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An Overview of Clark County's 2017 Annual Trending

The following steps were taken to conduct the 2017 annual trending Clark County:

General Overview:

Overall the Clark County market was once again very active over the last 12 months. On average, the Indiana Housing Market report indicates that the median home price increased by 4.2% based upon over 2000 sales. This type of increase is geographically specific. Some areas continue to experience small loses, while some have experienced small to double digit gains. New construction has also increased and is heavy in areas that were platted a few years back. These areas continue with several new housing starts. Commercial and Industrial activity has also risen. There was no time adjustment of any sale. Selling prices were related more to the individual properties and locations as opposed to time.

The county updated the year in which depreciation is calculated from. The location code multiplier (LCM) was increased by the DLGF. As a result of implementing the new depreciation year and the LCM change, almost every parcel was affected in some manner. Sales were the primary base for any neighborhood changes within the residential market. Additional information such as appealed properties and the net result of the cost table updates and location code multiplier change was also taken into consideration when determining the appropriate neighborhood/market adjustment factor.

Land Values:

Land base rates were reviewed and as a whole were left unchanged. The county did make some minor changes, where warranted in some specific residential neighborhoods.

Market Adjustment Factors (Residential):

Clark County has approximately 490 residential neighborhoods defined. As a result of the depreciated year change, and the LCM change, the percentage of value change is not constant throughout the entire county. As a result of these changes, newly created factors were implemented when necessary as stated above, Clark County continues with high sales activity. While some areas are experiencing growth, other areas have seen some downward trend. The change is not constant throughout the entire county. New neighborhoods are continually being developed and new updated sales information in these newly developed areas has led to some of these changes.

All neighborhood factors were reviewed. Sales were the determining factor in making adjustments. Additionally, a review of how properties decreased in value due to the depreciation year change was also taken into consideration when establishing factors.

Use of Sales information

Clark County is committed to utilizing as many valid sales as possible. Sales from 1/1/2016 through 12/31/2016 were the primary time period. Sales outside of this time period were only used when required. No sales outside of the time frame of 2016 were time adjusted due to the low number of sales, which makes any time adjusting unreliable. Additionally there were no paired sales for the grouping that had to expand out of the time frame, thus also decreasing the reliability of any time adjustment calculations. Where it was necessary to expand outside of the 2106 timeframe, info is listed below

Residential Improved (Bethlehem) = 3 sales from 2014 & 4 sales from 2015. There were 0 sales from 2016.
Commercial Vacant (Silver Creek) = 5 sales from 2015
Improved Industrial (countywide) = 3 sales from 2015 (all Jeffersonville Twp)

County wide there a total of 2253 sales used, of which 70 are multiple parcel sales used collectively throughout the study. The total number of sales used was an increase of approximately 22%. Submitted with this study is a file titled, "Clark Ratio Study Reconciliation Rpt". This file contains 2 worksheets, 1. "Used sales not on DLGF Rpt" – these are sales that were either originally marked invalid or didn't show up on the DLGF's reconciliation report. This is the second consecutive year that a very large number of parcels are deemed valid in the county's system but do not show upon the DLGF's reconciliation report; 2. Trimmed Sales – listing of sales that were part of the DLGF reconciliation file, with an explanation as to why they were not used. Within the submitted ratio study (Summary Worksheet) an explanation of what townships were grouped together within the various classifications throughout the county.

Clark County is committed to using as many sales as possible during the trending process and has taken steps to ensure that the sales used provides the most accurate information relating to the housing and commercial/industrial market within the county.

The county recognizes that the COD within Carr Improved Residential is on the low side, but this can be contributed to the fact that the majority of the sales are highly concentrated in a few selected neighborhoods where there is a tremendous amount of new construction taking place.

Groupings

Due to a limited number of sales activity, the following groupings were combined for analysis:

Residential Vacant:

Carr & Union = adjoining townships sharing the same school district.

County NE = Bethlehem, Charlestown, Oregon & Washington = all located in the NE section of t he county and all share the same school district.

