

# Washington County Trending

## Overview

Washington County is mainly a rural farming community that is located in the southern central portion of the State. There is little industry in the County. The majority of the commercial property is concentrated in the Town of Salem.

Each ratio study is contained on a worksheet in the enclosed Excel spreadsheet. The tabs are self explanatory. The tab marked "Summary" lists the results of the study on a Township basis. There are separate tabs for each of the 7 property classes to be reviewed – residential vacant, residential improved, commercial vacant, commercial improved, industrial vacant, industrial improved and agriculture. All spreadsheets contain the thirteen entries required by 50 IAC 14-5-3 as well as the Median, COD and PRD.

In order to have an adequate amount of sales for a meaningful and reflective analysis, 2004 sales were included in the ratio study. A 2.00% per year (applied by month) time adjustment was applied to all of the 2004 sales.

## Residential Improved and Vacant Analysis

Due to the limited number of residential vacant sales Brown, Jefferson and Vernon Townships were combined as was Gibson & Monroe and also Howard & Madison. These Townships were grouped together by being geographically and economically comparable and were assessed accordingly. The remainder of the Townships was evaluated on an individual basis.

The sales file lists 195 vacant residential sales with consideration for 2005 & 2006. 49 of those sales included improvements, 3 were duplicates and 5 sold for \$500 or less making only 138 useable sales. The ratio study used 74 of these sales resulting in a majority of the sales being included in the study.

All of the townships had sufficient residential improved sales to be evaluated on an individual basis.

The sales file lists 950 improved residential sales with consideration for 2005 & 2006. 13 of those sales were duplicates and 5 sold for \$10 or less making only 932 useable sales. The ratio study used 576 of these sales resulting in a majority of the sales being included in the study.

The ratio study for the residential improved and vacant sales shows that all Townships meet the State requirements for the Median, COD and PRD.

## Commercial Improved and Vacant Analysis

Due to the limited number of valid sales in any given township and the fact that the county is fairly consistent, the townships were grouped together for the commercial vacant and improved ratio studies.

The 2005 and 2006 sales disclosure files lists 3 vacant commercial sales with consideration (valid and invalid) for the entire county. 2 sales included improvements and the other 1 was deemed invalid. One 2004 sale was used in the study. Due to the limited number of sales an analysis of the commercial land was also completed to verify that in all cases the commercial land value was equal to or greater than a corresponding residential land value.

The 2005 and 2006 sales disclosure files lists 31 improved commercial sales with consideration (valid and invalid) county wide. The ratio study used 11 of these sales. Although this is not the majority of the sales with consideration, they along with the 2004 sales used are accurately representative of the commercial improved properties in Washington County.

Commercial Improved and Commercial Vacant Median, COD and PRD fall with the state requirements on a countywide basis.

## Industrial Improved and Vacant Analysis

There were no valid industrial vacant or improved sales that occurred in the time span for this ratio study. There are only 12 vacant industrial parcels and 22 improved industrial parcels throughout the entire County.

Since there were no vacant industrial sales an analysis of the industrial land was completed and in all cases the industrial land value was equal to or greater than a corresponding residential land value.

Since there were no valid industrial improved sales that occurred within the timeframe of this ratio study an alternative method was used.

As indicated by the rule “If assessing officials determine that there are insufficient sales of commercial or industrial property in a township or county to determine an annual adjustment factor, the county shall use one (1) or more of the following to derive annual adjustment factors or modify the values of commercial and industrial property . . .” Since there were no sales, Marshall and Swift cost analysis was used. Using the Comparative Cost Multipliers from the Indianapolis area along with the 3 building classes most predominate in the county from Marshall and Swift, a cost factor of 1.044 was calculated. This factor was the increase from January 1, 2005 to January 1, 2006. The factor was then applied to all of the industrial building improvements in the county. An additional year of depreciation was applied to these buildings. The total previous building values were then compared to an updated building value based on the Marshall and Swift factor resulting in the annual adjustment factor of 1.001. An annual adjustment factor of 1.01

will be applied to all the improvements of industrial properties. (See calculation on the industrial improved tab on the ratio study)

## Agricultural Vacant Ground Analysis

### Assessment to Assessment Study

28 agricultural parcels were randomly selected from various townships within the County. These parcels were sorted by soil ID and soil type. The productivity factor of each entry was then multiplied by \$1,140 (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.

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