

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Ratio Study Narrative 2022

General Information	
County Name	Wells County

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
Adam Reynolds	260-273-6556	adam@nexustax.com	Nexus

Sales Window	1/1/2020to12/31/2021
If more than one year of sales were used, was a time adjustment applied? No	If no, please explain why not.
	Home appreciation for one year was immaterial. Thus no time adjustment was made to the 2020 sales used in the study.
	If yes, please explain the method used to calculate the adjustment.

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Groupings
<p>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.</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>There are no groupings.</p>

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	All	Commercial Land Values were addressed to bring them to Market Value in use (see below). Trending the Commercial Land, in turn brought Commercial Improved properties more in line with Commercial Improved sales. The new cost tables also increased Commercial Improvements.
Commercial Vacant	All	Due to lack of Vacant Commercial Sales, Commercial land values had remained stagnant. The land values were adjusted using the few sales that exist and the allocation method to reflect 20-25% of property values. Trending the land values brought Commercial Improved properties that sold more in line with their sale price.

Industrial Improved	All	Industrial Land Values were addressed to bring them to Market Value in use (see below). Trending the Industrial Land, in turn brought Industrial Improved properties more in line with Industrial Improved sales. The new cost tables also increased Industrial Improvements.
Industrial Vacant	All	Due to lack of Vacant Industrial Sales, Industrial land values had remained stagnant. The land values were adjusted using the allocation method. Trending the land values brought Industrial Improved properties that sold more in line with their sale price and market value in use.
Residential Improved	Harrison – Jackson - Jefferson – Lancaster - Liberty - Rockcreek	Sales and new cost tables dictated increase.
Residential Vacant	Chester Jackson Jefferson Liberty Rockcreek	Five less residential vacant parcels. Two less residential vacant parcels. New Subdivison – 9 parcels already purchased – no developers discount. Three new residential vacant parcels. Two less residential vacant parcels.

Cyclical Reassessment

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

All of Chester, Liberty, and Nottingham Townships were reviewed as part of the current phase of the cyclical reassessment. In Harrison Township, the following neighborhoods in Bluffton were included in this phase of the cyclical reassessment: 200143-004, 200243-004, 200343-004, 200543-004, 200943-004, 201043-004, 201143-004, 201243-004, 201343-004, 201443-004, 201543-004.

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.

Calculation of New Land Values

Commercial and industrial land values were addressed this year as residential land values were addressed last year. Due to their being few commercial and industrial sales in a small County, Commercial and Industrial land values had remained stagnant. For commercial and industrial, adjustments may have been made based on sales and the allocation method. The land values reflect 20% +/- of the property value. The Jefferson Township COD for Vacant Residential is low because the sales are from subdivisions where the lots are homogeneous and sell for similar amounts.

Calculation of New Residential Factors & Residential Studies

All neighborhoods had neighborhood factors and market areas reviewed and recalculated when necessary. This was due to sales data, updated cost tables, and the depreciation date being changed.

Due to Cyclical Reassessment, parcels were reassessed. Parcels that were reassessed for 2022 are noted in the workbook. Properties were examined via site visits as well as aerials along with property photos. Changes were made accordingly. As a rule there were not effective age changes, unless the property had been remodeled. The method used is figuring the percentage that was remodeled and multiplying each part by the remodeled year and the year constructed as taught in the 'Effective Age' class at conference.

During the year, the sales disclosures that are filed with the assessor's office are researched. Verification is made to determine that the sale represents a valid market value transaction. Things that are checked are motivated buyer and seller acting in their best interests, typical market exposure, valuable consideration given, typical financing, and if the intended use of the property is the same as the current use and warranty deed. The verification process involves checking local listings, the MLS, calls to buyers and/or sellers, internet research, and site visits.

For Vacant Commercial, Vacant Industrial, Improved Commercial, and Improved Industrial there were not enough sales in the sales time frame to be able to perform a study. The same is true for Jackson Township Residential and Chester, Jackson, Liberty, Nottingham, Rockcreek, and Union Vacant Residential.

