

REPRESENTATIVES FOR PETITIONER:
Bradley D. Hasler, Jeffrey T. Bennett
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REDACTED

REPRESENTATIVE FOR RESPONDENT:
Ayn Katherine Engle, Attorney at Law

**BEFORE THE
INDIANA BOARD OF TAX REVIEW**

ECHO PARK PERRY, LLC,)	Petition Nos.: 32-012-22-1-4-00105-24
)	32-012-23-1-4-00106-24
Petitioner,)	
)	Parcel No.: 32-09-30-477-001.000-012
v.)	
)	County: Hendricks
HENDRICKS COUNTY ASSESSOR,)	
)	Assessment Years: 2022, 2023
Respondent.)	

FINAL DETERMINATION

The Indiana Board of Tax Review (“Board”) having reviewed the facts and evidence, and having considered the issues, now finds, and concludes the following:

INTRODUCTION

1. In these assessment appeals of a multifamily apartment complex, the parties offered valuation opinions from expert appraisers: Robert Becker for Echo Park Perry, LLC, and David Hall¹ for the Hendricks County Assessor. After reviewing the evidence, and in accordance with the true tax value standard mandated by Indiana Code § 6-1.1-4-39(a), we find by a preponderance of the evidence that Hall’s appraisal provides the most reliable valuations under each of the three standard valuation approaches, and we select the lowest of Hall’s three approaches as the subject property’s true tax value.

¹ Although an additional appraiser, Michael Lady, also signed the appraisal offered by the Assessor, Hall was the only one who testified. For simplicity, we will refer to the appraisal as Hall’s.

PROCEDURAL HISTORY

2. Echo Park filed Form 130 petitions contesting its 2021, 2022, and 2023 assessments on December 8, 2021, May 27, 2022, and May 9, 2023, respectively. The Hendricks County Assessor and Hendricks County Property Tax Assessment Board of Appeals (“PTABOA”) determined the following assessments:²

Year	Land	Improvements	Total
2021	\$1,675,000	\$39,459,200	\$41,134,200
2022	\$1,675,000	\$40,597,400	\$42,272,400
2023	\$1,675,000	\$40,609,800	\$42,284,800

3. Echo Park filed a Form 131 petition for 2021³ on March 2, 2023, and filed Form 131 petitions for 2022 and 2023 on February 23, 2024. On November 18, 2024, the Board approved the parties’ Stipulation Regarding Assessment Years 2021 and 2023, in which they 1) stipulated that the property’s true tax value for 2021 shall be \$28,900,000, 2) agreed to limit the scope of the hearing to the determination of the property’s true tax value as of January 1, 2022, and 3) stipulated that the property’s true tax value for 2023 shall be 1.5% higher than the true tax value we determine for 2022.
4. Beginning on November 19, 2024, our designated administrative law judge, Jacob Robinson (“ALJ”), held a three-day hearing on Echo Park’s petitions. Neither he nor the Board inspected the property. Becker, Hall, and Felix Shalit⁴ testified under oath.

² On January 30, 2023, the PTABOA issued a Form 115 determination for 2021. However, Echo Park elected to appeal the 2022 and 2023 assessments directly to us after the maximum time for the PTABOA to issue Form 115 determinations had passed. *See* Ind. Code § 6-1.1-15-1.2(k) (allowing taxpayers to appeal to the Board if the county board has not issued a determination within 180 days of the date the notice of appeal was filed). Thus, the 2022 and 2023 assessments listed above are the Assessor’s original assessments for those years.

³ On July 21, 2025, the Board granted Echo Park’s Unopposed Motion to Withdraw Appeal Petition and dismissed its appeal for the 2021 assessment year.

⁴ In the Assessor’s Post-Hearing Brief, she renewed her objection to the testimony of Felix Shalit, principal owner of Echo Park, and attached two additional exhibits in support of her objection. Echo Park subsequently filed a Motion for Leave to File Response to Assessor’s Objection and Supplemental Exhibits. We grant Echo Park’s motion and affirm our ALJ’s decision to allow Shalit’s testimony.

5. Echo Park submitted the following exhibits:

Exhibit Number	Description of Exhibit
P-1	Becker Appraisal Report (CONFIDENTIAL, Transmittal Letter, Pages 2, 9, 41, 65-71, 78)
P-4	Marshall Valuation Service ("MVS"), Section 1, Page 3 (February 2023)
P-7	MVS, Section 12, Page 35 (August 2020)
P-12	Beacon Parcel Report for Subject Property
P-13	Construction Budget for Subject Property (CONFIDENTIAL)

