

Ratio Study Narrative 2023

General Information	
County Name	Martin

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
Kirk Reller	(812) 205-6330	Reller5@frontier.com	Reller's Southern Indiana Appraisal

Sales Window	For Residential Improved sales a sales window of 1/1/2022 to 12/31/2022 was used.
	For Commercial Improved and Residential Vacant please see below.
If more than one year of sales were used, was a time adjustment applied?	If no, please explain why not.
No	For Commercial Improved the sales window was expanded to include sales from January 1, 2020 through December 31, 2022. There was no measurable change and limited market data to derive a time adjustment. For Residential Vacant the sales window was also expanded to include sales from January 1, 2018 through December 31, 2022. With few sales the data was limited in arriving at a time adjustment. No time adjustment was applied
	If yes, please explain the method used to calculate the adjustment.

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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****

For **Residential Improved sales**, the 5 smaller townships were grouped into one sales pool. These townships are similar in topography, amenities, mix of homes and demand for homes. They are each sparsely populated with a terrain of heavily wooded hills with large tracts of State Forest ground and wide river bottoms where the White River bisects the county. Median sale prices in these townships for homes is in the \$95,000 to \$125,000 range with very few sales over \$250,000.

For **Residential Vacant sales** from all townships were grouped in one comprehensive sales based on the type of sales. The typical sales of Residential Vacant properties tend to be primarily for recreational type usage regardless of the township. There are some sales of platted lots also that are held for possible future construction.

There are very few sales of building sites that would be classified as Residential Vacant. Most new home construction sites are splits from large tract agricultural parcels. This is a large reason why there are very few sales in this category.

For **Commercial Improved sales** a grouping consisting of Halbert Township and Perry Township was used. Almost all commercial sales in the county occur in these two townships. The biggest driver of sales is location on a state highway, in this case Highway 231 which runs north-south through Perry Township and Highway 50 which runs East-West through Perry and Halbert. Along with highway site sales these two townships also share similar traditional older downtown areas. Sales of downtown buildings fall within the same prices range and there is similar, more limited demand for these types of properties. While there are more sales in Perry Township in a typical year, one of the highest recent sales was in Halbert Township.

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	Center Township increased 11.0%	In 2022 there were 15 parcels in this group and there are 16 for 2023. Part of the increase is from the revised land order and trend factor, but the bulk of the change is from 3 parcels: Parcel 51-07-24-400-070.000-002 was added to the group. It was Residential Vacant in 2022. It was changed to commercial with

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		the land as Primary and a 30x40 storage building was added for new construction; Parcel 51-07-24-400-070.001-002 had a 20x40 addition that went on for 1/1/23; Parcel 51-06-19-300-025.000-002 had two new storage buildings added for 1/1/23
Commercial Vacant	Perry Township Increased 13.2%	Revised land rates resulted in approximately a 2 percent increase in the total assessment. The number of parcels in this group for 2022 was 37 and for 2023 was 39. The bulk of the increase came from the addition of 3 split parcels in the Westgate Industrial Park. These 3 parcels: 51-02-06-200-006.010-007; 51-02-06-200-006.011-007 and 51-02-06-200-006.012-007 added a combined \$58,000 in assessed value to this group which by itself is an increase of more than 10 percent.
Industrial Improved	Lost River Increased 18.9%	There is only one parcel in this group: Parcel 51-11-36-200-001.000-005. This parcel has 39 acres of AG ground. The base rate on AG ground increased from \$1500 to \$1900 for 2023 (26.6%). The entire increase in this parcel is from the increase in the AG base rate.
Industrial Vacant		
Residential Improved		
Residential Vacant		

Cyclical Reassessment

Please explain which townships were reviewed as part of the current phase of the cyclical reassessment.

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Phase 1 of the Cyclical Reassessment Included Mitcheltree Township, The Town of West Shoals (Center Township); The Town of East Shoals (Halbert Township), part of Halbert Township and part of the Commercial and Industrial parcels from Perry Township.

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. The Land Order was completed during Phase 4 of the prior cyclical reassessment then reviewed and revised for Phase 1 of the current cyclical reassessment during 2022 resulting in a new updated Land Order.

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.

Martin County is one of the smallest counties in the state by population and by parcel count. The total parcel count for the county is approximately 10,000 parcels. Martin County was originally platted with ten townships but 4 of the original townships make up the Crane Naval Weapons Center.

Martin County has one area, The Town of Crane, (Tax District 009, Neighborhood 9090-0009) with a great deal of variance in sale prices for similarly constructed homes. Most of the homes in Crane are World War II era military housing. Some of the homes have been completely remodeled while others have been abandoned. Many of the sales in Crane are contract sales or private, non market sales, and most sales in this area are excluded from the Ratio Study.

For Effective Age changes there is not a rigid guideline that works the same for each house since each house is different. A more generalized methodology based on the weighted contributory value of components is used. For example, the most visible and common change that affects Effective Age is roof replacement, often with a standing seam metal roof. An average roof replacement will run around \$15,000. Generally 70 percent of that cost could be realized as a potential appreciation in the value of

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the home. On average a roof replacement would add \$10,000 to \$12,000 to the resale value of a home and the Effective Age would be adjusted to account for the increased value.

Other visible exterior updates that can increase the value of a home and require Effective Age changes include new Vinyl Siding and Replacement Windows. Home owners could expect Returns on Investment in the 65 percent range. A \$15,000 investment would yield roughly a \$10,000 increase in the potential value of a home. Again the Effective Age would need to be adjusted to account for this increase in value.

Interior updates can also significantly increase the potential resale value of a home. The most common of these improvements are painting, kitchen remodeling, and installation of laminate flooring. Interior update information is not as readily available. Some information could be obtained from MLS listings or discussions with homeowners during the review process. As with the exterior components the potential increase in value would be in large part arrived at from the expenditure and the Return on Investment of the cost of the new improvements. Changes to the Effective Age would be carried out in the same manner, but would be harder to quantify.