

Ratio Study Narrative 2026

General Information			
County Name Allen			
Person Performing Ratio Study			
Name Phone Number		Email Vendor Name (if applicable)	
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Allen County Assessor's Office 260-449-7123		assessor@allencounty.in.gov xsoft	
Sales Window			
1/1/2025		to 12/31/2025	
If more than one year of sales were used, was a time adjustment applied?			
☒ No Explain, why not: Allen County only uses sales outside the 12-month window to help identify market trends. No sales outside the window are used in the post factor statistical analysis.			
☐ Yes Explain the method used to calculate the adjustment:			
Groupings			
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 the market.			
Please note that groupings made for the sole purpose of combining due to lack of sales with no similarities will not be accepted by the Department			
<u>Industrial Vacant</u> – Due to lack of sales, no study was conducted. <u>Industrial Improved</u> – Due to similarities in the market and lack of sales, this study is run County Wide and includes sales from 1/1/2025 – 12/31/2025. <u>Commercial Vacant</u> – 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. <u>Commercial Improved</u> – 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 (Comimp1). Wayne and Adams Townships combined because of their adjoining depressed economic areas in the southeast (Comimp2). Aboite Township was run alone and excluded the rural area due to a lack of sales and prior years guidance from the State. <u>Residential Vacant</u> – No studies were conducted in Adams, Washington, and Wayne Townships due to an insufficient number of sales. The Residential Vacant studies include parcels with new construction that occurred after the sale. The new construction changes the property class code to residential improved. However, sales used in this study are for the vacant land. Therefore, the ratios have been calculated as CurrentLandAV/StudySalePrice and the improvement values have been removed from the spreadsheet. - Eel River, Jackson, Jefferson, Lafayette, Lake, Madison, Marion, Maumee, Milan, Monroe, Pleasant, Scipio, Springfield (ResVac1)			

• <u>Residential Improved</u> – The following township groupings were determined for the following reasons: being geographically close in proximity (these townships neighbor each other), they are rural in nature, and have similar land rates and improvements. ○ Jefferson and Jackson (ResImp1) ○ Marion and Madison (ResImp2) ○ Scipio and Springfield (ResImp3)
Please explain clearly which property classes and groupings in the ratio study were trended.
All improved property classes were trended.
Cyclical Reassessment
Please identify the townships included in the current phase of the cyclical reassessment. Additionally, specify any townships where the number of parcels reviewed exceeded the total outlined in the approved reassessment plan. Ensure all reviewed parcels meet the 25% requirement, with a 2% tolerance (acceptable range 23-27%).
<u>County</u> • <u>Res/Ag</u> – St. Joseph • <u>Commercial</u> – St Joseph, Marion, Madison, Monroe • <u>Industrial</u> – St Joseph, Adams • <u>Utilities</u> – Adams • <u>Exempt</u> – St Joseph, Adams <u>Wayne Township</u> • Phase 4 of cyclical reassessment – 25% of each property class in Wayne Township.
Land Order
The land order used for January 1, 2026, assessment along with the Narrative (optional) will be published on Department's website. Please provide the following information:
Date the land order was submitted to PTABOA. 2/19/2026
Action taken by the PTABOA (if any). ☒ Approved ☐ Denied ☒ Other (No action taken)
Effective date of the land order. 1/1/2026
Was the land order updated as part of the 2025 cyclical reassessment? ☒ Yes ☐ No
Any other changes or issues? Pricing Method for St Joseph Township and Wayne Township were converted to Square Foot from Front Foot.
Comments
In this space, please provide any additional information you would like to provide the Department with to help facilitate the approval of the ratio study. Such items could be standard operating procedures for certain assessment practices (e.g. effective age changes),

a timeline of changes made by the assessor's office, or any other information deemed pertinent.

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 1/1/2025-12/31/2025. 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 2026, 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.

Below are notes regarding the Sales Reconciliation:

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. **Business Relationship** - These sales are between affiliated businesses or business partnerships. When there is a clear business relationship between buyer and seller these sales are deemed invalid. These sales would not have been advertised on the open market, may include calculated intangible value, and likely do not represent market value.
3. **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 for 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.
4. **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.
5. **Distressed Sale** – These are sales of homes that are distressed and not in a foreclosure or court order proceeding or are in poor condition. Often, they are purchased by investors who will fix the house and sell it for market value.
6. **Divorce** – These sales are due to a divorce and the owner was forced to sell the property.
7. **Family Relationship** – These sales are between relatives. When there is a clear familial relationship between buyer and seller these sales are deemed invalid. Sales between family members likely do not represent market value.
8. **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.