Monroe & Wood = same geographic area of the county and share the same school district

Commercial Improved:

JeffUtica = The township of Utica had only 1 sale and it borders Jeffersonville township, with some areas sharing the same annexation.

County = Silver Creek is the only other township with any activity. The two other sales that occurred within the county are combined with this township for a countywide grouping.

Commercial Vacant:

All townships were combined with Jeffersonville with the exception of Silver Creek

Additionally, there was only one vacant industrial sale, thus it was included in this analysis

Industrial Improved:

All townships were combined together due to lack of sales. All activity occurred in the township of Jeffersonville.

Note: There was only one vacant industrial sale and it was included with the vacant commercial sales. This grouping has had no activity for the past few years.

Neighborhood Comparison:

The following neighborhoods were compared together for comparison purposes when calculating trending factors.

10035050 & 10035051
10035050 & 10035051
10044080, 10044081, 10044082, & 10044083
10045033, 10045034, & 10045035
10045140 & 10045142
10045060 & 10045061
10045062 & 10045064
10045187 & 10105065

PERCENTAGE CHANGE

The following township groupings had change greater than 10% or close to a 10% change.

It should be noted that the townships of Carr, Monroe and Carr had reassessment activity, thus causing some of the changes, especially within the vacant classifications.

Carr Township (Commercial Improved): Increase was due to one parcel increasing by $682,500 (new construction). This increase accounted for 91% of the total increase.

Carr Township (Residential Vacant): Decrease was the result of 14 parcels had their improvements moved to a different parcel. These 14 parcels were part of the improved grouping last year, but now reflected within the vacant classification. The total amount of improvement value for these 14 parcels accounted for $1,146,000 of the decrease, which is now reflected, when comparing total AV to total AV for the parcels from one year to the next.

Carr Township (Residential Improved): There was a large amount of new construction within this township. Fifty (50) brand new homes accounted for $11,413,300 of the total increase. This amount does not include those houses that were put on as a percentage of completion last year and then completed for this year. Basic trending and other new construction accounted for the rest of the increase.

Charlestown (Industrial Improved): increase was the result of one parcel increasing by $9,207,000. New construction of a large industrial warehouse. Increase accounted for 99.6% of the total increase.

Jeffersonville Township (Commercial Vacant): Increase was due to the creation of 27 new parcels. These parcels accounted for $8,091,600 or 88% of the total increase.

Monroe Township (Residential Vacant): This grouping had twenty (20) parcels where they were within the residential improvement grouping last year but now are reflected in the Residential Vacant grouping due to having their improvements moved to another parcel during the reassessment process. These 20 parcels account for $1,728,000 of the decrease associated with this grouping.

Monroe (Residential Improved): There was a tremendous amount of new construction in this township. There are seventy-five (75) parcels that were vacant last year that are now improved. These 75 parcels account for $9,332,700 of the increase. Other new construction, trending and reassessment account for the remainder of the increase.

Oregon Township (Commercial Improved): Increase was the result of 1 parcel decreasing by $63,400, which accounted for 77% of the decrease.

Silver Creek Township (Industrial Vacant): There are only 2 parcels within this township. One parcel increased by $107,000, which accounted for 100% of the increase.

Silver Creek Township (Residential Vacant): The increase was the result of 12 parcels increasing by a total of $510,000 or 93% of the total. Developers discount was removed.

Union Township (Improved Commercial): Increase was the result of 2 parcels increasing due to new construction. The increase for these two parcels accounted for more than 100% of the total increase.

Union Township (Residential Vacant): The increase was the result of 10 parcels increasing by $530,000, due to removal of developer's discount. These parcels accounted for more than 100% of the total increase.

Utica Township (Industrial Improved): New Construction (7 parcels) accounted for all the increase. There has been tremendous growth in the industrial park of River Ridge Development. Much of this is contributed to the new bridge that is being built connecting Indiana and Kentucky.

Utica Township (Commercial Vacant): Creation of twenty-five (25) new parcels accounting for $13,163,800 or 94% of the total increase. This is an extension of the tremendous amount of growth in the area in conjunction with the growth within the Industrial grouping. These parcels are in the process of being developed and 2018 will see the growth of this area.