6. The Assessor submitted the following exhibits:

Exhibit Number	Description of Exhibit
R-1	Hall Appraisal Report (CONFIDENTIAL, Pages 147, 149, 184-186, 193, 209, 211, 213, 216-220)
R-2	Addenda to Hall Appraisal Report (Vol. 1) (CONFIDENTIAL, Pages 69-109, 122, 124, 126, 128, 130, 132, 135-144, 146-153)
R-3	Addenda to Hall Appraisal Report (Vol. 2)
R-4	Projected NOI vs Actual NOI (CONFIDENTIAL)
R-5	Excerpts from Hall Work File
R-6	Excerpts from The Appraisal of Real Estate
R-8	MVS, Section 12, Page 18 (August 2020) MVS, Section 12, Page 16 (August 2020) MVS, Section 1 (February 2021) MVS, Section 97, Page 10 (December 2020)
R-10	Floor Plan Images of Subject Property
R-11	Excerpts from Becker Work File
R-12	Google Maps Image of 845 Airtech Pkwy (Page 2 only)
R-13	Property Record Card for 2723 E. Main St. Plainfield, IN
R-15	Google Maps Images of 2030 Runaway Bay Dr., Buckingham & Balmoral Apts., 7111 Vedder Pl., and 5812 Beatle Dr.
R-16	Property Record Cards for Becker's Lease Comparables
R-19	Census data for Subject Property
R-20	Census data for Becker's Lease Comparables
R-21	Excerpts from Becker Appraisal for Hidden Creek (Cover page, Pages 1 and 4-12)
R-22	Excerpts from 2024 Uniform Standards of Professional Appraisal Practice (USPAP) (Cover page, Pages 18-21)
R-23	Demonstrative exhibit of Perimeter Multiplier

7. The record also includes the following: (1) all petitions, briefs, and other documents filed in these appeals, (2) all orders and notices issued by the Board or ALJ; and (3) the hearing transcript.⁵

FINDINGS OF FACT

A. The Subject Property

8. The subject property is located at 2650 Creekhollow Road, in Plainfield. It sits at the northeast corner of Perry Road and Stout Heritage Parkway and is approximately 1.5 miles west of Indianapolis International Airport. The improvements were built during 2018 and 2019 and consist of 14 two-story multifamily apartment buildings that each contain 10 rental units with attached garages, 2 three-story multifamily apartment buildings that contain 68 and 66 rental units, respectively, a clubhouse building with a fitness center and business center, and a maintenance building, all situated on a 23.10-acre parcel. There are also various accessory structures and site improvements including a swimming pool, barbecue grill/picnic area, dog park, car wash, walking/jogging trails, concrete sidewalks and surface parking spaces. *Ex. P-1 at 41-43; Ex. R-1 at 49, 61-64; Tr. at 56-57, 63, 345.*
9. Of the 274 rental units, there are 98 1-bedroom, 1-bathroom units with four different floorplans, 154 2-bedroom, 2-bathroom units with seven different floorplans, and 22 3-bedroom, 2-bathroom units with two different floorplans. All the units have exterior access, patios or balconies, washers and dryers, dishwashers, ranges, refrigerators, microwaves, vinyl plank flooring, and stone countertops. *Ex. P-1 at 41-43; Ex. R-1 at 63-64; Tr. at 60-62.*

⁵ The transcript is bound in three volumes, but the pages are numbered consecutively from 1 to 658. We will cite to the transcript, without reference to the volume, using the following format: Tr. at (page number).

10. The subject property's assessment was \$42,272,400 in 2022, an increase of more than 46% over the \$28,900,000 assessment the parties stipulated to for the 2021 assessment year.

B. EXPERT OPINIONS

1. Hall's Appraisal

11. The Assessor offered an appraisal report from David Hall, MAI, AICP, a managing director of Integra Realty Resources ("IRR") in Indianapolis. Hall is licensed as an Indiana Certified General Appraiser. He began working for IRR in 2005 and has been with the firm for 19 years. Hall has a bachelor's degree in landscape architecture from Ball State University's College of Architecture and Planning and an MBA from Ohio State University. He received his MAI designation from the Appraisal Institute in 2012, and he has an AICP designation from the American Institute of Certified Planners. Approximately half of his current workload is related to property tax appeals, but he also does work for lenders and private clients. His assignments cover most property types including hotels, industrial, retail, office, and an occasional special-purpose property. And he has completed more than a hundred appraisals for suburban, multifamily apartment complexes during his career. *Tr. at 12-16, 22; Ex. R-2 at 6.*
12. Hall performed a preliminary exterior inspection of the property on June 12, 2024, and he followed up with a complete interior and exterior inspection on August 29, 2024. He developed all three traditional approaches to value—the cost, sales comparison, and income capitalization approaches. Hall's appraisal report estimates the retrospective market value-in-use of the subject property's fee simple interest as of January 1, 2022, and he certified that he prepared his appraisal report in conformity with USPAP. *Tr. at 18-19, 21-23; Ex. R-1 at 6, 8, 10, 12-14, 230-231.*

a. Hall's Cost Approach

13. To value the subject property's land, Hall developed a sales comparison approach in which he looked for fee simple land sales in Hendricks County sold between 2015 and January 1, 2022, that were intended for multifamily use. He chose price per apartment unit as the unit of comparison because that is how market participants in the multifamily market typically compare prices and values. Hall selected five comparable land sales from Hendricks County that bracketed the subject property in terms of size and number of units. He verified the sales through a combination of confirmations from buyers, brokers, sales disclosure forms, property record cards, public records, CoStar, purchase agreements, and GIS sources. Hall considered adjustments for property rights, financing terms, conditions of sale, expenditures made immediately after purchase, location, zoning, and utilities, but he concluded that no adjustments were needed for those characteristics. However, he did apply adjustments for demolition, market conditions, access/exposure, size, and physical characteristics. *Tr. at 82-95; Ex. R-1 at 133-144; Ex. R-2 at 112-120.*
14. After adjustment, Hall's comparable land sales ranged in price from \$6,111/unit to \$9,314/unit, and they had an average price of \$7,578/unit. He placed the most weight on Sale 4 due to its similarity to the subject property in terms of location, site size, and number of approved units, and reconciled to an indicated value of \$7,500/unit. Applying his indicated value of \$7,500/unit to the subject property's 274 units produced a land value conclusion of \$2,060,000. *Tr. at 96-98; Ex. R-1 at 144-146.*
15. To value the improvements, Hall estimated the replacement cost new of the improvements using MVS data for "Multiple Residence, Class D, Good" properties. He selected Class D, Good because except for TV antennas (which Hall explained are no longer typical) and package A.C. units (for which Hall applied an adjustment), the subject property largely matched MVS's description. Hall applied a 10% adjustment for indirect costs that MVS's cost estimates do not account for, which he based on estimates from interviews with developers and contractors, along with estimates from a construction

