

## **2014 Tippecanoe County Trending Narrative**

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## Overview

For 2014 annual adjustments, sale data from the sales disclosure database was pulled on 3/1/2014 in order to establish value on the March 1st valuation date. Sales occurring 1/1/2013 through 3/1/2014 were included in ratio analysis. As can be seen in the chart below, overall assessed value increased by 4.56%

	2013 AV	2014 AV	%Change
Agriculture	618,502,900	689,638,600	11.50%
Industrial	335,031,800	357,395,500	.67%
Commercial	2,499,700,000	2,630,579,800	5.24%
Residential	5,832,554,100	6,074,540,290	4.15%
Exempt	444,960,000	444,367,300	-0.13%
Utility	18,284,200	18,198,200	-0.47%
Total	9,769,033,000	10,214,719,690	4.56%

## Residential Property

Replacement cost for residential parcels was computed using the 2014 Cost Tables. The updated cost values were calibrated with trending factors developed from analysis of valid sales. The trending factor represents the typical relationship between replacement cost and market value in a geographic or qualitatively similar neighborhood.

Total assessed value reflects the general level of sale in a particular area based on a pool of sales. At least five sales were necessary to establish a valid trending factor. Many Neighborhoods were consolidated into various submarkets to create more accurate and stable assessments by ensuring a larger pool of sales. Efforts continue to more accurately define neighborhoods.

## Commercial and Industrial Property

Commercial and Industrial property saw moderate increases for most sectors in urban and suburban areas of Lafayette and West Lafayette. Increases in commercial and Industrial property values in rural areas and small rural towns were less robust. We began our review by updating potential rents, vacancy rates, expense ratios and capitalization rates in IncomeWorks, our vendor-supplied income capitalization models. We compared these results to sales to validate the effectiveness of the updated models.

## **Comparison of Assessed Value Detail**

On the next two pages, the change in assessed value from 2013 to 2014 is detailed by category and township.

As is evident from the chart, assessed values for agricultural land increased substantially.

For those categories that increased by more than 10%, an explanation follows. These are discussed in township order.

### **Jackson Township (002)**

#### *Commercial Improved*

Although the percentage increase for Jackson Township is quite large, the dollars involved are fairly small and are totally the result of Crop Production Services completing a new building.

#### *Residential Vacant*

Jackson Township only has ten vacant residential parcels, so a single parcel losing developer discount accounted for the entire 64.2% increase.

### **Lauramie Township (003)**

#### *Commercial Improved*

The increase in commercial assessed value is entirely the result of a new building completed for American FiberTech.

### **Perry Township (004)**

#### *Vacant Residential*

The increase of \$268,100 in assessed value was result of six parcels losing developer discount and 41 newly created parcels that still carry developer discount.

## **Tippecanoe Township (008)**

### *Industrial Improved and Vacant*

The increase in Tippecanoe Township is entirely the result of a new building for Kierco LLC.

### *Residential Vacant*

There was an increase of \$996,500 in the assessed valuation of vacant residential land. This is an increase of 21.6% in Tippecanoe Township. \$207,900 of this increase is a result of newly created parcels. \$691,200 is the result of nineteen parcels losing developer discount. The remaining increase of \$97,400 is spread over 56 parcels that carry developer discount rates that change as the ag land rate changes.

## **Wabash Township (010)**

### *Commercial Vacant*

Wabash Township experienced an increase of \$1,210,900 in assessed value of vacant commercial parcels. \$725,000 of that increase was a result of seven new parcels. \$563,800 of the increase is a result of the demolition of improvements on a parcel that was in property class 442 in 2013. The remainder is a variety of small adjustments and change in use.

## **Wayne Township (012)**

### *Commercial Vacant*

Although the percentage increase of commercial vacant land in Wayne Township looks large, there are actually only two vacant commercial parcels in Wayne. One of them increased from \$2,500 to \$2,900 in value because the land value in that area is tied to the value of farm ground, which increased.

## **Wea Township (013)**

### *Commercial Vacant*

There was an increase of \$1,740,900 in the assessed value of vacant commercial land. \$1,211,700 of this increase of the result of two newly created parcels. An additional eleven parcels were created but these parcels still carry developer

discount, so the net impact of those 11 accounts for \$52,200. The remaining increase is a single parcel that had an artificially low value for 2013 as a result of an appeal.

