

## **An Overview of Wayne County's 2011 Annual Trending August 31, 2011**

The following steps were taken to conduct the 2011 annual trending in Wayne County:

### **Re-Delineation of Neighborhoods**

Because of the extensive work Wayne County has done in this area the past 3 years, very little needed to be done for this year. Only a handful of parcels were moved to different neighborhoods that were a better fit and provided more accurate assessments.

### **Calculation of New Land Values**

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 and time constraints, the residential land values were kept the same as last year. 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.

### **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. The factors of 23 residential neighborhoods (roughly 22%) 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.

### **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 2010 to 2011. The Nexus Group Construction Cost Index (NCCI<sup>sm</sup>) was used to update these cost tables. The 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.

## **ADDENDUM**

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#### **Time Frame of Sales Used;**

In the property classes of residential improved, residential unimproved and commercial improved, there were sufficient sales, so the sales used were from 1/1/10 thru 2/28/11. Due to the lack of sales in the industrial improved property class, the sales period was expanded to include all of the 2009 sales. The sales prices for the 2009 sales were time adjusted using information obtained from bestplaces.com. This website was developed by Bert Sperling in 1985 and analyzes data about states, counties and cities in the United States and rates them for various publications. One of the pieces of information analyzed and provided is the appreciation of real property. This website uses data from a large number of sources and are listed in the ratio study.

The sales period for commercial unimproved and industrial unimproved classes were expanded to 2008 and there still weren't enough usable sales to perform a proper statistical analysis.