

# Ratio Study Narrative 2023

General Information	
<b>County Name</b> Vanderburgh	

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
Cindy Vaught	812-435-5420	Cvaught@vanderburghgov.org	

<b>Sales Window</b>	1/1/2022 to 12/31/2022
<b>If more than one year of sales were used, was a time adjustment applied?</b>	<b>If no, please explain why not.</b>
	No, we do not feel using more than one year of sales would be reflective of the current market due to significant fluctuation in 2021 and 2022.
	<b>If yes, please explain the method used to calculate the adjustment.</b>

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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\*\***

Commercial Improved – Center, Perry, Scott (GroupComImp\_02\_04\_07): The commercial areas in these townships share similar economic factors, access to amenities and infrastructure. There were no valid Commercial Improved sales in Armstrong, German or Union Townships.

Industrial Improved – Center, Scott (GroupIndImp\_02\_07): The industrial areas in these townships share similar growth and economic factors. There were only 3 valid sales in the Center & Scott grouping and therefore insufficient data to perform a ratio study analysis. Pigeon Township was not included in the grouping as the industrial areas in Pigeon Township involve different market conditions and growth. This may change as we have seen more growth and improvement in Pigeon Township properties as Downtown Evansville is beginning experiencing a revitalization phase. There were only 3 valid sales in Pigeon Township and therefore insufficient data to perform a ratio study analysis. There were no valid Industrial Improved sales in Armstrong, German, Perry, Knight or Union Townships.

Residential Improved – Armstrong, German, Union (GroupedResImp\_01\_03\_08): The residential parcels in these townships share similar economic factors and amenities. The townships contain a large number of agricultural parcels dispersed throughout.

Residential Vacant – Center, German, Scott (GroupResVac\_02\_03\_07):: The residential vacant parcels in these townships share similar economic factors, and similar rural tracts.

Residential Vacant – Perry, Knight, Pigeon: (GroupResVac\_04\_05\_06): The residential vacant parcels in these townships share similar economic factors, and similar urban tracts. There were no valid Residential Vacant sales in Armstrong or Union Townships due to most vacant land sale are agricultural.

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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		
Commercial Vacant	Center	Center – 12.64% increase due to parcel count increased from parcels being split and cut into new parcels. Property class changes for some parcels during sales review.
	Knight	Knight- 42.28% increase due to parcel count increasing. Several new developments resulting in the creation of new lots. For example, plat track 13091 cut 42.45 acres from parcel 17-168-001 to create 18 new parcels. Parcel 82-06-14-015-187.003-027 had a plat track that accounted for an increase of \$140,000. Also parcel 82-07-19-017-168.015-027 had a plat track that resulted in an increase of \$473,100.
	Perry	Perry- 24.83% increase. Property class and land type changes were the main reason for the increases. For example, parcel 82-05-22-007-506.001-024 had a land type change that resulted in an increase of \$112,000.
	Pigeon	Pigeon- 10.12% decrease due to parcel count decrease (240 to 222). Plat tracks/combinations, land changes due to improvements crossing parcel lines. Numerous cyclical land changes were made. Several parcels went to an different property class, due to the land being improved.

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<b>Industrial Improved</b>		
<b>Industrial Vacant</b>	Knight	<p>Knight Township – 14.52 % decrease due to parcel count decrease (102 to 99). Some parcels were changed to other property classes, for example, if we picked up/added trench bunkers to the property record card, due to them never being assessed before, we then would change the property class to a 399 from a 300, so therefore the 300 property class parcels would then decrease in number. Another cause of the decrease was land changes resulting from Cyclical review.</p>
<b>Residential Improved</b>	<p>Center</p> <p>Knight</p> <p>Scott</p>	<p>Center: 11.79% increase. \$22,731,800.00 is due to new construction and data changes from site inspections. Cost table correction caused an increase in residences between 4,000 and 5,000 sq. feet that affected 238 parcels. Other parcel changes included cyclical review and plat track changes. For example, parcel 82-04-26-002-124.013-019 increased \$237,600 due to a remodel.</p> <p>Knight: 13.51% increase. \$20,080,800 is due to new construction (40 new parcels and completed construction from prior year). Cost table correction caused an increase in residences between 4,000 and 5,000 sq. feet that affected 160 parcels. Cyclical data changes, and sales data changes, along with plat track corrections accounted for the rest of the increase.</p> <p>Scott: 13.67% increase. \$40,104,700 is due to new construction (96 new parcels and completed construction from prior year). Cost table correction caused an increase in residences between 4,000 and 5,000 sq. feet that affected 119 parcels. Cyclical data changes, and sales data changes, along with plat track corrections accounted for the rest of the increase. For example, parcel 82-04-10-009-273.007-030 increased \$181,800 due to data changes resulting from a sale.</p>

