

Mr. Barry Wood
Assessment Director
Department of Local Government
100 N Senate Ave
Rm N1058
Indianapolis, IN 46204

Re: Submittal of Hamilton County Ratio & Equalization Study 2010 pay 2011

The attached excel files depict our ratio statistics per township and by property classes. The first sheet is a summary of each Township's parcel count, COD, PRD, and Median. The additional sheets are by Township with detailed data.

We are submitting our 2010 pay 2011 worksheet values of all parcels for the County in the format you directed. We are also attaching an excel file of 2009 & 2010 sale parcels that were changed and the reason they were changed.

We collapsed Adams, White River, & Wayne Townships to arrive at sufficient sample size for all property classes. We have also collapsed all Townships' Agricultural improved, commercial and industrial property classes. There were too few sales of residential vacant land sales to complete a ratio study in Wayne, White River, Jackson, & Delaware Townships. There were no similar Townships to collapse these few residential vacant sales into.

Hamilton County completed our trending in house with no outside vendor. The ratio and equalization was completed in house as well. Hamilton County utilizes SPSS software to run statistical analyses on all parcel data to ensure that we are assessing property within State guidelines.

Narrative of Hamilton County's trending procedures

Residential:

Hamilton County had sufficient 2009 and two months of 2010 sales in a majority of neighborhoods to trend residential properties for the 2010 pay 2011 tax year. There are some neighborhoods that did not have enough sales to establish trending factors. We combined neighborhoods where we could. Some neighborhoods were expanded to include 2008 sales time adjusted to 3/1/2010. Our time adjustment was calculated utilizing information from MIBOR as well as a paired analysis calculated by the County. We also utilized our previous year's appeals in those neighborhoods that we experienced a larger number of appeals in. If all avenues were applied and we still did not have enough data to arrive at a trending factor, we did not change the neighborhood.

Step one: We captured all vacant land sales that now have subsequent improvements to ensure we were using all possible sales. Per 50 IAC 14, we ran ratios of vacant land sales to establish base rates by neighborhood in all townships. If warranted base rates and or

excess rates were changed. We saw very little change in land values, so most base rates stayed at their 2009 rates.

Step Two: We captured all multiple parcel sales and summed the totals of all parcels land and improvement value to ensure we were using all possible sales. There is a notation in the header file of each township if it was a vacant or multiple parcel sales. Per 50 IAC 14, we ran ratios of residential improved sales by neighborhood in all townships to define any problem areas. If warranted we stratified any neighborhoods that were falling outside the requirements either by age, story height, square foot, etc. We applied a neighborhood factor adjustment if warranted. Then we re-ran ratios to ensure that we were within the guidelines.

Step Three: We ran ratios by township by class to ensure that our changes were within the guidelines. Reviewed any changes in neighborhoods that are adjacent to township lines to ensure all properties were being treated the same in those adjoining neighborhoods.

Commercial & Industrial:

In establishing values for 2010 commercial/industrial trending, the starting point used was the 2009 trending valuation. This was done by adjusting the 2002 reassessment cost values by a factor of 1.38 and the depreciation year was adjusted to 2008. The Marshall and Swift Cost Manual's comparative cost multipliers were utilized to arrive at the factor. That factor was utilized in townships with a large numbers of commercial/industrial properties. Townships with little commercial/industrial properties were done by reviewing the sales in the neighborhoods and adjusting as needed. After adjusting improvement value by said factor and deprecation, the land values were reviewed and adjusted where needed based upon sales information. Certain commercial/industrial neighborhoods and use types required individual review and adjustment. Comparing the 2009 assessed values to actual sales, along with reviewing income and expenses data, appraisals and other appeal information was instrumental in dictating the 2010 values. A major help in this year trending was the information received and researched in the appeal process for 2008 and 2009 trending. This is what supplied income, expense and cap rate data. Reality rates, Integra and RERC real estate report were used to help establish valid cap rates. Web sites, such as Loopnet, were used to help arrive at current leasing information and cap rates information in the area or for like use types where no information was available in the county. The above appeal information, helped us with a more working knowledge of market data versus a purely cost approach mentality.

The following are data stats for Hamilton County to aid you in your analysis:

Total Parcel Count: 116,096

There were new parcels created by either the 74 new plats or the 353 splits recorded. There were 414 parcels deleted either by new plats or combinations recorded.

Total Valid and Invalid Sales Disclosures submitted for 2008 & 2009: 9,248
Total number of 2008 used: 1,636
Total number of 2009 & 2months of 2010 used: 5,294
Total number of sales that were validated used in ratio: 6,930

Unfortunately, I will be unavailable for at least a week starting on May 26, 2010 due to having surgery that can not be delayed. If you have any questions or need additional information, please contact Robin Ward at 776-9821 or Kim Powell 776-8537 in my office.

Sincerely,

Debbie Folkerts
Hamilton County Assessor