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SUMMIT COUNTY
C O L O R A D O

Residential Model Time Trend Information

Changing Market Conditions

Colorado statute requires County Assessors to analyze changes to sale prices attributable to changes in the market over time, and adjust all sale prices as needed to the current appraisal date (June 30, 2022 for tax years 2023 and 2024). This is familiarly referred to as "time trending".

Time rates applied

Much time and effort was dedicated to the analysis of time adjustment for this reappraisal. Location, construction quality, and residential subclass were all scrutinized in terms of how they related to the quickly-changing local real estate market during the Covid pandemic. In the end, mobile homes were trended separately from other residential subclasses. Single family, duplex/triplex, and townhome types were divided into neighborhood groups that showed similar trends. The dates where trends shifted and the rates applied for each time period are displayed in the table below. The total time rate is applied to each sale price to arrive at the Time Adjusted Sale Price (TASP), which is the estimated price that would have been paid had the sale occurred on the appraisal date.

| 2023 Residential Time Adjustment Rates													
tgroup (nbhd)	location	period 1	pd 1 #mo	rate 1	period 2	pd 2 #mo	rate 2	period 3	pd 3 #mo	rate 3	period 4	pd 4 #mo	rate 4
24700, 24800, 27000	north of Silverthorne, Montezuma	7/2017 - 8/2020	38	1.00188	9/2020 - 12/2021	16	1.02820						
23000, 23100	Frisco Town and Area	7/2017 - 6/2019	24	1.00660	7/2019 - 8/2020	14	1.00312	9/2020 - 6/2021	10	1.02856	7/2021 - 4/2022	10	1.01913
24000, 24300, 25100, 26100	Silverthorne and Area, Dillon, Summit Cove	7/2017 - 6/2020	36	1.00586	7/2020 - 8/2021	14	1.02166	9/2021 - 4/2022	8	1.01774			
24600, 25000	Wildernest, Dillon Valley	7/2017 - 7/2020	37	1.00455	8/2020 - 3/2022	20	1.02335						
20700, 20750, 20800, 21020, 21800, 22100, 22300, 22500	Upper Blue Valley outside Breckenridge central area and Skiside	7/2017 - 7/2020	37	1.00478	8/2020 - 3/2021	8	1.02928	4/2021 - 10/2021	7	1.01809	11/2021 - 4/2022	6	1.02500
21000, 21010, 21050, 21100, 21150	Breckenridge Town, East Breck, Warriors Mark, Skiside, Highlands	7/2017 - 6/2020	36	1.00529	7/2020 - 9/2021	15	1.02232	10/2021 - 4/2022	7	1.01210			
26200, 26300, 28000	Keystone Area and Copper Mountain	7/2017 - 6/2019	24	1.00453	7/2019 - 11/2020	17	1.01015	12/2020 - 11/2021	12	1.03458			
Mobile Homes	countywide	7/2017 - 3/2019	21	1.01308	4/2019 - 9/2020	18	1.00842	10/2020 - 6/2022	20	1.01793			
	Rates are taken to the power of the number of months.												

Reasonableness of Adjustment

This set of graphs illustrates the reasonableness of the adjustment for changing market conditions, or time rate. The Y axis is showing the median ratios. The SPPSF_RATIO is the Sale Price Per Square Foot (SPPSF) divided by the median SPPSF over the data period. The blue line shows the median SPPSF Ratio for each quarter throughout the period. The red line shows the median Inverted Rate Aligned (INV_RATE_ALIGNED). This is the inverse of the ADJRATE or total time rate divided by the mean ADJRATE. The inverse is taken in order to properly compare the rates against the SPPSF. This comparison shows that the rate applied reflects the trend in changing SPPSF, while minimizing short-term volatility.

