



**City of Philadelphia
Office of the City Controller**

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**Controller's Office Releases Report on Property Assessments;
Finds Issues with Transparency, Land Valuation, and Assessments in Lowest Income
Neighborhoods**

Controller's Office releases data and software used to complete analysis, and guide for reaching office's conclusions.

Philadelphia, PA – The Office of the City Controller released a review of the accuracy and fairness of the Office of Property Assessment's (OPA) annual property assessments of single-family residential properties since tax year 2014. The review summarizes the analysis and findings of the City Controller's Office and offers recommendations on how to improve the assessment process.

The City Controller's Office completed an independent citywide ratio study, the industry standard to evaluate the performance of an assessing body, using OPA sales data and following the International Association of Assessing Officers (IAAO) guidelines for combing through data, selecting a sample and adjusting for inflationary trends. Based on the findings from the citywide ratio study, the City Controller's Office also completed a ratio study by geographic zone, using the zones identified by the OPA, to determine the accuracy and fairness of assessments at a neighborhood level.

The findings include:

- The OPA is not transparent about its data, methodology or processes;
- Historically, the OPA has not met the acceptable range for uniformity or regressivity since AVI, despite claiming to have met acceptable standards every year since tax year 2014. Tax year 2019 is the first year in which the OPA achieved acceptable results for both regressivity and uniformity. For several of the years, the OPA's reported results differed materially from ours, which were determined using industry standard guidelines;
- When you look at the OPA's accuracy at a geographical basis for tax year 2019, the OPA is still outside of acceptable ranges for uniformity and regressivity in 7 of 14 zones, despite its citywide acceptable results;
- The OPA performs worse in the areas of the city with the lowest median income. These areas of the city have the least uniform and the most regressive assessments. As a result, less expensive homes in North, Southwest and West Philadelphia tend to be overassessed relative to neighboring more expensive homes;
- The OPA has gotten worse at land valuation since tax year 2017 when the OPA reassessed land values citywide for the first time since AVI. Land values are much less uniform than they previously were.

About half of all single-family had a land value set as a percentage, either 15% or 30%, of a property's total assessed value homes in tax year 2017. This is in stark contrast to tax year 2016 when only 88 properties citywide had land values set at 15% or 30% of a property's overall value; and

- Land values differ significantly for abated properties and non-abated properties on the same block, by approximately \$8 per square foot in tax year 2017. That number has grown to about \$23 per square foot in tax year 2019.

“Our findings, like those in City Council’s report, show significant shortcomings from the OPA and in the assessments it produces,” said City Controller Rebecca Rhynhart. “While the administration has stated that it intends to implement the recommendations of its consultant – an effort we support – we have made some additional recommendations that should be considered with urgency. Specifically, we recommend that the OPA begin working to address the regressive nature of assessments in the city’s poorest neighborhoods, as well as revising its valuation process for land. We also want to encourage the OPA and the administration to focus intensely on addressing its transparency issues – CAMA alone won’t make the OPA more transparent. There needs to be a clear commitment to transparency and communicating how assessments are set to the public.”

In addition to releasing a summary analysis, the Office of the City Controller’s Finance, Policy and Data unit will also make available the data and software used to complete this analysis, as well as a guide for how we reached our conclusions and replicating our results. View the data, software and tutorial [here](#).

“My office believes that the public deserves real transparency around the City’s most important topics. Sharing this kind of information and data will facilitate discussion and, in the end, lead to better outcomes for Philadelphians,” added Controller Rhynhart.

The Controller’s Office analysis summary is available [here](#).