

Ratio Study Narrative 2025

General Information	
County Name	Marion

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
Gabe Deaton	317.327.4915	Gabriel.Deaton@indy.gov	

Sales Window	1/1/2024	to	12/31/2024
If more than one year of sales were used, was a time adjustment applied?			
<input type="checkbox"/> No	Explain, why not:		
<input type="checkbox"/> Yes	Explain the method used to calculate the adjustment:		

Groupings
<p>Please provide a list of townships and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in the 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>Commercial Improved</p> <p>Franklin Township had no commercial sales.</p> <p>Perry and Decatur Townships were combined to create a commercial improved study. These contiguous townships make up the far southwest corner of the county. Most commercial sales</p>

activity in these 2 townships are in areas of consistent development with similar types of commercial properties along Kentucky Avenue and Mann Rd in Decatur and US 31 in Perry. The remaining townships had sufficient sales for their own studies.

Commercial Land

Decatur, Pike and Washington Townships had no sales.

Due to the lack of sales we have 2 commercial land groupings. We combined Center, Perry and Franklin Townships for one ratio study and Lawrence was combined with Warren for another. Most of the valid sales were located in areas of current development with similar proximity to features such as interstate access, types of properties, or surrounding commercial properties.

Wayne Township had sufficient sales for its own study.

Industrial Improved

Decatur, Franklin, Perry, Washington and Wayne Township had no sales.

Lawrence, Warren and Pike were grouped for an industrial improved ratio study. These sales were in industrial parks in similar proximity to I465 exits.

Center had sufficient sales for its own study.

Industrial Land

We have no vacant industrial sales.

Cyclical Reassessment

Please explain which townships were reviewed as part of the current phase of the cyclical reassessment. Also, list any townships where the number of parcels reviewed were more than the formally approved reassessment plan. Note: All parcels reviewed should meet the 25% requirement with the 2% tolerance threshold (23-27%)

Our work on the phase of cyclical reassessment did not stray from our overall cyclical plan. We preformed a reassessment in the following areas:

We focused on our East District, which encompasses parts of Warren and Lawrence Townships. It also includes a portion of Center Township.

Land Order		
The land order used for the January 1, 2025, assessment along with the Narrative (optional) will be published on DLGF's website. Please provide the following information:		
Date the land order was submitted to PTABOA.	Click or tap to enter a date.	
Action taken by the PTABOA.	<input type="checkbox"/> Approved	<input type="checkbox"/> Denied
Effective date of the land order.	Click or tap to enter a date.	
Was the land order updated as part of the 2024 cyclical reassessment?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Any other changes or issues?	n/a	

Comments
<p>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.</p>
<p><u>Appeals</u> With the exception petitions requiring an IBTR or PTABOA hearing, or those for which we are awaiting further taxpayer correspondence, we are working 2024 payable 2025 appeals. We have closed over 14,000 appeals over the last three calendar years.</p>
<p><u>Field Work: annual permit work for January 1, 2025</u> As a result of our personnel assigned to performing field inspections, Marion County processed 6719 (3075 commercial and 3644 residential) site inspections in response to building permits issued.</p>
<p><u>Review and Validation of the Sales Database</u> We used sales from January 1, 2024, through December 31, 2024, in the annual adjustment process. To ensure the accuracy of the sales used, we individually reviewed all the paper copies of sales disclosures submitted during that period to confirm that they were accurately data-entered in our electronic file. The sales were audited by a dedicated staff of sales disclosure auditors reviewing on MIBOR and aerial photography before being submitted to the field personnel to perform inspections within 60 days of the sales date, per statute. For those sales that were deemed invalid for trending purposes, an explanation can be found in the sales disclosure file. Where a sale was subsequently excluded during the trending process,</p>

we have provided a spreadsheet with an explanation showing why the sale was inappropriate for use.

Remodeled Home Effective Age Guidelines

Appendix B of the Real Property Assessment Guidelines states “There is probably no issue that is less understood than the application of depreciation in the valuation of a structure...” and yet “The appropriate calculation of depreciation remains as one of the single most important parts of arriving at a fair and equitable valuation...”

