

May 28, 2010

Hon. Jason Cockerill
Washington County Assessor
Washington County Courthouse
99 Public Square, Suite 105
Salem, Indiana 47167

Barry Wood
Director Assessment Division
Department of Local Government Finance
Indiana Government Center North
100 North Senate Avenue N1058(B)
Indianapolis, IN 46204

Re: Washington County 2010 Ratio Study

Dear Barry,

Our 2010 ratio study is now complete and ready for your approval.

Included in this submission is:

- 1.) Narrative - *Washington 2010 Ratio Study Narrative 05282010.doc*
- 2.) Ratio Study - *Washington 2010 Ratio Study 05282010.xls*

Methodology

The sales comparison method was used to make market based adjustments to residential and commercial assessed values, in Washington County for 2010. The assessments were derived using the Real Property Assessment Guidelines for 2002-Version A. The sales used in this study are from January 1, 2008 to March 1, 2010. A careful analysis of local market conditions indicate that a 2% downward adjustment for 2008 sales is warranted. Every effort was made to use all valid sales including multiple parcel sales and vacant land sales that have since been improved.

The land base rates and neighborhood factors were examined in each neighborhood and property class. In order to improve assessment to market value correlation an improved physical depreciation model for residential properties was applied countywide. Neighborhoods with an insufficient number of sales were compared to and grouped with similar neighborhoods. The criteria for comparison were geographic location, similarity of land size, improvement type and age, and any other factors deemed relevant. Comparisons were also made between each township or grouping of townships and the county as a whole to insure equity of assessment level.

Commercial - Improved and Vacant

Due to a lack of market activity, all townships were grouped together for the improved commercial ratio study.

There was one valid commercial vacant sale within the selected time horizon for this study. No changes were made to commercial land.

Industrial - Improved and Vacant

There are a total of 36 industrial building improvements in Washington County. Since there were no valid improved industrial sales within the timeframe of this study, the cost approach was used. A cost factor was calculated using Marshall and Swift Comparative Cost Multipliers for the Indianapolis area for the three building types most common to Washington County. A cost index multiplier of 0.9957 representing the change from January 1, 2008 to January 1, 2009 (indexes are provided quarterly) was extracted and applied to all industrial building improvements. An adjustment of 2% representing an additional year of depreciation was also applied to each improvement. The previous building values were then compared to the newly factored values to derive the current annual index factor of 0.98. Applying the one year index adjustment of 0.96 to the previous factor of 0.98 yields the current industrial improved adjustment factor of 0.94.

There were no valid industrial vacant sales within the timeframe of this study. No changes were made to industrial land.

Residential - Improved and Vacant

Due to insufficient vacant residential sales data, similar townships with sales were grouped for analysis. The townships of Brown and Franklin were combined, as were Gibson and Jackson. Howard, Monroe, Pierce, Polk and Posey were also combined. There were no valid residential vacant sales within the timeframe of this study for Jefferson, Madison and Vernon Townships. No changes were made to residential land:

Due to insufficient improved residential sales data similar townships with sales were grouped for analysis. The valid sales from Gibson and Jackson townships were combined. Howard, Jefferson, Madison, Monroe, Posey and Vernon were also combined for the purpose of this study.

Sales combined from all townships shows that countywide level of assessment is within statistical tolerance and within 5% of each township.

Respectfully submitted,

Jason Cockerill
Washington County Assessor