

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Ratio Study Narrative 2022

General Information	
County Name	Kosciusko

Person Performing Ratio Study			
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Sales Window	1/1/2017 to 12/31/2021
If more than one year of sales were used, was a time adjustment applied? <u>Yes, a time adjustment was applied to older sales. We included prior sales to have a larger sample size for greater reliability.</u> Ind Vacant Sales: 1/1/2017 – 12/31/2021 Ind Improved Sales: 1/1/2017 – 12/31/2021 Comm Vacant Sales: 1/1/2018 – 12/31/2021 Comm Improved Sales: 1/1/2017 – 12/31/2021 Residential Vacant Sales: 1/1/2021 - 12/31/2021 Residential Condominiums (class 550 & 555): 1/1/2017 - 12/31/2021 All of Residential Sales: 1/1/2021 - 12/31/2021	If no, please explain why not. <hr/> If yes, please explain the method used to calculate the adjustment. Older sales were time adjusted using the CPI (Consumer Price Index).

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****

Industrial Vacant: There were six industrial vacant sales from 2017 to 2021 in the entire county. After time adjusting the older sales, we had to group them together due to sample size. In Kosciusko County most of the industrial properties are in, or around, Warsaw (Wayne & Plain Township). There are some industrial properties in the out-lying townships but they account for just a small percentage of the county's total number. Some townships have no industrial, or industrial vacant properties at all. Historically, Kosciusko County has very few, and occasionally no, industrial vacant sales on a yearly basis. In order to find enough vacant sales to develop a credible ratio study, sales from the entire county are considered as well as older sales. Therefore, the Industrial Vacant grouping includes all townships.

Industrial Improved: There was an adequate amount of industrial improved sales in the smaller townships, which allowed us to group them together instead of combining with Wayne and Plain. Grouping the smaller townships together, where there is less industrial presence, is a more accurate representation of the market. The smaller townships include, Jackson, Lake, Monroe, Clay, Seward, Franklin, Washington, Harrison, Tippecanoe, Prairie, Etna, Turkey Creek, Van Buren, Jefferson, and Scott. Wayne and Plain townships were grouped together due to their proximity to U.S. 30; a four-lane expressway that is a major highway that crosses Northern Indiana. This area is heavily populated when compared to the rest of the county. We time adjusted the older industrial sales.

Commercial Vacant: There were only two valid sales in 2021 and out of these sales only two townships were represented; Washington and Tippecanoe. These two townships did not have enough sales on their own to stand alone. We grouped these sales together with Turkey Creek due to its proximity to Tippecanoe, and the fact that Tippecanoe and Turkey Creek both are influenced by State Road 13. We analyzed the 2020 sales, which included Wayne and Plain only. We added Wayne, Plain, Washington and Van Buren, because they are heavily influenced by US 30 and State Road 15. We then added in 2018 and 2019 sales from other townships for an improved sample size. We made sure to time adjust older sales using the CPI (Consumer Price Index). Therefore, the Commercial Vacant grouping includes all townships.

Commercial Improved: Due to the influences of U.S. 30 and State Road 15, we grouped Wayne and Plain townships together. Van Buren Township, located just north of Plain, is also influenced by State Road 15 and the traffic between Warsaw and Goshen, IN. For this reason, we grouped Wayne, Plain, and Van Buren together. Turkey Creek and Tippecanoe had sufficient sales to trend on their own. The twelve remaining townships were grouped together because they make up the smaller communities in Kosciusko County and therefore have less commercial presence. Together they are more characteristic of what is happening in the market.

Residential Vacant:

Vacant sales were divided into 8 groupings: The following townships had an adequate number of sales to trend on their own: Harrison, Plain, Tippecanoe, Turkey Creek, Van Buren and Wayne. The remaining townships with fewer sales were divided up by location – Northwest Townships: Etna, Jefferson, Prairie and Scott and Southern Townships: Clay, Franklin, Jackson, Lake, Monroe, Seward and Washington.

