

PTABOA 1/23/2023 Wells County Assessor's Office vs Taye Lynn Fiechter

Laura- I have to swear you in. (Blake Fiechter) So just raise your hand and say "I swear to tell the truth, the whole truth and nothing but the truth."

Blake- I swear to say the whole truth and nothing but the truth.

Laura- Today is a little bit unusual that I am the assessor, and I am also presenting. But that is because I just took office, and I did all the work on this. Are you all set to go? Is your microphone on?

Blake- Yep.

Laura- We are hearing an appeal on the house in the name of Taye Lynn Fiechter at 2105 Dogwood Ct, Bluffton, IN 46714. Parcel number 90-05-22-500-140.000-011. Does everybody agree that is the property we are hearing the appeal on? Okay, Blake you actually even though it's over, do you want to go first? It doesn't really matter.

Blake- Doesn't really matter. However, you want to do it.

Laura- Okay, I will have you start.

Blake- I will hand these out, these are basically saying... When I started looking at it is when I noticed the difference in the assessments. When I got my new assessment is when I kind of started looking. I thought I work in real estate, and it just seems like \$597,000, I would love to get that for my house. But I my house or Taye's house my wife or our house has a market value of that high. So, I started looking in our neighborhood at different assessments. I have given you guys a sheet. I was giving information of square footage of our house and the lot size, condition, age stuff like that. Which mine is a newer house back that. But if you to look like I looked at comparables in the neighborhood from an assessment value. My property is in bold there. I got 5 other properties. Which I just kind of pulled those other properties at random because I knew they probably homes of similar size. Some homes are bigger, some homes are smaller. But if I am looking at the finished square footage, mines 5th smallest house technically out the 6. Property 1 is 433 Stillwater-5180 finished square feet, 1.8 acres. Properties 1-4 are out on the back lake in the Woodlands. So, if you are familiar with that mainly the bigger, nicer homes. Walk out basements. They have access to that lake for recreational use. I am on a pond as well. Mine is a retention pond. Not as appealing as those back lots from a resale value. I just kind of started looking. We bought our house almost 2 years ago for \$330. If it wasn't for COVID, our house would

have went into foreclosure, the one we bought. But it didn't because of COVID. So we were able to buy it directly from the land owner which was Charles Yates. So, we worked out the deal with him. It still had to get appraised. It still had to get evaluations done. So, Charles working working with his bank, came up with the sale price. And the sale price was reduced because the basement had flooded. So we had to go in and we did go in and finished the basement. There was a kitchen down there. We didn't redo that we just did it as a basic basement. So, our value was a little lower because of that. Because we realized there was mold there and we had to do mold remediation. And at that point, we just decided to finish the basement. But when I look at it, it just feels like our assessment seems to be the highest in the neighborhood when I know our value isn't the most expensive in the neighborhood. And like I said, if you look at property 1- a little bit bigger, 5 years older, 1.8 acres on that back lot and it is assessed at \$390. And you can kind of look from there. \$414, \$516. Property 4 is in my opinion is the probably the most valuable property back there. It's an all brick, walk out basement, oversized garages. It has a detached brick garage as well. And it is almost 2.5 acres. They bought that one for \$585. And it is assessed at \$550. And that is why I kind of started looking at things and wondering. If we bought ours for \$330, I don't assume that it will be assessed at \$330. But if I am looking at replacement cost on ours, it's \$418,950. With an improvement value of \$541,300. So that is where I am looking at the standpoint of comparing apples to apples. It just feels like a glaring difference in the assessment. And I know, Laura and I have talked. Mine is a little newer but working in real estate I think I probably have been in a fair majority of those homes. And even the ones that were built in the mid to early 2000's, have been maintained. Most of the have had a lot of upgrades to them. So I don't think,,, there definitely homes back there that I walk through that are there of a higher interior caliber from ours. And there definitely are some there that mine is higher. But if you look at the Woodlands or Northwoods Farms majority of those homes in our section are probably built to similar standard. At this point you are seeing most of the homes built solid surface countertops and stuff like that. I don't think our home has anything specifically like tremendously different than. Especially, like these other ones that I got on here. And the information that I gave you I just pulled from the property cards from the other homes.