Time Group 1 comprises the more remote areas of the County, from north of Silverthorne to the northern border with Grand County, plus the section east of Keystone to the boundary with Clear Creek County. The Town of Montezuma and unincorporated Heeney are in this group. You can see the inconsistency of sales, amplified in the final two years. This volatility, in addition to the small number of sales in 2022 (5 of a total of 80 in five years), prompted the determination to flatten the time rate from January to June 2022, as illustrated by the red line on the chart.
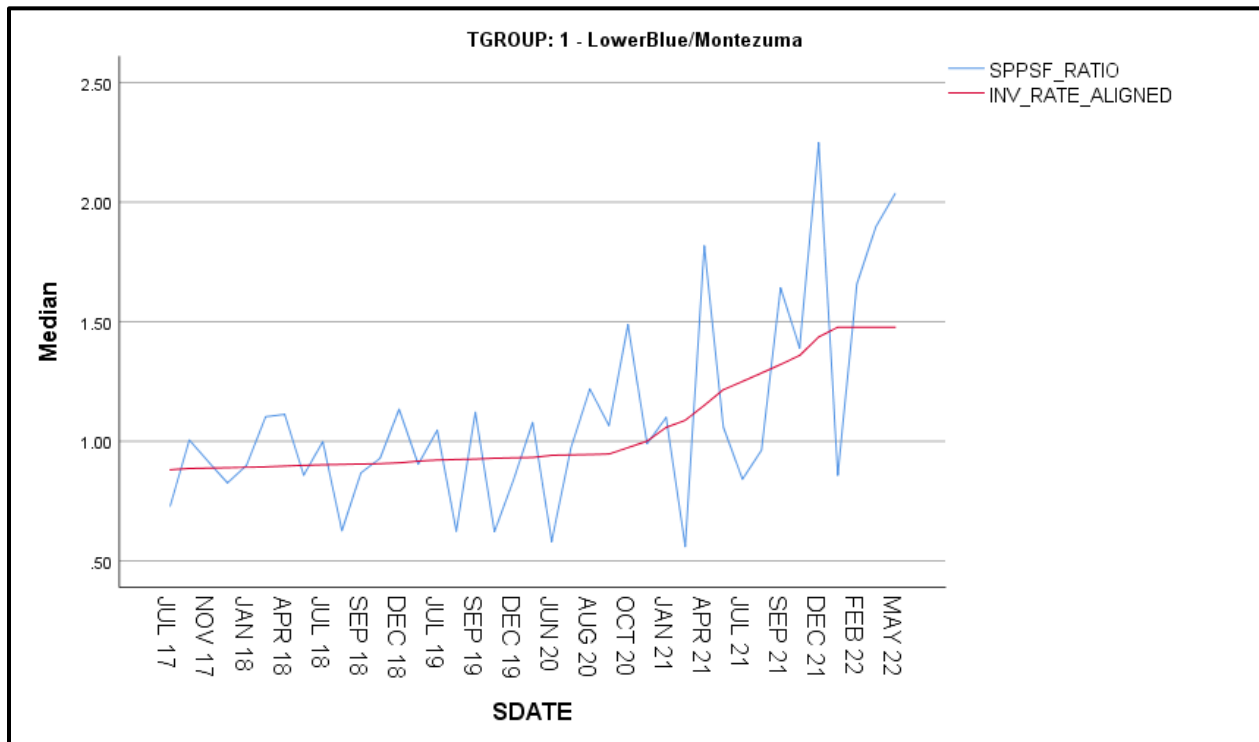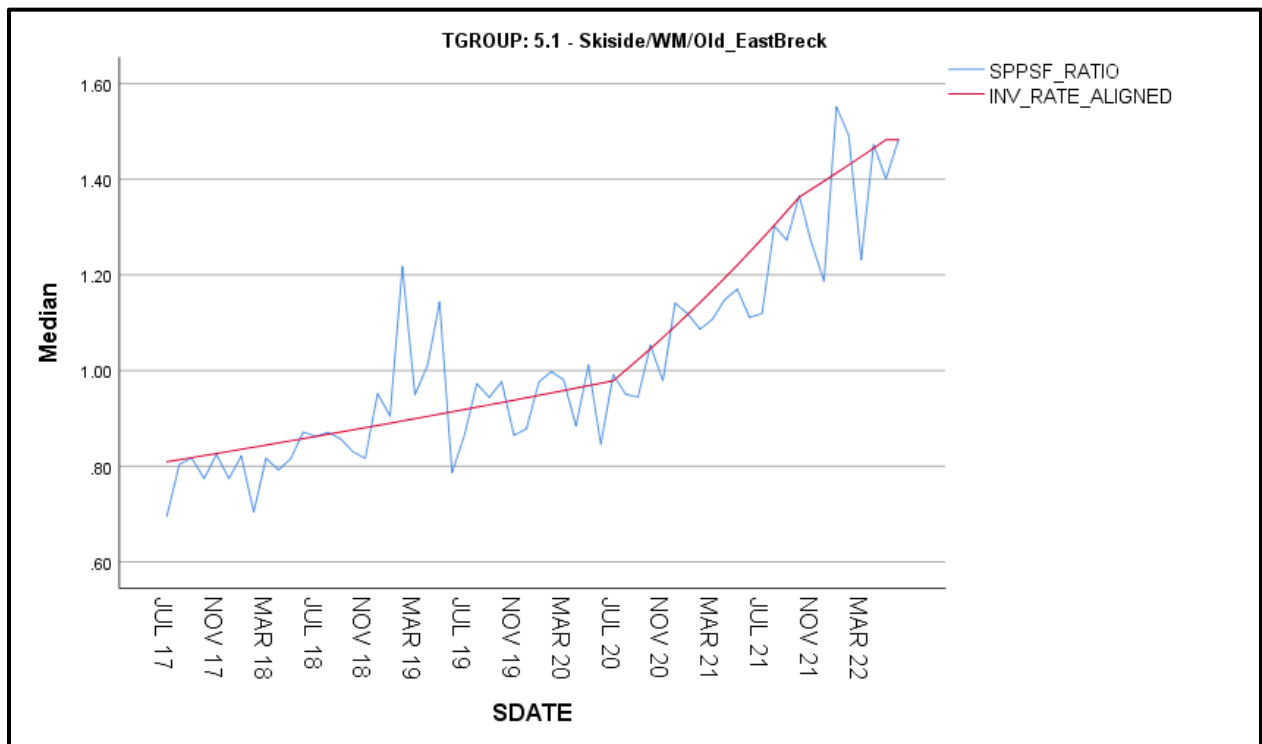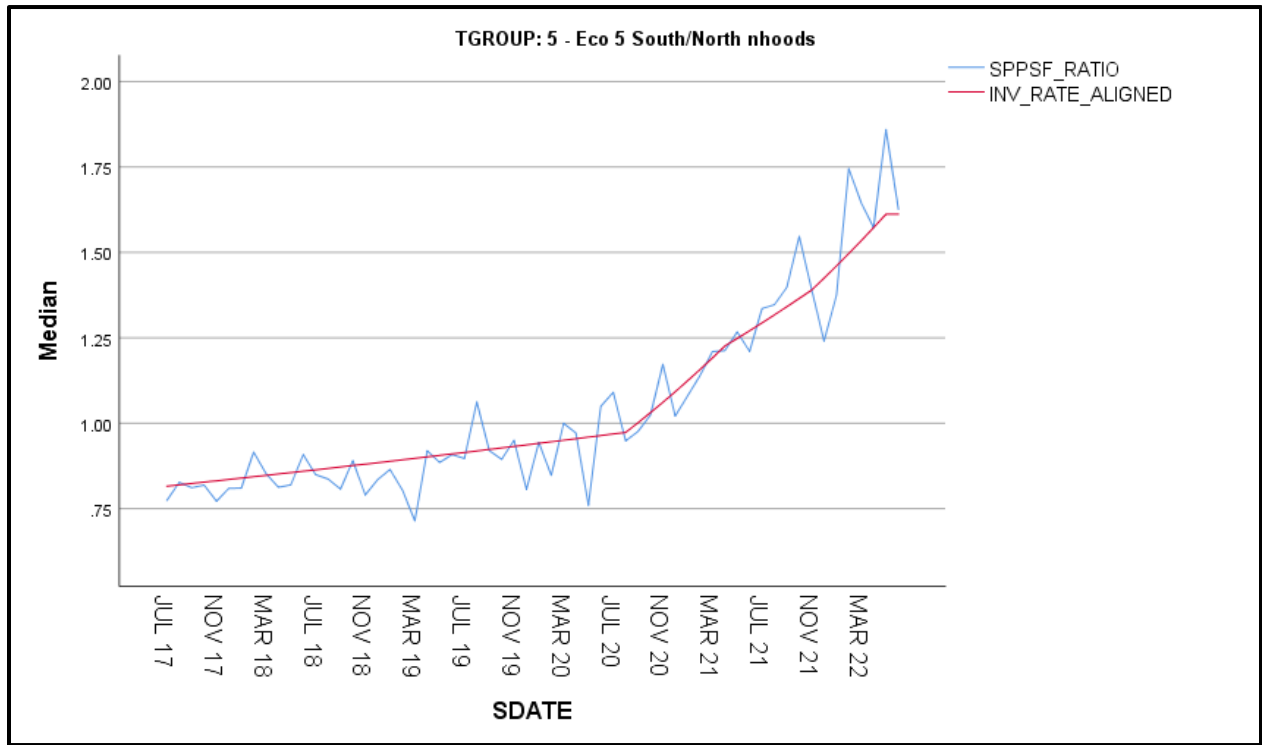
Time Group 2 includes the Town of Frisco and surrounding areas generally considered Frisco, from the County Commons to Interstate 70 west and