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**An Overview of Monroe County's 2010 Annual Trending**

The following steps were taken to conduct the 2010 annual trending in Monroe County:

**General Overview:**

Overall the Monroe County market remains extremely stable. Home sales remain strong and have not followed the industry average. New construction continues to take place within the county, with some projects being slow to finish. Monroe County is the home to Indiana University. Enrollment within the university continues to grow each year, resulting the increase demand for housing, whether it be owner occupied or rental properties. For the trending process, sales from the entire 2008 year, along with sales from January 1, 2009 through February 28, 2010 were utilized. When necessary, sales from 2007 were utilized to ensure a required sample size was achieved for statistical analysis. There was no time adjustment of any sales, due to percentage of change remaining flat. The nation's general perception is that housing prices have continued to decline. However, within Monroe County this has not been the case. Various articles have been published in the local newspaper indicating how Monroe County is not following the national trend and that prices are remaining stable. Various areas within Monroe County continues to show growth not only in sales, but new construction, while other areas has experienced some decrease. Each of these areas were specifically addressed and details of this will be provided in each townships narrative.

Sales were the basis for any change in assessments for residential improved and unimproved properties. Each neighborhood was reviewed on its own merit and changed accordingly. Neighborhoods that were trended either upward or downward based upon less than 5 sales have been identified in the township narrative. Sales information was predominately used from the January 1, 2009 through February 28, 2010 time period. When necessary, sales from 2008 were utilized ensuring an ample sample size before any change was implemented.

Updated cost tables were the basis for any change in assessments for improved commercial and industrial properties. The cost table adjustments resulted in certain property classes reflecting an increase in their base price, while others reflected a decrease in their base price. Depreciation was updated to the year 2010. Based upon the

age of the property determined how much if any additional depreciation was credited to the property. Those properties that were already fully depreciated were not affected by this depreciation year change.

Monroe County converted from ProVal CAMA system to X-Soft's INcama system during the year. The 2010 year is the first year of assessments under this new system. As a result of the conversion, various parcels had pricing errors fixed, resulting in increases and decreases. These issues were predominately associated with commercial/industrial improvements.

### **Land Values:**

New land values were reviewed and adjusted where necessary, county wide for both residential and commercial/industrial properties. The entire land review process resulted in minimal amount of change. The primary change in assessments for these classes was conducted through the use of change in market adjustment factors (residential improved) and cost table/depreciation adjustments (commercial/industrial improved).

Due to the lack of vacant residential sales, the townships of Indian Creek and Polk Township were combined for statistical analysis as each township had 5 and 3 sales respectively. There were zero vacant industrial sales, thus the statistical analysis for vacant commercial was reported. All townships were combined together for this analysis as there was only a total of 12 sales county wide, with only Perry Township having more than 8 sales.

### **Market Adjustment Factors (Residential):**

Monroe County has approximately 1060 residential neighborhoods defined. Each and every one was reviewed on its own sales information. If a market adjustment factor was warranted a new factor was calculated and entered into the CAMA system. When necessary neighborhoods were combined for review of their sales trend and adjusted accordingly (if any). This analysis resulted in various neighborhoods remaining constant while others saw an increase or a decrease. As stated above, Monroe County remains stable as a whole, but certain areas within the county is experiencing growth and certain areas has 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.

### **Cost Table Updates (Commercial):**

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The depreciation year was also change. Due to the lack of improved commercial sales in the counties smaller townships, all townships with the exception of Bloomington, Perry and Richland were combined for statistical analysis. The three larger townships of Bloomington, Perry and Richland all had studies conducted individually. The Improved Industrial Industrial analysis was conducted county wide as there were only a total of five (5) sales in the entire county for this

classification. Three (3) of these sales occurred in Bloomington township and two (2) occurred in Perry township.

### **Analysis of Residential Sold Properties versus Unsold Properties**

An analysis study was completed for improved residential properties to determine if sold properties changed at the same level as unsold properties. This data was reviewed at the township level and at a neighborhood level where necessary as many areas within Monroe County are unique, experiencing different levels of growth and development. Once again, sales activity remains strong within Monroe County, more so in certain neighborhoods or market areas than others.

### **Use of Sales information**

Monroe County is committed to utilizing as many valid sales as possible. As stated above, the primary time period for sales used was from January 1, 2009 through February 28, 2010. Sales from the 2008 time period were used (no time adjustment) along with sales from 2007 in rare instances. A separate work file is attached listing the 2009 sales that were initially marked valid and an explanation as to why they were not used in the study.