Residential Improved:

Fifteen (15) of our townships had sufficient sales to stand on their own. Jackson Township had an insufficient number of sales – so trended that township with Monroe – which is adjacent to the north and share many characteristics – one of them being the town of Packerton.

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	Etna, Franklin, Monroe, Prairie, Turkey Creek, Van Buren	<p><u>Etna</u>: New construction, complete interior remodel of convenience store.</p> <p><u>Franklin</u>: Wisler Mennonite Church built a new building, adding \$548,200 to WIP AV's.</p> <p><u>Monroe</u>: Removed a building that is State Distributable.</p> <p><u>Prairie</u>: Approximately 7.39 acres changed to Front Feet pricing, and new construction on parcel 021-059-001.A</p> <p><u>Turkey Creek</u>: Seven new parcels added to this township</p> <p><u>Van Buren</u>: Two new parcels to property class, 5 parcels had significant changes during reassessment, and one parcel moved from Ag to Comm and had new construction.</p>
Commercial Vacant	Clay, Tippecanoe, Turkey Creek, Van Buren	<p><u>Clay</u>: Ag land base rate change, per the State, went up on 9.95 acres.</p> <p><u>Tippecanoe</u>: Two parcels retired</p> <p><u>Turkey Creek</u>: Land base rate needed to change for 59 parcels from \$800 to \$600/ff.</p> <p><u>Van Buren</u>: New parcel added to this property class.</p>
Industrial Improved	Clay, Jackson, Lake, Plain, Prairie, Seward, Tippecanoe, Turkey Creek, Wayne	<p><u>Clay</u>: Market factor on land went from 1.146 to 1.17 on 10 acres & new cost schedules. New construction at Louis Dreyfus.</p>

		<p><u>Jackson</u>: Removed obsolescence from a parcel that had a remodel done. Cost schedules played a major role, which did accurately reflect local construction costs.</p> <p><u>Lake</u>: Removed obsolescence from a large structure, and cost schedule increase, which accurately reflected local construction costs.</p> <p><u>Plain</u>: Two new parcels were added to this township, which added \$206,300 to WIP AV's. Added a new 66x110 building at 100% completion.</p> <p><u>Prairie</u>: Added a new 60x84 building and a 40x72 building.</p> <p><u>Seward</u>: Three total industrial parcels in this township and they all increased due to cost schedule increases for General Office areas.</p> <p><u>Tippecanoe</u>: Cost schedule increase</p> <p><u>Turkey Creek</u>: One parcel moved from Commercial to Industrial, which then had a significant remodel.</p> <p><u>Wayne</u>: Three new parcels to this property class, and new construction.</p>
Industrial Vacant	Washington	<p><u>Washington</u>: One parcel removed from this class - dropping AV \$143,700.</p>

<p>Residential Improved</p>	<p>All Townships</p> <p>Cost tables were a substantial part of our increases in assessment but trending also value substantially in some neighborhoods and townships.</p> <p>See Additional Comments below.</p>	<p><u>Clay</u>: Building Permits, Cost Tables, Trending</p> <p><u>Etna</u>: Building Permits, Cost Tables, Trending</p> <p><u>Franklin</u>: Building Permits, Cost Tables, Trending</p> <p><u>Harrison</u>: Building Permits, Cost Tables, Trending</p> <p><u>Jackson</u>: Building Permits, Cost Tables, Trending</p> <p><u>Jefferson</u>: Building Permits, Cost Tables, Trending</p> <p><u>Lake</u>: Building Permits, Cost Tables, Trending</p> <p><u>Monroe</u>: Building Permits, Cost Tables, Trending</p> <p><u>Plain</u>: Building Permits, Cost Tables, Trending, New storage unit parcels</p> <p><u>Prairie</u>: Building Permits, Cost Tables, Trending</p> <p><u>Scott</u>: Building Permits, Cost Tables, Trending</p> <p><u>Seward</u>: Building Permits, Cost Tables, Trending</p> <p><u>Tippecanoe</u>: Building Permits, Cost Tables, Trending</p> <p><u>Turkey Creek</u>: Reassessment, Building Permits, Cost Tables, Trending</p> <p><u>Van Buren</u>: Reassessment, Building Permits, Cost Tables, Trending</p> <p><u>Washington</u>: Building Permits, Cost Tables, Trending, Addition to subdivision</p> <p><u>Wayne</u>: Building Permits, Cost Tables, Trending, New Subdivisions</p>
<p>Residential Vacant</p>	<p>Etna, Scott, Turkey Creek</p>	<p><u>Etna</u>: 24.27% - new parcels – change from ag to res</p> <p><u>Scott</u>: 14.61% - new parcels – change from ag to res</p> <p><u>Turkey Creek</u>: 22.81% - Front Foot value increases on all of the lakes in this township and on several of the off-lake neighborhoods – due to trending</p>

