

May 23, 2011

Barry Wood
Director Assessment Division
Department of Local Government Finance
Indiana Government Center North
100 North Senate Avenue N1058(B)
Indianapolis, IN 46204

Dear Barry,

We have completed the ratio study resubmission for the 2011 Spencer County trending. All sales that we deemed valid were used, including multi-parcel sales. We have included in the ratio study a worksheet titled "Valid Sales File" to help explain any differences in validations from the sale disclosure file submission. There were an additional 20 sales that were not previously used that were added to the appropriate ratio studies. After further analysis these sales were found to be valid for analysis. We also included 2009 sales so that we had a better base of sales to determine whether values needed to increase, decrease, or stay the same in a given neighborhood. After speaking to numerous real estate agents and appraisers, we determined no time adjustments were necessary.

Residential and Ag Homesites

There was an adequate number of sales within each township that we did not find it necessary to have to group any of the rural townships together for the "Residential Improved" portion of the ratio study. We did, however, have to do a countywide study for the "Residential Vacant" portion. This allowed us to include as many sales as possible, and since they all share similar economic factors, we felt this would be a proper representation of vacant land sales within Spencer County. Also, rates were changed where necessary.

Commercial and Industrial

There are very few sales of commercial or industrial land in Spencer County. In fact, there were no sales that were deemed valid for analysis. Therefore, we were unable to perform a statistically viable commercial and industrial vacant land ratio study. Through looking at sales from prior years, our land values appear to be in line with the market.

Improved commercial and industrial properties were grouped together on a countywide basis due to a lack of sales in some townships. The commercial neighborhoods were adjusted accordingly based on the results of the combined ratio study.

Summary

Overall we saw some areas of commercial and industrial properties which required minor decreases in value of 4%-6%. There were insufficient sales of commercial and industrial land in Spencer County due to the fact the predominate use for land being sold or up for sale is agricultural and residential. Also, there are not a lot of zoning regulations in place in Spencer County. For this reason, we looked at sales from prior years to help establish the accuracy of the current land rates.

We observed very little change in residential land, requiring minimal change of current land rates. Residential ratio studies show that the current property values are fairly and equally assessed in respect to market value. There were few changes to our residential values. Through speaking with local appraisers we are satisfied that the current land rates are correct.

Sincerely,

Sara Arnold

Spencer County Assessor