### **Township Information (Specifics):**

Below highlights any relevant township information that occurred during this trending process. Those neighborhoods that were trended based upon the use of less than 5 sales are identified indicating the percentage that the sales represented in relation to the total improved parcel count.

#### **Bean Blossom Township:**

Bean Blossom Township consists of two taxing districts, (1. Bean Blossom; 2. Stinesville). This township is extremely rural in nature with the exception of the Town of Stinesville, which serves as its own taxing district. The township consists of 53 defined residential neighborhoods. For analysis purposes, the majority of these neighborhoods were combined into two different neighborhoods. Despite the groupings, sales of greater than 5 were not achieved for any one neighborhood or grouped neighborhoods. Of the available sales information, a slight trend upwards was warranted as sales prices were consistently greater than current assessments. The sales from the Town of Stinesville reflected a slight down turn. This area also resulted in less than 5 sales for the entire taxing district.

#### **Benton Township:**

Ten (10 ) neighborhoods, (consisting of an approximate 35 total parcels) were deleted and the parcels were moved into appropriate corresponding neighborhoods.

NBHD 53003036 was trended slightly upward based upon the use of less than 5 sales. This neighborhood is predominately vacant agricultural property. Sales accounted for 3% of the total improved properties.

NBHD 53003053 was trended slightly upward based on less than 5 sales. Sales accounted for 5% of the total parcel count. This is a very homogenized neighborhood where every house was built between 1971-1973, all receiving the same grade of C-1 and all are approximately 960 square feet.

Lakefront (Lake Lemmon) NBHDS (53003066, 53003071, 53003073, 53003078, 53003086 & 53003089) were grouped together for analysis resulting in an increase.

Lakefront property within Monroe County remains in high demand.

NBHD 53003080 & 53003081 were combined together for analysis. This neighborhood was trended upward based on less than 5 sales. Sales accounted for 7% of the total parcel count.

### **Bloomington Township:**

Bloomington Township remained rather stable during the last year. This township is one of the two main townships within the county. In terms of property type on average it is the older of the two. The township consists of several student rental properties, which continues to be in high demand.

NBHD 53004021 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 5% of the total improved parcel count.

NBHD 53004024 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 7% of the total improved parcel count.

NBHD 53004045 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 7% of the total improved parcel count.

NBHD 53004073 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 17% of the total improved parcel count.

NBHD 53005025 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 9% of the total improved parcel count

NBHD 53005054 was trended upward based upon the use of less than 5 sales. Sales accounted for 6% of the total improved parcel count

NBHD 53005063 was trended upwards based upon the use of less than 5 sales. Sales accounted for 9% of the total improved parcel count

NBHD 53005100 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 25% of the parcel count

NBHD 53005101 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 40% of the parcel count

NBHD 53005102 was trended slightly downward based upon the use of less than 5 sales. Sales accounted 100% of the total parcel count

NBHD 53005120 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 17% of the total parcel count.

### **Clear Creek Township:**

Clear Creek Township is predominately rural, although a majority of the Lake Monroe Area resides in this township. A large condominium community (Eagle Pointe) exists within this township.

NBHD 53006077 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 7% of the total improved parcel count.

Pointe Condo NBHDS: The villages with Eagle Pointe are predominately condo's with a few neighborhoods of custom built homes. This entire area is broken up into 81 different neighborhoods. Neighborhoods were delineated a few years back and were based upon improvement type, floor, size, view of water, woods or golf course and the village they are assigned to.

NBHD 53006084 was trended slightly upwards based upon the use of less than 5 sales. Sales accounted for 8% of the total parcel count.

NBHD 53006091 was trended slightly upwards based upon the use of less than 5 sales. Sales accounted for 14% of the total parcel count.

NBHD 53006097 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 8% of the total parcel count.

NBHD 53006101 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 17% of the total parcel count.

NBHD 53006104 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 50% of the total parcel count.

NBHD 53006111 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 27% of the total parcel count.

NBHD 53006112 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 21% of the total parcel count.

NBHD 53006114 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 15% of the total parcel count.