In Marion County we utilize Effective Age under the Market Value in Use standard as a critical tool to help determine a remodeled/rehabilitated residential property’s remaining economic life. Since the housing market recovery began home renovators have remodeled or rehabbed thousands of homes in Marion County to earn a significant profit, and many neighborhoods in Marion County have undergone some level of gentrification. Effective Age is a critical tool to help reflect the impact of those renovations on the market value in use of a given property.

Common remodels that often show impact in the market include kitchen remodels, bath remodels, flooring updates and complete “gut to the studs” remodels. Understanding that the various potentially remodeled components comprise the whole, Marion County developed an effective age model utilizing an adaptation of the existing percentage of completion guidelines from the real property assessment manual to derive a percentage of the whole that was remodeled. That percentage was then applied to the existing effective age in a manner similar to calculating effective age by room addition, allowing us to derive an accurate effective age based upon the remodel. As an attachment, along with the narrative we are providing an example effective age calculation sheet.

To ensure we capture as much rehab activity as possible we rely on our County’s robust permitting system, boots on the ground field work and desktop review which includes aerial photography and the MLS. As mentioned in an earlier section of this narrative, we receive details on many thousands of permits every year which trigger a review of properties for which permits have been pulled. During this review, we check to see if other homes in the neighborhood have undergone rehab/updating for which no permit was pulled. It is worth noting that many internal remodels take place without permitting, thus are only discovered when the conditions of sale are reviewed. Additionally, while full gut to the studs remodels typically involve permits, such remodels also involve highly skilled and motivated investors who rapidly finish the job and resell the home.

Review of Income Producing Properties

Our commercial assessment team has developed an income capitalization model to be used for multi-family residential properties. As part of processing hundreds of appeals for these apartments, this model was used to arrive at a settlement. Any information gleaned in the appeals process was then used to develop market assumptions we used for the 2025 (payable in 2026) assessments. Market data resources were also consulted to confirm our income approach information. All multi-unit apartments were reviewed using all three assessment approaches, and the lowest value was applied in accordance with Ind. Code § 6-1.1-4-29.

General Data Cleanup

Our GIS team has been working diligently to revise our base map to make our parcel delineations more accurate. Data errors and inconsistencies in our assessment data continue to be identified and corrected. We continued to revise improperly identified use codes. We have encouraged taxpayers to combine contiguous parcels to take advantage of the supplemental homestead deduction, thus eliminating unnecessary parcel delineations. More than 650 parcels have been combined and priced for the 2025 pay 2026 tax year.

Calculation of New Neighborhood Factors

We used our PVD computer system to perform initial ratio studies at the neighborhood and township levels. This initial calculation identified areas where neighborhood delineations needed to be reviewed. Where a review of a parcel's physical characteristics was warranted, aerial photography, Pictometry, or Metropolitan Indianapolis Board of Realtors (MIBOR) listing information were reviewed to be certain physical data was correct. Where that information was inconclusive, field inspections were conducted. After these changes were made, we performed the ratio studies again. In many neighborhoods, there were an inadequate number of sales to rely on for proper trending. In these cases, we turned to other market trend sources, such as MIBOR analyses, CoStar's sale and lease data, and our own analysis of trends in Marion County's sales, to determine whether a change in the trending factor was appropriate. The ratio studies were again performed after all the changes outlined above had been made. The results of the final ratio studies achieved statistical measures within the IAAO limits.

Quadrants for Center, Washington, and Wayne Township Improved Residential

Per IC 6-1.1-14-12 and your department's request, we broke Center, Washington, and Wayne Townships into quadrants for the purposes of the Improved Residential Ratio Study. Since the 3 townships in question are for the most part rectangles, we first looked for major streets and/or natural barriers (ex. rivers) that are close to the centerlines of the basic outline of the township. We then compared the number of residential improved parcels in each quadrant and adjusted the quadrant boundaries to come as close to an even 25% breakdown in each quadrant as possible while keeping the boundaries on major streets or other natural barriers. For simplicity, we named the quadrants, Northeast, Northwest, Southeast, and Southwest. In our ratio study spreadsheet, we broke each of the quadrants into their own study while also doing a study at the township level. In the workbook, we added a column to indicate quadrant, this added column is only filled in for the residential improved parcels.

The ratio studies and the Marion County workbook have been made available to you on Microsoft Teams.

I hope these results meet with your approval. If there are any problems, or if you have any questions about our process, please let me know.

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