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Calculation of 2023 Economic Condition Factors (ECFs)

In accordance with the Michigan State Tax Commission requirements per MCL 211.10e and 211.10g

An Economic Condition Factor (ECF) adjusts the assessor's use of the Assessors Manual to the local market. County multipliers are provided by the State Tax Commission and adjusted annually to reflect change in the market of the construction costs found in the State Tax Commission Assessor's Manual (Assessors Manual) and to "bring" those costs to the County level. Economic condition factors are necessary, and developed annually by assessors to further refine these costs to the local market. An ECF must be used regardless of the age of the improvements being valued.

According to the Michigan Constitution, Article IX, Section 3, assessments are developed annually, uniformly and not to exceed 50% of a property's true cash value. Because of the diversity of properties Michigan assessors must value every year in their respective jurisdiction(s), assessors often rely on mass appraisal models to accomplish this task. Most mass appraisal models rely on a cost-less-depreciation approach and adjust its results to what properties are selling for through the use of an ECF. The ECF is prepared by analyzing properties which have sold and then comparing their respective cost-less-depreciation of the buildings (i.e., building value) to that portion of the sale prices attributable to those buildings.

An ECF is developed by analyzing verified property true cash value level sale prices. The portion of each sale price attributed to the building(s) only on the parcel is compared to the value on the record card of the same building(s). The ECF represents the relationship between the appraised value of the building and calculated using the Assessors Manual and its respective building value (i.e., the sale value of that building). When the building value is added to the value of the land and the land improvements, an indication of true cash value is developed for assessment purposes.

ECF neighborhoods are established so properties sharing similar value-related property characteristics are analyzed together. Borders for ECF neighborhoods may be natural and/or human made. They can also be based on the age of the buildings, construction type and qualities of the buildings, general location, amenities, as well as a number of other attributes. ECF's are typically calculated for a group of properties based upon the primary structure and its characteristics.

The City of Midland commercial class of property is divided into two ECF neighborhoods and there is one industrial class ECF neighborhood:

ECF Commercial Group 1 – Commercial properties located north of US-10 near the mall in what was formerly Larkin Township, the Saginaw Road, Eastman Road and East/West Wackerly areas.

ECF Commercial Group 2 – Commercial properties located in the Downtown Development Authority (DDA) district, the Center City (Ashman Circle) district, the southeast/mid areas of the City located along E Patrick Rd, Bay City Rd and Waldo Avenue, and the west area of the City located along the M-20 corridor.

ECF Industrial Group – All properties classed as ‘Industrial’ or ‘Industrial Building on Leased Land’ within the City.