Laura- Okay, do you want me to go? Are you sure? Do you need more time to look at stuff? So, we kind of discussed this a lot.

Blake- We have been over this a couple of times.

Laura -A few times and so one huge difference with the homes that are all listed all here. And I do have property cards for everything, but I know that I gave everybody the sheet and this is the neighborhood.

So, the houses that we have been typically comparing you to are all in different neighborhoods. The Northwood Farms subdivision is by far out most complicated subdivision when it comes to sales. We try very hard not to have this many neighborhoods in a subdivision but for whatever reason the houses in this subdivision sell so differently than so many sections. So, I wrote the neighborhood numbers on the map. And this house Blake's house is in the 511347. The orange which is basically just this portion. And we are comparing houses back here, houses up here. Which they have a different neighborhood factor because they sell differently than the other sections. That is the first thing that I want to point out because it is a big difference when it comes to the neighborhood factors.

Nate- Can you explain what you mean by sell differently?

Laura-They just sell, some of these sections sell much higher than the other sections. Even though like the ones that Blake was talking about the two houses that are back on the lake, but they sell differently.

Blake- I think when it originally started and I think that we will see this more happening as they are merging subdivision in our area. But like that first pink section off from Main St. and the 2 green sections were the Woodlands. And off from where Homestead, Goldenrod and Grassland those were Northwood. So those first streets are more affordable homes.

Laura- Yes, they are. They are smaller.

Blake- Smaller. I think in my opinion the most expensive streets are Stillwater, Crestwood and Red Oak back to the cul-de-sac. But the orange section here 511347 was that merging subdivision that combined them. And then it ended up becoming all Northwood Farms. And so, it is. It is kind of like 3 subdivisions put all together or 3 phases.

Laura- It is. It is very possible when we do these neighborhoods. If they start selling similarly because it gets to when houses age and then they start selling more similarly. We would probably be able to merge those neighborhoods back together. But when we do ratio studies and when we do ratio studies they are factual. They are mathematical. And so sometimes we have subdivisions like this that you just have to separate them out like this because they sell so differently. So, the neighborhood factor on Blake's house is 1.36. While the neighborhood factor on 433 Stillwater is only .94. There was that big of a difference in the sales in this neighborhood. 511147 neighborhood factor is 1.17. There is a difference in how they sell.

Blake- So how do they calculate that?

Laura-The ratio studies?

Blake- Yes

Laura- We take all the sales that happened in that neighborhood and we come to a median. We come to middle sale because you always have higher (I want it and I don't care what I pay for it) and the lower (I just want to get rid of it and I don't care). And we go to the middle and that is where we start. From there we go- how many houses are higher, how many houses are lower. We have to find an area where all those houses will fit into.

Blake- So you are saying that the houses in 511347 has a higher sales than 511247 or 511147?

Laura-Yes, I am.

Blake-Because I do think that on the 511347, my house is the biggest property in that section.

Laura- It is close. I think square footage, it is biggest. But it is also the other factors as well. Some of these other houses may have a finished basement but they are not getting charged for it because they aren't telling us they have a finished basement. Whereas, poor Blake, his house was on the market and we know that it has a finished basement. So that makes a huge difference as well. If the other houses that have finished basements were honest, then their assessments would also be a lot higher than what they are. So, the assessed value of this parcel changed from \$484,309 in 2021 to \$597,100 2022. The cost table came into play with this because the cost tables were increased because construction cost went up so much. That added \$20,100 to the assessment. The house also increased in value because the condition changed from poor to average. When took out the finished basement, changed the condition to poor which lowers it like 4%, We changed the condition back to average, added the basement finish and added a bathroom. It added \$43,300 to the assessment. So, then the neighborhood factor increased from 1.36 to 1.44. So, the total assessment increase on this property in one year was over \$95,000. But it's a combination of things. It the sales. It's finishing the basement, adding a bathroom. And changing the condition from poor to average. Blake asked if the assessment could be around \$450,000. But that would lower the value of this house would be \$90/sf. And the median is around \$140/sf. This house is currently at \$124/sf. Yes, like I said, it is a little bit higher than the others. But, like I said we know that there are finished basements in the other houses that we don't know about. Also, Blake's house is the biggest in square footage. And is also one of the newest. His

depreciation is only 5%. Many of the other houses are over 10% depreciation. Which makes a huge difference as well.

