

## Ratio Study Narrative 2025

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

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
KIRK RELLER	(812)205-6330	reller5@frontier.com	Reller's Southern Indiana Appraisal, LLC

<b>Sales Window</b>	<b>1/1/2020</b> <b>to</b> <b>12/31/2024</b>
<b>If more than one year of sales were used, was a time adjustment applied?</b>	
<input checked="" type="checkbox"/> No	<p>Explain, why not: Residential Vacant the sales pool was expanded to include sales from January 1, 2022 through December 31, 2024. Due to the limited number of sales and demand for these properties and limited market data no time adjustment was applied.</p> <p>Commercial Improved the sales window was expanded to include sales from January 1, 2020 through December 31, 2024. While the window for Commercial Improved sales included sales up to 12/31/24 there were no usable sales available from 2024. Demand and market data for these sales was insufficient to determine a time adjustment for pre 2024 sales.</p>
<input checked="" type="checkbox"/> Yes	<p>Explain the method used to calculate the adjustment:</p> <p>For Washington Township Residential Improved an adequate number of sales was available to use a sales window of 1/1/2024 to 12/31/2024.</p> <p>For Patoka Township Residential Improved and the grouping of Lockhart, Marion and Jefferson Townships the time frame was expanded to 1/1/2023 to 12/31/2024.</p> <p>For the Residential Improved grouping of Clay, Logan, Madison and Monroe Townships the time frame was further expanded to 1/1/2021 to 12/31/2024.</p>

	<p>The Residential Improved sales window was expanded to include sales from January 1, 2021 through December 31, 2024 for the (Clay-Logan-Madison-Monroe) grouping only to give a broader look with more sales in the pool. An annualized sales adjustment of 5% was applied to the 2021 sales for the first year of the adjustment. Verbal opinions of increases with local Realtors resulted in wide range of opinions of increase. The U.S. Federal Housing Authority showed a yearly increase in the 9.5 percent range for the state of Indiana as a whole, but Pike County lags well behind the state average. CPI was reviewed and there seems to be some correlation with the CPI (approximately 6.5 percent, 12/2021 through 12/2022) and home prices. During this same period Zillow's Home Index for Indiana was 7.1%. The 5% was considered a reasonable increase. ** This was applied to the small number of 2021 sales to time trend them to 1/1/2023. The 2021 sales were further time trended by 3% to trend to 1/1/2024 and an additional 3% to trend to 1/1/2025 using the methodology below.</p> <p>To further adjust the sales above and the other residential improved sales from 1/1/2022 to 12/31/2022 , an adjustment of 3% was considered a reasonable adjustment using the same methodology to adjust the sale prices to 1/1/2024. The yearly Midwest CPI through 12/2023 was 3.2%. The US FHA housing index for Indiana in 2023 was 7% , but the Regional index for Bloomington was 3% and Evansville was 6%. Pike County lies between these 2 market areas. Zillow's index for Indiana was 5% and data from the Indiana Realtors Association is showing increases in the 4 percent range.</p> <p>To further adjust the 2021 sales and the 2022 sales and to adjust the 2023 Residential Improved sales an adjustment of 3% was used to trend those sale prices to 1/1/2025. The 2024 Midwest CPI was 2.8%. The US FHA Housing Index for Indiana was around 5%, the Zillow Indiana Index was also around 5% and the Indiana Realtors Association is showing increases in the 4 percent range. These were all very similar to those increases in 2023 so the same adjustment of 3% was used for the 2024 year.</p>
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Groupings	
	<p><b>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.</b></p> <p><b>**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**</b></p>
	<p>Residential Improved sales from Patoka Township and Washington Township appear in their own sales study pools. Sales from Clay, Logan, Madison and Monroe Townships are pooled together in another sales study. These townships border Gibson and Warrick counties and are influenced by employment opportunities in those counties. These townships are very similar in their sparse populations and large</p>

percentage of coal mined ground. Demand for homes, mix of homes and sales range are similar from township to township.

A second pool consists of residential improved properties in Lockhart, Marion and Jefferson Townships. These townships are contiguous and make up the eastern third of the county bordering Dubois County. Sale prices of homes in these three townships are heavily influenced by employment in Dubois County.

Residential Vacant sales are pooled countywide. There is little variance in the sale range of these types of properties throughout the county and little difference in demand from township to township. Many of these parcels are purchased for recreational/ hunting / weekend usage.

Commercial Improved sales are also pooled countywide. While there are far more commercial properties located in Washington Township, the primary driver of prices is from State Highway sites throughout the county.