north, to Lake Dillon Reservoir north and east. Frisco experienced a high volume of sales activity, with 407 sales among a population of 1,762. Only 9 sales occurred in the final two months, with a wide disparity of prices. This data indicates a continuation of the upward trend since September 2020 is not well supported by the data.
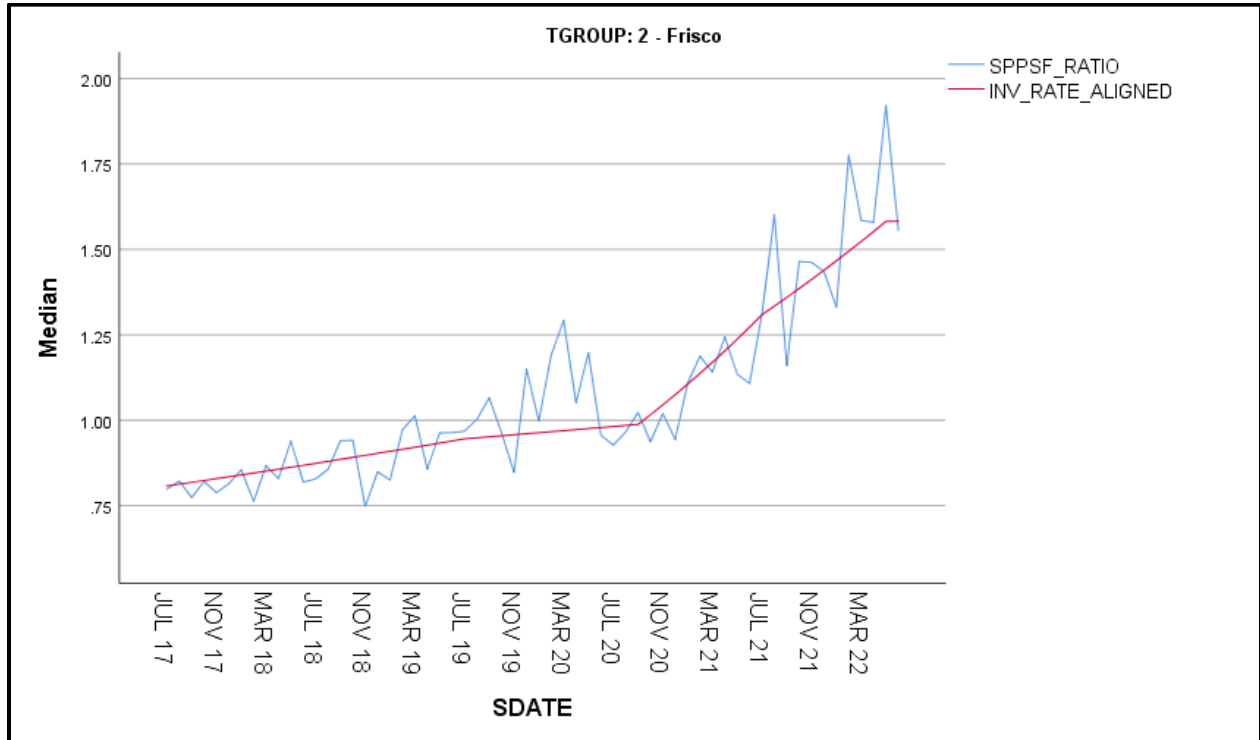