Blake- I just noticed this, this morning on the notes. Dwelling repaired, added finish in basement 22 pay 23. I saw somewhere- oh changed efficiency year to 2018. So, what is that for? On 7/9/2021 Corrected lot size. "Changed condition to average. They are living there. 2018

Laura- We did not do that. That did not happen. So if you look at your property record card year built is 2015 and so is your effective year is 2015.

Blake- Oh, yea, okay.

Laura- So we need to straighten that out, we need to change the note. We did not do that. We just added the basement finish in 2022 & changed the condition. So, if you look at the printout that I gave. I put on there and on this spreadsheet what the houses would be ... I take that back, it's not on that sheet. It's on a different sheet I think I gave you guys. Do you guys have this total the same as yours, the smaller? All the houses that we compared to, I put the neighborhoods.. (Verified Blake was looking at correct sheet). If I took the replacement cost new. I changed all the depreciations to 5% which is what Blake's house is at. And then I calculated it out. I changed the neighborhood factor to the neighborhood factor in that section and in that neighborhood. And if you go to end where it is highlighted it says the total AV same as yours. Almost all of them are higher. So, 439 Stillwater would be \$631,290. 679 \$387,635. 433 Stillwater came in at \$539,311 which is a little bit lower. And 2455 Red Oak came in at \$594. Once again, this is figuring them with the information that we have. If they have a finished basement, we don't have it on here. But, if you compare apples to apples & square footage to square footage, and use the same depreciation and same neighborhood factor, you can see that it really makes a difference in their assessed values are as well. I offered to lower the grade from B+2 to a B+1 which would lower the assessment to \$558,400. Sometimes grade tends to be subjective so I was willing to change it and lower the value to \$558,400, but that value was declined. Still willing to do that. I feel like if you look on the sheet that I printed out, I kind of did the same thing. Some of the arguments that were back and forth 2449 Red Oak, it's 12 years older. It's not in the same neighborhood. And it would be \$597,868 in assessed value if it were the same. They have 1.17 acres, but they are also valued at \$87,000 instead of \$55,800. Walk out basement, cost wise, apparently the DLGF has decided that it is not anymore expensive to build a walk out basement then a daylight basement. So, there is no cost difference in there. I just kind of went through all the houses that you

could see what difference in the land is. 439 Stillwater has 2.26 acres, and their land is \$92,800 compared to \$55,800. So, everything is being compensated for. I think a lot of it is the different neighborhoods. The different depreciation like Blake has one of the newer houses and one of the biggest house. So that is why his value is higher than ...

Blake- I actually, I think if you are looking at section 511347, mine is the oldest. I think that mine was there first. Cause I think, if I remember right, when Proughs built that they started in the back and Joloff's built it, it was the first house and only house for like 2 or 3 years maybe. But I, do think in section 511347, it is the biggest.

Laura- But not one of the newest.

Blake- Yes.

Laura- I rescind or retract my statement. With all the factors in here, I feel like we all want our houses could be a lower. But based on ratio studies and factual square footage, depreciation, I think that our assessment is correct. Unless you want to lower to a B+2 and like I said it would lower the assessment a little bit.

Blake- Well you know I do have 3 little girls, so it is in pretty poor condition.

Laura- I did have someone did appeal based on "My house is always a mess because I have 4 kids." I said, "That is not our fault."

Blake- I'm just looking at it mainly probably from the lens that I do work in real estate. And so, when I go to list a house especially in the Woodlands-Northwood Farms, whatever you want to call it, I do agree there are different areas. And there are different values. But I always think, if you have 3 other agents in here, I think they would probably all agree with me that the back green section. And even 511147 that are the wooded lots are kind of your premiere part of the subdivision. They are some of the older homes. But I think from a resale value, I've never looked at the first 3 streets here as the Northwood Farms section 1 are your more smaller homes. That were kind of sandwiched in with the bigger homes when the subdivisions merged. But other than that, which I think has helped that section the values in that section go up because you are now all one big subdivision. But I think that back area, definitely in my opinion as a real estate agent has more value. And I know that the DLGF says that walk out basements don't add value. But as a realtor, I 100% disagree with that. Because that's a finished living space and not a basement feeling. Especially back on that lake, I just think that's your highest selling

factor. I get that Topaz; part of Red Oak Ct was added to merge the subdivision. I get that. It's a different section.