Industrial Improved sales are pooled countywide. Most of the Industrial Improved properties, like the Commercial Improved properties, are impacted the most in price by their location along State Highways throughout the county. While there have been limited sales over the years the main factor for selling has been their highway location and exposure.

### 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%)**

Clay, Logan, Madison along with parts of Jefferson and Washington Townships.

### 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.	Pending Approval	
Action taken by the PTABOA.	<input type="checkbox"/> Approved	<input type="checkbox"/> Denied
Effective date of the land order.	1/1/2025	

Was the land order updated as part of the 2024 cyclical reassessment?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Any other changes or issues?		

<b>Comments</b>
<p><b>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.</b></p>
<p>For Effective Age changes there is not a rigid guideline that works the same for each house since each house is different. A more generalized methodology based on the weighted contributory value of components is used. For example, the most visible and common change that affects Effective Age is roof replacement, often with a standing seam metal roof. An average roof replacement will run around \$15,000. Generally 70 percent of that cost could be realized as a potential appreciation in the value of the home. On average a roof replacement would add \$10,000 to \$12,000 to the resale value of a home and the Effective Age would be adjusted to account for the increased value.</p> <p>Other visible exterior updates that can increase the value of a home and require Effective Age changes include new Vinyl Siding and Replacement Windows. Home owners could expect Returns on Investment in the 65 percent range. A \$15,000 investment would yield roughly a \$10,000 increase in the potential value of a home. Again the Effective Age would need to be adjusted to account for this increase in value.</p> <p>Interior updates can also significantly increase the potential resale value of a home. The most common of these improvements are painting, kitchen remodeling, and installation of laminate flooring. Interior update information is not as readily available. Some information could be obtained from MLS listings or discussions with homeowners during the review process. As with the exterior components the potential increase in value would be in large part arrived at from the expenditure and the Return on Investment of the cost of the new improvements. Changes to the Effective Age would be carried out in the same manner, but would be harder to quantify.</p> <p>Pike County has long relied on Coal Mining and Coal Fired Electric Generating plants for the primary sources of employment within the county and the cornerstones to the tax base in the county.</p> <p>In 2015 Hoosier Energy shut down one of the two units at its power generating station in the county. In 2017 the entire generating station and all coal handling facilities were razed. This</p>

resulted in large losses of both real and distributable assessments totaling tens of millions of dollars.

In 2019 Indianapolis Power and Light announced a 12-year phase out of their Petersburg Generating Station. Combined with the utility's distributable property assessment, this facility represents roughly 35 percent of the county's tax base.

In 2014, Vectren shut down their Prosperity Underground Mine. This was one of the largest coal mines in Indiana. In the years since there have been multiple mine closings and mine bankruptcies. The latest mine closing occurred in December of 2020. Combined real and distributable and personal property assessments from these multiple closures has resulted in a drop of over \$100 million in assessed value.

Residential Anomaly. Most of Pike County is typical compared to small rural counties. One exception is Lake Helmerich in Lockhart Township. This is a larger development started in the mid 1970's that straddles the Pike-Dubois line. Prices within this area tend to run higher on average than most of the county. Demand for lake-front lots is quite strong. However, a very larger number of off-lake lots remain vacant. There is no established market price for these lots. Many of these lots end up selling on tax sale or go back to the association for failure to pay annual association dues. Many of these lots are excluded from the ratio study due to the pricing volatility.

**Solar Farm Development .** There are currently multiple solar farm projects in the construction and development stage. The net result will be a large number of Agricultural parcels that the land pricing will be changed to solar farm acreage pricing along with some parcels that were Agricultural that will now be valued as Commercial and Industrial. Some of these parcels will be changed for 1/1/2025 while others will be for 1/1/2026.

**Application of New Cost Tables and Trending.** As part of the January 1, 2025 Reassessment new, more current, cost tables were loaded into Pike County's Assessment Software. After the new cost tables were applied new trending factors were developed to bring market in use assessments in line with sales. The revised trending factors were on average between 16 to 17 percent lower than the trending factors that were used in 2024 with the older cost tables. Even with the lower trending factors overall assessed values increased which was supported with sales data.

While there were an insufficient number of sales to develop a sales study for Industrial Improved parcels those properties were trended using the same factors as applied to commercial improved properties. Many of the industrial properties have similar characteristics to commercial improved, including GCK type buildings, and would have equal demand. An example of this is parcel 63-02-27-444-001.000-012 which had been a Napa Auto Parts store and is now an Industrial small shop.

Certain classes of properties are not trended as required by Indiana Code. These properties include Agricultural use buildings, 4 unit or more apartments, and self-storage buildings.

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