

Tippecanoe County Trending

Questions? Contact Ginny Whipple
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Tippecanoe County is an urban/rural community which is influenced by Lafayette and Purdue University. The County is divided into thirteen townships with four different school districts. Interstate Highway 65 divides the County from southeast to northwest in almost the middle of the County. Lafayette, which is the largest town is situated along this highway and has the majority of industry and commercial properties. West Lafayette contains Purdue University and is directly across the river from Lafayette.

Each ratio study is contained on a worksheet in the enclosed Excel spreadsheet. The tabs are self-explanatory. All spreadsheets contain the thirteen entries required by 50 IAC 14-5-3 as well as the Median, COD, PRD and the number of valid and invalid sales used in the study.

The initial 2005 and 2006 sales file contained 11,748 entries. 3203 of these entries were either duplicates or had a 0 sale amount. 1764 other entries were entries of same day sales with a slight dollar difference or parcels which sold within a short period of time. 6781 parcels were used in the study with 492 of them invalid. These invalid sales are on a tab with the reason included. The validity code description is on the last tab of the spreadsheet.

Following is an explanation of the process used to update values in Tippecanoe County.

Residential Improved

5353 residential valid sales were used in determining residential neighborhood factors. An example of the spreadsheet is provided on tab 2 Nghd Worksheet Example of the equalization spreadsheet. This worksheet backs the current neighborhood factor from the improvements, calculates the new factor and calculates the statistics before and after the new neighborhood factor is applied.

The rural townships were re-neighborhooded breaking out subdivisions and areas of growth. Jackson Township was the only Township with not enough sales to provide an accurate study. It was combined with Randolph and Lauramie which are comparable and make up the bottom row of Townships in the County.

Residential Vacant Land

777 vacant land sales were used to update the residential land. Again Jackson Township was combined with Lauramie and Randolph for analysis purposes.

Commercial Vacant Land

Fairfield Township

There were twelve valid and three invalid commercial vacant land sales in the base period all occurring in the eastern and northern portions of the township as follows:

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Three sales were on Highway 26 east of Interstate 65. These properties all have access from frontage access roads and good exposure. The sales were at \$333,300/ac, \$347,000/ac, and \$402,500/ac. Values were set at \$336,000/ac which is within the range of values.

A secondary lot sale occurred southeast of the above sales at \$129,300/ac. This sale was multiple properties with restricted access and was not used.

Four sales occurred on the north side of McCarty Road east of Creasy Lane on Mezzanine Drive and one sale on Market Place immediately north of Wal-Mart. The other properties were sales of vacant farm land with access to Wal-Mart via Park Street East. The sales were \$97,700/ac, \$171,400/ac, \$180,000/ac, \$184,200/ac, and \$191,800/ac. Values were set at \$168,000/ac.

Two sales occurred south of State Road 26 on Farabee Road and Century Road for \$218,650/ac and \$129,630/ac. Values were set at \$144,000/ac.

There was a sale of a commercial pad in the Pavilions Neighborhood shopping center at \$961,500/ac. for a Starbucks coffee franchise. Another parcels sold for 731,000 per acre. The original sale was for 197,900 per acre for 30 acres and 184,900 per acre for 20.609 acres.

There was a sale of a narrow strip of land to provide access for an improved commercial property for \$123,500/ac. This property has no market value except to the adjacent property owner and also was not used.

The final sale was at the intersection of Highway 25 and County Road 300N at \$387,500/ac. This sale is isolated and appears unusually high relative to the area. This one sale is insufficient to establish the market in this area and was not used.

Wabash Township

State Farm bought on Kent Ave for 162,400 per acre which validates the 168,000 currently assessed on the card.

.971 acres sold for \$515,000 or \$530,000 per acre at 1794 US 52. This is at Cal Road. This was purchased by an adjoining property owner and not used in the study.

Menards bought 25 acres for 16,000 per acre and 1.25 acres for 379,844 per acre. 1.329 acres across the street from Menards sold for 325,000 or 244,500 per acre. The current pricing of \$264,000 per acre stands.