management software company and construction finance company. After reviewing an annual market survey of gross profits for general building projects, he also applied a 10% entrepreneurial profit adjustment to account for the return that the owner or investor would expect to receive from the project. *Tr. at 98, 107-110, 114-120; Ex. R-1 at 148-152.*

16. Hall developed individual replacement cost estimates for each of the 16 multifamily buildings and applied adjustments for sprinklers, the lack of package A.C., and current, local, story height, and perimeter multipliers. He also developed replacement cost estimates for the in-building garages, clubhouse, and maintenance building, along with estimates for balconies, patios, clubhouse canopies, maintenance building canopy, asphalt paving, concrete paving, and pool. Including all of Hall's direct and indirect cost estimates for the building and site improvements produced a total replacement cost new of \$46,765,148. *Tr. at 125-128; Ex. R-1 at 153-158.*
17. To estimate depreciation due to physical deterioration, functional obsolescence, and external obsolescence, Hall used the economic age-life method. He relied on MVS's estimates of economic life for the multifamily buildings (50 years), the clubhouse (35 years), and the maintenance building (30 years), as well as for the accessory structures and site improvements. And he concluded all the improvements had an effective age of 3 years as of January 1, 2022. Hall's depreciation estimates for all the building and site improvements produced a total depreciation estimate of \$3,201,083. Hall identified no items of deferred maintenance, and he concluded the subject property was not impacted by either functional or external obsolescence. *Tr. at 128-131; Ex. R-1 at 158-163.*
18. Deducting Hall's depreciation estimate from his replacement cost new estimate resulted in a depreciated replacement cost of \$43,560,000 (rounded). Adding his land value conclusion of \$2,060,000 to the depreciated replacement cost produced an indicated value for the subject property of \$45,600,000 (rounded) as of January 1, 2022. *Tr. at 131-132; Ex. R-1 at 163-164.*

b. Hall's Sales Comparison Approach

19. Hall began his sales comparison approach by searching for sales of substitute properties. He looked for multifamily apartment complexes with 200 to 350 units located in the Indianapolis MSA that were built within 10 years of the subject property and that sold between 2016 and January 1, 2022. Hall ultimately selected the following six sales of comparable multifamily properties, which he verified through a combination of confirmations from buyer's and seller's brokers, sales disclosure forms, property record cards, offering memorandums, SEC filings, public records, and media sources:

Property	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Name	Echo Park	Domain at Bennett Farms	Autumn Breeze	Copper Chase at Stones Crossing	Double Creek Flats	LaCabreah Apartments	Canyon Club at Perry Crossing
Location	Hendricks Co.	Boone Co.	Hamilton Co.	Johnson Co.	Hendricks Co.	Hendricks Co.	Hendricks Co.
Year Built	2018/2019	2012	2009	2009	2016	2015	2012
# of Units	274	219	280	296	240	240	206
Sale Date		Dec. 2020	Mar. 2020	Jun. 2019	May 2018	Jun. 2017	Jun. 2016
Sale Price		\$40,500,000	\$43,000,000	\$39,500,000	\$31,500,000	\$28,000,000	\$24,000,000
Sale Price/Unit		\$184,932	\$153,571	\$133,446	\$131,250	\$116,667	\$116,505

Tr. at 135-137, 143-145; Ex. R-1 at 165-168; Ex. R-2 at 122-133.

20. Hall highlighted several similarities between the subject property and his comparable sales including built-in garages (the exception being Sale 5, which has detached garages), a unit mix consisting of one-, two-, and three-bedroom floorplans, unit amenities such as patios, balconies, decks, dishwashers, ranges, washers and dryers, refrigerators, and microwaves, and community amenities such as a clubhouse, swimming pool, fitness center, dog park, and barbecue grill. He also noted that Sale 6 is located immediately adjacent to the subject property. *Tr. at 142-149; Ex. R-1 at 24; Ex. R-2 at 122-133.*