Economic Area 4 was stratified into two groups most similar to one another in the time trends observed. The Wildernest and Dillon Valley areas showed increase at a higher rate than the other neighborhoods over the final two years of the data period. Both groups showed more inconsistent numbers in the final few months, as has been seen in the prior groups, indicating a slowing of the upward trend should be considered.
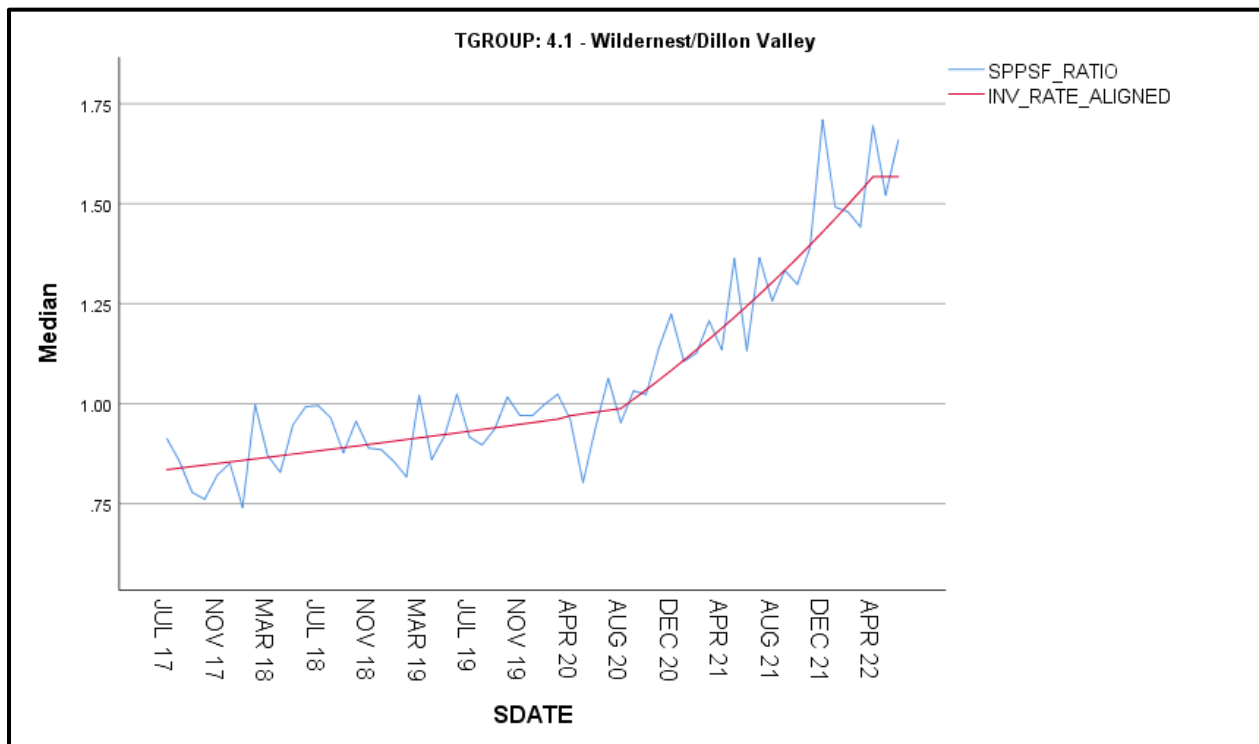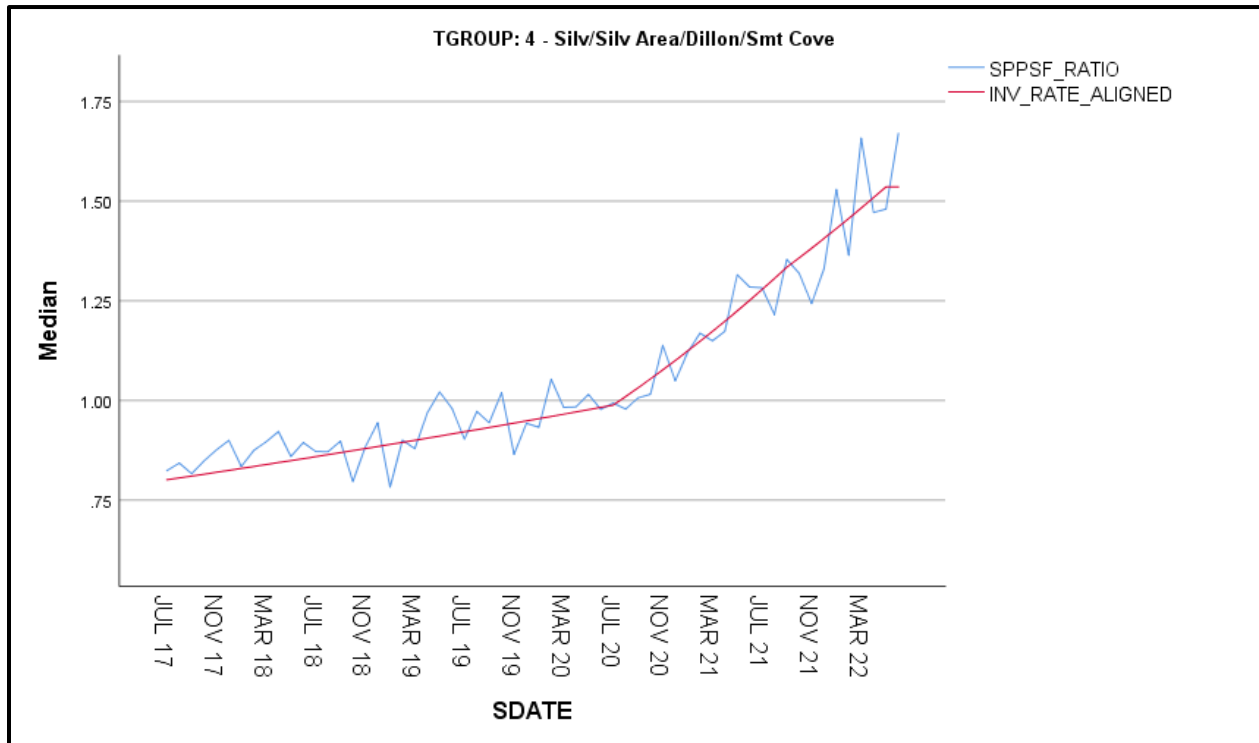
The trends in Economic Area 5 showed a distinction between the neighborhoods more central to the Town of Breckenridge and the ski area versus those further north and south in the Upper Blue Valley. As seen in the other regular residential groups, sales data becomes more sparse and inconsistent near the end. Some dampening of the upward trend is supported by this data.