Wea Township

Wea Township had the most sales activity concerning commercial land with fourteen sales occurring in the newly created 1000 neighborhood on 350 South. These sales

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ranged from \$265,000 and acre to \$645,000 per acre with the majority falling around \$400,000. \$408,000 is set at the base rate.

Two sales occurred in neighborhood 788 (Twyckenham Blvd & Beck Lane) indicating a land base rate of \$264,000.

Three sales on Creasy Lane and St Rd 38 indicate land should be valued at \$264,000 per acre. Other sales in the Township indicate values have not changed from those set for the 2002 reassessment which tended to be high.

Rural Townships

Current Pricing

Township	Rural	Town
Jackson	12,000	
Lauramie	12,000	24,000
Perry	12,000	
Randolph	12,000	24,000
Sheffield	30,000 24,000 12,000 8,000	24,000
Shelby	12,000 24,000	24,000
Tippecanoe	120,000 At Interstate 48,000 to 20,000 SR 43 12,000	24,000
Washington	12,000	24,000
Wayne	12,000	24,000, 5,000 & FV 13,000

As no commercial or industrial vacant land sales occurred during the specified time, it is recommended the rural township use the rural home site value as the primary acre rate for rural commercial and industrial parcels. This would rise from \$12,000 per acre to \$23,000 or \$26,000. The small towns should be treated in the same manor. If they are located in a Township with a \$23,000 home site or rise to \$26,000 if they are located in a Township with that base rate. Interstate 65 and SR 43 should remain the same.

Commercial Improved

Tippecanoe County has 2682 commercial parcels and an additional 691 apartment parcels. Approximately 30% of these parcels are multiple parcel properties resulting in approximately 1877 properties. 6.23% or 117 of these properties sold and were used to develop trending factors. As noted below 6 of the 22 neighborhoods had a value change of more than 5% up or down.

The County was divided into twenty two commercial neighborhoods and one industrial neighborhood as described below. Neighborhood factors were derived from 117 sales for

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the various neighborhoods and then all sales within a township were grouped for the equalization study. (See Neighborhood Factor Worksheet Example, second tab in the equalization workbook) This is the same process used for residential parcels.

Where sales were few or they were not best representative of the area, neighborhoods were grouped.

Nghd Code	Description	New Factor	Old Factor	No. of Sales
4132	FRFD, Wea Apt Complex w no data	1.08	.97	4
685	FRFD Executive Dr, Profess Ct	1.05	1.06	9
679	FRFD Farabee South	1.04	1.06	4
677	FRFD Downtown	1.06	1.06	14
675	SR 26 East	1.18	1.06	7
632	FRFD North of Downtown	.97	1.06	5
400	FRFD & Rural all other Corn	1.07	1.06	59
300	FRFD, Wab, Wea, Rural Industrial	1.07	1.06	2 w/400
9641 to 9645	Wab Apt Comp close to Campus	1.19	1.12	14
9646 to 9649	Wab off Campus Apt Complexes	1.22	1.12	9
4164	Wab Apt Complexes	1.22	1.12	9
4000	Wab all other Com	1.13	1.12	59
820	Wab Corn close to campus	1.13	1.12	1 w/400
819	Wab Sagamore Pkw	1.14	1.12	4
1000	Wea 350 South	.99	1.06	4
444	Wea all other Corn	1.07	1.06	59

Apartment Analysis

The Lafayette/West Lafayette apartment market is experiencing some oversupply and stable demand since approximately 2003/2004. As a result vacancy rates have increased marginally being most pronounced in lower end properties. Expense ratios continue to rise slightly following the national trend.

Purdue University student housing remains stable and is generally concentrated "near campus" and represents a separate market from that which is "off campus". The analysis makes that distinction by identifying market economics for both areas. Near campus properties are often rented by the bedroom while off campus properties are typically rented by the apartment.

Data was obtained from the market where available and confirmed by published secondary sources such as the Building Owners and Managers Association (BOMA), Korpacz Investment Surveys, and others.

