

Narrative

KOSCIUSKO 2019 RATIO STUDY

General Information

County Name: Kosciusko

Person Performing Ratio Study: Residential: Christy Doty & John Beer
Commercial/Industrial: Darby Davis, Kylie Popenfoose

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Vendor Name (If Applicable): N/A

Additional Contacts (For purposes of the ratio study): None

Sales Window (e.g. 1/1/18 to 12/31/18):

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.

Industrial Vacant – 01/01/2013 to 12/31/2018: Due to a lack of recent sales we included prior sales to have a larger sample size for greater reliability. Earlier sales were time adjusted using the CPI (consumer price index).

Industrial Improved – 01/01/2015 to 12/31/2018: Due to a lack of recent sales we included prior sales to have a larger sample size for greater reliability. Earlier sales were time adjusted using the CPI (consumer price index).

Commercial Vacant – 01/01/2015 to 12/31/2018: Due to a lack of recent sales we included prior sales to have a larger sample size for greater reliability. Earlier sales were time adjusted using the CPI (consumer price index).

Commercial Improved – 01/01/2015 to 12/31/2018: Due to a lack of recent sales we included prior sales to have a larger sample size for greater reliability. Earlier sales were time adjusted using the CPI (consumer price index).

Residential Vacant – 01/01/2018 to 12/31/2018:

Residential Improved – 01/01/2018 to 12/31/2018 with the exception of our Residential Condominium Units.

An internal ratio study of each Condominium Neighborhood produced a lack of recent sales so we included 2017 sales in each neighborhood to have a larger sample size for greater reliability. An analysis of Kosciusko County condominium sales from 2016 through 2018 indicated a slight increase in the median sale prices and an analysis of condominiums that sold and then resold within this time frame seems to indicate a modest value increase as well. However, this perceived increase could easily have been due to seasonal trends. Most of the condominium complexes in Kosciusko County are residences with water influences and these are more likely to be affected by seasonal trends than are typical homes.

It is very possible that improvements to the property may have been made between the first and second sale. The higher second sale value may be more a reflection of the renovations that were made than a general increase in condominium values.

While there were some condominiums that sold and then resold between 2016 and 2018, we believe there were too few to make a definitive statement that Kosciusko County condominium values rose appreciably. Since we lacked definitive evidence of appreciating values, we chose to not time adjust the 2017 sales.

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.

Industrial Vacant: There were eight sales from 2013 to 2018 in the entire county. After time adjusting the older sales, we needed to group them together due to sample size.

Industrial Improved: There were only four sales in 2018 and they were all located in different townships. Due to the way Industrial properties function, time between sales and highway visibility, we grouped them together and time adjusted the older sales, which allowed for better representation.

Commercial Vacant: There were two townships with the majority of sales, Plain and Wayne. We grouped them together first to get a better representative sample. They share two major highways – State Road 15 and US 30. Following this logic, we added Washington and Van Buren who are heavily influenced by US 30 and State Road 15, respectively. They did not have enough sales to stand alone. The remaining few sales were grouped in because by themselves they were improperly skewing the majority in their respective areas.

Commercial Improved: Due to the influences of State Road 15 and US 30, as well as additional commercial expansion north of US 30, we grouped Wayne and Plain Townships together. Van Buren Township, located just north of Plain Township is also influenced by State Road 15 and the traffic between Warsaw and Goshen, Indiana. For this reason, we grouped Van Buren together with Wayne and Plain Townships. Tippecanoe and Turkey Creek had sufficient sales to trend on their own. The 12 remaining townships were grouped together because they make up the smaller communities in Kosciusko County and therefore have less commercial presence. Together they are more characteristic of what is happening in the market.

Residential Vacant: Plain, Turkey Creek, Tippecanoe and Wayne Townships are the Primary Residential Townships in our county. Each of these was originally trended separately. The remaining 13 Townships did not have enough sales to trend on their own so they were paired up as follows based on their location: Prairie, Scott, Jefferson and Etna were included with Plain. They are the 5 Townships that make up the northwestern corner of our County. Their location dictated their inclusion with Plain. Van Buren was included with Turkey Creek. They share the same school system and a lake (Dewart). The remaining 8 Townships - Clay, Franklin, Harrison, Jackson, Lake, Monroe, Seward, Washington - make up the southern portion of our County. Some of these townships share towns, lakes, and/or school systems.

Residential Improved: Similar to Residential Vacant our groupings were primarily “location” driven. However, with the improved properties we have more sales to work with and so the groupings in Improved were divided up more. The groupings are neighboring Townships that share towns, lakes and/or school systems.