21. Hall considered adjusting the comparable sales to account for material differences that affect value using 11 specific factors. He concluded that no adjustments were necessary for property rights, financing terms, conditions of sale, expenditures after sale, or construction quality. However, he applied adjustments for market conditions, location, access/exposure, average unit size, unit features/project amenities, and effective age/condition:
- Market conditions - Hall applied market conditions adjustments to all six of his comparable sales because the market for multifamily properties in the area was strengthening during the five- to six-year period before the effective date, with declining capitalization rates and increasing rental rates and sales prices. He placed the primary weight on the trends in market sale prices and applied annual growth rates of 4% and 8% to trend prices up to January 1, 2020, and January 1, 2022, respectively, resulting in market conditions adjustments of 8% to 30%. *Tr. at 151-152; Ex. R-1 at 171-172.*
 - Location – Hall compared the subject property and the comparable sales in terms of median household income, population density, population growth, and supporting and complementary uses. After totaling his qualitative adjustments (with each (-) resulting in a -5% adjustment), he applied location adjustments ranging from 0 to -10%. *Tr. at 152-154; Ex. R-1 at 172.*
 - Access/exposure – Hall considered qualitative adjustments for proximity to highway/commercial thoroughfare, and for accessibility. Because Sale 5 was located further from a major highway, it received a +5% adjustment, but he concluded the remaining comparable sales had access/exposure that was equivalent to the subject property. *Tr. at 155; Ex. R-1 at 173.*
 - Average unit size – Hall compared the subject property's average unit size to the those of his comparable sales. Because tenants are willing to pay more for larger apartments and Sale 3's average unit size was bigger than the subject property's, Hall applied a -5% adjustment. However, he considered the other

five comparable sales to be similar enough to the subject property that they did not require adjustment. *Tr. at 155-156; Ex. R-1 at 173.*

- Unit features/project amenities – Hall performed a simple comparative analysis of the unit features and project amenities. He did not identify any differences in unit features across the properties, and most of them also shared similar project amenities. Sale 5, however, has detached garages instead of built-in garages and lacks a barbecue grill/picnic area and a dog park, which Hall considered slightly inferior to the subject property. He therefore made a +5% adjustment to Sale 5. *Tr. at 156-157; Ex. R-1 at 174.*
- Effective age/condition – Hall applied adjustments of 1% for each year of difference between the effective ages of his comparable sales and his estimate of the subject property's effective age (3 years), resulting in adjustments ranging from -1% to +8%. *Tr. at 157-158; Ex. R-1 at 174-175.*

22. After adjustment, Hall's comparable sales had prices ranging from \$152,742/unit to \$189,740/unit and an average price of \$164,747/unit, which he reconciled to an indicated value of \$165,000/unit. Hall noted that his comparable sales bracket the subject property in terms of property size (number of units), site size (acres), average unit size, age, unit features, project amenities, median household income, population density, population growth, and development density (units per acre). Because they bracket the subject property, he calculated the mean indicator for his data set after adjusting only for market conditions as a test of reasonableness. Hall noted that the mean indicator of \$165,360/unit was very similar to his concluded value of \$165,000/unit. *Tr. at 158-161; Ex. R-1 at 176-178.*

23. Because his comparable sales sold with personal property in place (appliances, clubhouse furniture, fitness equipment, etc.), Hall estimated the value of personal property in order to deduct it from his value conclusion using two different methodologies—a cost approach and comparable sales. Hall determined the contributory value of personal property to be \$4,015/unit using the cost approach and \$3,000/unit using comparable

sales, which he reconciled to a value of \$3,500/unit. Multiplying that per unit value by the subject property's 274 units produced a personal property adjustment of \$959,000. *Tr. at 161-164; Ex. R-1 at 178-180.*

24. Applying Hall's indicated value of \$165,000/unit to the subject property's 274 units produced an indicated value of \$45,210,000. And after subtracting his personal property adjustment of \$959,000, Hall ultimately concluded that the subject property's retrospective market value-in-use was \$44,300,000 (rounded) as of January 1, 2022. *Tr. at 164; Ex. R-1 at 178.*

c. Hall's Income Capitalization Approach

25. Hall used the direct capitalization method to develop an income capitalization approach. He started the approach by searching for comparable rents from multifamily apartments with between 200 and 350 units in Hendricks County that were built after 2014. And he selected survey data covering rents during the 2020 to 2022 timeframe. Hall selected five rent comparables from Hendricks County, all of which had similar amenities to the subject property. He considered adjustments for utilities, unit size, market conditions, location, access/exposure, construction quality, unit features/project amenities, attached garages, and effective age/condition. Hall developed a rental adjustment grid and a concluded market rent for each of the subject property's 13 unit types/floor plans. Based on the weighted average of all the unit types, he concluded to a market rent of \$1,429/unit, which was within the range of market asking rents that CoStar reported for the Indianapolis MSA and Hendricks County. His concluded market rent produced a potential gross rent for the subject property's 274 units of \$4,699,800. *Tr. at 175-185; Ex. R-1 at 183-208.*
26. Hall applied an 8% deduction for vacancy and collection loss after reviewing market surveys for the Indianapolis MSA and Hendricks County. He also included a 1% deduction for rent concessions. Additionally, his review of data from four local comparables led Hall to project other income for the subject property to be equivalent to

10% of its potential gross rent. Applying his adjustments resulted in an effective gross income estimate for the subject property of \$4,746,798. *Tr. at 188, 191-192; Ex. R-1 at 210-212.*