9. **Government or Exempt Organization** – This indicates that the buyer is a government or exempt organization.
10. **Judicial** – This is used to indicate that the seller was forced to sell by a court decision.
11. **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.
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.
13. **Out of Market** – These sales are deemed outliers and are not representative of the current market. Many times, there are underlying conditions that cause these properties to be sold “as is” and are advertised and sell for less than other similar properties. These sales may represent properties with atypical characteristics, such as historical value that caused the property to be advertised and sold for greater than other similar properties. Other properties may have been made available only to cash buyers; or advertised as similar properties, having sold with atypical financing or concessions; or may include atypical buyer or seller; or the length of marketing exposure is not representative of the current market.
14. **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.
15. **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 shrunk buyer pool.
16. **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.
17. **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.
18. **Significant Changes** – This sales transaction is not representative of the value of the property in its current use, or condition at the time of sale, however, may reflect the future use or condition. These properties have gone through extensive renovation or redevelopment; or the change in use has required a different valuation method than its previous valuation, therefore not considered valid for trending.
19. **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.

20. **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.
21. **Valid very poor** – These sales represent properties that are uninhabitable, however listed on the open market and available to multiple buyers, but not valid for trending.
22. **Multi parcel sale** – These sales are excluded from the ratio study due to a sufficient amount of single parcel sales.
23. **Estate Sale** – These sales may not have been listed on the open market and are the result of the transfer of real property to an heir of an estate. Many times, the estate has been probated or considered to be a compulsory transaction. If the property is not compulsory and has been listed on the open market and available to multiple buyers as similar properties, it may be considered valid for trending.
24. **Leased Fee Sale** – These properties are not sold as ‘fee simple estate’ and will not include the ‘full bundle of rights,’ conveying partial property rights to tenants for their use and occupancy. The lease agreement(s) may include lease values that are not reflective of the current market.
25. **Partial Complete** - This sales price reflects a new construction home as if 100% complete, but construction of improvements is not complete as of the assessment date. If completed by valuation date, invalidity code could be changed to Res/Ag Improved and sale used in Ratio Study.

Effective Age Review:

The county and township assessor’s offices are constantly receiving information about the properties located within the jurisdiction. When information about a property becomes known the assessing official has an obligation to assess the property as it stands for the given assessment date. Properties with significant updates or remodeling are flagged for a depreciation review. These properties are found during field inspections for reassessment, permits, sales verifications, and listing information. If the information about the updates or remodel are deemed to be above and beyond routine maintenance, then the effective age is recalculated. Wayne Township consists of the oldest areas of incorporated Fort Wayne city limits, which is why this issue is more widespread here than in other townships.

To ensure that effective ages are applied in a consistent and uniform manner, Allen County derived a calculator that uses the “percent complete” chart from the *2011 Real Property Assessment Guidelines* on page 5 of Appendix C. The percentage of the dwelling that has been renovated is then weighted as a proportion relative to what percentage of the dwelling is original. The same calculations are used with both sold and unsold properties.

Item	Percentage of Total	Percentage Remodeled			
Excavation, forms, water/sewage hook up, and concrete	14				
Rough Framing	21				
Windows, exterior door, and floor cover	5	5			
Rough-in plumbing, insulation, and electrical service	16				
Exterior	6	6			
Interior drywall and ceiling finish	8	8			
Built-in cabinets, interior doors, trim etc.	13				
Plumbing fixtures	5	5			
Floor covers and built-in appliances	6	6			
Light fixtures, painting and decorating	6	6			
	100	36			
*percentages are taken from the 2011 Real Property Assessment Guidelines Appendix C pg5 published by the Indiana DLGF					
123 Main St			Original Const Year	%	
00-00-00-000-000-000-000			1960	0.64	1254.40
			Remodeled Year	%	
			2016	0.36	725.76
			Eff Const Year		1980

In the example above, a house built in 1960 had the following renovations:

1. New roof and siding
2. New windows and doors
3. Drywall tear out and replacement
4. Bathroom remodel
5. New floors and kitchen appliances
6. Replacement light fixtures
7. Fresh paint

You will notice that no “percentage remodeled” was awarded for excavation, forms, rough framing, rough-in plumbing and electrical, or built-in cabinets, doors, and trim, as all these items are original from 1960.

We want to stress that using this calculator ensures that when effective age adjustments are made, it is done in a uniform and consistent manner.

With the recent strength of the Allen County Real Estate market, we have seen a large increase in the number of permits, as well as listings and sales verifications, indicating remodels or updates before a home is sold. This leads to the conclusion that with a strong seller’s market comes more remodels and renovations, as sellers look to maximize their return. These remodels and renovations can cause issues with the Mann-Whitney test, however. When an effective age is applied to a property due to a permit and then the property sells down the road that same year, it will still raise a flag. The effective age was applied due to the permit, not the sale.