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	Plain, Scott, Harrison	<p>Plain: New construction on the growing side of Warsaw</p> <p>Scott: New construction</p> <p>Harrison: A very large array of solar panels were added to a parcel.</p>
Commercial Vacant	Plain, Van Buren, Wayne, Harrison	<p>Plain: 1. A larger industrial parcel split with change of use to Commercial zoning. 2. Parcel with developer's discount sold and discount was removed.</p> <p>Van Buren: Sales showed a land value change was needed on State Road 15 (Higbee Street).</p> <p>Wayne: 1. Lots in a commercial subdivision sold, combined and developers discount removed. 2. An improved residential parcel sold, improvements were removed and zoning changed to Commercial.</p> <p>Harrison: Change of use – land split from School – rezoned commercial.</p>
Industrial Improved	None	
Industrial Vacant	Etna, Tippecanoe	<p>Etna: Per reassessment – commercial land changed to farm land.</p> <p>Tippecanoe: a split to a neighboring residential parcel</p>
Residential Improved	None	
Residential Vacant	Etna, Jackson	<p>Etna: 1. Adjusted a parcel to designated wetlands. 2. Added excess frontage to a parcel. 3. Demo of improvements – changed from Res to Vacant.</p> <p>Jackson: 1. Split from an improved parcel. 2. Corrected factors for no W&S. 3. Change lot from front lot to rear lot. 4. Corrected land to contain pasture.</p>

Cyclical Reassessment

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

Clay: Res, Com/Ind
Etna: Entire Township
Franklin: Res, Ag, Com/Ind
Harrison: Entire Township
Jackson: Res, Com/Ind, Exempt, Utility/Mineral
Lake: Res, Com/Ind, Exempt
Monroe: Res, Ag, Com/Ind
Plain: Com/Ind, Exempt, Utility/Mineral
Prairie: Entire Township
Scott: Res, Com/Ind, Exempt
Seward: Res
Tippecanoe: Part Res - Jellystone Park
Washington: Res
Wayne: Res Neighborhood #601400-033

Was the land order completed for the current cyclical reassessment phase? If not, please explain when the land order is planned to be completed.

No. Land order to be completed for cyclical reassessment Phase 3 – 05/01/20 through 12/31/20.

Comments

Harborside Condominiums on Lake Wawasee – Neighborhood #710900

During the course of trending the neighborhood of Harborside Condominiums on Lake Wawasee it became evident that the entire neighborhood needed to be looked at more closely. After careful consideration it was determined and that all parcels in that neighborhood were in need of reassessment. In the recent past there had been updates to the entire condominium complex that had not been accounted for. These updates included, but were not limited to, new roofing, windows, garage doors, heating and cooling systems and patio extensions. Most of the updates extended the remaining life of the units which essentially reduced their effective age. The effective age of all units was adjusted from 1975 to 1985.

Harborside Condominiums had a quality grade of D+2 while a very similar condominium complex on Lake Wawasee, Runaway Bay Condominiums, had a grade of C. Again, after careful consideration, the grade of Harborside Condominiums was raised to a C in order to be consistent with similar, and competing, condominium complexes.

The changes of were made to all units within the Harborside Condominium Neighborhood.

Syracuse Town Neighborhood - #800400-026

The residential neighborhood of Syracuse Town, Neighborhood #800400-026, consists primarily of multi-story homes built in the early part of the 20th Century. The majority of these homes, if not all of them, have been remodeled or renovated since their original build date. The updates range from the typical home maintenance,

reroofing, insulating, updating plumbing and heating, to extensive renovations where the structure was stripped to the studs and nearly all the home's components have been updated. Even minor updates to a home increase its economic life which essentially reduces its effective age. Extensive renovations, which replace most or all a home's short-lived components, and leave its long-lived components (foundation, frame), greatly increases the home's economic life and reduces its effective age.

During a review of the neighborhood it was apparent that several homes had been renovated but the changes had not been accounted for on the property record cards. Some of these updated homes were current sales that were used in the 2019 pay 2020 trending but most were not. In order to maintain consistency in the assessment of the neighborhood, adjustments were made to the homes that had been renovated but whose effective age had not been properly adjusted. In some situations, grade changes were also made to better maintain consistency throughout the neighborhood. These changes, along with any physical changes, were made to the properties used in the 2019 pay 2020 Trending and those that were not. The partial reassessment of the neighborhood was necessary to improve the accuracy of the property records which in turn helps to improve the accuracy of the trending. Adjusting for changes in the market cannot be done accurately if the record of a property does not accurately reflect the property as it was at the time of the sale.