

## **An Overview of Rush County's 2008 Annual Trending July 1, 2008**

The following steps were taken to conduct the 2008 annual trending in Rush County:

### **Step 1: Re-Delineation of Neighborhoods**

The vast majority of neighborhoods in Rush County were completely re-examined and, where necessary, re-delineated for annual trending in 2006. This included the creation of new neighborhoods and the combination of neighborhoods as well. This portion of trending included all property classes. Some new neighborhoods were established for new construction and/or to establish more accurate assessments. For 2008 trending, particular emphasis was placed on re-examining all commercial and industrial parcels in terms of the assigned neighborhood and adjustments were made where necessary to achieve more uniform neighborhoods.

### **Step 2: Calculation of New Land Values**

New land values were calculated for 2008. For residential property, both the land value update and market factor adjustment were the primary means of updating residential property values. For commercial and industrial properties, land values were also updated using available market data. Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted 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 at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Rush County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors..

### **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 2006 to 2007. The Nexus Group Construction Cost Index (NCCI<sup>sm</sup>) was used to update these cost tables. In addition to the small percentage changes across all use and wall types, some uses were re-examined as a whole (ex. golf courses, landfills, mobile home parks, etc.) often resulting in sizeable percentage changes. 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.

In addition to updating the cost tables, sales, income, and appraisal data was used to update commercial and industrial improvement values. In cases where these methods produced widely divergent values, the most appropriate valuation method was used for the specific property class. When comparable non-sold properties were identified and values from sales and/or income justified changes, the non-sold property was likewise adjusted. Income data collected from the field and through the appeals process was also used by property class or for specific, unique properties. In some specified cases where little or no comparable property existed within the township or county, this comparison process extended beyond the county borders so as to identify the most appropriate comparisons and valuations.