

Narrative

General Information

County Name: Allen

Person Performing Ratio Study: Allen County (Staff)

Contact Information: 260-449-7123 (main line)

Vendor Name (If Applicable): N/A

Additional Contacts (For purposes of the ratio study): Jake Bukiri (260) 449-7687
Chris Gilbert (260) 449- 7748
Jill Weikart (260) 449-3237
Steve Shank (260) 449-8257
Molly Burris (260) 449-8966
Derek Camp (260) 449-7515

Sales Window (e.g. 1/1/21 to 12/31/21): 1/1/2021 to 12/31/2021

If more than one year of sales were used, was a time adjustment applied? If no, please explain why not. If yes, please explain the method used to calculate the adjustment.

No sales outside of 1/1/2021 and 12/31/2021 were used in all improved property classes for the ratio studies. In these situations, there was no market evidence supporting time adjustments.

Groupings

In the space below, please provide a list of townships and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in market.

- 1) **Industrial Vacant** – Due to similarities in the market and lack of sales, this study is run County Wide and includes sales from 1/1/2021 – 12/31/2021.
- 2) **Industrial Improved** – Due to similarities in the market and lack of sales, this study is run County Wide and includes sales from 1/1/2021 – 12/31/2021.
- 3) **Commercial Vacant** – Split between incorporated areas and unincorporated areas. There were not enough sales to conduct a study for the commercial rural (unincorporated) areas, so a study was not completed, per prior years’ guidance from the State.
- 4) **Commercial Improved** –Washington Township was run individually since there was an abundance of sales. St Joe and Perry townships were run together due to their areas having the most recent commercial development activity outside of downtown. Wayne and Adams

Townships combined because of their adjoining depressed economic areas in the southeast. Aboite Township was run alone and excluded the rural areas. Lack of sales and prior years guidance from the State.

- 5) **Residential Vacant** –Eel River, Springfield, Scipio, Milan, Maumee, Jefferson, Jackson, Monroe, Madison, Marion, Pleasant, Lafayette, and Lake were combined due to being rural in nature with similar land rates as well as an insufficient number of sales. Adams and Wayne Townships were combined due to being urban in nature. The remaining townships were run individually.

- 6) **Residential Improved** –Jackson and Jefferson Townships were combined due to their being rural in nature with similar land rates and improvements as well as an insufficient number of sales. Scipio and Springfield Townships were combined for the same reasons. Marion and Madison Townships were combined for the same reasons as well. In all other townships enough sales occurred for them to be run individually.

AV Increases/Decreases

If applicable, please list any townships within the major property classes that either increased or decreased by more than 10% in total AV from the previous year. Additionally, please provide a reason why this occurred.

This information is provided on pages 5 – 7.

Cyclical Reassessment

Please explain in the space below which townships were reviewed as part of the current phase of the cyclical reassessment.

County (excluding Wayne Township)

- **RES/AG** – St. Joe
- **COMM:** St. Joe, Adams, Wayne 92 and 30
- **IND/EXEMPT:** St. Joe & Adams
- **UTILITIES:** Adams

Wayne Township

- Phase 4 of cyclical reassessment saw 25% of each property class reassessed in Wayne Township.

Was the land order completed for the current cyclical reassessment phase? If not, please explain when the land order is planned to be completed.

The County's land order for this phase of cyclical reassessment was presented to the PTABOA on February 17th, 2022.

Wayne Township's land order for the 4-year cyclical reassessment was presented to the PTABOA on February 17th, 2022.

Comments

Allen County performed preliminary ratio studies on all neighborhoods at the township level. Analysis of these statistics helped indicate which areas required the most attention regarding both sold and unsold properties. Property characteristics were also updated during the sales validation process.

Residential land values were developed for new subdivisions and adjusted where sales indicated. After these steps were taken, neighborhood factors (annual adjustments) were calculated for each neighborhood. These neighborhood factors were applied, and the statistics were calculated again. Further analysis was done as required.

