

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
 100 NORTH SENATE AVENUE N1058(B)
 INDIANAPOLIS, IN 46204
 PHONE (317) 232-3777
 FAX (317) 974-1629

Ratio Study Narrative 2022

General Information	
County Name	Delaware

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
Christopher Ward	765-747-0092	Chris@pscassociatesllc.com	PSC Associates, LLC.

Sales Window	1/1/2021	to	12/31/2021
If more than one year of sales were used, was a time adjustment applied?	If no, please explain why not.		
	There were more than enough sales in the current period to not have to use multiple years		
	If yes, please explain the method used to calculate the adjustment.		

Groupings

Please provide a list of township and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in market.

****Please note that groupings made for the sole purpose of combining due to a lack of sales with no similarities will not be accepted by the Department****

Eighteen Commercial improved were grouped into county wide. Two Commercial vacant were grouped into county wide. Ten residential vacant were grouped into county wide.

The ten sales that were grouped together in residential vacant county wide are grouped together based on the following:

They are rural in nature. They are smaller than the other townships and are homogeneous to one another.

No Commercial or Industrial were trended this year.

AV Increases/Decreases

If applicable, please list any townships within the major property classes that either increased or decreased by more than 10% in total AV from the previous year. Additionally, please provide a reason why this occurred.

Property Type	Townships Impacted	Explanation
Commercial Improved	Hamilton Township	New Construction of 1.6-million-dollar property
Commercial Vacant	Hamilton Township	Corrected values of 2 parcels during data collection. A new parcel was created
	Harrison Township	Ground was broken for new construction. New value reflects this.

	Mt Pleasant Township	Ground was broken for new construction on two parcels. New value reflects this.
	Perry Township	Some land was corrected as part of data collection. Also added new parcel.
	Salem Township	Removal of four parcels with minimal value and addition of of three new parcels with values of 45K, 148K and 25K.
Industrial Improved	Center Township	New construction of 8.4MM Industrial building
	Salem Township	Updated land of stone quarry
	Monroe Township	New Construction of packing facility
Industrial Vacant	Monroe Township	Ground broken for new construction of packing facility equaling 1.219MM
Residential Improved	Center Township	A lot of new construction, cost table updates
	Delaware Township	Numerous building permits, cost table updates
	Hamilton Township	Updated data while in field for data collection, new construction, cost table updates
	Harrison Township	New construction and cost table updates
	Liberty Township	Updated data while in the field for data collection, new construction, cost table updates
	Mt Pleasant Township	Updated data while in the field for data collection, new construction, cost table updates
	Monroe Township	Updated data while in the field for data collection, new construction, cost table updates
	Mt. Pleasant Township	Updated data while in the field for data collection, new construction, cost table updates
	Perry Township	Updated data while in the field for data collection, new construction, cost table updates
	Salem Township	

Residential Vacant	Hamilton Township	New construction that has started where land value has changed from Developer Discount to market value. Land order completed
	Liberty Township	New construction that has started where land value has changed from Developer Discount to market value. Land order completed
	Perry Township	New construction that has started where land value has changed from Developer Discount to market value. Land order completed
	Salem Township	New construction that has started where land value has changed from Developer Discount to market value. Land order completed

Cyclical Reassessment
Please explain which townships were reviewed as part of the current phase of the cyclical reassessment.
Salem, Monroe, Liberty, Hamilton, Perry, Mt. Pleasant, Harrison

Was the land order completed for the current cyclical reassessment phase? If not, please explain when the land order is planned to be completed.
Yes

Comments
In this space, please provide any additional information you would like to provide the Department in order to help facilitate the approval of the ratio study. Such items could be standard operating procedures for certain assessment practices (e.g. effective age changes), a timeline of changes made by the assessor's office, or any other information deemed pertinent.

Delaware County uses three methods in determining the effective age of a dwelling or any other improvement on a parcel. We have listed these steps and examples of each below.

Methodology for Determining the Effective Age of an Improvement

1. The basic method used for an improvement that has been completely remodeled is:

1. $A - B / 2 + B = \text{New Effective Age}$

Where: A= Remodel year

B= Original or "actual" documented construction year

Example: Dwelling constructed in 1961 is remodeled (complete interior/exterior) in 2021.

In this case, we determine the effective age by taking 2021 and subtracting 1961. This calculation equals 60. 60 divided by 2=30. 1969 + 30 = 1999. The Eff Age would then be 1999. This adjustment is required because the functional utility of the property has been increased due to the remodel or renovation.

2. Here is a secondary method that we use when the original structure has had square footage added to the existing improvement. This method requires the calculation of the "average" or "weighted" age. Using the following formula, we are able to calculate the average age of the structure.

a. Determine the percentage by taking the Original SF divided by the Total Square Footage

b. Multiply the original construction year by the percentage

c. For the addition, determine the percentage by taking the Additional SF divided by the total square footage.

d. Multiply the additions construction year by the percentage

e. Determine the new Actual "average" Age by adding the two numbers together, rounding to the nearest whole number. (In the example below the total equals 1992.82; rounded to nearest whole number equals 1993)

<u>Structure</u>	<u>SF</u>	<u>Total SF</u>	<u>%</u>	<u>Year</u>	
Original	3600	4800	75%	1969	1476.47
Addition	1200	4800	25%	2021	505.25

Effective Age: 1982

3. The third used method in determining the effective age of an improvement is based on actual appraisal and/or marketing data. Because of the source of the data, this is the most subjective evaluation of remaining economic life and the corresponding change to effective age. Sometimes the data used for determining the effective age is not verifiable but rather, is determined by the appraiser's subjective view of property characteristics that are needed to reach a pre-determined

Scope of Work. In cases like this, the effective age that was determined by the appraiser must be used to arrive at the new value.

Example: Kitchen is usable however; the seller believes in order to sell the property they need to replace the kitchen cabinets. If the appraiser believes the condition of the dwelling had any determination based on how the kitchen looked, the appraiser may increase condition from "F" to "AV."

To ensure this is applied consistently throughout the county, the Standard Procedures for Review, in Delaware County ensures that each time a data collector steps onto a parcel, regardless of the initial reason, be it New Construction, Removal, Notice by Tax Payer or local, everything is subject to review. By constantly reviewing data from Listings, Permits, Reassessments or Reviews of Opportunity (driving to one parcel and passing another and noticing something may or may have not changed), Tax Sale and Foreclosure Parcels, we can solidify our data to ensure ALL parcels are being treated as they are, not what taxpayers want them to be.

Additionally, if a parcel requires a change to the effective age due to remodel or addition of living area, this is not something that we can blanket apply to the entire neighborhood. We cannot assume, based on 2 or 3 sales in a neighborhood that had significant interior updates, that the entire neighborhood has made these same significant

interior updates. We can only do the best we can with the data available to us. Unfortunately, since we do not do interior inspections of homes, this data is only made available to the Assessor when the property is listed or sold.