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

Dear Barry,

We have completed the ratio study for the 2012 Dubois County trending. All sales that we deemed valid were used, including multi-parcel sales and land sales that have since been improved. We included 2010 sales so that we had a better base to determine whether values needed to increase, decrease, or stay the same in a given neighborhood. After reviewing past sales, we don't believe a time adjustment is necessary.

Residential and Ag Homesites

All townships were grouped together to create a better market comparison for vacant land sales. They were grouped together because they share similar economic factors. This allowed us to include all sales in a similar area, rather than basing land rates on one or two sales. Rates were changed where necessary, with the implementation of the new Land Order. Some additional neighborhoods were added where new developments have been created. Some neighborhood factors have been applied to help bring the median ratios closer to 1.00 throughout the county where it was necessary. We have also added a "Countywide Ratio Study" to show the county as a whole.

All duplexes and triplexes continued to be valued using the income approach. We grouped these by location, size, year built, and amenities. Once grouped, market rents were figured and assessments were set using a GRM. We found we needed two separate GRMs: 8.75 for Bainbridge Township and 8.50 for the rest of the county. We are currently in process of collecting this information to keep it updated for next year.

Commercial and Industrial

There were actually more commercial sales in Dubois County this year, than in previous years. The economy has hit the furniture/cabinet industry hard, but has shown some recovery. We still have many commercial and industrial buildings for sale. We were able to group Bainbridge Township by itself and then grouped the rest of the County together. We also grouped them

together as a “Countywide Study”. The construction types and sizes for the Commercial and Industrial are very similar so these two categories were grouped together when we were developing trending factors. No sales older than 2010 were used in the study, because we didn’t feel it was representative of the current marketplace. We did add a couple of new neighborhoods where needed due to new development. The land order addressed some areas that needed land rates adjusted. The areas that increased significantly due to reclassification of land and a shift in value from improvements to land are below:

Comm. Vac. Land - Township 003– went up approx. 55% reclass from Ag
Township 004– went up approx. 38% reclass from Res
Ind. Vac. Land – Township 011 - went up 71% reclass from Ag
Comm. Imp. – Township 011 - went up 22% due to moving bldgs.
Township 012 - went up 10% due to new construction
Ind. Imp. - Township 007– went up 15% due to new construction

Income and expenses were reviewed on the 2 of 3 golf courses in Dubois County. All three courses property record cards were examined and values were adjusted as necessary to use the 12 cap rate provided by the DLGF.

Summary

Overall, we did see increased residential sales in Dubois County. Values show a drop, which was to be expected in the current marketplace, but we did have new construction that helped offset the lower sale prices. The County factor dropped from 96% to 89%. Some trending factors had to be adjusted to account for that decrease. We didn’t have any Industrial sales, but as I stated earlier we have many that are vacant and for sale. The Commercial/Industrial land that was sold is all being carried with either a developer’s discount or as Agricultural land (still being farmed) so we weren’t able to use any of those sales. For that reason we did review past vacant land sales (not included) for Commercial/Industrial properties, in addition to the abstraction method, to make sure we are assessing them properly.

If you have any questions feel free to contact me.

Sincerely,

Gail Gramelspacher