## Comparison of 2013 and 2014 Assessed Values by Township and Property Class

Township	Property Class	2013 Total Assessed Value	2014 Total Assessed Value	Percent Change
<b>Fairfield</b>	Agricultural	8,815,500	10,282,000	16.6%
	Industrial	125,024,800	124,953,800	-0.1%
	Commercial	1,194,229,200	1,236,020,900	3.5%
	Residential	1,502,270,800	1,544,160,500	2.8%
	Exempt	122,053,100	117,771,000	-3.6%
	Utility	9,015,300	9,023,100	0.1%
<b>Total</b>		<b>2,961,408,700</b>	<b>3,042,211,300</b>	<b>2.7%</b>
<b>Jackson</b>	Agricultural	60,067,300	68,790,500	14.5%
	Commercial	595,700	667,600	12.1%
	Residential	14,789,000	15,761,900	6.6%
	Exempt	506,800	510,200	0.7%
	Utility	26,300	26,600	1.1%
<b>Total</b>		<b>75,985,100</b>	<b>85,756,800</b>	<b>12.9%</b>
<b>Lauramie</b>	Agricultural	82,561,500	91,749,700	11.1%
	Industrial	92,400	92,400	0.0%
	Commercial	3,685,900	4,437,600	20.4%
	Residential	96,204,500	100,679,300	4.6%
	Exempt	2,016,100	1,986,100	-1.5%
	Utility	289,900	287,400	-0.9%
<b>Total</b>		<b>184,850,300</b>	<b>199,232,500</b>	<b>7.8%</b>
<b>Perry</b>	Agricultural	50,333,300	54,890,800	9.1%
	Industrial	5,499,700	5,426,600	-1.3%
	Commercial	27,804,300	28,370,700	2.0%
	Residential	431,978,600	449,635,100	4.1%
	Exempt	55,317,100	54,809,200	-0.9%
	Utility	36,100	34,000	-5.8%
<b>Total</b>		<b>570,969,100</b>	<b>593,166,400</b>	<b>3.9%</b>
<b>Randolph</b>	Agricultural	42,661,300	49,052,700	15.0%
	Industrial	709,300	713,000	0.5%
	Commercial	2,463,900	2,487,900	1.0%
	Residential	40,950,200	42,596,800	4.0%
	Exempt	793,100	804,500	1.4%
	Utility	-	-	
<b>Total</b>		<b>87,577,800</b>	<b>95,654,900</b>	<b>9.2%</b>
<b>Sheffield</b>	Agricultural	55,312,500	61,343,500	10.9%
	Industrial	73,838,400	75,402,000	2.1%
	Commercial	7,005,900	7,251,200	3.5%
	Residential	177,247,800	182,619,790	3.0%
	Exempt	3,794,300	3,652,800	-3.7%
	Utility	343,100	340,800	-0.7%
<b>Total</b>		<b>317,542,000</b>	<b>330,610,090</b>	<b>4.1%</b>

<b>Shelby</b>	Agricultural	73,338,900	81,842,900	11.6%
	Industrial	3,128,200	3,136,000	0.2%
	Commercial	3,369,700	3,407,400	1.1%
	Residential	129,885,700	134,020,400	3.2%
	Exempt	865,200	943,500	9.0%
	Utility	177,500	178,200	0.4%
	<b>Total</b>		<b>210,765,200</b>	<b>223,528,400</b>
<b>Tippecanoe</b>	Agricultural	53,779,400	58,726,700	9.2%
	Industrial	4,005,400	5,024,800	25.5%
	Commercial	22,256,000	22,419,300	0.7%
	Residential	439,229,000	467,820,500	6.5%
	Exempt	7,686,100	7,673,000	-0.2%
	Utility	1,721,700	1,727,600	0.3%
	<b>Total</b>		<b>528,677,600</b>	<b>563,391,900</b>
<b>Union</b>	Agricultural	34,462,800	38,556,300	11.9%
	Industrial	21,227,000	21,208,600	-0.1%
	Commercial	2,534,400	2,577,200	1.7%
	Residential	74,010,100	77,278,100	4.4%
	Exempt	502,000	506,700	0.9%
	Utility	248,300	237,500	-4.3%
	<b>Total</b>		<b>132,984,600</b>	<b>140,364,400</b>
<b>Wabash</b>	Agricultural	45,044,500	50,272,400	11.6%
	Industrial	49,315,300	50,240,900	1.9%
	Commercial	931,481,900	1,001,809,700	7.6%
	Residential	1,578,757,000	1,654,719,800	4.8%
	Exempt	228,053,600	232,774,100	2.1%
	Utility	3,609,000	3,596,400	-0.3%
	<b>Total</b>		<b>2,836,261,300</b>	<b>2,993,413,300</b>
<b>Washington</b>	Agricultural	36,817,200	40,838,800	10.8%
	Industrial	1,262,900	1,262,900	0.0%
	Commercial	2,783,600	2,857,900	2.7%
	Residential	112,808,800	115,078,300	2.0%
	Exempt	751,200	778,000	3.6%
	Utility	105,000	102,400	-2.5%
	<b>Total</b>		<b>154,528,700</b>	<b>160,918,300</b>
<b>Wayne</b>	Agricultural	44,922,400	49,257,600	9.7%
	Commercial	2,421,000	2,346,700	-3.1%
	Residential	62,343,800	67,964,100	9.0%
	Exempt	304,700	306,200	0.5%
	Utility	42,000	42,200	0.5%
	<b>Total</b>		<b>110,033,900</b>	<b>119,916,800</b>
<b>Wea</b>	Agricultural	30,386,300	34,034,800	12.0%
	Industrial	70,928,400	69,934,500	-1.4%
	Commercial	299,134,400	315,894,000	5.6%
	Residential	1,172,110,500	1,222,237,400	4.3%
	Exempt	22,219,100	21,852,000	-1.7%
	Utility	2,670,000	2,602,000	-2.5%
	<b>Total</b>		<b>1,597,448,700</b>	<b>1,666,554,700</b>
<b>Total - All Townships</b>		<b>9,769,033,000</b>	<b>10,214,719,690</b>	<b>4.6%</b>