For the annual adjustment process, Allen County used sales between 1/1/2021-12/31/2021. All sales were verified within the 60-day timeframe.

As in years past, Allen County used a gross rent multiplier model to value residential rental properties.

After submitting sales data to the State in January 2022, some sales were further scrutinized, and their validity codes were changed. Other sales originally deemed invalid have also been adjusted. These parcels can be found in the attached reconciliation spreadsheet with explanations for the changes.

Allen County has a significant number of multi-parcel sales every year. In areas where the sample sizes are sufficient, multi-parcel sales are usually excluded from the annual adjustment process.

Below are notes regarding the Sales Reconciliation attached:

Any sale that was not used in the ratio study, but was deemed valid by the State, was reviewed, and is included in the Sales Reconciliation spreadsheet with explanations as to why the sales were excluded. Here are some typical reasons listed in the reconciliation:

- 1) **Auction** – Any sale with this explanation was sold at an auction that was either not well advertised, did not have multiple bidders, or was sold with no reserve under duress. If an Auction is well advertised, has multiple competitive bidders, with the seller having a reserve or right to refuse, and meeting all other qualification of a valid sale, then the sale would have been deemed valid and used in the ratio study.
- 2) **Contract Sale** – Any sale with this explanation was sold or is being sold on land contract. These sales are using atypical financing and are typically at inflated prices to account for the additional risk to the seller. If a land contract is a short duration, is not at an inflated price, and meets all other qualifications of a valid sale, it would be marked valid and included in the ratio study.
- 3) **Developer to Developer** – Any sale with this explanation was a Developer selling to another Developer. These types of sales are typically not listed on the open market and are between

entities that have a business relationship. If the property was listed on the open market, the buyer and seller had no relationship, and meet all other qualifications of a valid sale, then the sale would have been deemed valid and used in the ratio study.

- 4) **Package Sale** – Any sale with this explanation is a sale involving multiple non-contiguous properties where the sale price was negotiated as a whole and not individually. The sales price on the Sales Disclosure may be the total sale price for all the parcels or an allocated price that is determined by some other means than negotiation on the open market. These sales are typically between investors and not listed on the open market.
- 5) **Sale after Foreclosure** – Any sale with this explanation is an REO sale from the result of a foreclosure. These are owned by a bank or financial institution through the foreclosure process and sold back to the public. The sellers in these situations have atypical motivations to sell the property, and typically require buyers to meet extra requirements or take extra steps in the buying process. This results in deflated values due to atypical seller motivation and a shrunken buyer pool.
- 6) **Sale Leaseback** – Any sale with this explanation is a sale where the seller transfers the property to the buyer and then leases it back from them to increase the liquidity of the real estate. The long-term lease cash flow is included in the sale (which inflates the value). Sale leasebacks are utilized when companies need to access the cash equity invested in an asset for use in the acquisition or operation of other investments, but the original asset is still needed to operate and generate revenue.
- 7) **Short Sale** – Any sale with this explanation is a sale where the seller had to receive approval to sell the property from their lending institution. Typically, these sales are under duress due to the seller no longer being able to afford the financial obligations to the property. If the seller was not under duress and the sale meets all the qualifications of a valid sale it would have been deemed valid and used in the ratio study.
- 8) **Trade** - Any sale with this explanation is the result of property owners trading properties. The properties typically are not exposed to the open market and the overall prices for the properties are not typically negotiated, only the difference in value. If both properties were exposed to the open market and the sale price of each property was negotiated individually, and the sale meets all the qualifications of a valid sale it would be deemed valid and included in the ratio study.
- 9) **Not Listed on the Open Market** – Any sale that is not listed or advertised on the open market is not considered a sale that reflects market value due to a lack of market exposure. Typically referred to as a private sale, these sale prices are either inflated or deflated due to an atypically motivated buyer or seller. Thus, the resulting sale price is not indicative of the current market. If a property was a private sale but was determined to have market exposure like competing type properties and met the other qualifications of a valid sale, then the sale would be considered valid.
- 10) **Foreclosure** – Any sale with this explanation is a property that has been foreclosed on by a bank, mortgage, or lending company. These types of sales do not reflect the market, as they are not available to any other buyer; this is a compulsory action taken by the financial institution.
- 11) **Tax Sale** – Any sale with this explanation is a property that was sold during the Allen County Tax Sale. These parcels have a forced sale of the property by the County Auditor’s Office for unpaid taxes by the property owner.
- 12) **Multi Disclosure Sale** – Any sale with this explanation involves multiple non-contiguous parcels, that may be in multiple taxing districts. The sales price on the Sales Disclosure may be the total price for all parcels as a whole and not individually. Additionally, there may be multiple conveyance documents involved transferring partial interest from multiple grantors.

