

An Overview of Jefferson County's 2007 Annual Trending March, 2008

The following steps were taken to conduct the 2007 annual trending in Jefferson County:

Step 1: Re-Numbering of Neighborhoods

New neighborhood numbers were assigned to existing neighborhoods for the entire county in an effort to easily delineate townships from one another and to delineate residential from commercial properties. Corrections were made on those parcels assigned to the wrong neighborhood (i.e. commercial properties in residential neighborhoods). Also, new neighborhoods were created for several areas around the county, as a result of needing to delineate unique subdivisions and other neighborhoods that did not match surrounding neighborhoods.

Step 2: Calculation of New Land Values

New land values were calculated county wide using a combination of last year's values and 2005 and 2006 sales. Residential land values saw a small adjustment, but the overall assessment value of residential properties was updated due to the market adjustment factor. Commercial and industrial land values saw an increase from last year's rates. In the ratio study, sales from 2004 were also included to increase the small sample size. Various market areas or use types warranted influence factors; these properties were reviewed and had factors applied to them accordingly.

Step 3: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential properties at the township level. The study indicated property classes that needed further analysis, which included reassigning parcels to new class codes or stratifying neighborhoods. After final analysis was completed on parcels new neighborhood factors were assigned. Due to the perceived downward trend in property values, 2007 sales were reviewed and utilized in some cases to help determine market adjustment factors. Sales from 2004 were also included to increase the small sample size for the various statistical analyses.

Step 4: Updated Commercial & Industrial Improvement Values

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The county also changed the year of depreciation from 2005 to 2006. The Nexus Group Construction Cost Index (NCCIsm) was used to update these cost tables. These detailed construction cost models have been constructed by Nexus Group and applied uniformly by property class based on specific usage, wall type and other characteristics. Additionally, specific commercial property types such as convenience markets, fast food, motels/hotels were also reviewed and re-assessed based upon market sales information.

Step 5: Property Class Code Correction

The parcels for the entire county were reviewed based on class code assignment. Upon review, it was seen that several parcels were being assigned to the wrong class code. This was especially evident for parcels that were assigned to a 500 class but contained AG land. These parcels were corrected so that they received a 100 class code. In addition, parcels not associated with AG land were re-assigned to a 500 class code. Other areas that were corrected were residential properties to commercial and vice versa.