27. Next, Hall projected expenses for the subject property using data from comparable properties and the subject property's historical expenses. He developed expense estimates for insurance, utilities, repairs/maintenance, payroll/benefits, advertising and marketing, general/administrative, management, and replacement reserves. Excluding property taxes, which Hall elected to account for by loading his capitalization rate, he projected the subject property's total operating expenses to be \$1,333,860. Hall then deducted his total operating expense projection from his effective gross income estimate, resulting in stabilized net operating income ("NOI") for the subject property of \$3,412,938. *Tr. at 194-200; Ex. R-1 at 213-220.*
28. To select a capitalization rate, Hall reviewed rates derived from comparable sales, two CoStar Analytic Surveys, and multiple investor surveys. He also developed the band of investment method. Hall's analysis produced a range of rates from 4.40% to 6.54% and an average rate of 5.19%, which he reconciled to a concluded rate of 5.50%. He then loaded that rate with 1.66% to account for property taxes, resulting in a loaded capitalization rate of 7.16%. He based the tax load on the subject property's 2021 pay 2022 taxes since the 2022 taxes are the subject of the appeal, which he concluded made them unreliable. *Tr. at 203-208; Ex. R-1 at 216, 221-224.*
29. To arrive at a value, Hall capitalized his NOI estimate of \$3,412,938 using his loaded capitalization rate of 7.16%, producing an indicated value of \$47,666,733. As in his sales comparison approach, he then subtracted \$959,000 to remove the contributory value of personal property, resulting in a value indication for the subject property of \$46,700,000 (rounded) as of January 1, 2022. *Tr. at 208-210; Ex. R-1 at 225.*

d. Hall's Reconciliation

30. Hall considered all three valuation approaches to be applicable. However, in accordance with I.C. § 6-1.1-4-39(a), Hall reconciled his three valuation approaches by concluding to the value produced by his sales comparison approach because it provides the lowest valuation indicated by the three approaches. He therefore concluded that the subject property's retrospective market value-in-use was \$44,300,000 as of January 1, 2022. *Tr. at 215-216; Ex. R-1 at 226-228.*
31. As explained in more detail below, we find Hall's valuation opinion for 2022 to be the lowest reliable valuation determined by applying each of the three standard valuation approaches. Hall is a highly qualified appraiser with significant experience in appraising multifamily apartment complexes like the subject property. He certified that he complied with USPAP, and his analyses comported with generally accepted appraisal principles. Hall also complied with I.C. § 6-1.1-4-39(a) by developing all three standard approaches (the cost, sales comparison, and income capitalization approaches) and by concluding to the lowest valuation they produced. Further, in reaching his reconciled opinion of value, which he developed using the sales comparison approach, Hall generally relied on comparable properties that were appropriate substitutes for the subject property, and he supported his adjustments to those comparable sales with relevant market data.

2. Becker's Appraisal

32. Echo Park offered an appraisal report from Robert Becker, MAI, SRA, AI-GRS, ASA, President of R.D. Becker Valuation, LLC. Becker has been an appraiser since 2004, and he is a Certified General Real Estate Appraiser in Indiana, Illinois, Missouri, and Kansas. He has a bachelor's degree in business finance from Eastern Illinois University. Becker holds the MAI, SRA, and AI-GRS designations from the Appraisal Institute, the ASA designation from the American Society of Appraisers, and he is an instructor for the Illinois Property Assessment Institute. Much of the initial part of his career focused on

multifamily residential properties and he has completed somewhere between 100 and 300 multifamily appraisal assignments. *Tr. at 341-344; Ex. P-1 at 110-113.*

33. Becker performed an interior and exterior inspection of the subject property on August 29, 2024. He developed all three traditional approaches to value—the cost, sales comparison, and income capitalization approaches. His appraisal report estimates the retrospective value of the subject property’s fee simple estate as of January 1, 2022, and he certified that he prepared his appraisal report in conformity with USPAP. *Tr. at 344, 347-348; Ex. P-1 at 2, 14-16, 86-88.*

a. Becker’s Cost Approach

34. Becker started his cost approach by developing a sales comparison approach to value the subject property’s land. His search for similar land sales focused on their highest and best use, zoning, proximity to the subject, size, and date of sale. Becker selected three land sales from Hendricks County, but he acknowledged that they were not the greatest sales. Land Sale 1 (Apex at Perry Crossing) was the only comparable that had been developed into a multifamily apartment property by the January 1, 2022 assessment date. But it was a sale between two related entities that Felix Shalit had an ownership interest in, and it sold on February 28, 2022—about two months after the relevant assessment date. Land Sale 2 (Sila Acquisitions, LLC) had a proposed use of Industrial/Retail, and like Land Sale 1, Felix Shalit also had an ownership interest in both the buyer and seller. And Land Sale 3 (LifeNet Health), which was zoned for industrial use and surrounded by industrial buildings, was also a sale between related parties. Additionally, Land Sales 2 and 3 were still vacant as of 2024. *Tr. at 360-362, 447-452; Ex. P-1 at 51-54; Ex. R-11 at 2-6, 8-9, 11-12; Ex. R-12; Ex. R-13.*
35. The only adjustment Becker applied to his land sales was a 15% per year market conditions adjustment, which he claimed to base on paired sales of Land Sales 1 and 3 without providing any further explanation. After adjustment, his land sales ranged in price from \$1.57/SF to \$3.11/SF, and had an average price of \$2.56/SF. He placed the

most weight on Land Sales 2 and 3 and reconciled to \$2.75/SF. Multiplying the subject property's 1,006,367 square feet of land by his indicated value of \$2.75/SF produced an indicated value of \$2,800,000 (rounded). *Tr. at 362-363, 451-452; Ex. P-1 at 54.*