<p>Cyclical Reassessment</p>
<p>Please explain which townships were reviewed as part of the current phase of the cyclical reassessment.</p>
<p><u>Jefferson Township</u>: Ag, Commercial, Industrial, Exempt, Utility/Mineral</p> <p><u>Scott Township</u>: Ag</p>

Seward Township: Ag, Commercial, Industrial, Exempt, Utility/Mineral

Turkey Creek Township: Residential, Ag, Commercial, Industrial, Exempt, Utility/Mineral

Van Buren Township: Residential, Commercial, Industrial, Exempt, Utility/Mineral

Wayne Township: Commercial/Industrial (237 parcels), Exempt (82 parcels), Utility/Mineral (4 parcels)

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

No, the land order was not completed for the current cyclical reassessment phase. Our last land order was during our phase 3 cyclical reassessment, which was 05/01/2020 through 12/31/2020. Our next land order will not be until our Review Group 2025, which is 05/01/2024 through 12/31/2024.

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.

RESIDENTIAL PARCELS:

Kosciusko County has seen unprecedented increases in median sale prices in 2021 – this was evident when trending showed substantial increases in several townships on top of the already increased cost table values. Attached are two Market Updates provided by the Indiana Association of Realtors showing “in general” the year-to-date increases.

Local Market Update for January 2022

A RESEARCH TOOL PROVIDED BY THE INDIANA ASSOCIATION OF REALTORS®

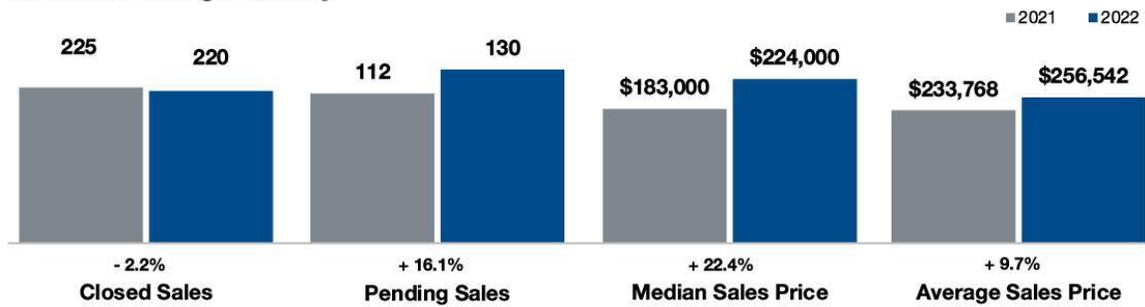


Kosciusko County

Key Metrics	November through January			February through January		
	2021	2022	Percent Change	Thru 1-2021	Thru 1-2022	Percent Change
New Listings	177	160	- 9.6%	996	1,058	+ 6.2%
Closed Sales	225	220	- 2.2%	1,019	1,083	+ 6.3%
Median Sales Price	\$183,000	\$224,000	+ 22.4%	\$194,900	\$225,000	+ 15.4%
Percent of Original List Price Received*	98.0%	99.5%	+ 1.5%	98.4%	100.0%	+ 1.6%