Rents remained generally the same as the 2006 study. While there is some variation in outlier rents, they were isolated cases that statistically are insignificant. Key rent indicators where multiple data points are observed clearly demonstrate that there is no change from the previous study. When rents are observed from year to year there must be sufficient evidence that rents have changed to justify any adjustment. This is especially

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true due to the magnification effect of capitalizing net operating income and any minor changes in the overall rate.

Market Rent Analysis

Rental data was collected from 163 multifamily rental units in for 2005 and 2006 and is summarized as follows:

Monthly rent per unit

Off Campus

	data points	avg	median	used
0 BD 1 BA	20	391	366	380
1 BD 1 BA	61	475	450	460
2 BD 1 BA	47	524	519	520
3 BD 1 BA	10	641	680	660
2 BD 1.5 BA	10	607	550	580
2 BD 2 BA	18	821	760	790
3 BD 2 BA	7	788	775	780
4 BD 2 BA	2	750	750	750
3 BD 3 BA	25	1027	1027	1030

Near Campus

	data points	avg	median	used
0 BD 1 BA	14	463	475	470
1 BD 1 BA	20	602	580	590
1 BD 1.5 BA	12	737	730	730
2 BD 1 BA	16	780	780	780
2 BD 1.5 BA	2	888	854	870
2 BD 2 BA	13	979	963	970
2 BD 2.5 BA	1	1120	1120	1120
3 BD 1 BA	11	1147	1115	1130
3 BD 1.5 BA	5	1310	1310	1310
3 BD 2 BA	11	1258	1271	1260
3 BD 3.5 BA	2	1410	1410	1410

An analysis of the above data was conducted to identify the additional potential rent that is being realized for additional bedrooms and bathrooms. The benchmark properties were the 1 Bedroom 1 Bath properties for which there were 81 properties and 2 Bedroom 1 bathroom properties for which there were 63 properties.

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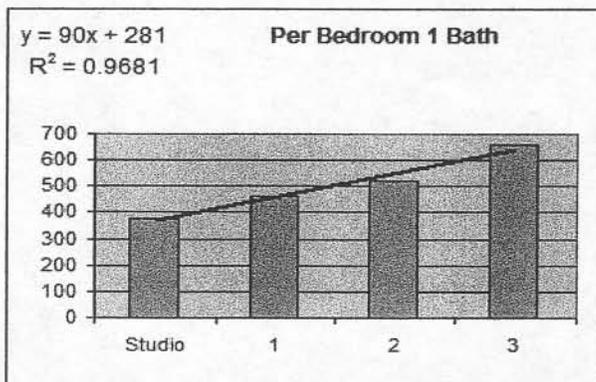
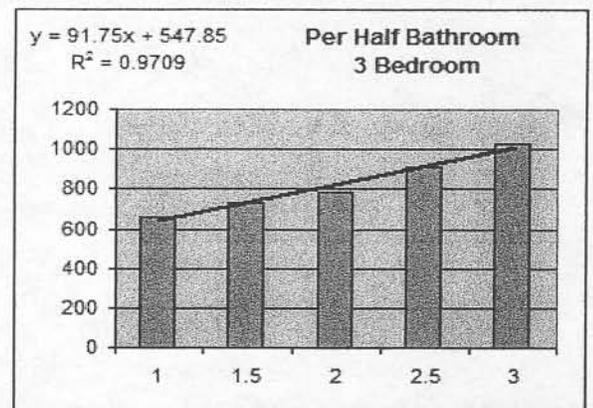
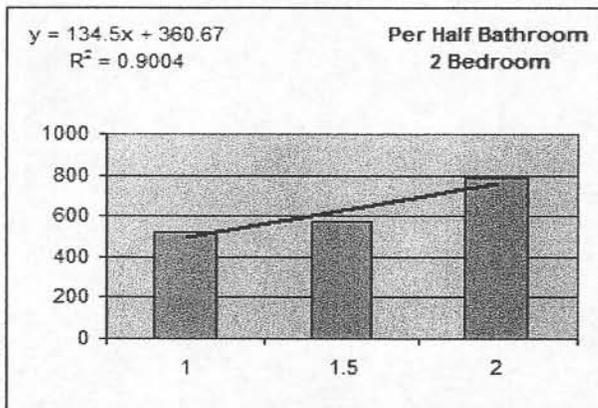
Contributory value of bedrooms:

The difference in rent between apartments with the same number of bathrooms and a one unit difference in bedrooms is displayed below.