36. Becker used MVS to estimate the replacement cost new of the improvements. He selected cost data for Class D, Average, Masonry Veneer for use in valuing the apartments, garages, clubhouse, and craft room (maintenance building). Becker explained that Class D simply signifies that the structure is wood frame construction, and he chose the masonry veneer classification because he estimated that more than 50% of each apartment building is masonry veneer. And with respect to his selection of an average quality rating, Becker explained that many of the interior and exterior components were very common in a lot of apartment buildings and residential developments. *Tr. at 372-379; Ex. P-1 at 55-56.*
37. After selecting base costs from MVS, Becker added a \$2.02 adjustment for sprinklers and applied multipliers for number of stories, height, floor area, current cost, and local area. He also included direct costs for the porches and patios associated with the apartment buildings. Becker explained that MVS base costs include some indirect costs such as professional fees, construction financing, site preparation, and contractor's overhead/contingency. While he acknowledged that MVS does not capture all indirect costs, after reviewing the nine categories of indirect costs that MVS does not include, Becker concluded that none were applicable to the subject property. Accordingly, he did not include any additional indirect costs in his analysis. In his report, Becker claimed to include entrepreneurial profit in his value indication, but he did not make an adjustment for it. And during his testimony, he stated it was not necessary to account for it because apartment properties are not constructed on a speculative basis and the incentive for the investor or developer constructing the property is the cash flow over the holding period.⁶

⁶ While Shalit testified that a developer's profit from selling a property for \$10 million more than the total cost of construction could be as little as \$1, we note he also testified that a developer might be able to take a 10% ownership stake in a project as sweat equity to reward a developer for his time. *Tr. at 639-643.*

Becker concluded to a replacement cost new for the building and site improvements of \$30,240,796 and \$906,609, respectively. However, he admitted that in his site improvement calculations, he only accounted for about half of the asphalt pavement and failed to include costs associated with the subject property's swimming pool. *Tr. at 379-384, 390-394, 400, 548-549; Ex. P-1 at 49, 55-57.*

38. Becker used the age/life method to estimate physical depreciation. He concluded that the buildings had a blended effective age of 4 years because most of the buildings were completed in 2018. However, he mistakenly used an estimated economic life of 45 years when calculating depreciation for the building improvements instead of the 50-year life MVS recommends for Class D properties. Becker concluded that the improvements were not impacted by external obsolescence, but he included a 2% adjustment for incurable functional obsolescence because of a design flaw present in two of the apartment buildings. For the site improvements, Becker relied on an effective age of 4 years and an estimated economic life of 20 years and applied 20% physical depreciation. *Tr. at 395-399, 401-; Ex. P-1 at 56-58.*
39. After applying Becker's depreciation estimates, the building and site improvements had depreciated replacement costs of \$27,001,671 and \$725,287, respectively, and a combined depreciated replacement cost new of \$27,726,958. Adding his land value conclusion of \$2,800,000 to the depreciated replacement cost produced an indicated value for the subject property of \$30,500,000 (rounded) as of January 1, 2022. *Tr. at 401-402; Ex. P-1 at 58.*

b. Becker's Sales Comparison Approach

40. For his sales comparison approach⁷, Becker used price per bedroom as the unit of comparison. He selected the following four sales due to their similarity in physical,

⁷ We note that Echo Park did not provide any direct testimony from Becker regarding his sales comparison approach.

locational, and qualitative attributes, with emphasis on location and similarly positioned properties:

Property	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Name	Echo Park	Alinium at Zionsville	Solana at the Crossing	Linden Square	The Domain at Bennet Farms
Location	Hendricks Co.	Boone Co.	Marion Co.	Hendricks Co.	Boone Co.
Year Built/Ren.	2018/2019	2014	2009/2012	2002	2011
# of Bedrooms	472	468	603	540	348
Sale Date		Dec. 2021	Oct. 2020	Oct. 2021	Dec. 2020
Sale Price		\$77,500,000	\$63,250,000	\$50,000,000	\$40,500,000
Sale Price/Bedroom		\$165,598	\$104,892	\$92,593	\$116,379

Tr. at 478; Ex. P-1 at 59-60.

41. Becker considered adjusting for property rights, financing, sale conditions, expenditures after sale, and market conditions. He also considered quantitative adjustments for size, age, site and parking ratios, access, exposure, quality and condition. However, Becker ultimately concluded that only two adjustments were necessary because his four sales were similar to the subject property overall. Becker applied an expenditures after sale adjustment to Sale 4 because it included \$1,325,000 in personal property, but he made no other adjustments for personal property. He also applied a 20% appeal adjustment to Sale 2 due to its superior appeal, but he admitted that the adjustment was subjective in nature, and he offered no data to support it. *Tr. at 484-491; Ex. P-1 at 59-60, 62-63.*
42. After adjustment, Becker's comparable sales had prices ranging from \$83,914/bedroom to \$165,598/bedroom, which he reconciled to an indicated value of \$95,000/bedroom. Applying his indicated value of \$95,000/bedroom to the subject property's 472 bedrooms produced an indicated value of \$44,800,000 as of January 1, 2022. *Ex. P-1 at 63-64.*

