

# Procedures for Annual Adjustments Cass County

## Residential

Step 1: The Residential land values were trended by sales of vacant land within the neighborhood. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. There were no Townships that had the required five sales for trending. But since the land order was just developed – no further trending was necessary. All vacant residential sales were combined for the sales ratio study (Grouping L1).

Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the dwelling of the property to raise or lower the values to an acceptable median level. If there were no sales in the neighborhood, then consideration was given to homes for sale in the neighborhood or the neighborhood was trended using similar neighborhoods or a township trending factor.

**Note: Due to lack of sales we combined Boone, Clinton, Harrison, and Jefferson Townships together for the ratio study (Grouping R1).**

Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

## Commercial / Industrial

Step 1: The C/I land values were trended by sales of vacant land within the neighborhood. Due to lack of sales, the counties vacant properties were reviewed by the county wide strata. The number of sales still was less than 5. The land was not changed due to the values just being established by the Land Order.

**Note: We understand the PRD is high for this strata – but with only 4 sales no changes could be made. (Grouping L2)**

The land values for rural commercial and industrial properties were trended with the same factor applied to the residential land.

Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the improvements of the property to raise or lower the values to an acceptable median level. Due to the limited amount of sales, the trending was expanded to county wide for both commercial and industrial properties (Grouping C1).

For income producing properties, income data sheets were mailed out and GRM's or capitalization of income was used to assist in determining the values.

Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

**Due to the amount of sales in Cass County, it was necessary to open the window of sales used. We used sales from 01/01/2010 through 03/01/2012. The sales were time adjusted by -1% annual, which was established by using paired sales analysis.**