

Procedures for Annual Adjustments Montgomery County

Residential

- Step 1: The Residential land values were trended by sales of vacant land within the neighborhood. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. A new land order was established for the Reassessment. However, the 2011 and 2012 sales indicated the land order was high. For that reason the land was lowered the same percentage as the improvements.
- Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the dwelling of the property to raise or lower the values to an acceptable median level. If there were no sales in the neighborhood, then consideration was given to homes for sale in the neighborhood or the neighborhood was trended using similar neighborhoods; township trending factor or a comparison of percent of change caused by the cost tables.
- Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Commercial / Industrial

- Step 1: The C/I land values were trended by sales of vacant land within the neighborhood. A new land order was established but in some cases the land still needed trended. The land was trended in conjunction with the improvements. Due to a limited amount of sales the land trending was expanded to county wide.
- Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the improvements of the property to raise or lower the values to an acceptable median level. Due to the limited amount of sales, the trending was expanded to county wide. Consideration was also given to percent of change due to the changes in cost and depreciation tables.
- Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Due to lack of sales, the time frame was expanded to include 2010 sales. The sales were time adjusted by 1% annually based on paired sales analysis.