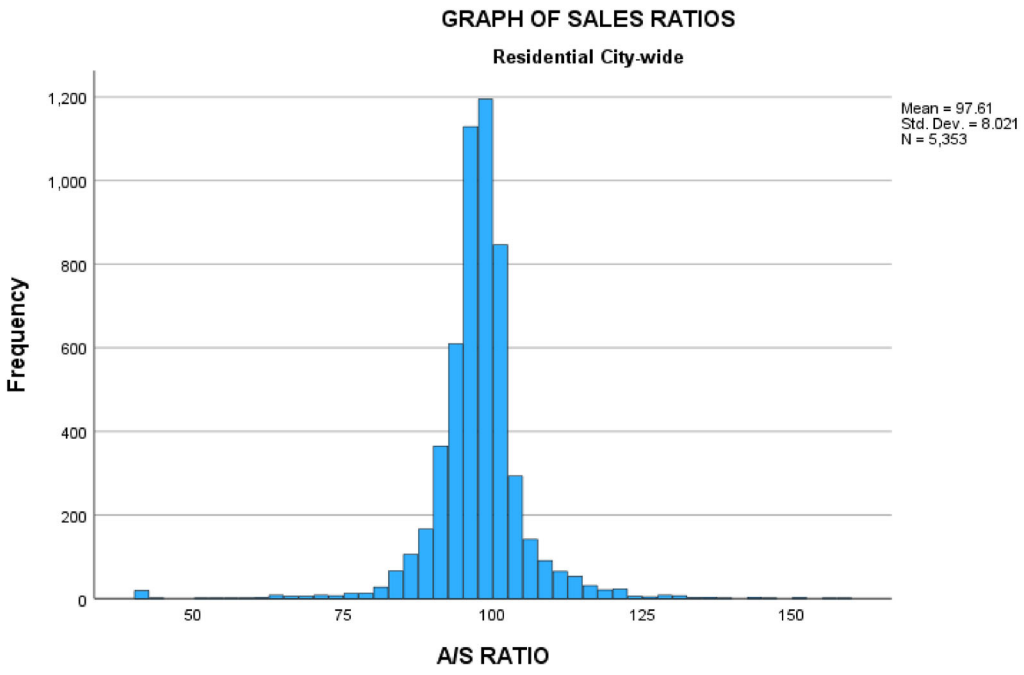
x = Does not meet IAAO Standard

Ø = Insufficient data

The analysis presented in the table above, along with the descriptive statistics that follow, indicates that the appraisers achieved a consistent and appropriate level of value in their most recent valuations.

In the realm of commercial real estate, the income approach to valuation stands as a cornerstone, commanding greater scrutiny and emphasis. This method, which evaluates a property's potential earnings, becomes particularly vital in a market where the number of sales is often scarce, creating obstacles to a thorough and detailed investigation of prevailing trends and values. The implications of this approach underscore the complexities inherent in valuing such properties, as the lack of transaction data can obscure a complete understanding of market dynamics.

The histogram below visually represents the frequency distribution of individual residential ratios from the study. The overall shape of the graph illustrates the extent of dispersion in the data. A tall, narrow shape typically signifies less dispersion around the measure of central tendency, while a flatter, broader shape indicates greater dispersion and less uniformity. The histogram of RPTA's results shows both a solid central tendency and reasonable dispersion. The measures of central tendency reveal that, on average, properties have been valued at approximately 97.61% of their respective sale prices for FY 2025.




***CONCLUSION***

This study rigorously examines unadjusted sales price data from 2023, leading up to the critical valuation date of January 1, 2024, which serves as the foundation for FY 2025 assessments. We are committed to ensuring the integrity of our analysis by including only verified arms-length transactions. Sales between related parties, those involving financial institutions or government agencies, and transactions exhibiting extreme sale-to-price ratios—which indicate potential anomalies—are deliberately excluded from our findings.

In situations where property values fluctuate significantly, ratio statistics can be impacted negatively. When real estate prices are on the rise, the ratio of assessed values to sale prices will typically reflect a lower ratio, and conversely, when prices decline, the ratio will appear higher. To ensure uniformity in assessments, it's important to also examine other metrics such as the average deviation, coefficient of dispersion, and standard deviation. These statistics provide a more comprehensive understanding of assessment consistency.

Overall, the performance of RPTA's ratios are consistent with IAAO standards, underscoring our commitment to delivering reliable and robust valuation data.