

An Overview of Shelby County's 2018 Annual Trending March 1, 2018

The following steps were taken to conduct the 2018 annual trending in Shelby County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Shelby County were completely re-examined and, where necessary, re-delineated for annual trending in 2006. Additional re-delineation of some neighborhoods has occurred each year thereafter as further analysis indicated such action was appropriate.

Step 2: Calculation of New Land Values**

As required in the General Reassessment, new land values were established in July, 2011 and have been implemented since that time. No other changes have been made to the land order since that time, except in neighborhood where those residential and commercial neighborhoods warranted a rate change because of sales data.

Step 3: Calculation of New Residential Factors & Residential Studies**

Shelby County implemented the DLGF cost tables, changed the depreciation change to base year 2018, and no location cost multiplier change was indicated from the Department of Local Government Finance. Further, a preliminary ratio study was then conducted for improved residential properties 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 Shelby County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. For three areas, townships were grouped together based on limited available sales and economic and locational influences. These groupings are: Brandywine, Marion and Union Townships, Moral and Sugar Creek Townships, and Shelby and Washington Townships.

Step 4: Updated Commercial & Industrial Improvement Values**

Shelby County updated the DLGF cost tables and also changed the depreciation base year to 2018 per the Department of Local Government Finance.

****Please note that every attempt was made to ensure a representative sample for each property class. However, given the very low sales activity for vacant commercial and all industrial property in Shelby County, sufficient usable sales data was not yielded even when attempting to expand the sales window back to 2013.**