

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Ratio Study Narrative 2022

General Information	
County Name	STARKE

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
John Viveiros	574-772-9166	jviveiros@co.starke.in.us	Accurate Assessments, Inc.

Sales Window	1/1/2020 to 12/31/2021
<p>If more than one year of sales were used, was a time adjustment applied? YES</p> <p>The Sales Window used is as follows: 1/1/2020 to 12/31/21 for all RESIDENTIAL and all COMMERCIAL & INDUSTRIAL properties.</p> <p>A 12.0% per year time adjustment was used for All RESIDENTIAL sales. This was derived from an analysis of resold properties. See attached file 'Starke Time Adjustment 2022' for details. A 7.0% per year time adjustment was used on COMMERCIAL & INDUSTRIAL sales. This amount was chosen because it roughly balances the median ratios for 2020 sales versus the unadjusted 2021 sales. These ratios provide evidence of some market appreciation, but not as much as with residential property.</p>	<p>If no, please explain why not.</p> <hr/> <p>If yes, please explain the method used to calculate the adjustment.</p> <hr/> <p><<< see explanation here</p>

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>For <u>Residential Vacant</u> sales, the following townships were grouped together for the reasons noted:</p> <p>RAILROAD, JACKSON and WAYNE TOWNSHIP RESIDENTIAL VACANT SALES were grouped together (as RRJacWay). <u>Reason</u>: These three townships are completely contained within the North Judson-San Pierre school district and exhibit similar economic characteristics. There were less than five valid sales in both Jackson and Railroad Townships.</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	Davis, Jackson >10%	<u>Davis</u> : Primarily due to 75-02-24-200-006.101-016 (Large retail bldg. brought to 100% complete – added over \$250,000). <u>Jackson</u> : Primarily due to 75-05-36-404-019.000-007 (Combination occurred adding over \$16,000 of land that was not previously commercial improved).
Commercial Vacant	Jackson >10%	<u>Jackson</u> : The solitary commercial vacant parcel in 2021 no longer exists after a combination. The solitary commercial vacant parcel in 2022 is a completely different parcel. This one is newly vacant as the improvements were razed in 2021.
Industrial Improved	Davis, Jackson, Oregon >10%	<u>Davis</u> : A new large grain bin on 75-02-24-204-011.000-016 added over 1.5 million dollars to the total. <u>Jackson & Oregon</u> : >10% increase was caused by the trending process. The cost tables produced increases of about 11%± after which the sales analysis indicated no change to the existing improvement trending factors. This affected all townships similarly, but the total value change only managed to exceed +10% in the three Townships listed to the left.
Industrial Vacant	Center >10%	<u>Center</u> : Increased due to the addition of parcel 75-06-06-300-007.200-003 which was an improved Industrial parcel in 2021.

Residential Improved	ALL 9 Townships >10%	>10% increase was caused by the trending process. Residential sales are reflecting very strong market appreciation. 27 of the 41 residential neighborhoods (representing over 76% of the improved residential parcels in Starke County) received an improvement trending factor increase >10%. All of this occurred despite the impact of the updated cost tables (which already accounted for about a 9% increase in valuation). This strong market appreciation was evident (more or less) throughout all nine Townships.
Residential Vacant	California, Davis, Railroad, Washington, Wayne >10%	<u>Davis</u> : Due primarily to 8 parcels beginning at 75-02-24-300-033.000-016 which lost developers discount; increasing from \$500 to \$9300 each. <u>California, Railroad, Washington & Wayne</u> : Except for certain lake-area neighborhoods, the sales ratio study resulted in no land trending factor increases above 5%, however, as a result of a sales analysis, the excess residential land rate for non-lake areas was increased from \$4,100 to \$4,800 (+17.1%). In these four particular townships there exists a large enough amount of excess residential land to drive the overall land values above 10%. Also, in California Township (which does include lake-area neighborhoods) the trending process produced land value increases ranging from +11% to +18.6% on Lakefront land on Bass Lake. There are 70 vacant residential parcels in California Township Lakefront neighborhoods (201, 202 & 203).

Cyclical Reassessment
Please explain which townships were reviewed as part of the current phase of the cyclical reassessment.
The 2022 cyclical reassessment included the majority of Jackson (87.8%) and Davis (62.1%) Townships; a portion of Center (46.6%), Wayne (36.1%) and Washington (19.1%) Townships; and smaller portions of Railroad (11.2%), North Bend (9.7%), California (6.4%) and Oregon (1.1%) Townships.

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 Order was completed three years ago (for the 2019pay2020 reassessment).

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.

Included with files we are submitting this year is a five-tab workbook: **Starke County Effective Age SOP** which explains the *weighted depreciation method* which we are using to determine effective age. The fifth tab of the workbook is a template which abstracts the entire method down to a formula that automatically calculates the Effective Year Built when all five of the contingent variables are entered into the appropriate cells.

Sales in which significant physical changes occurred between the date of sale and the assessment date were typically considered not valid for that reason. However, a few such sales have been utilized in this Ratio Study in cases where the changes can be very simply accounted for. (i.e., the value of newly built outbuilding can be subtracted from the improvement value of a parcel to reflect the status of the parcel at the time of sale.) Sales for which these types of adjustments occurred are marked with **yellow shaded cells** in to indicate where the Land Value, Building Value and/or the Property Class differ from the current workbook data in order to reflect the status of the parcel at the time of the sale.