Off Campus

	Bedrooms	Studio	1	2	3	4
Baths	1	379	464	521	660	731
	1.5	398	488	578	731.5	821.5
	2	610	700	790	782	872
	2.5	719	809	899	915	1005
	3	853.5	943.5	1033.5	1027	1117
	3.5	988	1078	1168	1098.5	1188.5
	4	1122.5	1212.5	1302.5	1190.25	1280.25

The average contribution to value of bedrooms is \$90



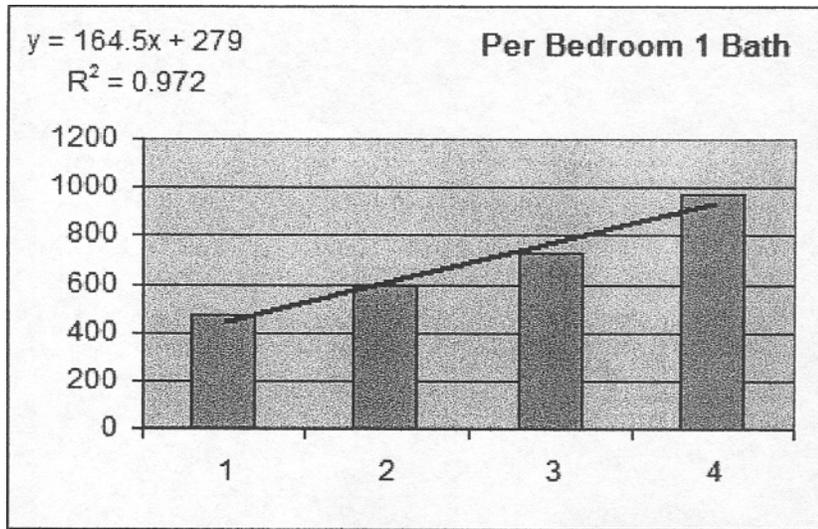
The contributory value of each half bathroom is \$135 for 2BR properties and \$92 for 3BR properties. The confidence level for a 3BR property is low relative to the confidence level of 2 BR properties therefore \$135 has been selected.

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On Campus

	Bedrooms	Studio	1	2	3	4
to	1	469	591	730	971	1101.5
	1.5	544	666	780	1046	1176.5
	2	619	741	855	1131	1264
	2.5	694	816	930	1206	1339
	3	769	891	1005	1281	1414
	3.5	844	966	1080	1356	1489
	4	919	1041	1155	1431	1564



Each addition bedroom is valued at \$165 for on campus units.

Gross Rent Multiplier Analysis

Gross rent multipliers are derived by dividing the annual income of a property by the sale price. The following 14 sales of apartment complexes were analyzed providing a gross rent multiplier, dollars per unit, dollars per bed and dollars per square foot of living area. The dollars of sale price per unit, bed and living area are considered the sales comparison approach to value for the study.

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The values for these four indicators are:

	Median	Average
GRM	7.41	7.05
\$ per Unit	60,000	60,903
\$ per Bed	27,400	26,400
\$ per SFLA	54.60	56.73

RealtyRates.com Market Survey reports the national average GRM for the 1st quarter of 2006 to be 7.13 which is somewhat higher than the market derived rate above but is likely more indicative of the market as a much broader data set was used in the survey. This GRM is slightly down from a 7.20 GRM from the 4th quarter 2005.

