

Fayette County 2009 pay 2010 Trending

Fayette County is a rural county that in the past has had a diverse mixture of agricultural, commercial and industrial parcels. Posey and Fairview Townships in the northwest corner of the County are mostly good farm ground with a smattering of residential parcels. The remaining rural townships are very hilly with some rolling farm ground mixed with tree covered residential parcels. The city of Connersville is divided between two townships and sits in the middle of the County.

In its' early days, Connersville was a booming industrial town with five to seven major industries, the largest being a vehicle refrigeration plant. This has gone downhill until the closing of the refrigeration plant last year leaving only a few small industrial plants. Unemployment is among the highest in the state and foreclosures make up a great deal of the sales file.

Due to the weak real estate market and high foreclosure numbers, 2006 and 2007 sales were time adjusted (see below for analysis) and used for all classes except commercial improved. Commercial and Industrial were grouped as one class on a county wide basis.

2009 pay 2010 Time Adjustment Analysis

Both ratio trend analysis and resale analysis were used to determine the time adjustment for 2006 and 2007 sales used in the 2009 pay 2010 yearly update analysis. (IAAO Property Appraisal and Assessment Administration Appendix 5-3)

Ratio Trend Analysis

Residential sales used in the 2008 pay 2009 yearly update analysis which occurred in 2006 and 2007 were updated with 2008 pay 2009 assessment values. The sales were then grouped by month and the median sale price to assessment ratio per month plotted in a scatter graph. Using linear regression analysis the rate of change was determined to be a negative .02% per month.

Resale Analysis

Eight parcels were found that resold from 8 to 18 months apart. The new sale was subtracted by the old sale then divided by the old sale to give the difference of the two. This was then divided by the old sale to give the % of difference and then divided by the number of months between the sales to give the % difference per month. The median % difference per month was .67% This method was discounted due to 5 of the 8 sales occurring in newer neighborhoods.

2006 and 2007 sales were downloaded into excel and with the days360 function, the number of months were determined from the sale date to Jan 1, 2008. This number was multiplied by .0002 then multiplied by the sale price and subtracted from the sale price producing the adjusted sale price. This number is the value used in the ratio calculations. 2008 sales were not adjusted.