

LORENA STEPPO
HARRISON COUNTY ASSESSOR
245 Atwood St., Ste 221
Corydon, Indiana 47112
Phone (812) 738-4280

March 5, 2018

An Overview of Harrison County's 2018 Annual Trending

The following steps were taken to conduct the 2018 annual trending in Harrison County:

General Overview:

For the trending process, sales from 1/1/2017 through 12/31 2017 were used. Sales activity has increased within Harrison County. For this year's study, a total of 576 sales from the 12-month period were used as compared to only 476 for the twelve-month period prior to the 2017 assessment date. There was no time adjustment of any sales as they were all within the 12-month timeframe of 1/1/2017 through 12/31/2017, with the exception of seven (7) sales from the 2016 timeframe were used within the Taylor Township Improved Residential study due to the lack of sales. These seven sales were not time adjusted as there isn't enough sale history or paired sales analysis to accurately compute an adjustment.

The county updated all cost tables and the year from which improvements are depreciated from. The county's Location Code Multiplier (LCM) was also decreased by 1%, as directed by the DLGF. Every residential neighborhood was analyzed. Sales were the primary base for any market factor changes. Additional information such as appealed properties and the net result of the cost table changes was also taken into consideration when determining neighborhood factor adjustments.

Cyclical Reassessment:

Reassessment activity took place in Boone, Heth and Webster as well as selected properties in Harrison and a few other selected properties.

Land Values:

Land base rates were reviewed and as a whole were left unchanged.

Market Adjustment Factors (Residential):

As a result of the new cost tables, depreciation year and the LCM change, almost every improved residential property was affected in some manner. As stated above, Harrison County experienced a greater number of sales during the year. The county used 514 improved residential sales in this year's study. This number is great than what the Indiana Realtors Association reported for closed sales for the 2017 year. The Indiana Realtors Association reported that median home price increased.

Sales Reconciliation:

The DLGF provided a sales reconciliation file identifying a total of 687 sales from the 2017 timeframe as needing an explanation as to why they were not used, if they were not contained within the ratio study. The 687 sales identified by the DLGF was done without review and therefore identifies several that are "invalid sales". Some examples of the "invalid sales" are the following bank, HUD, Fannie Mae = 31

sales, contains AG land = 16 sales, adjacent owner = 4 sales, non-dwelling improvement = 4 sales, sold again in 2017 = 16 sales. This list of limited number of conditions account for 71 of the identified sales that were excluded from the study. Several others also have valid excluding reasons. For unknown reasons, the county had recorded numerous sales that didn't even appear on the DLGF reconciliation report.

IAAO Ratio Study standards indicate that "outlier ratios" can result from any of the following:

1. An erroneous sale price
2. A nonmarket sale
3. Unusual market variability
4. A mismatch between the property sold and the property appraised
5. An error in the appraisal of an individual parcel
6. An error in the appraisal of a subgroup of parcels
7. Any of a variety of transcription or data handling errors in preparing any ratio study

Outliers should be:

1. Identified
2. Scrutinized to validate the information and correct errors
3. Trimmed if necessary to improve sample representativeness

As a result, there were individual parcels that met these guidelines and were trimmed.

After complete scrutiny from the county Harrison County utilized approximately 90% of the parcels that were identified in the DLGF reconciliation sales file, once the file was adjusted, eliminating truly non-valid sales.

With regards to the Industrial groupings and the vacant commercial grouping, the county once again was void of any sales activity.

See the Sales Reconciliation Response file for a complete detail for every parcel not utilized in the study.

Of the 576 sales used in the study, 59 were multiparcel sales.

Harrison County is committed to utilizing as many valid sales as possible. As stated above, sales from the January 1, 2017 through December 31, 2017 timeframe was used.

Groupings:

Commercial Improve: Due to a limited number of sales, the entire county was grouped together for statistical analysis. Statistical data was recorded for only those townships that have greater than twenty-five (25) parcels.

Residential Vacant: All townships within school district 3190, except Harrison and Posey were combined together for statistical analysis. This school district's townships consist of Boone, Heth, Taylor, Washington and Webster. All townships within school district 3180 were combined for statistical analysis. This school districts townships consists of Blue River, Morgan, Jackson and Spencer

Neighborhood Comparison:

The following neighborhoods were grouped together for trending purposes:
3108512, 3108515, 3108516