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An Overview of Brown County's 2008 Annual Trending December, 2009

The following steps were taken to conduct the 2008 annual trending in Brown County:

Step 1: Calculation of New Land Values

Current land values for both residential and commercial/industrial neighborhoods were reviewed. New land values were established within specific residential neighborhoods to adjust with the current market. No changes were made to commercial/industrial values as sales were extremely limited and no adjustments were warranted. Due to the lack of sales (3 sales) and the limited number of vacant commercial and vacant industrial properties (only 2 parcels), all townships and both classifications were combined for statistical analysis.

Step 2: Calculation of New Residential Factors and Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential properties at the township level. After reviewing, all residential neighborhoods were reviewed for potential change of their currently applied market adjustment factor. This analysis resulted in a revision to selected neighborhoods. Sales from the 2007 and 2008 period plus information taken from prior year appeals were used to determine market adjustment factors. Sales from this period were not time adjusted. Overall, the majority of the residential properties remained unchanged, however slight increases were the result in those neighborhoods that continue to show high sales activity and demand. This was predominate in the Cordry/Sweetwater Lake area, where housing values continue to increase.

Step 3: Updated Commercial & Industrial Improvement Values

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The county also changed the year of depreciation from 2007 to 2008. The Nexus Group Construction Cost Index (NCCIsm) was used to update these cost tables. These detailed construction cost models have been constructed by Nexus Group and applied uniformly by property class based on specific

usage, wall type and other characteristics. Due to the lack of improved commercial sales and the limited number of improved commercial properties within the county, all townships county wide were combined for statistical analysis. Only the Township of Washington has a significant amount of commercial properties. The townships of Hamblen and Van Buren have less than 25 parcels assigned to this classification. Statistical analysis from the improved commercial study was reported for improved industrial classification as there were zero improved industrial sales. County wide there is only 9 parcels assigned to this classification.

Step 4: Analysis of Residential Sold Properties versus Unsold Properties

An analysis study was completed for improved residential properties to determine if sold properties changed at the same level as unsold properties. This data was reviewed at the township level and at a neighborhood level where necessary. Properties in Brown County can have many unique qualities as topography of land, private ponds/lakes and country setting views play a major influence on the market. Sweetwater Lake property continues to be the highest marketed area within the county and continues to experience the highest percentage change.

Step 5: Use of Sales information

Brown County is committed to utilizing as many valid sales as possible. As you will see in the ratio study, several multiple parcels sales have been used. Brown County consists of many large tract parcels, often resulting in multiple parcel sales. When possible these sales were used, however many times the additional parcels reflected agricultural land and therefore excluded from the study. Additional steps are being taken today in the county assessor's, ensuring that only those sales that are truly arms length, non agricultural use are being marked valid.