

2008 MARTIN COUNTY TRENDING PROJECT

Activity Summary

General

Martin County is one of the smallest counties in the state both geographically and by population. The county is made up of 6 townships with a total parcel count of just under 10,000 parcels.

Commercial

In the Town of Loogootee a large enough sample of improved commercial sales was available to develop a trending factor for both the 2007 and 2008 ratio studies. Applying this trend factor to the improved parcels yielded an increase in most parcels. In the remaining taxing districts the number of improved sales was limited. In those districts a cost index derived from *Marshall and Swift* was loaded into the county's Proval software system and batch recalculations of commercial and industrial properties were carried out. This methodology was employed in both the 2007 and 2008 trending properties.

The cost index was developed from reviewing 4 different time-adjusted indexes in the *Marshall and Swift* manual. The index arrived at was 1.33 (133%) during the 2007 project and 1.39 (139%) during the 2008 project. After the commercial and industrial recalculation was carried out, new depreciation figures were applied using January 1, 2007 as the new effective date to determine depreciation instead of the prior January 1, 2006 date that was used in last year's study. Prior to 2007, physical depreciation was based on January 1, 1999 date. The market data available was used to help determine obsolescence depreciation if needed.

As part of the review of commercial property, the county's appraisal vendor carried out field inspections of 40% of the improved property in Shoals and West Shoals, and reviewed 15% of the improved commercial property in Loogootee during 2007. A number of additional parcels were reviewed during the 2008 process also. During the field inspection each property was checked for size, occupancy, use type, condition, and for variances that may have occurred since the 2002 revaluation.

Commercial Land

Due to the limited amount of raw land sales for commercial and industrial property, the county contracted with a local Realtor/Broker to carry out a review of various parcels in both Perry and Halbert townships to help establish land valuations in those areas. The appraisals carried out were used to supplement and revise the land values established by

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the county. The primary revisions for 2007 and 2008 were the increases in the more desirable sites along the Highway 50-Highway 231 corridor through Loogootee.

Residential

All sales disclosures for residential properties are initially verified and validated by the county assessor's office by phone contact with the parties involved in the sale. For those parcels where the sale price and assessed value differ by more than 20% a field inspection is carried out by the county's appraisal vendor. These inspections often result in finding renovated, omitted or removed improvements. Discussions with the owners onsite yields new information about the financing or family relationships which do not always appear on the disclosures.

Sales throughout the county were relatively flat in 2006 and 2007 and yielded little movement in the residential valuations. Significant changes were made to the residential parcels during the 2006 trending project, but most of the changes for 2007 and 2008 were relatively modest. While the residential market has slowed and the number of distressed sales has increased there has not been a dramatic downturn in the market.

Income Producing Properties

Martin County has a very limited number of multi-family housing apartments. The county has obtained income and expense data from the majority of those properties and is in the process of comparing the capitalized net income to the assessed valuations. The county has also gathered rental data from residential rentals to develop GRM's.

Other Data Sources

Unlike most counties there is very little data available through the MLS for properties in the county. Most of the data available consists of online listings, of which is primarily from Realtors located in adjacent counties. Multiple MLS fact sheets were obtained and compared to the county's property cards for accuracy. Various adjustments were made following this review and any available data has been incorporated into the 2008 valuation process.

Format Adjustment and Other Changes

Martin County completed its conversion to 18-digit parcel numbers in late August of this year. The new ratio study reflects those new numbers, while the 2007 study has the "older" parcel numbers.

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As part of DLGF requirements the county has changed the pricing of single-wide mobile homes and those formerly priced as real property are now priced as personal property. The county has also changed the pricing of double-wide mobile homes and modular homes to “stick-built” dwelling pricing. The result of these changes has been the deletion of multiple sales (single wides) from the ratio study and sales with above normal variations in assessment on some of the double wide and modular dwellings.

Neighborhood Delineation

During the 2002 reassessment and equalization process neighborhoods were developed that incorporated all classes of property including agricultural, residential, commercial and industrial. While all part of the same neighborhood the multipliers and land values for each class were treated separately.

During the 2008 project the commercial, industrial and utility parcels were broken out into separate and new neighborhoods. While the boundaries remained unchanged and the impact on assessed value is minimal, the application of factors, recalculations, and tracking have become much simpler and more specific.

An example of this is changing the neighborhood number on all of the Loogootee commercial and industrial parcels from neighborhood number 9080 to the newly created number of 9087.