



CITY ASSESSOR

414/302-8230
414/302-8238 (Fax)

City Hall
7525 West Greenfield Avenue
West Allis, Wisconsin 53214

www.ci.west-allis.wi.us

June 24, 2008

City of West Allis Common Council

RE: 2009 City of West Allis Revaluation

As everyone is aware, the country is in the midst of a downward trend in real estate values and sales. Negative national real estate value issues are placed before us on a daily basis, with citizen's concerns fueled by these national numbers. With sale prices in the Midwest falling from 5% to 8% on average, West Allis and the Milwaukee market is simply realizing a leveling off of our prices and values. It may be that because of the type of housing stock and values of our properties, we have so far escaped the negative value trends of our neighbors. Over the last three years we have seen our values level off to currently reflect very little appreciation. There has been an increase in the number of foreclosures and distress sales, with the public seeing this as a negative market. However, these are "involuntary transfers" that are not reflective of true market value. We do not use these involuntary transfers in our assessment process. The real estate market, for the short term has been affected by the lending practices we saw in 2004 and 2005.

The last citywide revaluation was conducted in 2006, and planned for every two years. Previously, on March 20, 2007, the Common Council approved a one year delay from 2008 to 2009. This delay was based on the clerks staffing requirements needed for the 2008 Presidential election.

As the Assessor for the City of West Allis, I am asking the Common Council to consider the postponing of the 2009 citywide revaluation until 2010. As a city, we have seen a slowdown in the residential market as well as the multifamily commercial component from the record years of 2004 and 2005. Residential sales for 2006 showed an appreciation rate of 2.5%, for 2007 an appreciation rate of approximately 1.5%, and with no appreciation projected for 2008. We have also seen a substantial decrease in the number of sales over the last two years, decreasing about 35%. Before 2006, we had been averaging 1100 sales per year. In 2006 we had 924 residential sales, for 2007 that number was 786, and for 2008 we are projecting approximately 700 sales. Our



commercial market has also seen a leveling off from the record highs we had seen in 2004 and 2005. The multifamily market has seen no appreciation over the last two years due to the tightening of the commercial loan sector. The multifamily component makes up about 33% of our commercial base.

With citizen concerns over the economy and the national real estate situation, this has resulted in negative perceptions overall. Even with the stability of our values here in West Allis, it is our challenge to overcome these negative perceptions and convey the positives of living and working in West Allis.

For these above stated reasons, I make this request for the one year delay.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles F. Ruud".

Charles F. Ruud
City Assessor