TGROUP: 5 - Eco 5 South/North nhoods

SPPSF_RATIO
INV_RATE_ALIGNED

TGROUP: 5.1 - Skiside/WM/Old_EastBreck

SPPSF_RATIO
INV_RATE_ALIGNED

The Keystone Ranch and Keystone Area neighborhoods, along with Copper Mountain, make up Time Group 6. Given the extreme vacillation in adjusted prices and SPPSF observed in the final months of the data period, it was deemed most appropriate not to allow a sharp upward trend to continue after November 2021.
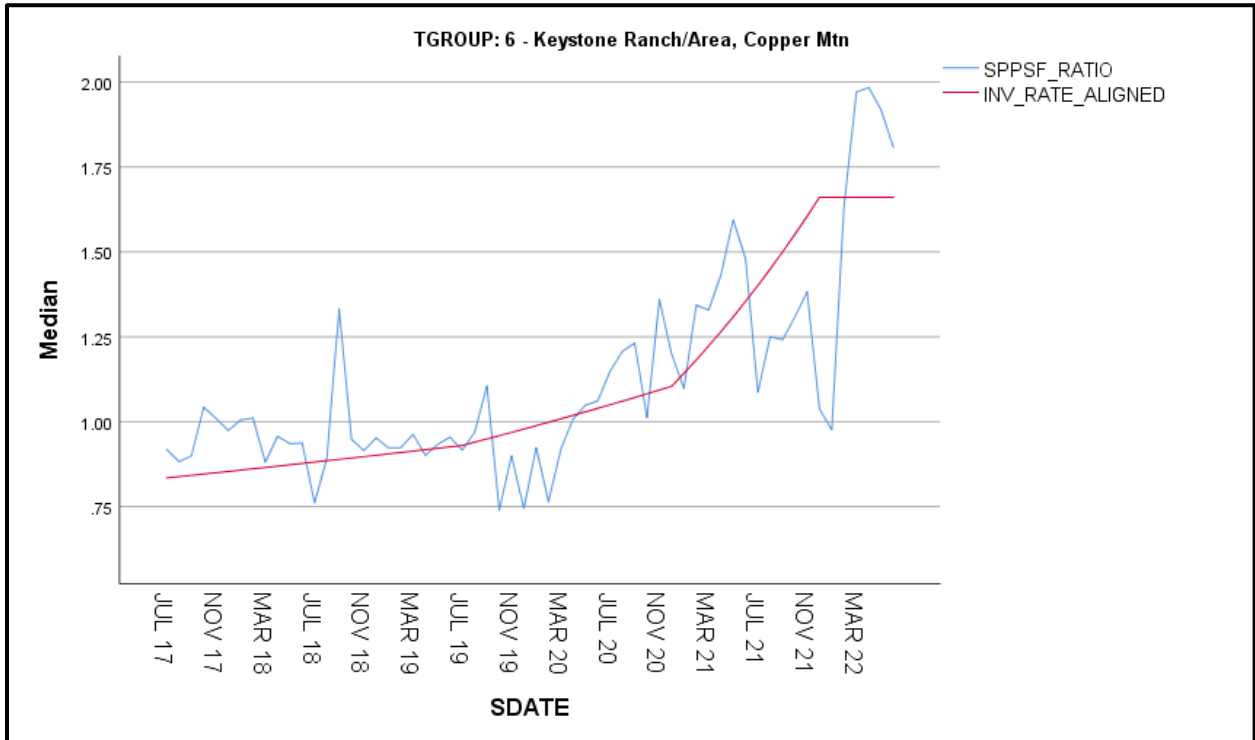
Mobile Homes were seen to trend quite differently than other residential property types. An extreme upward trend was not observed, and the continuation of a more modest increase to the end of the period is well supported by the sales data.
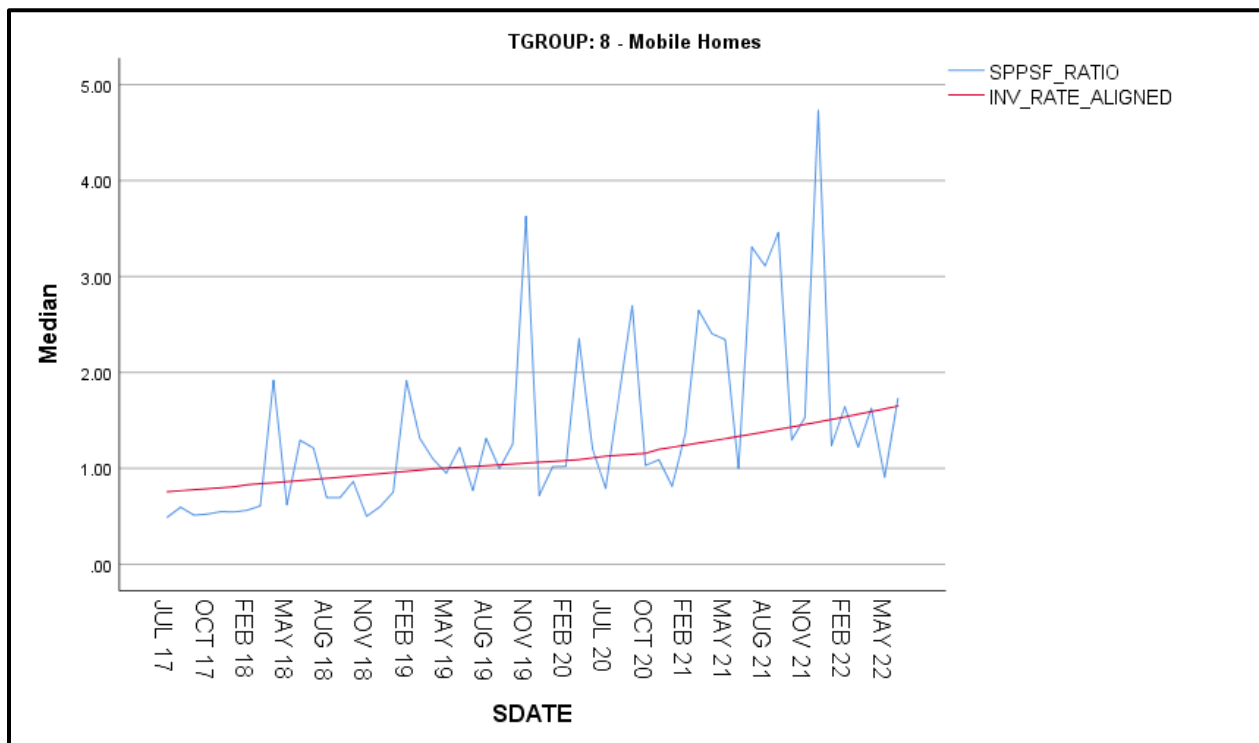
Results: Ratio by Time Group

The next set of graphs for time trends shows the ratio results of the rates applied to the sales. The closer the red curved fit or Loess line follows 1.0 throughout the data period, the better the adjustment brings each sale in line with the current market. These graphs are color-coded by the different periods (splines) identified for each group. The results are a good fit overall. However, one can see our estimated values are not rising up to the level of time adjusted prices, despite the dampened rates applied to the final months of the data period for the regular residential groups. This is most apparent in Time Group 1, which has the lowest number of sales. You will observe that Time Groups with a larger number of cases show more consistent ratio results throughout the data period, because there is stronger data to inform accurate adjustments.

TGROUP: 2 - Frisco

TGROUP: 4 - Silv/Silv Area/Dillon/Smt Cove

TGROUP: 4.1 - Wildernest/Dillon Valley

TGROUP: 5 - Eco 5 South/North nhoods

TGROUP: 5.1 - Skiside/WM/Old_EastBreck

TGROUP: 6 - Keystone Ranch/Area, Copper Mtn

TGROUP: 8 - Mobile Homes