Taking all these factors into consideration the following values are set:

GRM	7.20
\$ per Unit	60,00
\$ per Bed	27,40
\$ per SFLA	54.60

Sorted by GRM		Median	7.41	Average	7.05		
Parcel	Name	Class	Sale Date	Sale Price	GRM	\$/Bed	\$/SFLA
164-03700-0149	Mayflower	B	11/14/2005	2138000	4.65	29694	33.99
164-03500-0646	Ananda	B	9/29/2005	2665625	4.81	34600	50.09
134-06814-0019	River Birch	B	8/12/2005	420000	5.12	35000	54.69
156-05804-0611	Ashely Oaks	C	12/15/2005	5405000	5.32	42200	37.25
134-06903-0051	Willowbrook	B	2/24/2006	21585075	5.48	60000	48.64
168-05301-0125	Peppermill	C	11/14/2005	8853000	5.75	46100	45.97
156-00903-0067	River Walk	A	12/15/2005	12425000	6.6	64700	76.57
164-02900-0245	Beograd	A	9/8/2006	1590000	7.41	113571	95.75
134-06511-0070	Brindon	C	2/24/2006	400000	7.42	66667	55.1
134-06814-0041	River Birch	C	1/20/2006	438112	8.01	54800	53.69
134-06814-0074	River Birch	C	10/31/2006	225000	8.22	56250	54.61
134-06516-0010	Brindon	C	2/24/2006	400000	8.25	66667	54.63
134-06814-0140	River Birch	C	5/31/2005	243000	8.88	60800	59.56
134-06511-0025	Brindon	C	9/15/2005	365000	9.39	91250	65.18
134-06511-0080	Brindon	C	9/9/2005	365000	10.43	91250	65.18

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Sorted by \$/ SFLA

Median

54.63

Average

56.73

Parcel	Name	Class	Sale Date	Sale Price	GRM	\$1 Unit	\$/Bed	\$/SFLA
164-03700-0149	Mayflower	B	11/14/2005	2138000	4.65	29694	15700	33.99
156-05804-0611	Ashely Oaks	C	12/15/2005	5405000	5.32	42200	22700	37.25
168-05301-0125	Peppermill	C	11/14/2005	8853000	5.75	46100	29900	45.97
134-06903-0051	Willowbrook	B	2/24/2006	21585075	5.48	60000	22100	48.64
164-03500-0646	Ananda	B	9/29/2005	2665625	4.81	34600	23000	50.09
134-06814-0041	River Birch	C	1/20/2006	438112	8.01	54800	27400	53.69
134-06814-0074	River Birch	C	10/31/2006	225000	8.22	56250	28100	54.61
134-06516-0010	Brindon	C	2/24/2006	400000	8.25	66667	25000	54.63
134-06814-0019	River Birch	B	8/12/2005	420000	5.12	35000	17500	54.69
134-06511-0070	Brindon	C	2/24/2006	400000	7.42	66667	25000	55.1
134-06814-0140	River Birch	C	5/31/2005	243000	8.88	60800	30400	59.56
134-06511-0025	Brindon	C	9/15/2005	365000	9.39	91250	30400	65.18
134-06511-0080	Brindon	C	9/9/2005	365000	10.43	91250	30400	65.18
156-00903-0067	River Walk	A	12/15/2005	12425000	6.6	64700	30500	76.57
164-02900-0245	Beograd	A	9/8/2006	1590000	7.41	113571	37900	95.75

Vacancy and Expense Rate Analysis

In 2006, 19 complexes were analyzed with actual vacancies and ranged from a low of less than 1% to a high of 27.12% and a median of 10%. The complexes were also analyzed with verified income and expense statements. They ranged from 8 units to 252 units and a total of 1976 units. Property taxes were removed from the expense statements to obtain expense ratios without property taxes as the effective tax rate will be established as below. The expense ratios ranged from a low of 22.28% to a high of 64.80% with a median of 46.53%. Typically properties with over 60% expense ratios also allowed higher reserves for replacement than those with lower expense ratios. The most common allowance for reserves for replacements was \$250.00 per unit and as a result expense ratios would be approximately 35%.