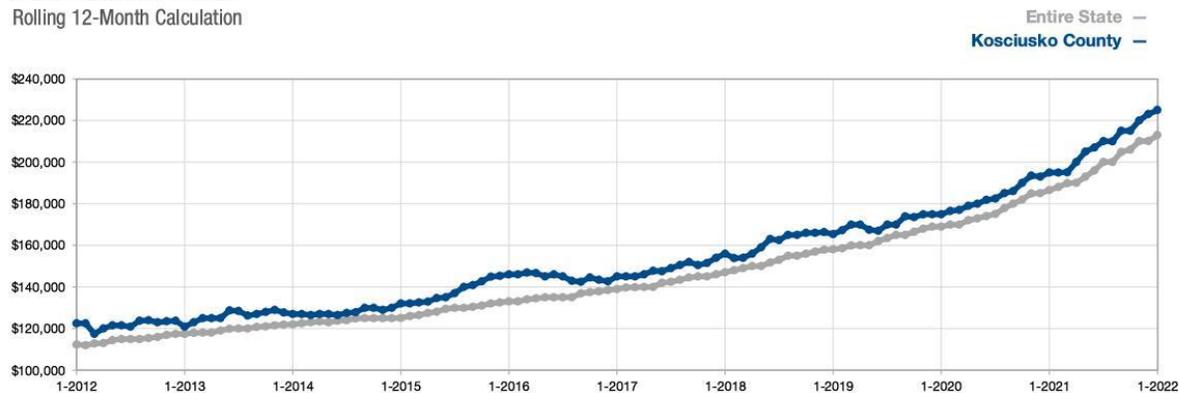
* Does not account for list price from any previous listing contracts. | Activity for one month can sometimes look extreme due to small sample size.

November through January



Median Sales Price

Rolling 12-Month Calculation



A rolling 12-month calculation represents the current month and the 11 months prior in a single data point. If no activity occurred during a month, the line extends to the next available data point.

Current as of February 16, 2022. Data obtained from participating Multiple Listing Services (MLSs) and Broker Listing Cooperatives® (BLCs®). Report © 2022 ShowingTime.

Local Market Update for January 2022

A RESEARCH TOOL PROVIDED BY THE INDIANA ASSOCIATION OF REALTORS®

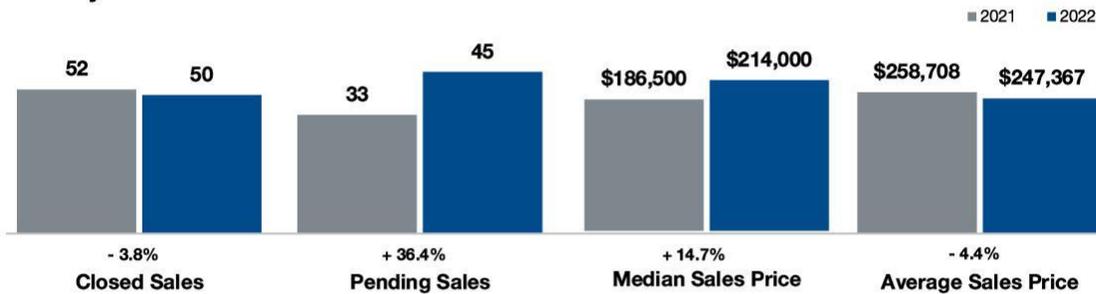


Kosciusko County

Key Metrics	January			Year to Date		
	2021	2022	Percent Change	Thru 1-2021	Thru 1-2022	Percent Change
New Listings	62	47	- 24.2%	62	47	- 24.2%
Closed Sales	52	50	- 3.8%	52	50	- 3.8%
Median Sales Price	\$186,500	\$214,000	+ 14.7%	\$186,500	\$214,000	+ 14.7%
Percent of Original List Price Received*	98.6%	98.7%	+ 0.1%	98.6%	98.7%	+ 0.1%
Months Supply of Inventory	1.3	0.8	- 38.5%	--	--	--
Inventory of Homes for Sale	109	75	- 31.2%	--	--	--