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Residential Vacant		
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## Cyclical Reassessment

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

In order to meet the cyclical requirement by property class type, parcels in the following townships were reviewed: Armstrong, Center, German, Knight, Perry, Pigeon, Scott and Union

Where possible cyclical parcels were chosen by neighborhood. However, in some cases, partial neighborhoods were included in order to meet the requirements.

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

Land rates and neighborhood delineation are reviewed annually during validation and analysis of vacant land sales and cyclical reassessment. We are in the process of reviewing vendors and will be entering into a contract for an in-depth land order for the whole county with a goal of completing for the January 1, 2024 assessment date.

## 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.**

### Groupings Comments:

- We had only one valid Industrial Vacant land sale and therefore no study included for the property class type.
- There were only two valid Industrial Improved sales in Pigeon Township. We do not feel it is appropriate to group Pigeon Industrial Improved with other townships due to the differences in social and economic factors influencing the industrial areas of Pigeon township. The industrial areas are mainly on the outskirts of the township in depressed areas. The sales are included on the Industrial Improved tab of the ratio study but there is not sufficient data for analysis.
- We had only five valid Commercial Vacant land sales in the County. German Township one valid sale, Perry Township one valid sale and Pigeon Township three

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valid sales. Those sales are included on the Commercial Vacant tab of the ratio study but there is not sufficient data for analysis.

### **Standard Operating Procedure for Identifying and Trimming Outliers (Refer to IAAO Standard on Ratio Studies – Appendix B):**

Explanations were added to the Sales Reconciliation and the following guidelines are used for Invalid sales marked Not Rep Nhbd which represent sales in which the sale price is outside the market range for the neighborhood.

1. Identify outliers – ratios that fall outside of the defined upper and lower boundaries of a neighborhood or market area.
  - a. Standard deviation method (standard deviations from the mean is used to determine boundaries) or
  - b. Interquartile range method
2. Analyze outlier ratios to determine whether there is an assessment error in fact that can be corrected or if the sale is a non-market transaction.
  - a. An erroneous sale price
  - b. A non-market sale
  - c. Unusual market variability
  - d. A mismatch between the property sold and the property assessed
  - e. An error in the assessment of an individual parcel
  - f. Data entry errors
3. Correct any errors
4. Trim remaining outliers to improve the representativeness of the neighborhood sample

### **Vanderburgh County New Construction Discovery process:**

The Vanderburgh County Assessor's Office has a working relationship with the Building Commission which allows us to access their permit database. We view this on a daily basis to initiate field visits for all permits. The process is as follows.

1. The permit gets entered into our INcama software to the appropriate parcel/address.
2. A folder is created with a copy of the PRC, a control sheet and permits associated to the visit. These are filed in a "To be collected drawer" by township and parcel id.
3. Data collectors will then pull the permitted folders and route them for the area they will be in that day to data collect.
4. The control sheet is what we use to correspond between the data collectors and the data enterers. They fill out the appropriate field's, date data collected, data collector's initials, number of bathrooms, bedrooms, construction type, percent complete, exterior features etc. note the number of pictures taken for in house review and data entry quality control. They also note if this is 100% data collected or if it needs another site visit.
5. If construction is 100% complete it is entered into our INcama software to be assessed according to the Indiana Assessing Guidelines.
6. If it's partially complete it is entered the same as above, but at the appropriate percent complete and flagged to review for the following year.

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1. Non-permitted work is often identified by utilizing ChangeFinder and SketchCheck applications by Eagleview during the yearly cyclical reassessment. We purchase new imagery every 3-4 years and have a new flyover in progress with expected delivery of imagery in April 2023 to be used for future discovery.