Property Type	Township	Explanation
Commercial Improved	Adams	This increase is due to additions/remodels/new construction. Cost table updates also increased values.
Commercial Improved	Madison	This increase is due to new construction and cost table updates.
Commercial Improved	Springfield	This increase is due to a change of use per sale. Additionally, new construction occurred.
Commercial Improved	St. Joe	This increase is due to additions/remodels. The cost tables also increased value.
Commercial Improved	Wayne	This increase is due to new construction.
Commercial Vacant	Aboite	This increase is due to a change of land classification.
Commercial Vacant	Maumee	This increase is due to a change of land classification.
Commercial Vacant	Monroe	This decrease is due to a split.
Commercial Vacant	Perry	This increase is due to land sales.
Commercial Vacant	St. Joe	This increase is due to several splits and land base rate adjustments during cyclical reassessment year 4.
Commercial Vacant	Wayne	This increase is due to reclassification of land; adjustment to land rates during cyclical reassessment/sales.
Industrial Improved	Adams	This increase is due to new construction.
Industrial Improved	Madison	This increase is due to a combination and new cost table increases.
Industrial Improved	Milan	This increase is due to splits, new construction, and the new cost tables.
Industrial Improved	Pleasant	This increase is due to new construction and the new cost tables.
Industrial Improved	Springfield	This increase is due to new construction/additions and the new cost tables.
Industrial Improved	Washington	This increase is due to new construction/additions/remodels and annual adjustments.
Industrial Improved	Wayne	This increase is due to new construction and cost table updates.
Industrial Vacant	Adams	This increase is due to land base rate adjustments.
Industrial Vacant	Lafayette	This increase is due to reclassification of land due to sale.
Industrial Vacant	Washington	This decrease is due to reclassification of land due to new construction.

Residential Improved	Aboite	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Adams	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Cedar Creek	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Eel River	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Jackson	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Jefferson	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Lafayette	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Lake	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Madison	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Marion	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Maumee	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Milan	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Monroe	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Perry	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Pleasant	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Springfield	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	St. Joe	This increase is due to reassessment, new construction, annual adjustments, and the new cost tables.
Residential Improved	Washington	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Improved	Wayne	This increase is due to new construction, annual adjustments, and the new cost tables.
Residential Vacant	Aboite	This increase is due to new subdivisions, removal of developer's discount, and splits.
Residential Vacant	Adams	This increase is due to new subdivisions and removal of developer's discount.
Residential Vacant	Cedar Creek	This increase is due to new subdivisions and removal of developer's discount.
Residential Vacant	Eel River	This increase is due to new subdivisions and removal of developer's discount.

Residential Vacant	Lake	The decrease is due to the land being improved upon.
Residential Vacant	Marion	The decrease is due to the land being improved upon.
Residential Vacant	Milan	This increase is due to splits.
Residential Vacant	Perry	This increase is due to new subdivisions, new sections in subdivisions, and the removal of developer's discount.
Residential Vacant	St. Joe	This increase is due to new subdivisions, splits, removal of developer's discount. This township was cyclically assessed for 2022 pay 2023.
Residential Vacant	Washington	This increase is due to new subdivisions, removal of developer's discount, and splits.