



STACEY O'DAY
Allen County Assessor

1 E Main Street Ste 415 – Rousseau Centre – Fort Wayne, IN 46802-1811
Phone: (260) 449-7123 Fax: (260) 449-4621 assessor@co.allen.in.us

**Allen County's Annual
Trending Summary
2018 Pay 2019**

3/1/2018

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 in regard to 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 1/1/2017-12/31/2017. 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.

The new cost tables were supplied by the DLGF and were updated into the system for 2018 pay 2019 and the depreciation year was updated.

After submitting sales data to the State in January, 2018, some sales were further scrutinized and their validity codes have been changed. Other sales originally deemed invalid have also been adjusted. These all 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 a few of the different studies:

- 1) **Industrial Vacant** – Split between incorporated areas and unincorporated areas. There were not enough sales to conduct a study for the industrial rural (unincorporated) areas, so a study was not completed, per last year’s guidance from the State.
- 2) **Industrial Improved** – Split between incorporated areas and unincorporated areas. There were not enough sales to conduct a study for the industrial rural (unincorporated) areas, so a study was not completed, per last year’s guidance from the State.
- 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 last year’s guidance from the State.
- 4) **Commercial Improved** –Aboite Township and Washington Township were 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 together because of their adjoining depressed economic areas in the southeast. There were not enough sales to conduct a study for the commercial rural (unincorporated) areas, so a study was not completed, per last year’s guidance from the State.
- 5) **Residential Vacant** –Rural Townships were combined due to lack of sales and due to similarities in markets. Adams and Wayne Townships were combined for the same reasons. The remaining townships were run individually due to the abundance of sales.
- 6) **Residential Improved** –Jackson and Jefferson Townships were combined due to lack of sales and similarities in the market. Scipio and Springfield Townships were combined for the same reasons. All other townships were run individually due to an abundance of sales. Other items for consideration for residential improved properties in Allen County for 2017: median percentage change increased in every township in Allen County from 2016 to 2017, as illustrated by Table 1. This data is compiled using office records and is subject to some level of discrepancy due to the possibility of input and classification errors.

Table 1 – Residential Improved

Township	Median % Change	# of Parcels	Median AV
Aboite	6.73%	13635	\$201,200
Adams	8.99%	9705	\$88,650
Cedar Creek	5.17%	4187	\$205,900
Eel River	5.18%	1119	\$174,200
Jackson	5.08%	161	\$118,100
Jefferson	0.36%	660	\$125,900
Lafayette	5.28%	1174	\$195,400
Lake	2.79%	936	\$146,150
Madison	7.21%	503	\$131,700
Marion	8.39%	1108	\$156,400
Maumee	2.09%	810	\$109,800
Milan	8.76%	794	\$156,000
Monroe	10.41%	659	\$81,500
Perry	7.07%	11848	\$201,000
Pleasant	4.05%	1123	\$105,200
Scipio	1.30%	108	\$140,250
Springfield	3.74%	915	\$139,150
St. Joe	7.08%	23335	\$124,700
Washington	9.40%	10753	\$122,300
Wayne	7.69%	35487	\$54,500

Furthermore, the report issued by the Indiana Association of Realtors looking at the number of closed sales from January through December of 2017 shows an increase in the median price per house of 6.1% for Allen County vs. 5.7% for the entire state of Indiana.

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 then 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 of short enough duration, is not at an inflated price, and meets all of the 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 meeting all other qualification 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 whose 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). Used 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 get 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 of the qualifications of a valid sale it would have been deemed valid and used in the ratio study.
- 8) **Trade** - Any sale with the 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 of the qualification of a valid sale it would be deemed valid and included in the ratio study.