

Narrative

General Information

County Name: MONROE

Person Performing Ratio Study: KEN SURFACE

Contact Information: Ken Surface - ken@nexustax.com 317-753-5555

Vendor Name (If Applicable): NEXUS GROUP

Additional Contacts (For purposes of the ratio study):

Judy Sharp jsharp@co.monroe.in.us 812-349-2703

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

Sales from the period of 1/1/18 through 12/31/2018 was the period used for all groupings. The following analysis were expanded:

Industrial Improved – county wide – due to only 5 sales in 2018, the timeframe was expanded to include 5 sales from 2017

Residential Vacant – Washington – due to only 2 sales in 2018, the timeframe was expanded to include 5 sales from 2017

There was no time adjustment of any sales outside of the mandated time period as there isn't enough supporting evidence to accurately adjust with any confidence. Within the Industrial Improved study, one cannot calculate a reliable time adjustment based upon only 5 sales of non-comparable properties. For the Washington Vacant Residential grouping, the limited number of sales as well as variations in land size, view, topography would provide a less than reliable calculation.

Groupings

The groupings for statistical purposes took place are:

Commercial Vacant – County wide – only 5 sales took place – with only 1 sale from the Industrial Vacant classification and no usable sales from prior years – this sale was combined with the Commercial Vacant classification

Industrial Improved – County wide grouping took place due to limited number of sales and properties

Commercial Improved – The majority of all commercial properties reside in the townships of Bloomington, Perry and Richland and these were stand alone studies. All other townships were grouped together

Residential Vacant – Benton/Salt Creek were combined. These two townships adjoin each other and some properties reside in each township. VanBuren/Indian Creek were combined. These two townships adjoin each other and are geographically located in the same portion of the county

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	Bloomington	Reduced number of parcels as 3 vacant parcels last year are now improved this year
Industrial Improved		
Industrial Vacant	Van Buren	Reduced number of parcels as 1 vacant parcel last year is now improved
Residential Improved		
Residential Vacant	Polk	Reduced number of parcels as 6 vacant parcels last year were reclassified with new class code

Cyclical Reassessment

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

Benton Township – selected vacant ag, improved ag, vac res and then 100% of all other classifications

Clear Creek Township – 100% of the township

Perry Township – taxing district 009 selected number of C & I and Exempt

Richland Township – 100% of the township

See workbook values for designated parcels conducted during the year throughout the county

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

Yes

Comments

For factor calculations the following neighborhoods were grouped together:

53003001 & 53003002
53003019 & 53003020
53004017 & 53004018
53004029 & 53004030
53007001 thru 53007025
53011024 & 53011025
53011028 & 53011029
53011034 & 53011037

Special Note: When conducting your analysis, all property class code 419 (other commercial housing) – which are rental homes should be compared with 510 and 511 class codes within the given neighborhood as they are assigned to the same residential neighborhoods and trended accordingly.

The DLGF provided a sales reconciliation file identifying a total of 2537 sales that occurred during the 2018 timeframe as needing an explanation as to why they were not used if they are not contained within the ratio study. The 2537 sales identified by the DLGF was done without review and therefore identifies several that are “invalid sales”.

From this list of 2537 parcels it was determined that 332 of the sales were sales of various “invalid sales” nature.

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, Monroe County utilized more than 87% of the all-inclusive list of parcels were identified in the DLGF reconciliation sales file. This percentage increased to more than 90%, once the file was adjusted, eliminating truly non valid sales

See the Sales Reconciliation Response file for a complete detail for every parcel not utilized in the study. Response was not provided for the 2017 sales contained in the DLGF report as they were not used in the study.

A total of 2253 sales were used in the study, of which 80 were multi-parcel sales. Both of these numbers are an increase over last year.