NBHD 53006125 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 28% of the total parcel count

### **Indian Creek Township:**

Indian Creek is an extremely small and rural township. The entire township was grouped together for statistical analysis, resulting a slight downward trend. The overall downward trend for this township resulted in an even lower COD. Last year, the COD was 6.04, while this year it was calculated at 3.56. This reduction is predominately due to the lack of sales year after year within this township.

### **Perry Township:**

Perry Township is the largest township within Monroe County. It experiences the most activity in terms of growth and transition. The township contains several student rental properties, that remain in high demand.

NBHD 53008045 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 12% of the total improved parcel count.

NBHD 53008057 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 5% of the total improved parcel count.

NBHD 53008073/53008074 were combined resulting in one nbhd trending upward and the other downward based upon the use of less than 5 sales. Sales accounted for 8% of the total improved parcel count

NBHD 53008124 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 21% of the total improved parcel count.

NBHD 53009016 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 7% of the total improved parcel count.

NBHD 53009022 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 17% of the total improved parcel count.

NBHD 53009033 was trended slightly upwards based upon the use of less than 5 sales. Sales accounted for 12% of the total parcel count.

NBHD 53009080 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 18% of the total improved parcel count

NBHD 53009084 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 8% of the total improved parcel count.

NBHD 53009086 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 8% of the total parcel count.

NBHD 53009126 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 3% of the total parcel count. This is a condo complex with all of the units being virtually the same.

NBHD 53009131 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 11% of the total parcel count.

NBHD 53009137 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 15% of the total improved parcel count.

NBHD 53009146 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 8% of the total improved parcel count.

NBHD 53009198 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 13% of the total parcel count.

NBHD 53009208 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 8% of the total parcel count.

### **Polk Township:**

Polk Township is a very small township within the county, with a large number of parcels owned by the state (forestry). This township experienced zero sales for the last two years and was combined with Indian Creek for statistical reporting.

### **Richland Township:**

Richland Township resides within the western part of the county. This township has a school district designate solely for it taxing area. The area is rural in nature but continues to be more developed as the growth expands from the central county area.

NBHD 53011027 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 5% of the total improved parcel count.

NBHD 53013004 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 7% of the total parcel count

NBHD 53013031 was trended slightly upward based upon the use of less than 5 sales. Sale accounted for 10% of the total improved parcel count.

NBHD 53013043 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 38% of the sales.

NBHD 53013062 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 23% of the total improved parcel count.

### **Salt Creek Township:**

Salt Creek Township is very rural and experiences very little if any activity, outside of the few neighborhoods that border the Lake Monroe Area.

**VanBuren Township:**

Van Buren Township is a rural township with some new residential growth underway. NBHD 53015044 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 10% of the total improved parcel count.

NBHD 53015046 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 10% of the of the total improved parcel count.

NBHD 53015058 was trended slightly upward based upon the use of less than 5 sales. Sales accounted for 6% of the total improved parcel count. Land values were also slightly increased. Sale activity in prior assessment years was non-existent for this neighborhood.

NBHD 53016005 was trended slightly downward based upon the use of less than 5 sales. Sales accounted for 14% of the total improved parcel count.

**Washington Township:**

Washington Township is an extremely rural township with predominately older homes. The township resides in the most northern part of Monroe County, bordering Morgan County. The township consist of 35 residential neighborhoods of which are mostly rural and currently receiving a wide range of market adjustment factors based upon prior sales information. Sales from the 2008/2009 period have been extremely limited in this rural area. With the exception of a few highly homogenous neighborhoods, the nine (9) sales that occurred in the rural areas indicated a downward trend of the market adjustment factor was warranted. NO single neighborhood had greater than 2 sales. As a whole, this trend does not reflect the overall market of Monroe County but does appear to be concentrated in this township. As a result of the sales information, all rural residential neighborhoods were trended slightly downward based upon the township wide results, regardless if there were any sales in the specified neighborhood. Neighborhoods that were highly homogenous were analyzed on their own merit and sales information, often resulting in “no change” in the market adjustment factor. This downward trend throughout the majority of the township and the lack of sales information resulted in the COD for this township lowering from its 2009 value of 5.44 to this year’s value of 4.18. NBHD 53017027 was the only neighborhood to see an upward adjustment. This was based upon less than 5 sales. Sales accounted for 20% of the total improved parcel count. This neighborhood is highly homogeneous and limited to one single street all consisting of homes erected in the 1997-2003 time period.