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International Association of Assessing Officials



Indiana County Assessors Association
Indiana Township Assessors Association
Association of Indiana Counties

August 28, 2012

Mr. Barry Wood, Director Assessment Division
Indiana Department of Local Government Finance
100 North Senate Avenue, N 1058(B)
Indianapolis, IN 46204

RE: St. Joseph County Ratio Study
2012 pay 2013

Dear Mr. Wood:

The enclosed data for St. Joseph County reflects the proposed Assessed Value Changes for the March 1, 2012, assessment year. After completion of the 2012 Reassessment, we conducted a ratio study based on sales in the Residential, Industrial, and Commercial classes for the purpose of Annual Adjustment to market value as required by 50IAC27, using guidelines provided by the Department of Local Government Finance.

The study includes all available sales from the 2-year period of March 1, 2010 through February 28, 2012. Properties were reviewed for characteristics at the time of sale, and records updated to reflect all changes. Commercial and Industrial sales were additionally reviewed against MLS data, LoopNet Commercial, and verified by an independent consultant.

Initially, the study included sales of all distressed properties (bank sales) as well as arm's length transfers to identify a "preponderance of sales" in all classes. Those sales which did not meet the market value test for foreclosures defined under the January 11, 2011, Annual Adjustment Guidance were removed from the study, and identified as "distressed" on the attached "Sales not Used" worksheet. Additionally, sales were excluded which had a change in use or property class (i.e. rental properties using income valuation, land removed from Developer's discount, new construction, etc.) or did not meet other tests of acceptability when verified by our Sales Disclosure Department.

All acceptable sales were stratified by property class type, township, sub-class code, and

neighborhood for this analysis resulting in some properties being reported in a different neighborhood this year. We researched and trimmed outliers, applied suggested factors, and calculated the 2012 pay 2013 assessments contained in the attached workbook.

Additionally, we reviewed all land sales in St Joseph County. The Land County Summary by Township included the Neighborhoods that were previously established and or stratified, Neighborhood Name, Land Type, Land Type Description, 2002 Land Values, Standard Lot Depth/Width, Standard Depth Table, and the new 2012 Land Values if they were changed. Valid Sales from a 14 month period, January 1, 2010 to March 1, 2011, were used and analyzed. The Commercial/Industrial values that are incorporated into the Summary are based on a analysis of closed market sales data from LoopNet Commercial, CBRE, and with meetings from various local real estate professionals.

The following is an explanation of the Ratio Study data.

Improved Residential: Liberty, Madison and Olive, no trending was indicated. Portage Township had a high number of distressed sales, investment (rentals) sales and rehab sales which were reviewed for their impact on South Bend neighborhoods. While most were invalidated, those that truly reflected the market in high foreclosure areas were used in this study to determine the decline in property values.

Vacant Residential: Upon further review and analysis no trending factor was warranted.

Improved Commercial: Due to insufficient sales of commercial property in many townships, the study was conducted on a county-wide basis by Property Class Code. All sales were reviewed by an independent commercial property appraiser for validity. Upon further review and analysis of economic trends and conditions it was determined that no factor is warranted. The results of the Combined Study by Property Class Code are shown.

Vacant Commercial: Due to insufficient sales of commercial vacant property in many townships, the study was conducted on a county-wide basis. Sales were reviewed by an independent commercial appraiser, and no trending factor was warranted.

Improved Industrial: Eight townships had valid sales in the Improved Industrial category, which were reviewed by an independent commercial appraiser. Sales were combined from Centre, German, Penn, Union, Harris, Greene, Olive and Portage Townships for the Industrial Class Codes of 330, 340,345, 350, 370 and 399. The results of the Combined Study by Property Class Code are shown and no trending factor was warranted.

Vacant Industrial: Due to insufficient sales of industrial vacant property in many townships, the study was conducted on a county-wide basis. Sales were reviewed by an independent commercial appraiser, and no trending factor was warranted.

Please review the attached ratio study, workbook, and sales not used files for St. Joseph County. Notify me should you find any discrepancies or issues of non-compliance.

Thank you.

Respectfully submitted,
Arcelia Dorado
Manager, Compliance Division

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cc: Mr. David Schwab, Senior Statistician
Mr. Steve McKinney, Field Representative