

## Summary of Jefferson County 2019 Annual Adjustment Methodology

### Method

The sales comparison method using local market data was used to adjust the assessments in Jefferson County for 2019. The annually adjusted values were developed based on the application of updated Local Cost Multipliers, updated application of physical depreciation and any changes in parcel characteristics discovered during the 2019 Cyclical Reassessment Phase I review and new construction field activities. The sales used were from January 1, 2017 to December 31, 2018. Additional years were added when there were an insufficient number of sales in a particular property class. The land base rates and neighborhood factors were examined in each neighborhood and property class. Neighborhoods with an insufficient number of sales were compared to significantly similar neighborhoods. The criteria for comparison were geographic location, similarity of land size and improvement type and age, and any other factors deemed relevant. Comparisons were also made between adjoining neighborhoods and townships to insure the continuity of land base rates and neighborhood factors.

Due to the lack of adequate paired sales or re-sales data, a reliable indication of overall market movement in Jefferson County, solely as a function of time, cannot be reasonably supported. Therefore, no time adjustment has been applied to any property class.

The additional tab "Sales Reconciliation" provides an explanation of all sales identified in the "*JEFFERSON Sales Reconciliation 02-26-2018.xlsx* file."

### Industrial Improved:

Sales for improved industrial properties were expanded to include all valid transactions occurring from January 1, 2016 to December 31, 2018. There were no valid improved industrial sales during this expanded sales horizon.

### Industrial Vacant:

Sales included in the analysis for vacant industrial properties were expanded to include all valid transactions occurring from January 1, 2016 to December 31, 2018. There were no valid individual sales for vacant industrial properties during this time period.

### Commercial Improved:

Sales for improved commercial properties analysis were expanded to include all valid transactions occurring from January 1, 2017 to December 31, 2018. There were 17 valid sales from Madison Township and 1 from Hanover whose data were combined for analysis.

### Commercial Vacant:

Sales for vacant commercial properties analysis were expanded to include all valid transactions occurring from January 1, 2016 to December 31, 2018. There were no valid vacant commercial property sales during that time period. They were combined with the improved commercial properties for analysis.

### Residential Improved:

Sales for improved residential properties included all valid transactions occurring from January 1, 2017 to December 31, 2018. It was necessary to group Lancaster, Graham, Saluda, Milton, Monroe, Smyrna, Shelby and Republican Townships in order to enhance the statistical reliability of the study. These Townships are mostly rural areas consisting of primarily agricultural parcels. Each has similar socioeconomic characteristics that drive the sales market when compared to each other.

### Residential Vacant:

Sales for vacant residential properties include all valid transactions occurring from January 1, 2017 to December 31, 2018. A countywide analysis was performed because there were an insufficient number of sales to allow for a credible analysis of any individual township. Due to the low number of sales (less than 20), the Spearman Rank test was performed which showed no evidence of vertical inequity.