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**Allen County's Annual
Trending Summary
2013 Pay 2014**

5/1/2013

Allen County performed preliminary ratio studies on all neighborhoods at the township level. An analysis of the statistics helped indicate which areas needed the most concentration for this year in regards to both sold and unsold properties. Property characteristics were also updated during sales validations.

Residential land values were developed for new subdivisions and adjusted in areas that sales indicated change. 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 where it was required.

We used sales between 1/1/2012-2/28/2013 in the annual adjustment process in neighborhoods that had enough sales in that timeframe. In neighborhoods where there weren't sufficient 2012 and 2013 sales, we used sales from 2011. There was no market evidence supporting time adjustments for these sales. All of these sales were physically inspected within the 60 day timeframe.

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

New cost tables and location multipliers supplied by the DLGF were updated into our system for 2013 pay 2014.

In some neighborhoods, we had to trim outliers that were heavily scrutinized and we determined that they did not fit the market. We found that we had other sales in these neighborhoods that supported the market values, and the identified outliers were not indicative of those values. These outliers can be found in red in the attached study.

Also, after submitting our sales data to the state in February 2013, some sales were further scrutinized and their validity codes have been changed. These have been changed along with other sales that were deemed invalid. They all can be found in the attached spreadsheet as well.

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. These can also be found in the attached spreadsheet.

Below are notes regarding a few of the different studies:

- 1) **Industrial Vacant** - county-wide study was conducted due to lack of sales. SDFID C02-2012-0070319 is causing the PRD to be outside of IAAO standards. However, we feel this is acceptable given the small sample size of the study.
- 2) **Industrial Improved** – county-wide study was conducted due to lack of sales.
- 3) **Commercial Vacant** – county-wide study was conducted due to lack of sales.
- 4) **Commercial Improved** – combined study for Jefferson, Lafayette, Maumee, Monroe, and Springfield Townships due to lack of sales and similarities in markets. Combined study for Cedar Creek and Perry Townships for same reason. Also combined studies for Wayne & Adams Townships for same reason.
- 5) **Residential Vacant** – combined study for Eel River, Jackson, Jefferson, Lafayette, Lake, Madison, Marion, Maumee, Milan, Monroe, Pleasant and Springfield Townships due to lack of sales and similarities in markets. Also, combined study for Adams, St. Joe and Wayne Townships due to lack of sales and similarities in markets.
- 6) **Residential Improved** – combined study for Jackson and Jefferson Townships and combined study for Scipio and Springfield Townships due to lack of sales and similarities in markets. 47 sales were identified as outliers and are highlighted red in the Res Imp worksheet (Wayne Township).

Wayne Township 2013 Trending Summary

Overview

For the 2013 annual adjustment process, Wayne Township analyzed sales which occurred between January 1, 2012 and February 28, 2013. Sales disclosures were initially verified and validated by the township real estate records deputies. This was done by phone contact with the buyers and sellers as well as MLS data. The township is broken down by quadrants representing taxing districts. Each sale was physically inspected and the sales disclosure was verified a second time by a residential real estate appraisal deputy who specializes in that area. Residential parcels were valued using the cost model and calibrated with neighborhood specific trending factors developed from the analysis of sales. 1-6 family rental properties were valued using a Gross Rent Multiplier, obtained by collecting sales and income data from comparable investment properties.

Any neighborhood which was considered predominantly foreclosure was valued by using the upper 50% of the assessed value to sales price ratio of foreclosure sales, and 50% of the lower half of the assessed value to sales price ratio of valid sales. This helps to eliminate the outliers from inflated sales and foreclosures. This data is then analyzed for mathematical outliers to identify the median sales. Those median sales are then used to create the factor and determine the value in the neighborhood.

Review of Residential Parcels by Taxing District

Northeast Quadrant/Area 91

The northeast portion of Wayne Township saw an increase in assessed value of 1.45%. The three neighborhoods which fell into foreclosure last year have followed the upward trend and have stabilized.

Northeast Quadrant Total parcel count for foreclosures: 1529	
172108	172220
172207	172225
172117	

Northwest Quadrant/Area 92

Annual Adjusting for 2013 shows the northwest portion of Wayne Township with a 1.26% overall decrease in assessed value. Trending of this district show six additional neighborhoods have fallen into foreclosure, and these are in highly saturated rental areas.

Northwest Quadrant (271513 decreased value) Total Parcel Count for foreclosures: 958	
271501	271537
271513	271542
271528	271550
271337	271602
271608	271611

271612	271342

Southeast Quadrant/Area 93

For the second year in a row, the southeast district of Wayne Township has experienced the highest rate of recovery. This year another eleven neighborhoods have come out of foreclosure. Trending in the area shows a high rate of investor purchases, many of which are becoming rental properties. These purchases are setting the market value for valid arms length transactions. The overall taxing district saw an increase in value of 22.7% which is double the rate of recovery seen last year.

Southeast Quadrant Total parcel count for foreclosures: 4858		
371158	371284	371320
371405	371610	371706
371711	371714	371715
371723	371817	371819
371903	372101	372105
372106	372201	372207
372209	372213	

Southwest Quadrant/Area 94

The southwest portion of Wayne Township is very diverse. The area closest to downtown, is highly populated with rental properties while the south and west part of the quadrant contain some of the highest valued properties in the township. Several neighborhoods have experienced few or no sales. Analysis shows that the sales that are taking place are mainly rental properties. These income properties are following the Township wide trend in increased values. Overall this area has experienced a 1.91% increase in value.

Southwest Quadrant Total Parcel Count for Foreclosures: 5302	
471135	471112
471203	471211
471311	471408

471415	471417
471864	471874
471220	472302
472736	

Waynedale/Area 95

Waynedale saw the addition of six new foreclosure neighborhoods. These are the first foreclosures experienced by this area. Our studies found that in these neighborhoods there was an increase in income producing properties. The assessed value for the Waynedale area had an overall decrease in value of 1.55%.

Waynedale Total Parcel Count for Foreclosures: 944	
841501	841502
841506	841505
841512	841514

TWP/ Area 30, 31, 96

These areas are located on the outer edge of the township, and mainly consist of rural properties. This area continues to remain stable with little or no market activity. TWP has not been influenced by foreclosures or income producing properties. Trends in the area show an increase in assessed value of 2.15%.

Income Producing Properties

Residential rentals are valued using a gross rent multiplier model. Due to the change in legislation with the introduction of HEA 1195 the township has developed an extensive and increasingly accurate data base of income information. In an effort to reduce future appeals, during the sale validation process information regarding the rents charged, bedroom counts,

vacancy rates, utility costs, and property condition is collected. Income property owners are instructed on the methods of valuation, and how to take advantage of income pricing.

Summation

The 2013 annual adjustment process indicates that throughout the majority of the township, values remain stable with a slight increase or decrease based on demographics. The SE which was hardest hit by the foreclosure and housing crisis continues to trend in a positive direction. Sales trends continue to show the majority of sales taking place within Wayne Township are by investors who are refurbishing and sell or renting the properties.