

An Overview of Wayne County's 2009 Annual Trending July 2, 2009

The following steps were taken to conduct the 2009 annual trending in Wayne County:

Step 1: Re-Delineation of Neighborhoods

A vast majority of neighborhoods in Wayne County were completely re-examined and re-delineated the past 2 years.. Because of this, most of the county 's neighborhoods were in good shape. For 2009, the majority of the focus was on Wayne Township. Wayne Twp. Created 4 new neighborhoods and combined 2 smaller, similar neighborhoods to provide more accurate assessments. A few commercial properties were moved to different neighborhoods that were a better fit and to provide more accurate assessments.

Step 2: Calculation of New Land Values

For residential property, small adjustments have been made based on sales, but the market adjustment factor was the primary means of updating residential property values. Because of the current state of the economy, most of the values in Wayne County have gone flat or decreased. Because of this, the only place where land values were changed was the establishing of new land values for the newly created neighborhoods. Some market areas or use types (such as gas stations, convenience markets and fast food restaurants) 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. This resulted in the calculation of new neighborhood factors and effective age studies, with a primary emphasis on non-sold properties. Eleven neighborhoods in Wayne Twp. Were physically visited to examine and adjust, where necessary, grades, conditions and effective ages.

With regard to rental homes, the county has assembled a detailed income and expense data base that has allowed for the calculation of market rents, expenses, capitalization rates, and gross rent multipliers. This database is the primary method of valuing all rental homes, and in some cases larger apartment complexes.

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 2008 to 2009. The Nexus Group Construction Cost Index (NCCIsm) was used to update these cost tables. On average, gross costs increased approximately 3% between 2008 and 2009. However, adjustments above and below this average was applied for specific use types where more detailed construction costs were available. 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.