c. Becker's Income Capitalization Approach

43. Becker relied on the direct capitalization method to develop his income capitalization approach. He started the approach by reporting rent roll data on the leases in place at the subject property as of January 2022. He then conducted a rent survey to determine market rents. Becker focused on finding similar properties with attached garages. He selected five rent comparables for use in his one-bedroom market rent analysis, five comparables for his two-bedroom market rent analysis, and four comparables for his three-bedroom market rent analysis. Because the rental rates in his survey were from 2024, he claimed to have reduced them by 10% to represent the market rents as of January 1, 2022, but he offered no data to support the 10% adjustment. Nor is there anything in his report demonstrating that he actually applied the adjustment. Indeed, the unadjusted market rent ranges and the adjusted market rent ranges he reported in his one-, two-, and three-bedroom market rent analyses are identical, indicating that he made no adjustments to his market rents. *Tr. at 403-407, 493-495; Ex. P-1 at 65-77.*
44. Becker's market rent analyses indicated market rent ranges of \$1.40/SF to \$2.02/SF for one-bedroom units, \$1.23/SF to \$1.56/SF for two-bedroom units, and \$1.09/SF to \$1.86/SF for three-bedroom units. [REDACTED]
- [REDACTED]
- [REDACTED] Becker then calculated the subject property's potential gross revenue by multiplying the sum of his individual market rent conclusions by his estimation of the subject property's net rentable area. However, the sum of his individual market rent conclusions⁸ (\$19.07/SF) does not match the market rent he reported (\$18.86/SF). And using \$19.07/SF produces potential gross revenue of \$5,290,552 when multiplied by 277,428 SF of net rentable area, a difference of \$56,954 compared to the indicated potential gross revenue of \$5,233,598 Becker

⁸ Becker reported the following market rent conclusions:

One Bedroom Units: \$1.58/SF, \$1.72/SF, \$1.75/SF, and \$1.55/SF

Two Bedroom Units: \$1.54/SF, \$1.24/SF, \$1.25/SF, \$1.53/SF, \$1.43/SF, \$1.38/SF, and \$1.26/SF

Three Bedroom Units: \$1.39/SF and \$1.45/SF

Ex. P-1 at 73, 75, 77.

calculated using a market rent of \$18.86/SF. Becker estimated vacancy and credit loss to be 9%, with 6% attributed to vacancy, 1% to concessions, and 2% to bad debt.

Subtracting his estimated vacancy and credit loss from his indicated potential gross revenue resulted in an effective gross revenue estimate for the subject property of \$4,762,574. *Tr. at 408-409, 411-414, 422; Ex. P-1 at 65-77.*

45. To estimate expenses, Becker reviewed the subject property's actual operating expenses and five expense comparables. Two of his expense comparables were located in Illinois, one had expense data from 2020 and the remaining four had expense data from 2022, and two had their expenses lumped together and reported as "Unclassified Expense." The operating expense for his five expense comparables averaged 28% of effective gross revenue, and the subject property's actual expenses in 2021 [REDACTED]. [REDACTED] However, Becker ultimately concluded to a total operating expense of 33% of the subject property's effective gross revenue, or \$1,571,650, [REDACTED]. [REDACTED] He claimed that 33% was in line with market norms, which he asserted ranged from 30 to 35%, but he did not provide any market data to support that range. Deducting Becker's total operating expense projection from his effective gross revenue estimate produced total NOI for the subject property of \$3,190,925. *Tr. at 415-419; Ex. P-1 at 78-80.*

46. To develop an appropriate capitalization rate, Becker reviewed rates reported by CoStar for downtown Plainfield and Indianapolis, a national investor survey from PwC, and a RealtyRates.com survey. He also developed a simple band of investment calculation. His capitalization rate indicators had a range of average rates from 4.42% to 7.94%, which he reconciled to a concluded rate of 6.0%. He then loaded that rate with 2.02% to account for property taxes, resulting in a loaded capitalization rate of 8.02%. He based the tax load "on the reported taxes paid for the most recent tax year and the most recent assessment." (i.e., 2022 pay 2023 assessment and taxes). To reach a final value, Becker capitalized his NOI estimate of \$3,190,925 using his loaded capitalization rate of 8.02%, producing an indicated value of \$39,800,000 (rounded) as of January 1, 2022. Becker

admitted that the subject property and his rent comparables contain personal property and further acknowledged that Indiana values personal property separately from real property. However, he did not adjust his indicated value to account for personal property because the market does not allocate any value to personal property. *Tr. at 419-423, 485-488; Ex. P-1 at 38, 80-85.*

d. Becker's Reconciliation

47. Becker considered all three valuation approaches to be appropriate for this appraisal assignment, and he explained that the income capitalization approach would typically represent the best indication of value given that the subject property is an income-producing property. However, in accordance with I.C. § 6-1.1-4-39(a), Becker reconciled his three valuation approaches by concluding to the value produced by his cost approach because it supports the lowest value of the three. Accordingly, he concluded that the subject property's retrospective value was \$30,500,000 as of January 1, 2022. *Tr. at 424; Ex. P-1 at 86-87.*
48. We do not find Becker's valuation opinion for 2022 to be reliable. He is a highly qualified appraiser with experience appraising multifamily apartment complexes, and he certified that he complied with USPAP. He also complied with I.C. § 6-1.1-4-39(a) by developing all three standard approaches (the cost, sales comparison, and income capitalization approaches) and by concluding to the lowest valuation indicated by his three approaches. As explained in more detail below, however, Becker's approaches suffer from significant issues that undermine their reliability.