Laura- We have to take sales. Our values have always been really grey in that subdivision. We have ratio studies we have to follow. We have to fall within the values in that ratio study. Looking at houses that are listed right now. In fact, we just had one that listed for today for \$200,000 more than what we have it assessed at. Looking at the sales every day or looking at the listings every day most of them are not selling for lower than their list price. We are still low. Our values are still low. Our values are still \$30,000 to \$40,000 too low in our assessments on almost every property that is being listed. Some of them \$100,000.

Blake- And if I think that I thought I could get 50 or 60 grand more than my assessed value, I wouldn't have argued this. Because I think that assessments should be probably- I don't think that they should be over, but I do think that they should be a fair... If I could get \$597, I would put it on the market tomorrow. I really truthfully don't think I could. I know I see the improved value of \$541. What's that taken into?

Laura- That's just the house. Then when include the land in that's where the \$597 comes from. Like I said, I am willing to lower that to the \$558,400. But I cannot justify \$450,000. It does not calculate with the square footage. That value is just way to me. I got all the numbers here with the sales that just does not calculate out. It's way too low. I'm done, now it's yours. And you don't have to make a decision right now. We can leave. You can talk about it. You don't have to discuss it in front of us. Is what I am saying.

Blake- We just had this conversation. I think if I was going to list, it today. I would probably list it at \$550. And I think that that I would hope we could get close to that. But I don't know that. The market. This is another conversation we have had. I think the market, we have been to the top. With interest rates the way they we are starting to see the market correct a little bit. We did offer it to someone for \$550. They were moving into the area. They came and looked at it. They didn't put an offer on it. So, I think that number might be a little bit of a. Well, that was back in June when the market was still performing at it's peak. At its peak, we offered it at \$550, they declined it. They didn't put an offer on it. So that is probably what I would probably list it at. But I don't know what I would get.

Laura- And remember that this is based 2021 sales not 2022. So that is another part of it. Is that these sales were still really high at that point. Just keep that in mind, I guess. Okay. Do you guys have any questions for us? Okay.

Nate- I would be comfortable with an assessed value of right around \$550,000. It takes all the factors into consideration. With the grade, it's comes close.

Laura-Well, if we lower it to a B+2, it would lower it to \$558,400. And like I said, we got all the sales here. We've got all the numbers. Everything is. Look at house just sold for \$535 behind and it is on a slab. Doesn't even have a basement. I respect realtor's values and think that's great. But my numbers cannot be subjective. My numbers have to be based on ratio studies and facts and what sales are doing.

Blake- So what if I get an appraisal? Cause we had one when we bought it almost 2 years ago. Does that, would that play into effect?

Laura- 2-year-old appraisal?

Blake- But what if I get one?

Laura- You can do that, but honestly the tax dollars that you are looking at the difference, it is going to take you years to pay for the appraisal. You know they aren't cheap. You know we can mess with the grade. We can mess with the condition a little bit. But like changing market factors- once we start messing with the market factors your whole neighborhood is messed up. Because we can't have one house with a different market factor. And when you have all the sales that support that market factor. If you change on, then you have to change all of them. Now that whole area is artificially assessed lower than what it should be based on what the ratio studies. The ratio studies go through us. They go through the Department of Local Government and Finance twice. So, I have a really hard time just saying okay \$550. How do I get it to \$550? Do I lower the grade more? It's not lower than a B+2. I can't change the market factor because that messes with the entire assessment system.

Blake- Can you add based that it's the oldest in 511347?

Laura- No, that already accounted for in the depreciation. If you go across the bottom of the property record card. First of all, we start at the top in that cost ladder. And that is what the DLGF says it cost to build a 2055 sf 1st floor- \$142,100 and to add the basement is \$42,000. I'm sorry I wasn't looking at your card. Were you confused? Wait a minute here. The first floor is \$110,600. The second floor is \$53,700.

