

An Overview of Lagrange County's 2008 Annual Trending March 20, 2009

The following steps were taken to conduct the 2008 annual trending in Lagrange County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Lagrange County were completely re-examined and, where necessary, re-delineated for annual trending in 2008. This would include the creation of new neighborhoods and the combination of neighborhoods as well. This portion of trending included all property classes. Some new neighborhoods were established for new construction and/or to establish more accurate assessments. Specifically, neighborhoods 9950000 and 9953000 were re-delineated and new neighborhoods 9950100, 9950200, 9950300, and 9953200 were created.

Step 2: Calculation of New Land Values

New land values were calculated for 2007 and in only limited circumstances did sales warrant new land values for 2008. For rural residential property, small adjustments may have been made based on sales, but the market adjustment factor was the primary means of updating rural residential property values. Land values were thoroughly reviewed around all of the lake properties and recalculated where necessary. For commercial and industrial properties, land values generally stayed consistent between January 1, 2006 and December 31, 2007. Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted accordingly.

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. In some instances, especially in rural areas of Lagrange County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors.

In order to increase the sample size, the sales from the first six months of 2008 were included in the ratio study. This also ensures that values are representative of the market around March 1, 2008.

Due to the scarcity of vacant residential sales in Eden, Greenfield, and Springfield, the sales were combined with other townships in the ratio study. Eden was considered to be most similar to Clearfield, while Greenfield and Springfield were considered to be most similar to Milford. In additions the Spearman Rank Correlation Coefficient was used to test the vertical equity of sample sizes of less than 20 sales.

Step 4: Updated Commercial & Industrial Improvement Values

Sales, income, listings and appraisal data were 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.

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The commercial and industrial ratio study was combined for all of the townships, since many of the commercial and industrial groups included few or no sales. The groups containing less than 20 sales were tested for vertical equity used the Spearman Rank Correlation Coefficient, since the Price-Related Differential is often unreliable with small sample sizes.