



Wayne Township Assessor - Investors Guide

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Special points of interest:

- Important Contact Info
- 3 methods of valuation
- House Enrolled Act 1195
- Assessors tools for investors
- Abatements

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WHICH VALUATION METHOD IS BEST FOR ME

Cost Method

based on construction and labor cost...

(Replacement Cost New – Depreciation) + Land

Sales Comparison

Estimates the total value of property by comparing similar properties that have sold in the market.

Income Approach

Income multiplied by GRM

GRM: Created from the median sales price divided by median annual rent

As your assessor it is our responsibility to provide you with the lowest possible assessment. We can only accomplish this with your assistance. Annual trending is done using mass appraisal. We combine the cost method, which is the basis for our values and apply a neighbor factor which adjust for any trends up or down in the market.

As an investor the income approach is generally going to be the best method. Investor purchases, which under normal state guidelines are usually not considered valid sales, as well as annual income are used to derive value. The only time this would not be the case is when your property is located in a neighborhood where sale after foreclosures or auctions are predominant. A rental questionnaire and a copy of your lease is required for this method.

Many times acquisitions require additional investment to make them “rent ready” If your property is poor or uninhabitable condition, the cost method would be the best choice for the lowest assessment. It is important to contact our office immediately and schedule an interior inspection. You will always receive the lowest of the 3 methods of valuation!

HOUSE ENROLLED ACT No. 1195

March 19, 2012 Governor Mitch Daniels signed HEA 1195 into law. This legislation contained significant changes to the property tax assessment process and the appeal process, including submission of information under the income capitalization and gross rent multiplier methods, appeal hearing notification timeframes, comparable property restrictions and interest on successful appeals.

Under section 2, which was effective July 1 2012, if a taxpayer wishes to have the income capitalization method or GRM used it will be necessary to submit your information to the assessor no

later than the March 1 assessment date.

Allen County requires a completed rental questionnaire and a copy of the 1st and last page of a current lease. If the lease is not available, the most current Schedule E can be submitted. This information is needed for initial valuation and then will be verified every 4 years during the quarterly reassessment of your neighborhood. The Wayne Twp. Reassessment schedule can be found on our website.

Under section 4 of the law, the Property Tax Assessment Board of Appeals must give at least 30 days notice my mail of

the date, time, and place of the hearing. A taxpayer may request a **continuance** of the hearing by filing, at least **20 days** before the hearing date. A request must be in writing with evidence supporting a just cause for the postponement. The board will notify the taxpayer within 10 days if the continuance has been granted or denied.

A taxpayer may request in writing, a petition to withdraw or to have evidence submitted to the board without their presence, **8 days** prior to the hearing without a penalty.

Failure to appear will result in a **\$50** penalty per appeal.

www.allencountyassessor.org

RENTAL PROPERTY CALCULATOR AND NBHD INFORMATION

The Wayne Township and Allen County Assessor's have created a few helpful tools for investors. These are available to you on the Allen County Assessor Website. Once on the main page click on the link called "Rental Properties" Our residential rental property page has many useful tools & links:

- ◆ All about income valuation & GRMs
- ◆ Online questionnaire
- ◆ link to HEA 1195 (IC 6-1.1-4-39)
- ◆ GRM Calculator
- ◆ Income Sales & Sale Prices
- ◆ How to locate your NBHD number
- ◆ Frequently asked questions

Please answer the following three questions:	
What Neighborhood are you interested in?	693501-070
What type of house are you interested in?	Single Family
How many bedrooms do you want to see?	3
Bedroom/House-type information for the Neighborhood	
Estimated Market Rent Range:	600 - 1000
Estimated Monthly Market Rent:	\$800.00
Estimated Gross Rent Multiplier:	5.833333333
Estimated Assessed Value	\$56,000
Estimated base tax = (AV * 2%) (does not include referendums, etc.)	\$1,120.00
Neighborhood Specific Information	
Township	Adams
Neighborhood Name	Caribe Colony
Number of rentals of this type currently:	8
Reported range of market rents (all bed counts):	700 - 950
Reported range of vacancy rates (# mos per year):	0 months
Number of rental sales in this neighborhood	1 sales
Median sale price per square foot:	\$43.45/psf

Notes:
1) All information reported to the Assessor's Office pertaining to income for expenses is protected by law & will remain confidential as provided under IC 6-11-35-9
2) Reported Rent must be verified by an accompanying lease agreement for Schedule E for contesting assessed values based on income. 3 year documentation is preferred.
3) The "Estimated 12%+M Income Value" listed above is an ESTIMATE only, to be used for informational purposes. Any further inquiries should be made by contacting either the County Assessor's Office Rental Staff at (260) 448-3115 or the Wayne Township Assessor's Office at (260) 448-4140.
3) If the "How contact Assr's for more info" appears in the box, there is not enough information available to give a fair estimate and you must contact further.

If you are looking up a subdivision, the neighborhood number may be found by looking below. Otherwise, please refer to the property record card. What's this?

Neighborhood Lookup A-G
Caribe Colony - 693501-070

Neighborhood lookup H-O
Hamiltons Fourth Addition - 371106-074

Neighborhood Lookup P-Z
Papermill Bluffs - 724102-072

Calculator / prc / Rental Sales

Access to all valid income sales used to create GRM's

ABATEMENTS ... CAN THEY WORK FOR ME?

In Indiana, tax abatement is technically defined within state law as an economic revitalization area (ERA) deduction. The process begins by designating a certain piece of real estate as an ERA. Subsequent investment on that property, within state guidelines, is then eligible for tax abatement.

Allen County offers investors 2 types of abatements. (ERA) Economic Redevelopment Area abatements or (RIZ) Residential Investment Zones. These abatements have very specific guidelines and to be eligible the real estate must be within designated areas.

To be eligible for an ERA the business must apply for designation as an Economic Revitalization before beginning the capital improvement. These projects may be eligible for a tax phase in for a period of up to 10 years.

To be eligible for a RIZ, an owner of a smaller residential property (1-4 units) within the designated area may apply for a 5 year tax abatement on real property improvements. **No approval is needed from Ft Wayne Common Council.**

The amount of the deduction that the property owner is entitled to receive, equals

the lesser of the assessed value of the improvements to the property after rehabilitation has occurred; or the following amount:

- 1 family dwelling \$74800
- 2 family dwelling \$106080
- 3 unit multifamily \$156000
- 4 unit multifamily \$199680

To begin the process, applicants must submit an approved application form and all required attachments. More information on ERA's & RIZ's can be found on the Auditor and City of Ft Wayne websites. Personal appointments or presentations are available by contacting your Assessor.