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Parcel #	units	PGI	v&c	EGI	expenses with taxes & reserves	Taxes	NOI	expRatio with taxes	expRatio without taxes
Various	40	252,800	10.00%	227,520	117,940	27,269	99,580	51.84%	39.85%
134-06400-0510	45	245,000	13.00%	213,150	98,260	17,898	103,640	46.10%	37.70%
156-08106-0311	8	224,054	14.18%	192,289	78,566	35,719	149,442	40.86%	22.28%
170-05705-0010,0020,0031	154	1,395,660	4.00%	1,339,815	615,612	168,814	678,003	45.95%	33.35%
Various	92	1,137,130	1.98%	1,114,577	524,854	135,300	725,023	47.09%	34.95%
170-05708-0017,05705-0064	222	3,311,520	14.22%	2,840,719	1,055,360	-	1,785,359	37.15%	37.15%
156-07800-1376	8	56,608	4.68%	53,958	29,847	8,388	21,618	55.32%	39.77%
Various	20	925,302	11.10%	822,588	442,215	109,189	489,562	53.76%	40.49%
156-04400-0057	42	234,973	20.28%	187,323	104,205	24,287	72,618	55.63%	42.66%
Various	67	432,153	21.94%	337,343	197,071	43,603	183,875	58.42%	45.49%
156-12300-0099,0100,12100-0244	84	542,139	11.50%	479,770	282,282	59,065	256,553	58.84%	46.53%
Various	51	307,081	16.13%	257,538	165,926	32,507	124,119	64.43%	51.81%
170-05701-0266	208	2,955,547	27.12%	2,154,118	1,500,570	360,274	601,548	69.66%	52.94%
164-05300-0100	252	1,505,744	1.48%	1,483,490	1,002,670	171,140	405,220	67.59%	56.05%
156-08114-0028	148	888,887	1.41%	876,350	595,223	81,219	244,127	67.92%	58.65%
156-05811-0076	150	933,116	0.19%	931,386	647,153	76,069	244,953	69.48%	61.32%
164-03700-0347	104	844,123	1.69%	829,862	592,272	81,505	319,095	71.37%	61.55%
102-01213-0011	100	747,323	0.93%	740,366	510,154	40,907	207,120	68.91%	63.38%
156-10900-0036	181	995,071	8.56%	909,918	685,607	96,025	179,061	75.35%	64.80%
19	1976	Average	9.70%				Average	57.12%	47.83%
Median			10.00%				Median	58.42%	46.53%

Published vacancy rate is 10.2% (IREM)

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In 2007 additional analysis was conducted as a result of the appeals process. The results are as follows:

