

# Procedures for Annual Adjustments Carroll 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. Base rates were established for the new land order using the abstraction or allocation method where vacant land sales were not available. During the trending process, land adjustments were made in conjunction with the improvement trending factors.
- 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. In addition consideration was given to the % of change between 2011 and 2012 values. In Adams, Carrolton, Madison, Rock Creek and Washington Townships there were not at least 5 sales in any one township, even if we were to go back and include 2009 sales. Therefore these townships were grouped together. All other townships included 2010 – 2012 sales. The sales were time adjusted by -1% annual.
- 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. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. A new land order also established new base rates and new neighborhood delineations. Due to lack of sales, the counties vacant properties were reviewed by the county wide strata. Values were adjusted using trending factors; there were no vacant sales available for the ratio study – so land values were adjusted with the same factor as improved parcels.
- 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. If there were no sales in the neighborhood, then consideration was given for sales of an earlier time period in the neighborhood or the neighborhood was trended as similar neighborhoods. We also review the % of change from 2011 to 2012. This was because of the drastic change in the cost tables and depreciation. Due to the size of the county, the commercial and Industrial properties were looked at from the county wide strata, and all trending factors adjusted evenly throughout the county. Sales were used from 2010 through 2012 and were time adjusted by -1% annual.
- 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.

**The sales were time adjusted by -1% annual, which was established by using paired sales analysis.**