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An Overview of Clark County's 2016 Annual Trending

The following steps were taken to conduct the 2016 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 6.22% based upon approximately 1800 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) did not change for the county. As a result of implementing the new depreciation year, it created decreases in values based upon a cost approach, which is the exact opposite of the housing market sales date demonstrated (on average). 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 adjustments to those properties receiving a developers discount as the value had dropped well below that of agricultural base rate pricing. Additionally, commercial and industrial land type 14 (undeveloped/unusable) was also increased as it too had dropped below the agricultural land base rate. These two changes resulted in various townships experiencing greater than a 10% increase in the analysis of vacant residential, vacant commercial and vacant industrial. Specifics are supplied within this report under the title "Percentage Change".

Market Adjustment Factors (Residential):

Clark County has approximately 490 residential neighborhoods defined. As a result of the depreciated year 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 1/1/2015 through 12/31/2015 was the primary time period. Sales outside of this time period were only used when required. No sale outside of the time frame of 2015 was time adjusted due to the low number of sales, which makes any time adjusting unreliable. Additionally if sales outside of the 2015 time frame were utilized, then all of the sales from that time period were utilized for the specific grouping. The necessity to do this was within the following analysis:

Residential Improved (Bethlehem) = 3 sales from 2014

Residential Vacant (Jeffersonville) = 7 sales from 2014

Improved Industrial (countywide) = 1 sale from 2013 and 1 sale from 2014

County wide there a total of 1846 sales used, of which 63 are multiple parcel sales used collectively throughout the study. The total number of sales used was an increase of approximately 10%. A large number consider the time period is 2 months shorter. 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 marked invalid (34 sales) or for whatever reason did not show up on the DLGF's reconciliation report (81 sales); 2. Trimmed Sales – listing of sales that were part of the DLGF reconciliation file, with an explanation as to why they were not used, total number trimmed equals 64 sales. 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.

Groupings

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

Residential Vacant:
Carr & Union

Charlestown & Owen
Commercial Improved:
All Townships (excluding Jeffersonville & Monroe)
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

Note: These groupings are consistent with prior year analysis

Neighborhood Comparison:

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

10025009 & 10025013
10025022 & 10025023
10025025 & 10025026
10035033 & 10035034
10035046 & 10035049
10044080, 10044081, 10044082, & 10044083
10045084, 10045085
10045140, 10045142
10045175, 10045176
10085006, 10085007
10085020, 10085022
10085021, 10085023
10085034 & 10085039
10085051 & 10085043
10095022 & 10095023
10105075 & 10105076

PERCENTAGE CHANGE

The following township groupings had change greater than 10%

Carr Township (Commercial Vacant): Increase was due to one parcel increasing by \$7,000. Due to only 4 parcels assigned to the grouping, this one parcel accounted for the overall increase. Increase was due to the increase in land type 14 base rate.

Carr Township (Residential Vacant): Increase was due to the change in values for parcels receiving a developers discount. This affected approximately 430 parcels with an average increase of \$2100/per parcel. Additionally 5 parcels were taken out of developers discount with an average increase of \$53,900/per parcel. There were 20 newly created parcels totaling \$130,000 in increased AV from last year.

Charlestown (Industrial Improved): increase was the result of one parcel increasing by \$9500 (land type 14 base rate change). There are only 3 parcels associated with this grouping for the township.

Charlestown Township (Industrial Improved): One parcel that didn't exist last year is responsible for more than the entire groupings total increase.

Charlestown Township (Commercial Vacant): Increase was due to the creation of 17 parcels that didn't exist last year. The AV from these 17 parcels account for 98.6% of the grouping's increase.

Charlestown Township (Residential Vacant): Increase was the result 11 parcels having their developers discount removed (average increase \$27,250/per parcel) and 317 parcels having their developers discount pricing increase (average increase \$875/per parcel).

Jeffersonville Township (Commercial Vacant): Increase was due to the creation of 12 parcels totaling \$5,788,800. Accounts for 45% of the total increase. The remaining balance would be due to increase in the land type 14 rate or the removal of developers discount pricing.

Jeffersonville Township (Commercial improved): Increase was the result of newly created parcels. It should be noted, that this category didn't truly increase by more than 10% as the newly created parcels were the result of re-platting of the Green Tree Mall, which in turn de-activated several parcels from the prior year.

Monroe Township (Residential Vacant): This grouping did not experience greater than a 10% increase. This grouping is being noted in the report due to the large number of parcels experiencing greater than a 100% increase. Sixty-two parcels increased on average \$300/per parcel due to the increase in developer's discount. An additional parcel was removed from the developers discount pricing.

Oregon Township (Commercial Vacant): This grouping experienced greater than a 10% increase due to 8 parcels increasing between 30%-100% as a result of land type 14 base rate change. Average increase was \$375/per parcel. An additional 8 parcels increased by more than 100%, for the same reason. Average increase was \$1000/per parcel.

Oregon Township (Commercial Improved): Increase was the result of 2 parcels, one which was newly created and the other was previously vacant and now developed. The two parcel increase totaled \$344,100, which was more than the total grouping increase.

Silver Creek Township(Improved Industrial): The total grouping increase was less than a 10% increase. The grouping is being noted due to the fact that nine (9) parcels are in the 30%-100% range. The average increase for these 9 parcels is \$33,777/per parcel, with 4 of the parcels have an increase less than \$6200/per parcel.

Silver Creek Township (Commercial Vacant): The grouping experienced less than a 10% total increase. Twenty-five percent of the total increase was due to nine (9) new parcels being created. All other significant percentage increases were due to either the increase in the developers discount or land type 14 rate changes.

Silver Creek Township (Residential Vacant): The grouping experienced greater than a 10% increase due to seventy-four (74) new parcels, accounting for a total value of \$291,600. There were also thirty-eight (38) parcels that had a significant percentage increase due to either the complete removal of a

developers discount pricing or the an increase in the developers discount pricing. These 38 parcels accounted for \$366,600 of the total. Between the two these two reasons accounted for more than total groups increase. There were 2 parcels that were improved last year, that are now vacant, which offsets the increase from the two reasons mentioned above.

Union Township (Industrial Improved): The groupings greater than 10% increase was the result of one single parcel, which accounted for more than the total grouping increase. The increase was the result removing agricultural land pricing, as this industrial property doesn't have any farming activity taking place.

Union Township (Residential Vacant): The grouping experienced less than a 10% increase. However, 31% of the parcels had greater than a 100% increase as the result of increasing the developers discount pricing. The average increase was \$535/per parcel.

Utica Township (Industrial Improved): New Construction (7 parcels) accounted for more than the total grouping increase.

Utica Township (Commercial Vacant): Creation of new parcels and land rate changes encompassing eleven (11) parcels for a newly created commercial development area resulted in an increase that accounted for 99.5% of the total groupings increase.

Utica Township (Residential Vacant): The grouping had less than a 10% increase. However, 155 parcels increased between 30% - 100%, with an average increase of \$225/per parcel. Another 230 parcels increased by more than 100%. Of these 238 parcels, 218, had an average increase of \$750/per parcel. Increase or removal of developers discount pricing was the reason for the large number of parcels experiencing an increase.

Washington Township (Residential Vacant): The grouping had less than a 10% decrease. Any increase that did occur was the result of increasing or removing the developers discount pricing.

Wood Township (Residential Vacant): The grouping had less than a 10% decrease. Any increase that did occur was the result of increasing or removing the developers discount pricing.