

May 24, 2012

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

Dear Barry,

We have completed the 2012 ratio study for Clay County's annual adjustment. We used every sale that was deemed valid for the period January 1, 2010 – February 29, 2012 including multi parcel sales and sales that were vacant at the time of sale but are now improved. The market in Clay County is static, the sales that are occurring, outside of family and forced sales, are not increasing but stable exhibiting more typical marketing times.

Residential and Agricultural Homesites

All townships vacant parcels were grouped together to create a better market area based on similar economic factors. This method was used in order to establish land rates using an adequate number of sales for an area rather than just 1 or 2 sales per township. New neighborhoods have been created for new subdivisions, row-type dwellings and mobile home parks and factors applied when necessary to bring the neighborhoods within IAAO standards. Foreclosed sales have been reviewed by neighborhood to determine if that was the normal market for the area.

For the purpose of trending and this ratio study, Clay County combined some of the smaller townships together for the residential improved category to allow for adequate and more accurate statistic analysis. Cass Twp (4 sales), Washington Twp (8 sales), and Sugar Ridge Twp (9 sales) were combined and are contiguous and share similar topography and economic factors. Dick Johnson Twp (12 sales) and Van Buren Twp (30 sales) were combined and are contiguous and share similar topography and economic factors. Lewis Twp (8 sales) and Harrison Twp (18 sales) were combined and are contiguous and share similar topography and economic factors. Perry Twp (3 sales) and Posey Twp (70 sales) were combined and are contiguous and share similar topography and economic factors. Brazil Twp (132 sales) and Jackson Twp (57 sales) were left as individual twps.

Commercial and Industrial

The majority of Commercial and Industrial parcels are in one township and a very low level of sale activity is taking place. Because of the lack of sales Commercial and Industrial properties have been grouped together to analyze the market trends. The extrapolation method and the land to building ratio were used to verify that the land was reasonable for the market.

Summary

During the general reassessment a new land order was developed. Several pricing methods have been changed and negative influence factors removed to create more uniform land values within the neighborhoods. This did cause the land to increase and/or decrease at different levels, however same size lots are now valued the same. Creation of sub market and market areas have been created to group similar smaller areas together for analyzing data.

We have included an explanation of sales that were originally submitted as valid and later deemed invalid. In addition, we included an explanation of sales that were originally deemed invalid and later deemed valid.

If you have any questions, please contact me.

Respectfully,

D. Mark Barnhart
Clay County Assessor