

Narrative
REVISED 08-11-2020

General Information

County Name: **Hamilton**

Person Performing Ratio Study: **Robin Ward, Kim Powell & Scott Bernhardt**

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Sales Window (e.g. 1/1/19 to 12/31/19):**01/01/19 to 12/31/19**

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 the 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.

****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****

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. The calculation for the change uses the AV from the prior year with the prior year property class and the AV from the current year with the current year property class.

Property Type	Townships Impacted	Explanation
Commercial Improved		
Commercial Vacant	<u>Adams</u> 10% Decrease <u>Clay</u> 28% Increase <u>Delaware</u> 15% Increase <u>Fall Creek</u> 13% Increase <u>Noblesville</u> 15% Increase <u>Westfield</u> <u>Washington</u> 43% Increase	Split to create 2 new parcels 25 New parcels 11 New parcels 11 New parcels 12 New parcels 32 New parcels
Industrial Improved	<u>Wayne</u> 33% Increase	Added tenant to vacant building
Industrial Vacant	<u>Westfield</u> <u>Washington</u> 18% Increase	Land order changes
Residential Improved	<u>Jackson</u> 10% Increase <u>Wayne</u> 10% Increase	Added 75 new dwellings Added 124 new dwellings

Residential Vacant	<p><u>Adams</u> 78% Increase</p> <p><u>Jackson</u> 57% Increase</p> <p><u>White River</u> 60% Increase</p> <p><u>Westfield</u> <u>Washington</u> 92% Increase</p> <p><u>Noblesville</u> 50% Increase</p> <p><u>Wayne</u> 84% Increase</p> <p><u>Fall Creek</u> 58% Increase</p> <p><u>Delaware</u> 31% Increase</p> <p><u>Clay</u> 18% Increase</p>	<p>20 New parcels & Land order base rate changes</p> <p>110 New parcels & Land order base rate changes</p> <p>13 New Parcels & Land order base rate changes</p> <p>1146 New Parcels & Land order base rate changes</p> <p>625 New Parcels & Land order base rate changes</p> <p>42 New Parcels & Land order base rate changes</p> <p>644 New Parcels & Land order base rate changes</p> <p>137 New Parcels & Land order base rate changes</p> <p>125 New Parcels & Land order base rate change</p>
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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 two of the cyclical reassessment. We will begin the physical inspection for year three of our 2nd cyclical reassessment for 2018-2022 on May 1, 2020

AG-Adams Township & Wayne Township

Residential-Clay Township & Delaware 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? **Yes** If not, please explain when the land order is planned to be completed.

Hamilton County Land Order was performed for 2020 pay 2021. Base rates were adjusted where needed based on sales analysis (01/01/17 to 12/31/18) of vacant land as well as improved parcels in neighborhoods where there were no vacant sales.

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.

Effective year (age) changes are established a couple different ways. For properties where a permit has been taken out for remodeling, we visit the property and upon inspection we establish what type of physical changes or updates were done. Effective age and condition are changed/updated based on what percentage of the dwelling has been updated. For properties that have sold and are listed as being totally remodeled, we take the same approach. Sales information/listing will usually list what updates have been done to the dwelling and we adjust accordingly.

Residential:

Hamilton County had enough sales in the time period of **01/01/2019 to 12/31/19** in most neighborhoods to trend residential properties for the **2020 pay 2021** 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 due to performing a **Land Order for 2020 pay 2021**.

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 **2020** commercial/industrial trending, Hamilton County initially utilized 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 2020 commercial/industrial were established based upon the application of the 2020 Land Order.** Beginning with the 2016 Land Order, Hamilton County switched from delineating commercial/industrial land neighborhoods from a purely geographical means to delineating neighborhoods based first upon the segmentation of use before then utilizing geographical location within the county. Utilizing this method to delineate the commercial/industrial neighborhoods within Hamilton County has allowed for an easier process of grouping comparable use property sales with their related assessments therefore helping with the trending process. Assessed values were compared with actual sales to determine ratios. The mandatory statistical analyses were run and evaluated. On various income producing property use types, income and expense data were also used along with the cost approach to establish values. 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: **134,087**

There were **2811** new parcels created by either the **172** new plats or the **137** splits recorded. There were **298** parcels deleted either by new plats or combinations recorded.

Total Valid and Invalid Sales Disclosures submitted for **01/01/19 through 12/31/19:**

Total number of **01-01-19** through **12-31-19** sales used: **8937**

Improved Sales-8276

Vacant sales used in Ratio Study-661