Permit System & Procedures:

Allen County Assessor’s Office has worked over the years with the Building and Planning departments to ensure permits are delivered to our office. Currently the Building Department’s software downloads building permits directly into our CAMA system nightly. These permits range from new construction, to demolition, to minor improvements such as new porch steps, or a new window. The Building Department requires blueprints for all new construction property. These blueprints are forwarded to our office and matched to the permits in our system. Periodically, we audit the permits with the approvals and improvement location permits (ILP) from the Planning Department to ensure all permits are being verified by our office.

Once the permits are in our CAMA system, they are assigned to individual field representatives for review. The review includes a desk audit, calls to the contractor to verify specifics of the job, and a field review of the property. During this process, the entire property is reviewed. For example, if there is a permit for a new deck, the property will be reviewed for condition, grade, and measurements. If the owner is home during this inspection, interior features such as room counts, foundation types and finishes, will be verified. If the owner is not home, and there are questions regarding the property, a questionnaire will be sent to try to gather additional information.

Cyclical Reassessment & Questionnaires:

During cyclical reassessment, a doorhanger is left at each property that directs taxpayers to our website to view their property record card and review the accuracy of the information. Taxpayers will generally notify us if something is incorrect. The Allen County Assessor’s Office has also developed questionnaires for various property types to collect information that is not apparent after an exterior inspection. We have specialized questionnaires for rental properties, geothermal units, multiplexes, and condition or percent complete for remodeled or refurbished properties. If there are specific questions regarding a property that are not covered by a questionnaire, an individual letter will be drafted and mailed.

In-house Reports:

Throughout the year Allen County runs reports to identify properties that may need reviewed. These include properties that are in Poor or Very Poor condition, are on at a percent complete, or properties that have been flagged by a field representative for follow-up inspections. Periodically we receive a report from Fort Wayne City Utilities for properties that have utilities that have been shut off for an extended

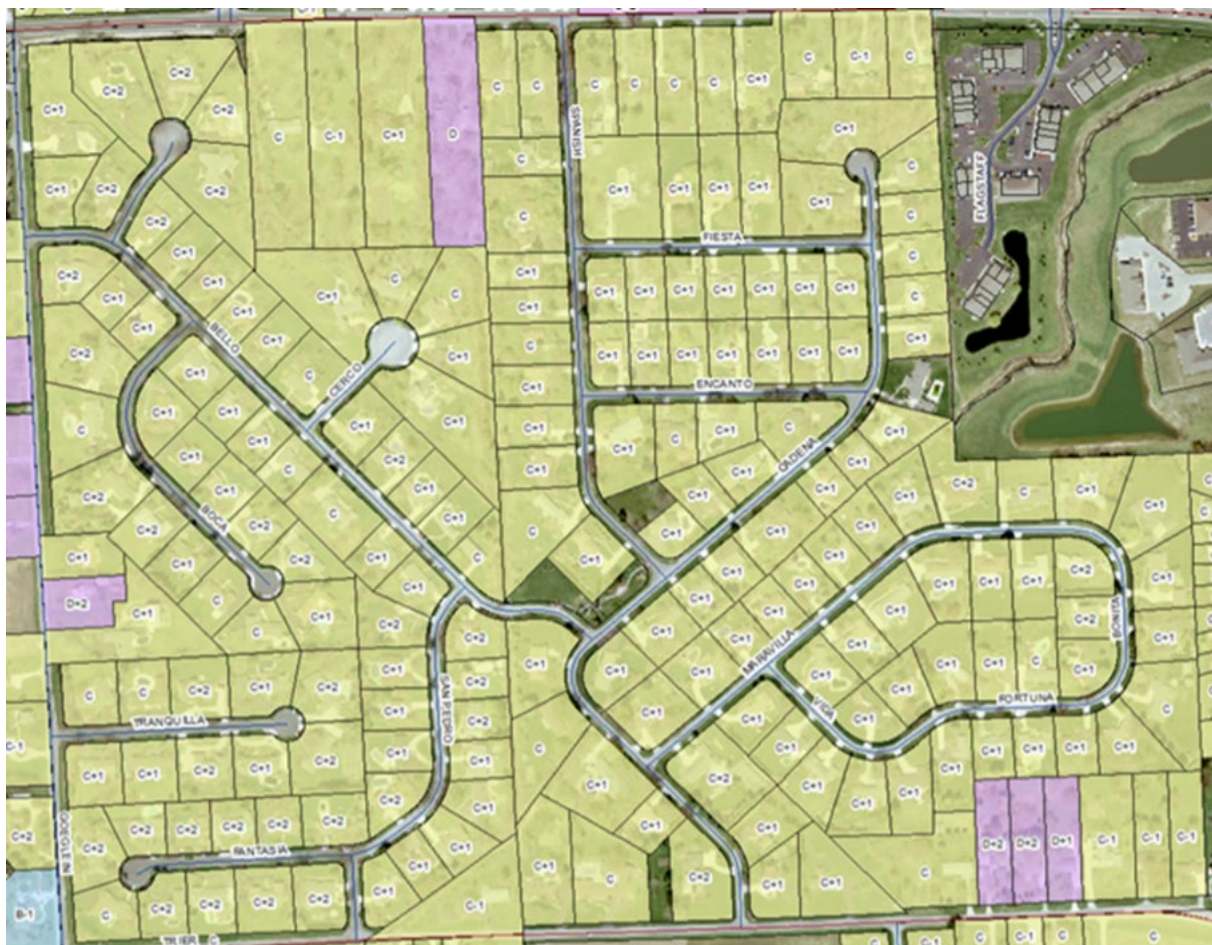
period, or that have been turned on after an extended time being shut off. This helps us identify properties that may be in the process of a remodel or demolition in the case that no permit is on file. The local Fire Department also sends a report on any property that was involved in a fire. These properties are flagged for review as well.

