

Narrative

General Information

County Name: **Hamilton**

Person Performing Ratio Study: **Robin Ward & Kim Powell**

We performed trending in house. The ratio and equalization were also completed in house. We utilized SPSS software (with the assistance of Bob Denne) to run statistical analyses on all parcel data to ensure that we are assessing property within state guidelines.

Contact Information: **Robin Ward-317-776-9688 Kim Powel-317-776-8537**

Vendor Name (If Applicable): **N/A**

Additional Contacts (For purposes of the ratio study):

Sales Window: **01/01/2018 to12/31/2018**

If more than one year of sales were used, was a time adjustment applied? If no, please explain why not. If yes, please explain the method used to calculate the adjustment.

Groupings

In the space below, 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. **We grouped commercial/industrial land and improvements for the entire County due to insufficient sales for each township. Our commercial properties are now reviewed and grouped by like uses (segmentation). By doing this we can no longer analyze/trend commercial values for each township because our uses are County Wide with land base rates established by location for each use.**

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
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Commercial Improved	<p><u>Washington Commercial Imp</u> 9% Increase</p> <p><u>Noblesville Commercial Imp-</u> 11% Increase</p> <p><u>Wayne Commercial Imp-</u> 28% Increase</p>	<p>New golf course, new hotel, new apartment buildings, 2 new office buildings, 7 new retail strips, 2 new restaurants totaling \$33,321,100</p> <p>SMC industrial addition, medical office building, 2 mini-warehouse facilities, Assisted Living facility totaling \$59,834,700</p> <p>Added fieldhouse - \$13,807,200</p>
Commercial Vacant	<p><u>Fall Creek Com Vac-</u>18% Increase</p> <p><u>Delaware Com Vac</u> 15% Increase</p> <p><u>Wash Com Vac</u> 24% Increase</p>	<p>3 parcels created for medical offices totaling \$2,307,700</p> <p>7 new parcels created for new office, new medical office, Hotel, gym, multi-use retail/apartments totaling \$7,148,700</p> <p>3 new parcels for retail strip, restaurant and carwash totaling \$2,896,500</p>
Industrial Improved	<p><u>Washington Industrial Imp-</u> 18% Increase</p>	<p>Added 3 new industrial buildings totaling \$12,858,900</p>
Industrial Vacant	<p>N/A</p>	
Residential Improved	<p><u>Washington Res Imp</u> – 12% Increase</p> <p><u>Noblesville Res Imp</u> – 9% Increase</p> <p><u>Wayne Res Imp</u> – 14% Increase</p>	<p>Added 1039 new dwellings</p> <p>Added 490 new dwellings</p> <p>Added 157 new dwellings</p>

Residential Vacant	<u>Washington Res Vac</u> – 90% Increase	Platted 840 new parcels
	<u>Noblesville Res Vac</u> 41% Increase	Platted 405 new parcels
	<u>Wayne Res Vac</u> – 157% Increase	Platted 115 new parcels
	<u>Fall Creek Res Vac</u> 36% Increase	Platted 539 new parcels
	<u>Delaware Res Vac</u> 38% Increase	Platted 34 new parcels
	<u>Clay Res Vac</u> – 38% Increase	Platted 494 new parcels

Cyclical Reassessment

Please explain in the space below which townships were reviewed as part of the current phase of the cyclical reassessment.

Hamilton County successfully completed the physical inspection and data entry of 25% of all property classes for year one of the cyclical reassessment. We will begin the physical inspection for year two of our 2nd cyclical reassessment for 2018-2022 on May 1, 2019

AG-Jackson Township & Noblesville Township

Residential-Jackson Township, Wayne Township, 1/2 Washington Township & 1/2 Clay Township

Commercial/Industrial-25% of Commercial, Industrial & Exempt based on segmentation of property classes.

Was the land order completed for the current cyclical reassessment phase? **No** If not, please explain when the land order is planned to be completed. **Hamilton County will be performing the Land Order for 2020 pay 2021.**

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.

Narrative of Hamilton County's Trending Procedures

Residential:

Hamilton County had sufficient sales in the time period of **01/01/2018 to 12/31/18** in a majority of neighborhoods to trend residential properties for the **2019 pay 2020** tax year. No time adjustment was necessary since we only used one year of sales. There are some neighborhoods that did not have enough sales to establish trending factors. We combined neighborhoods where we could. We also utilized our previous year's appeals in those neighborhoods that we experienced a larger number of appeals in. If all avenues were applied and we still did not have enough data to arrive at a trending factor, we did not change the neighborhood.

Step one: We captured all vacant land sales that now have subsequent improvements to ensure we were using all possible sales. Per 50 IAC 14, we ran ratios of vacant land sales to establish base rates by neighborhood in all townships. If warranted, base rates and or excess rates were changed. We saw very little change in land values, so most base rates stayed at their 2016 rates.

Step Two: We captured all multiple parcel sales and summed the totals of all parcels land and improvement value to ensure we were using all possible sales. Per 50 IAC 14, we ran ratios of residential improved sales by neighborhood in all townships to define any problem areas. If warranted we stratified any neighborhoods that were falling outside the requirements either by age, story height, square foot, etc. We applied a neighborhood factor adjustment if warranted. Then we re-ran ratios to ensure that we were within the guidelines. In neighborhoods with less than 5 sales, the trending factor was not changed.

Step Three: We ran ratios by township by class to ensure that our changes were within the guidelines. Any change in neighborhoods that are adjacent to township lines were also reviewed to ensure all properties were being treated the same in those adjoining neighborhoods.

Commercial & Industrial:

In establishing values for the 2019 commercial/industrial trending, the starting point was utilizing the Real Property Assessment Guidelines and the updated depreciation tables provided by the Department of Local Government and Finance to establish improvement values. Land values for the 2019 commercial/industrial trending continue to be based upon the 2016 Land Order. With the 2016 Land Order, land neighborhoods were delineated first based upon a segmentation of use and then in consideration of geographical location within the county. These revised neighborhoods helped with the trending process by making it easier to compare like property sales with their assessments. Assessed values were compared with actual sales to

determine ratios. Income and expense data were also used to help establish values along with the cost approach on various income producing property types. Income and expense data were compiled from online sources and/or acquired during the appeal process. Capitalization rates used in the income approach are also reviewed. Cap rate trends are tracked through the year using multiple agencies such as Integra, CBRE, and RERC along with calculating our own when the data is available. Co-Star, LoopNet and other Listing/Sales web site are also utilized to follow how certain property types are listed and sold. This is all done through our Commercial/Industrial Team to establish values representative of market value-in-use. All these aspects allow us to understand the commercial/industrial market and assist us in establishing a representative value for our commercial/industrial properties.

The following are data stats for Hamilton County to aid you in your analysis:

Total Parcel Count: 131,425

There were **2782** new parcels created by either the **144** new plats or the **151** splits recorded. There were **371** parcels deleted either by new plats or combinations recorded.

Total Valid and Invalid Sales Disclosures submitted for 01/01/18 through 12/31/178: 11,678

Total number of **01-01-18** through **12-31-18** sales used:

8,336 Improved Sales

186 Vacant sales used in Ratio Study

335 Vacant land sales are still in Developer Discount due to being sold from developer to builder

Approximately 300 residential vacant land sales have building permits and were taken out of developer discount

You will find 12 duplicate sales disclosures that were vacant land sales (24 lots that indicated individual lot sales).