

Reject 26 Form

Non-Open Market that results in a Non-Typical Sale

- If your PTCO requires this form for reject 26 the use of this form is not optional. The completed form will need to be e-mailed to your PTCO at approximately the same time (or before) the eCRV is submitted to the state. A note also needs to be added to the eCRV indicating when the e-mail with this form was sent.
- Because reject 26 must be supported by market data, it is normally best to initially submit the sale as good and then come back to it later when there are enough sales to determine if it sold significantly different than similar properties.
- If the sale falls into the current range of sales for that property type, it might not be appropriate to reject the sale for Reject 26. For example: if a residential sale has a ratio of 75% and there are 8 other "good" residential sales in that jurisdiction with a range of 60% to 106%, it most likely is not appropriate to reject it for reject 26 since it falls into the current range of ratios.
- All other reasons for the poor ratio should be eliminated before using reject 26. For example:
 - Incorrect physical data (missing construction, building/s sq. ft., wrong front footage, land types, etc.)
 - Wrong subjective items such as quality / grades, effective age, etc.

eCRV #: _____

Parcel # _____

Appraiser / Assessor _____

Current range of sale ratios _____

There are three tests to determine if a sale qualifies for reject 26. The tests consist of three components that need to be not existing (open market, appraisal, and non-typical market) before a sale can be rejected for reject 26.

1. **Open Market:** Was the sale exposed to the market, or announced and/or promoted through realtor listings, newspapers, or other publications, advertisements, brochures, or other promotional or informational mailings, including if the property was for sale by owner? IAAO recognizes the following as methods of marketing: Listing with a real estate broker, auctions, for sale by owner, internet marketing, newspaper advertisements, sealed bids, word of mouth).

<input type="checkbox"/> Yes (if "yes" the sale should not be rejected for R-26) <i>*In rare circumstances a "marketed" sale can still be eligible for R-26 if it is supported by the next two tests.</i>

<input type="checkbox"/> No (go to test 2)
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2. **Appraisal:** Was an appraisal done prior to the sale to establish the sale price or to be used as a starting point for negotiations and is the sale price within 10% of the appraised value? An appraisal done for financing does not meet this criterion.

<input type="checkbox"/> Yes (if “yes” the sale should not be rejected for R-26)
<input type="checkbox"/> No (go to test 3)

3. **Non-typical market:** Is the sale price typical of the market for this type of property? If it is determined that the sale price is not typical it must be supported with market evidence. For example:

- If the property is a larger parcel of land, how significantly different is the price per acre than sales of other similar properties (e.g. 80 acre parcel of tillable land sells for \$2,000 an acre when the average price for other similar parcels is \$3,200)?
- If the property is an apartment built in the 1980’s, how significantly different is the price per unit for other similar apartments (e.g. 8 unit apartment built in the 1980’s sells for \$15k per unit when other similar apartments are selling for \$35k per unit)?
- If the property is a residence on a lake; how significantly different is the price to other similar lake residences (e.g. a lake home of \$1,200 sf built in the 1990’s with some updating over the years and 150’ of lakeshore sells for \$800,000. Similar (or even better) homes with the same / more lakeshore are selling on this lake for approximately \$500,000)?

What is the market evidence that supports that this sale is not typical? Note: You must provide market evidence in the box below. Note: Your PTCO may ask for additional data to support rejecting the sale.

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<input type="checkbox"/> Yes (if “yes” the sale price is typical the sale should not be rejected for R-26)
<input type="checkbox"/> No (the sale should be rejected)

Please note: If you have a sale that doesn’t meet the above criteria (and cannot be rejected for any another reason) and you are still convinced that it isn’t a good sale for the study, please reach out to your PTCO for further discussions / consideration.