Name	Total SF	units	SF/Unit	Gross Rent	Expenses	Rent/SF	Expense/SF	Expense Ratio
Wade & Wesson	19,278	30	643	\$ 85,014		\$ 4.41		
Leanne	4,500	8	563	\$ 21,311		\$ 4.74		
Beau Jardine	268,200	240	1,118	\$ 1,483,490	\$768,530	\$ 5.53	\$ 2.87	52%
Barrington	59,088	54	1,094	\$ 356,400	\$136,223	\$ 6.03	\$ 2.31	38%
Sunset	25,034	28	894	\$ 153,888	\$ 59,884	\$ 6.15	\$ 2.39	39%
Pemberly	110,648	120	922	\$ 692,760		\$ 6.26		
Greenbush	28,788	42	685	\$ 187,323		\$ 6.51		
Bluffs	148,517	181	821	\$ 995,071		\$ 6.70		
Cambridge	129,088	150	861	\$ 869,452	\$477,004	\$ 6.74	\$ 3.70	55%
Weida I	21,770	20	1,089	\$ 150,000		\$ 6.89		
Briarwood	102,462	101	1,014	\$ 740,366	\$444,247	\$ 7.23	\$ 4.34	60%
Southpoinre	39,576	51	776	\$ 287,592	\$146,168	\$ 7.27	\$ 3.69	51%
Farrington	127,778	150	852	\$ 933,116	\$533,584	\$ 7.30	\$ 4.18	57%
Presidential	33,912	46	737	\$ 248,400		\$ 7.32		
Ashley Oaks	145,088	128	1,134	\$ 1,076,153	\$407,195	\$ 7.42	\$ 2.81	38%
Treece Meadows	114,604	183	626	\$ 925,302	\$333,025	\$ 8.07	\$ 2.91	36%
Shoshone	66,932	84	797	\$ 542,139	\$211,349	\$ 8.10	\$ 3.16	39%
Richfield	103,790	104	998	\$ 844,123	\$484,767	\$ 8.13	\$ 4.67	57%
Peppermill	192,598	192	1,003	\$ 1,572,300		\$ 8.16		
Blackbird	148,679	154	965	\$ 1,339,815	\$408,298	\$ 9.01	\$ 2.75	30%
Wabash Landing	106,792	92	1,161	\$ 1,114,577	\$399,997	\$10.44	\$ 3.75	36%
Wood St II	10,240	10	1,024	\$ 120,804		\$11.80		
McCormick	277,614	222	1,251	\$ 3,311,520	\$894,360	\$11.93	\$ 3.22	27%
Pearl St	13,830	29	477	\$ 179,620		\$12.99		
The Lodge	239,183	208	1,150	\$ 3,456,000		\$14.45		
Pickwick	21,177	26	815	\$ 315,593		\$14.90		
Average			903			\$ 8.25	\$ 3.34	\$ 0.44
Median			908			\$ 7.31	\$ 3.19	\$ 0.39
Low			477			\$ 4.41	\$ 2.31	\$ 0.27
High			1,251			\$14.90	\$ 4.67	\$ 0.60

The expense ratios ranged from a low of 27% to a high of 63% with a median of 39% and an average of 44%.

This analysis demonstrates that there is little difference from the previous years resulting in an expense ratio of 35% of EGI.

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Capitalization Rate Analysis

The capitalization rate was developed for Lafayette/West Lafayette by comparing several methods and sources. For ad-valorem tax purposes property taxes are not included in expenses but rather are accounted for in the effective tax rate which is a component part of the overall capitalization rate.

Institutional Cap Rate Data

Source	Type of Property	Year	Term	% of Investment	Rate	Rate of Loan	
Old National	Apts	1-1-2001	5 yr/ 15 amt	80%	7.36%	0.0588	= .8 * .0736
LaFayette Bank & Trust	Apts	1-1-2006	5 yr/ 15 amt	80%	7.35%	0.0588	= .8 * .0735

Average Quoted Rate					7.35%	0.0588
Equity			20%		10.00%	0.0200
Recapture						0.0016
Overall Rate					SUM	0.0804

Assumptions and Limiting Conditions:

- 1) Recapture of improvements assumes 80% improvement 20% Land and 50 year economic life.
- 2) Equity yield rate of 10% with 20% equity

Market Cap Rate Data

	Sale Price	NOI	Cap Rate			
Northfield Commons	1,362,000	132,440	10.28%			1031 exchange
Ashley Oaks Apartments	5,410,000	368,641	6.82%			MLS data sold
Sagamore Ridge	9,500,000	703,000	7.40%			MLS data listed
Bridgeway Apartments	4,250,000	365,500	8.60%			MLS data listed
		Average	7.61%			

Assumptions and Limiting Conditions:

- 1) Northfield Commons may be tainted by the value of the exchange property. Did not use, shown for reference only

Cap Rate Summary

Effective Tax Rate	Township	Rate	PTRC	Effective Tax Rate	Sub Total	ETR	Total Cap Rate
	Fairfield	2.7881	0.240088	2.548	8.04%	2.548	10.59%
	Wabash	2.8925	0.216114	2.676	8.04%	2.676	10.92%
	Wea	2.8621	0.230175	2.632	8.04%	2.632	10.67%

Assumptions and Limiting Conditions:

- 1) Used data from institutional sources as primary data (8.04%). Market data supports this cap rate.

