

Narrative

General Information

County Name: **Hamilton**

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

Sales Window (e.g. 1/1/20 to 12/31/20):**01/01/2020 to 12/31/20**

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). Due to segmentation by use 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.

Property Type	Townships Impacted	Explanation
Commercial Improved		
Commercial Vacant	Adams 11.10% increase Fall Creek -14.59% decrease	New plat for commercial development 3 new parcels out of DD to improved

	<p>Westfield Washington 41.45% Increase Clay -20.96% decrease</p>	<p>5 Vacant parcels had permits issued Now improved as 6 apartment buildings, 5 office buildings, 2 hospitals</p>
Industrial Improved	<p>Westfield Washington 15.05% increase White River 23.18% increase</p>	<p>2 new industrial warehouses 2 parcels from Ag to stone quarry</p>
Industrial Vacant	<p>Fall Creek 602.17% increase Noblesville 29.04% increase Westfield Washington 29.46 % increase</p>	<p>2 new parcels on which one has permit issued 2 new industrial parcels created Imp. Removed on one parcel/5 new parcels created</p>
Residential Improved	<p>Wayne 10.99% increase Westfield Washington 12.12% increase</p>	<p>79 vacant parcels now improved Over 1,000 parcels had permits issued/now improved</p>
Residential Vacant	<p>Adams 22.44% increase Fall Creek 12.62% increase Jackson</p>	<p>72 new parcels and splits 399 new parcels and splits 78 new parcels and splits</p>

18.53% increase	
Wayne	19 parcels removed from DD for permits issued
25.14% increase	
Westfield	950 new parcels and splits
Washington	
33.23% increase	

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 inspection and data entry of 25% of all property classes for year three of the cyclical reassessment. We will begin the physical inspection for year four of our 2nd cyclical reassessment for 2018-2022 on May 1, 2021. Below are the townships that were reviewed for 2021.

**Ag-White River, Wayne, Delaware, Clay
Res-Washington, Noblesville, Fall Creek
Com/Ind/Ex- 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. **The land order was completed in 2020 pay 2021. Base rates were adjusted where needed based upon sales analysis (01/01/17 to 12/31/18) of vacant sales 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 for remodel has been taken out, 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/listings will usually indicate what updates have been done to

the dwelling and we adjust accordingly. We also have neighborhoods where homes are being demolished and rebuilt. These “transition neighborhoods” as we are calling them have made our job of establishing market value for these types of properties/neighborhoods more difficult.

Hamilton County completed trending in house with no outside vendor. The ratio study and equalization were completed in house as well. Hamilton County utilizes 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.

Residential

Hamilton County had enough sales in the time period of **01/01/2020 to 12/31/2020** in most neighborhoods to trend residential properties for the **2021 pay 2022** tax year. No time adjustment was necessary since only one year of sales were used. There are some neighborhoods that did not have enough sales to establish trending factors. In some instances, neighborhoods were combined where needed to have a sufficient sample of sales. If all avenues were applied and we still did not have enough data to arrive at a trending factor, we did not change the factor.

Step One: We captured all vacant land sales that now have subsequent improvements to ensure we are using all possible vacant sales. Per 50 IAC 14, we ran ratios of vacant land sales to establish base rates by neighborhood for all new neighborhoods in all townships.

Step Two: We captured all multiple 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 we were within the guidelines.

Step Three: We ran ratios by township and 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 2021 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 2021 commercial/industrial uses were based upon the application of the 2020 Land Order with adjustments as necessary. 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. **For 2021, various commercial and industrial property classes were adjusted based upon the COVID-19 pandemic. To do this, Hamilton County contracted with appraisers from Integra Realty Resources to conduct a multi-county report analyzing market trends in the Indianapolis metro area and Hamilton County specifically. The analysis was done to help advise and establish what market adjustments were needed for certain property classes due to the difficult situation that the pandemic had created in the Hamilton County market. This analysis report was utilized along with the normal trending procedures.** 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 sites 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: **135,842**

There were **2009** new parcels created by either the **141** new plats or the **111** splits recorded. There were **370** parcels deleted either by new plats or combinations recorded.

Total number of 01/01/20 through 12/31/20 sales used: 9,217

Improved Sales-8,903

Vacant Sales-314