Neighborhood Level Characteristic Evaluation:

Thanks to our geographic information system (GIS) mapping technology in conjunction with our computer assisted mass appraisal (CAMA) system we can evaluate property characteristics at the neighborhood level. Property characteristics such as grade are extremely important to ensuring that the mass appraisal techniques generate accurate property assessments for the residents of Allen County.

When a permit is pulled for a kitchen or bathroom remodel, when our field appraisers discover new windows or siding during reassessment, or our sales validators come across MLS listings that show interior remodels have occurred; the quality grade of these homes may be adjusted to ensure that they accurately reflect the state of the home relative to the properties in their neighborhood.

For example, if one story homes in a 30-year-old neighborhood are typically a “C” grade in “Average” condition and permit is pulled for a dwelling to add new windows and siding; then continuing to grade the subject property’s quality as a “C” and condition as “Average” would be irresponsible. The economic life of the house with new windows and siding has been extended by the work done; therefore the depreciation must be adjusted relative to the neighborhood to ensure that not only the subject property has an accurate assessment, but also so the neighboring properties do not experience a false sense of increase if that property were to sell years down the road and it gets included in a ratio study with an assessment that is too low because we failed to act when we had information about the economic life of the dwelling being extended.



Above is a map that shows an example of a neighborhood primarily consisting of 1960's style ranches, you will notice that this is considered a "C" grade neighborhood which contains dwellings ranging from "C-1" to "C+2". There are a few "D" grade homes along the main roads that were likely not built as a part of the subdivision. Seldom will a permit, reassessment, or MLS information gathered cause a dwelling's grade to increase outside of the neighborhood norm although it does happen. When quality grades or conditions are updated the most common occurrence would be for updates and remodels in neighborhoods like this, where a grade would change from a "C-1" to a "C" or a "C+1". The reason we evaluate in this manner is to ensure that the property that is changed or updated is evaluated and compared to its own neighborhood.

Allen County has developed various map layers that allow us to evaluate many characteristics at the neighborhood level including grade, condition, effective year built, basement size, land size and land value. Decisions about changing grade, condition, or any other property characteristic are never done without a thorough analysis of the entire neighborhood.

Sale Validation Process - Allen County has staff members assigned specifically to the sales validation process. Two staff members receive the sales disclosure forms and immediately check them for completion and accuracy. If correct boxes are not checked or the form is incomplete, then the SDF is not accepted by our office until it is corrected or completed.

Once the SDFs are accepted, the sales team proceeds to validate the sales in accordance with the DLGF's guidance for what is or is not considered a valid sale. This process includes calling the buyer, calling the seller, and looking up MLS information that is available online. This is the process in which our office receives information about the properties. Due to the thoroughness of our permit system and cyclical reassessment, a majority of our property information is accurate. However, the two processes do not always provide our office with accurate and up to date information about the dwellings.

When information is gathered by our staff through phone calls with the buyer or seller, or through information provided online through the MLS, we have no choice but to update our property records. The most common information that we come across is information pertaining to levels of finish in the basement, as well as updates and remodels that have occurred without a permit.

The final step of the sales validation process is a field inspection as required by 50 IAC 27-3-1. To ensure an independent and unbiased inspection, the field representatives are sent out with a Property Record Card of the property with no sales price listed. All objective changes are made to the property. For any subjective changes, the property is analyzed against the neighborhood and similar properties.

Our office is constantly seeking this information from all properties both sold and unsold. Cyclical reassessment questionnaires are left at every property inquiring about interior information not visible from outside the home, and we can usually keep current with bathroom counts and basement finish levels thanks to our permit system; however the most accurate information that we are able to gather comes from the sales validation process. As stated earlier, accurate and up to date property information is absolutely vital to providing accurate assessments, the sales validation process is a key component to doing that.