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Tippecanoe County Trending

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Cost Index Analysis

The cost approach utilizes the costs effective 1 January 1999. In order to develop costs that reflect 1 January 2006 costs it is necessary to index the 1999 costs.

TIPPECANOE COUNTY
1999 to 2006 cost index

U.S Bureau of Labor Statistics			
Year	Index	% Change	Compounded
1999	148.9		100.00
2000	150.7	1.21	101.21
2001	150.6	-0.07	101.14
2002	151.3	0.46	101.61
2003	153.6	1.52	103.16
2004	166.4	8.33	111.75
2005	176.6	6.13	118.60
99-06			18.60%

Marshall & Swift Building Cost Index			
Year	Index	% Change	Compounded
1999	1771.6		1.000
2000	1778	0.36	1.004
2001	1819.8	2.35	1.027
2002	1856.8	2.03	1.048
2003	1989.1	7.13	1.123
2004	2126.5	6.91	1.200
2005	2246.4	5.64	1.268
99 - 06			26.80%

Turner Building Cost Index		
Year	% Increase	Compounded
1999	100	100.00
2000	4.40	104.40
2001	3.00	107.53
2002	1.00	108.61
2003	0.30	108.93
2004	5.40	114.82
2005	9.50	125.72
99 - 06		25.72%

The above indexes range from a low of 18.6% to a high of 26.80%. Because Marshall & Swift Building Costs was the basis for the 1999 value it is logical that they be used for the 2006 index therefore 26.80% is the index to convert 1999 values to 2006 values

Tippecanoe County Trending

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Application

The market value in use is best represented by the anticipated return on and return of the investment for multifamily residential properties. Because there is only a cost approach capability and no provision for an income approach in the County's computerized assessment system some manipulation of the data is necessary to reflect the correct value. There is a close correlation between the cost approach and the income approach in that higher quality and better condition apartment units will generally command higher rents, but location influences, prestige, and amenities skew the data.

An apartment valuation worksheet (See tab 3 "Apai ti Went Worksheet Example" of the Equalization Study) is provided for each complex where data is available. If no rental data is available, the neighborhood factor for the appropriate area should be applied. Each approach to value is represented with the cost approach indexed up 26.8%. If the parcel is already receiving obsolescence the cost would be adjusted upward to the next highest value. The sales comparison approach is represented by the dollars per square foot unit, bedroom and square footage of living area. Both a gross rent multiplier and the direct income approach are applied using both market rents and actual rents where available.

These values need to be reviewed and applied with a plus or minus influence factor to the improvements. The lowest value is recommended however consideration needs to be given to the age of the structure in relationship to the averages established for the market data. Because these are averages some complexes will fall below and some above. The Assessor's knowledge of the properties should guide the final decision.

Industrial Parcels

Tippecanoe County's definition of an industrial parcel is a property that manufactures goods or products resulting in only 46 parcels with an industrial property class and correspondingly only 5 industrial sales three of which were invalid. (See tab 4 "Corn-Ind parcel count" of the equalization study) Although this is 4.35 percent of the parcels it is not enough to establish equity.

In order to produce a ratio study six sales of commercial warehouses were grouped with the industrial parcels. Fairfield Township is the only township with more than 25 improved or vacant parcels. For trending the industrial parcels were combined with the other commercial neighborhood and increased one percent over last year where they saw a six percent increase.

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Agricultural Vacant Ground Analysis

Assessment to Assessment Study

Agricultural parcels were randomly selected from various Townships within the County. These parcels were sorted by land type and soil productivity ID. The productivity factor of each entry was then multiplied by 1140 (Agriculture ground base rate set by State) and then multiplied by the entry acreage. This amount was then divided by the acreage amount to produce a per acre price.

This assessment to assessment analysis shows that entries with the same land type and soil productivity are priced at the same per acre rate. (See Agriculture Spreadsheet)