

# 2010 TRENDING AND EQUALIZATION OF PORTER COUNTY

This document summarizes the method and procedures used to complete the 2010 Annual Adjustment for Porter County. This document is intended to provide a reasonable explanation as to how this task was completed.

## Overview

The market trend in Porter County has started to level off in 2009. Most trend factors are very close to 1.00. There are a few pockets where the market is still improving, but these are not the norm. There are fewer sales in 2009 than in previous years. Our studies show properties are spending more time on the market, however they are not losing value. We believe we are moving ever closer to the actual market value in use in Porter County.

Each sale in this study has been scrutinized for validity using information from sales disclosures, MLS, and verification letters. Each sale meets the 5 criteria for a good sale. Bad sales are listed on a separate tab with explanations.

## Improved Residential

With even fewer sales this year than last, finding a good dataset for all neighborhoods was impossible. We have combined neighborhoods and comped others.

In checking sales, we discovered that most of the sales after the sheriff's sale or foreclosure were selling at a price lower than the foreclosure sale. After investigating, we discovered most of them were bad sales. Each sale was decided on its own merit.

The annual adjustment rule (50IAC21), does not require an assessor to change the assessment of every property every year. We believe that neighborhoods that increased or decreased less than one percent need not be trended. There is not a noticeable change in the market.

## Vacant Residential

In 2009 the building of new homes seemed to have decreased. Most vacant residential properties are being sold to builders at a reduced price. A large part of properties that are not sold to a builder/developer were previously agricultural and, therefore cannot be used in the study. Given the lack of good vacant residential sales, it is highly doubtful that factors could be calculated for the remaining vacant sales.

## **Improved Commercial**

There are nine valid sales in the time frame for trending. We ran a ratio study for these nine parcels and came up with a .9926 trending factor. The PRD on this study is high, however, according to the IAAO, this is common in a small sample and doesn't necessarily indicate any inequity. Sales that are not valid for trending include a variety of reasons for their invalidity. Bad sales are listed on a separate file with explanations. Last year the DLGF trended our improved commercial and industrial up one percent. Due to the lack of good sales and the amount of appeals we have received for 09p10, it is our opinion that the market needs no change at this time.

There are nine rather large commercial permits we have not entered yet into our system. They are being picked up and will be in the roll to the Auditor, but are not reflected in our assessment data as of yet.

## **Vacant Commercial**

Land values were re-calculated in 2007 by Lori Harmon. There are three good vacant commercial sales for all of Porter County. Bad sales are listed on a separate tab with explanations. Most of the sales were multi parcel sales, or part of a split. We believe there is not enough data to accurately trend vacant commercial properties.

## **Industrial**

There are three industrial sales in Porter County between January 1 2009 and February 28, 2010. Two are improved industrial, one is vacant. None of the three sales meets the 5 criteria for a good sale. We are of the opinion that currently there is not a significant change in the industrial market.

## **Conclusion**

While there are enough sales to adequately calculate factors for improved residential properties, there is very little good data in other types of properties and therefore they should not be trended. We feel confident in our conclusions about market trends in Porter County.