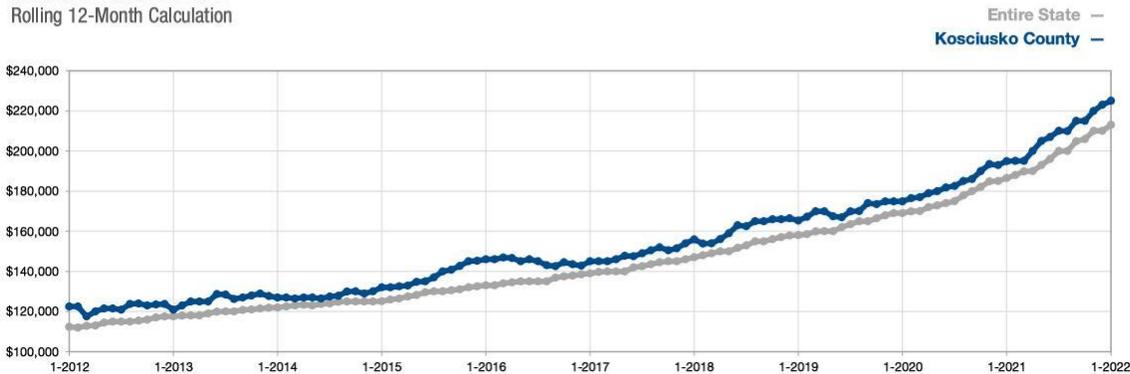
* Does not account for list price from any previous listing contracts. | Activity for one month can sometimes look extreme due to small sample size.

January



Median Sales Price

Rolling 12-Month Calculation



A rolling 12-month calculation represents the current month and the 11 months prior in a single data point. If no activity occurred during a month, the line extends to the next available data point.

Current as of February 16, 2022. Data obtained from participating Multiple Listing Services (MLSs) and Broker Listing Cooperatives® (BLCs®). Report © 2022 ShowingTime.

The increasing market values were also evidenced by the large number of sales disclosures collected and building permits issued in Kosciusko County in 2021. With the ever-increasing values, homeowners were fixing up their homes and then selling at/or above listing price at times.

Since submitting our 2021 sales data to the State, some sales were further reviewed (during trending) and validity codes have been changed. Other sales originally determined invalid have also been adjusted. These can be found in the attached reconciliation spreadsheet with explanations for the changes for those deemed invalid.

Effective Age Adjustments

Estimating the effective age of a property is based on ten major components of a home and their contribution, as a percent, to the home's total value. The components include; Foundation, Frame, Siding, Roof, Windows, Plumbing/Electrical, Heating/Cooling, Kitchen, Flooring, Interior Paint/Trim. We have developed a formula that will produce an effective age when the original date of construction and the renovation date of each of the above items are imported. By having all our county's assessors use this formula we have achieved greater uniformity in estimating a property's effective age. Information about the updates is obtained from several places: building permits (which are not required in all municipalities when making improvements), Multiple Listing Services, internet searches, Homeowner, reassessment questionnaires, Pictometry aerials and visual inspections of all homes in a subdivision when out on sales disclosures. This method is applied to sold and unsold parcels equally as they are found. Our assessing staff routinely keeps an eye out for updated properties while in the field and any neighborhood that is undergoing regentrification. Adjusting for changes in the market cannot be done accurately if the record of the property does not accurately reflect the property as it was at the time of the sale. We are committed to using as many valid sales as possible.

Duplicates on the formatted Tab

There are some duplicate parcels on the formatted tab, but each sale will have a unique SDFID number.

These may include vacant land sales where later in the year the property sold a second time as an improved parcel. Sales from multiple years were used in Commercial and Industrial trending, so there are cases where a parcel has valid sales in multiple years. There are also a few cases where a parcel had two disclosures when it sold. These were typically when the two owners lived in different localities and/or the sale was from two different named estates.