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### **An Overview of Clark County's 2018 Annual Trending**

The following steps were taken to conduct the 2018 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 5.6% based upon over 2000 sales. This type of increase is geographically specific. Some areas continue to flat, while some have experienced small to double digit gains. New construction of residential homes was the highest it has ever been and is projected to continue through the 2018 assessment year.

The county updated the cost tables and the year which depreciation is calculated from per the DLGF. The location code multiplier (LCM) was decreased by the DLGF. As a result of implementing the new cost table changes, 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.

#### **Cyclical Reassessment:**

The entire townships of Silver Creek, Union and Wood went through cyclical reassessment this year as well as a selected percentage of parcels in various other townships. With the large number of new construction taking place and creation of new parcels as a result of platting. These parcels were also identified as having reassessment conducted in the 4<sup>th</sup> year. These additional parcels accounted for more than 850 parcels, which results in the total identified parcels being slightly higher than 25% for the year.

#### **Land Values:**

Land base rates were reviewed and as a whole were predominately left unchanged. The county did make some minor changes, where warranted in some specific 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. 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 1/1/2017 through 12/31/2017 were the primary time period. There were four (4) sales from the 2016 time period that was utilized in the Commercial Improved analysis for Charlestown township due to a lack of sales during 2017. 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.

Industrial Vacant – There was no sales activity during the 2017 year. Additionally, only one township (Jeffersonville) has greater than the 25-parcel threshold and it has only 59 parcels. The statistics for the commercial vacant analysis will be reported for this township.

Industrial Improved – The entire county was grouped together due to the very limited number of sales activity. There are only three (3) townships that have greater than the 25-parcel count threshold.

Commercial Vacant – There are only five (5) townships that have greater than the 25-parcel threshold. As a result, all sales were combined into two groupings were based upon geographic area.

Jeffarea = Sales from the Charlestown, Jeffersonville and Utica area

SCarea = sales from the Silver Creek and Union area.

Commercial Improved – The majority of the sales occurred in the townships of Charlestown, Jeffersonville and Silver Creek as these three townships have the highest concentration of improved commercial properties. One sale occurred in Utica and it was combined with Jeffersonville and one sale occurred in the township of Washington and it was combined with Silver Creek. These combinations occurred due to their locality.

Residential Vacant – Where applicable township studies occurred without grouping. There were two exceptions to this due to lack of sales activity.

CountySW – The townships of Carr, Union and Wood were combined. All three townships reside in the Southwest locality of the county

CountyNE – The townships of Oregon, Owen and Washington were combined. All three townships reside in the Northeast locality of the county

Residential Improved – All township analysis was conducted on an individual basis with the exception of Owen, which included one sale from Bethlehem as this township has little to no sales activity year after year. These two townships are contiguous and are bordered by the Ohio River.

**Sales Reconciliation:**

The DLGF provided a sales reconciliation file identifying a total of 3086 sales that occurred during the 2017 timeframe as needing an explanation as to why they were not used if they are not contained within the ratio study. The 3086 sales identified by the DLGF was done without review and therefore identifies several that are “invalid sales”.

The 2018 ratio study contains, a total of 2506 sale’s. See the attached Reconciliation-RESPONSE file for individual reasons as to why the properties were deemed to be invalid for the trending/ratio study process.

IAAO Ratio Study standards indicate that “outlier ratios” can result from any of the following:

1. An erroneous sale price
2. A nonmarket sale
3. Unusual market variability
4. A mismatch between the property sold and the property appraised
5. An error in the appraisal of an individual parcel
6. An error in the appraisal of a subgroup of parcels
7. Any of a variety of transcription or data handling errors in preparing any ratio study

Outliers should be:

1. Identified
2. Scrutinized to validate the information and correct errors
3. Trimmed if necessary to improve sample representativeness

As a result, there were individual parcels that met these guidelines and were trimmed.

**Neighborhood Comparison:**

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

10025015 & 10025017  
10044080, 10044081, 10044082, & 10044083  
10045033, 10045034, & 10045035  
10045060 & 10045061  
10045140 & 10045142  
10045187 & 10105065  
10105093 & 10105095

**COD’s**

The township of Silver Creek within the Residential Vacant has a COD less than 5.0%. This is strictly due to the fact that 15 of the 23 sales (65%) are coming from one neighborhood where the lots are all sound valued at \$29,000 and all of the sales are either \$28,000 or \$29,000 within this neighborhood. Of the

remaining 8 sales, 5 are located in the same neighborhood and they too have lots all sound valued at the same value with the sale prices being consistent with the lot pricing.