An Overview of Wayne County's 2010 Annual Trending
May 28, 2010

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

Step 1: Re-Delineation of Neighborhoods

      For 2010, Wayne Township (Richmond) continued examining their neighborhoods to provide more accurate and fair assessments. Both residential and 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. Residential land values in 13 neighborhoods had small decreases and one neighborhood did have an increase. Commercial and industrial land values were decreased in 19 neighborhoods (roughly 34% of the neighborhoods). The workbook was supposed to include a land factor. Wayne County does not currently use land factors to adjust their land values.

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. Several neighborhoods in Wayne Twp. were physically visited to examine and adjust, where necessary, grades, conditions and effective ages. The factors of 46 residential neighborhoods (roughly 45%) were adjusted.

      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.

      Wayne County switched software vendors during 2009. The new system applied the factor to all buildings on the residential & agricultural property record cards. In the past, the factor was only applied to the dwelling.

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 2009 to 2010. The Nexus Group Construction Cost Index (NCCI^{sm}) was used to update these cost tables.   On average, gross costs decreased approximately 3% to 5% between 2009 and 2010. 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.