And if you just go all the way down that line, all of that is based on what the construction cost are. What the cost tables are. Then you get to the bottom, we get \$418,950 as the replacement cost. And that is the RCN. So, when you get to the bottom then, you get 1/6 masonry. The grade is B+2. The year built. The effective age. The location cost multiplier is the same through out the entire county. That is what the department says it cost to build in Wells County compared to Indianapolis. We have the square footage. And then the replacement cost new from up above. We then have the depreciation. And that depreciation comes from the effective year. So, that is where we compensate for a house that older, a house that is newer. It comes in with that depreciation. Which is also that standard weight. So it gives us the remaining value. And then we add in the neighborhood factor. And that is where the ratio studies come in. And we get that house up to where the other houses are selling for in the neighborhood. And then land also factors into that. So, if that helps explain it a little bit. Age of the house is compensated for. The garages, the porches. All the extra things. How many kitchen sinks. How many plumbing fixtures do you have. All of that is factored in.

Blake- I agree, but that is also, an asking price. We did ask that price to a buyer, and they declined. A buyer coming from Illinois. So that to me, feels like- should my assessed value be over what my actual value is? And I don't think that is fair for any taxpayer.

Laura- Yea, why? Did they just not like the house? Did they not like the location?

Blake- It was part of the location. It was the lot. You know, they were a larger family and... Maybe not that our house is super large, but it can accommodate a larger family. But they thought the value is expensive. You know you get in Wells County and get over half a million dollars your buyers are far and fewer in between. Values have gone up tremendously. So that is where I am thinking, like if I really thought my house was worth \$615-\$620, I wouldn't be here today. But I really think it is worth in the 5's. I do think it is in the lower end of the 5's. And I know if you look at your market analysis, your assessments and evaluations, I get that you got to go off a neighborhood. But I know my house is not the most expensive house in all of Northwood Farms. And according to the calculations it is. And I just feel it is a little hard to sit here and look at the homes one street over and know that they do have a different valuation. But as a real estate agent, I am not taking that into account. I'm taking into account the finishes that are similar to mine. The lot. Which some are a little nicer. Some are less desirable. Looking at not even a sales price at that point but at the assessed value. I know we looked at Bill and Shannon's house and that's 433 Stillwater. They were not asking \$390. And we declined to buy their

house because we thought they asking too much too. But I guess I wonder if 433 Stillwater sells for \$650. Does that assessment go up? Or does it stay lower?

Laura- It goes up.

Blake- Okay so.

Laura- It definitely, like I said, the sales are from 2021. Which sales are still really, really high then. And the \$550, you know that is one person. If you go to put it on the market for that price, then we could look at it. But there are so many subjective issues that need to be looked at. And Bill and Shannon's is 5 years older. And have a 10% depreciation. Do they have a finished basement? They do. All you got to tell me all the people with finished basements, and I will add it on.

Blake- So that is where I am coming from it feels a little like a punch in the gut when I am looking at assessments. And I am thinking, "Gosh, O know my house isn't worth that." But I'm assessed over \$200,000 more than the house that is very comparable to mine. And I can hit a golf ball to it. Grant it, do I want my assessment to be \$330,000 when I bought it at? No. I realize that we bought it and put money into it and that was accounted for in the reduced purchase price. But I didn't put \$237,000 in my house. And I don't think it is worth \$597. I think it's, I hope it is worth in the 5's. I said, I would ask \$550 for it. We have asked \$550 to a buyer; we didn't get it. But probably where I would still go on the open market if I going to try it. And then there is still fees associated. That is just my, you know even if I thought my house isn't worth \$597 and the other 5 properties here were assessed at \$550, \$620, \$650. I would probably think okay, everyone's assessments are somewhat inline. But it seems like when you look at all these assessments which I have. Because it's kind of piqued my interest. I know that there are factors that you guys just can't account for like it there is a basement and you don't know about. Yeah, it just seems like some of the other people that bought the home, their assessment has stayed relatively lower than what they purchased it for. And ours jumped up quite a bit so.

Laura- Okay, we will conclude. If you are good with that? (Blake) We go ahead leave and let you guys discuss what you need to do.