

Ratio Study Narrative 2022

General Information	
County Name	PARKE COUNTY

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
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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.
	Only sales during the above time frame were included. Sales from 2019 and 2020 were also looked at to confirm the increases that have been made this year. Those sales were adjusting for time with an appreciation rate of .83% a month. This represents approximately 10% a year, which was established through resale analysis. While we did pull in sales from 2019 and 2020 to confirm the increases that were made this year, we felt that only the 2021 sales needed to be included.
	If yes, please explain the method used to calculate the adjustment.

Groupings
<p>Please provide a list of townships and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in the market.</p> <p>**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**</p>
<p><u>Residential Improved</u></p> <p>We grouped Greene, Howard, Liberty, Penn, Sugar Creek, and Wabash Townships together. These areas are similar because they have comparable economic factors, are mostly rural unplatted land, and have mostly similar sized houses with almost half of the houses built prior to 1930. 56% of the parcels within these areas are Agricultural and they make up 37% of the Agricultural parcels in the County. Adams, Florida, Jackson, Raccoon, Reserve, Union, and</p>

Washington Townships were not grouped with any other townships for the “Improved Residential” portion of the ratio study.

Residential Vacant

We grouped Florida, Greene, Howard, Jackson, Liberty, Penn, Raccoon, Reserve, Sugar Creek, Wabash, and Washington Townships together. Grouping these areas together for “Vacant Residential” land sales was done to create a better market comparison. These were grouped together because this is a rural area that shares similar economic factors. There are very little residential vacant land sales in Parke County which is due to this being a very strong agricultural community, with over 17% of the parcels being agricultural vacant land and 30% of the parcels agricultural in use. This allowed us to include all sales in a similar area, rather than basing land rates on one or two sales. The vacant land market is very minimal with exception to land on a major lake in Union Township. We did see an increase in sales for subdivisions in Adams and Union Township. This allowed these two Townships to stand on their own. Since the majority of these sales were lots in a subdivision coming out of a developer discount, these two groupings do have low COD’s. There was (14) vacant land sales last year that has increased to (43) this year. The large increase in land sales, did provoke increases to almost all land values.

Commercial & Industrial Improved & Vacant

We grouped the Commercial and Industrial properties within each township together when developing trend factors. We grouped the Commercial and Industrial properties within each township together when developing trend factors since the construction types and sizes of these properties are very similar. These are similar since they are mostly smaller commercial or industrial businesses in a rural environment with similar economic factors. There are very few Commercial and Industrial vacant land sales due to the fact that most of the land for sale is in row crop. For this reason, we did group the Commercial Industrial Improved and Vacant sales into one study group. For the land, adjustments by neighborhood were applied to achieve more consistent land to building ratio.

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	FLORIDA TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	GREENE TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.

	HOWARD TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	LIBERTY TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	RACCOON TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	RESERVE TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	SUGAR CREEK	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	UNION TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	WABASH TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
	WASHINGTON TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.

Commercial Vacant	<p>GREENE TOWNSHIP</p> <p>JACKSON TOWNSHIP</p> <p>RACCOON TOWNSHIP</p> <p>RESERVE TOWNSHIP</p>	<p>This is due to increased land rates this year.</p> <p>This is due to increased land rates this year.</p> <p>This is due to increased land rates this year.</p> <p>This is due to increased land rates this year.</p>
Industrial Improved	<p>FLORIDA TOWNSHIP</p> <p>GREENE TOWNSHIP</p> <p>RESERVE TOWNSHIP</p> <p>WABASH TOWNSHIP</p> <p>WASHINGTON TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p> <p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p> <p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p> <p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p> <p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
Industrial Vacant	<p>ADAMS TOWNSHIP</p>	<p>This is due to increased land rates this year.</p>
Residential Improved	<p>ADAMS TOWNSHIP</p> <p>FLORIDA TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p> <p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>

	<p>GREENE TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	<p>HOWARD TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	<p>JACKSON TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	<p>LIBERTY TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	<p>PENN TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	<p>RESERVE TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	<p>SUGAR CREEK TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	<p>UNION TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>
	<p>WABASH TOWNSHIP</p>	<p>This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.</p>

	WASHINGTON TOWNSHIP	This is due to increased land rates this year and adjusting the market adjustment factors after the implementation of the new cost tables.
Residential Vacant	ADAMS TOWNSHIP	This is due to increased land rates this year.
	FLORIDA TOWNSHIP	This is due to increased land rates this year.
	GREENE TOWNSHIP	This is due to increased land rates this year.
	HOWARD TOWNSHIP	This is due to increased land rates this year.
	JACKSON TOWNSHIP	This is due to increased land rates this year.
	PENN TOWNSHIP	This is due to increased land rates this year.
	RESERVE TOWNSHIP	This is due to increased land rates this year.
	WABASH TOWNSHIP	This is due to increased land rates this year.

Cyclical Reassessment
Please explain which townships were reviewed as part of the current phase of the cyclical reassessment.
We reviewed within taxing districts 005 - Greene Township, 006 - Howard Township, 008 - Liberty Township, 009 - Penn Township, 010 - Bloomingdale Town, 018 - Mecca Town, 019 - Washington Township, and 021 - Marshall Town, which you will see reflected in the workbook.

Was the land order completed for the current cyclical reassessment phase?
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.
Overall, the total number of transactions in 2021 remained comparable to the amount seen in 2020. However, market value of real estate grew drastically throughout the past year, and we recognized a large increase in value within Parke County. We applied factor adjustments and land rate adjustments where necessary to meet IAAO standards. Any areas that did not have a

fair representation of sales were combined with an adjoining area of similar economic factors so that we could draw a more definitive representation of the market.

For most areas there was an overall change that exceeded the 10% ceiling. The typical increase for Agricultural and Residential properties was about 15%, but this did vary by Township. With exception to Adams Township, the typical Commercial and Industrial change was about 11%, but this did vary by Township. Due to so many areas showing up, a detailed explanation, is included separately and is called Parke County Large Change Explanations.

Parke County experienced a noticeable increase in market value for its properties. This was due to a multitude of different reasons, but ultimately this increased value is reflected in our trended assessments this year, across all property types. Re-sale analysis (analyzing the direct increase of properties selling in 2020 and in 2021) resulted in a somewhat expected result: market values increased no less than 10% across the board. We feel this is a somewhat conservative determination of the 2020 to 2021 market change. Although the sample size for this data was limited, we believe that it was adequate to draw a conservative conclusion of the appreciation rate. This large increase, compounded with a collaborative effort to make as conservative adjustments as possible in 2020 to acknowledge the effects of the pandemic, the 2021 adjustments needed to achieve our statistical obligations were higher than in years past.