CONCLUSIONS OF LAW

A. BURDEN OF PROOF

49. These appeals span a period during which different statutory regimes governed the burden of proof in assessment appeals. *See* Ind. Code. § 6-1.1-15-17.2 (repealed by 2022 Ind. Acts 174, § 32 effective on passage); I.C. § 6-1.1-15-20. Both statutes remove the

normal presumption that an assessment is correct and shift the burden of proof to the assessor in cases where the assessment under appeal represents an increase of more than 5% over the prior year's assessment, as last corrected by an assessing official, stipulated to or settled by the taxpayer and the assessing official, or determined by a reviewing authority. I.C. § 6-1.1-15-17.2 (a)-(b); I.C. § 6-1.1-15-20(a)-(b), (f). And where there is a failure of proof, both statutes require the assessment to revert to the level last determined for the prior year. I.C. § 6-1.1-15-17.2(b); I.C. § 6-1.1-15-20(f). Under the first statute, that reversion occurs where the assessor fails to offer probative evidence of the property's true tax value that "exactly and precisely conclude[s]" to the challenged assessment, and the taxpayer fails to show that its proffered assessment is correct. I.C. § 6-1.1-15-17.2(b); *Southlake Ind., LLC v. Lake Cty. Ass'r* ("Southlake II"), 174 N.E.3d 177, 179-80 (Ind. 2021); *Southlake Ind. LLC v. Lake Cty. Ass'r* ("Southlake III"), 181 N.E.3d 484, 489 (Ind. Tax Ct. 2021). Under the second statute, the reversion is triggered where the totality of the evidence does not suffice to prove the property's true tax value. I.C. § 6-1.1-15-20(f).

50. Echo Park argues that Indiana Code. § 6-1.1-15-17.2 applies to its 2022 assessment appeal because it was still in effect on the January 1, 2022 assessment date. However, the Tax Court recently held that Indiana Code § 6-1.1-15-17.2 applies to appeals that were *filed* before its March 21, 2022, repeal and that remained pending after the repeal, while Indiana Code § 6-1.1-15-20 applies to appeals *filed* after March 21, 2022. *Elkhart Cty. Ass'r v. Lexington Sq., LLC*, 219 N.E.3d 236, 244 (Ind. Tax Ct. 2023); I.C. § 6-1.1-15-20(h). In this case, Echo Park filed its Form 130 and Form 131 petitions for 2022 on May 27, 2022, and February 23, 2024, respectively. Thus, we conclude Indiana Code § 6-1.1-15-20 is the applicable statute.
51. Here, the 2022 assessment of \$42,272,400 is an increase of more than 5% over the previous year's assessment of \$28,900,000, and the Assessor agreed that she therefore has the burden of proof.

B. VALUATION STANDARD

52. The Indiana Board of Tax Review is the trier of fact in property tax appeals, and our charge is to “weigh the evidence and decide the true tax value of the property as compelled by the totality of the probative evidence” before us. I.C. § 6-1.1-15-20(f). Our conclusion of a property's true tax value “may be higher or lower than the assessment or the value proposed by a party or witness.” *Id.* Regardless of which party has the initial burden of proof, either party “may present evidence of the true tax value of the property, seeking to decrease or increase the assessment.” I.C. § 6-1.1-15-20(e).
53. As a threshold issue, we must determine whether the parties have made a prima facie case showing the property’s true tax value. *Wigwam Holdings*, 125 N.E.3d at 7 (holding that the Board’s “statutory duty, as the finder of fact,” is to review “the probative value” of the evidence); *see also Madison Cty. Ass’r v. Sedd Realty*, 125 N.E.3d 676, 680 (Ind. Ct. App. 2019). There are two prongs for making that showing: (1) a party must offer “objectively verifiable, market-based evidence,” and (2) the valuation must comport with generally accepted appraisal principles. *See Piotrowski v. Shelby Cty. Ass’r*, 177 N.E.3d 127, 132 (Ind. Tax Ct. 2021) (citing *Eckerling v. Wayne Twp. Ass’r*, 841 N.E.2d 674, 677-78 (Ind. Tax Ct. 2006)).
54. The first prong may be satisfied with “relevant market data, including data compiled in accordance with generally accepted appraisal principles.” *Howard Cty. Ass’r v. Kokomo Mall*, 14 N.E.3d 895, 899 (Ind. Tax Ct. 2014); 2021 REAL PROPERTY ASSESSMENT MANUAL at 2-3. As for the second prong, valuation evidence is considered consistent with “generally accepted appraisal principles” if it conforms to practices “recognized in the appraisal community as authoritative.” *Meijer Stores v. Boone Cty. Ass’r*, 162 N.E.3d 26, 32 (Ind. Tax Ct. 2020) (citing the definition in 50 IAC 30-2-4). But “[c]onclusory statements” do not suffice. *Long v. Wayne Twp. Assessor*, 821 N.E.2d 466, 470 (Ind. Tax Ct. 2005); *Marinov v. Tippecanoe Cty. Ass’r*, 119 N.E.3d 1152, 1156 (Ind. Tax Ct. 2019) (holding that arguments that “another property is ‘similar’ or ‘comparable’ simply

because it is on the same street are nothing more than conclusions [and] do not constitute probative evidence”).

55. A USPAP-compliant appraisal generally will satisfy both prongs. Indeed, the Tax Court has long held that “one of the most effective methods for a taxpayer to rebut the presumption of correctness afforded to an assessment made pursuant to Indiana’s assessing guidelines is through the presentation of a market value-in-use appraisal, completed in conformance with USPAP.” *Meijer Stores v. Smith*, 926 N.E.2d 1134, 1139 (Ind. Tax Ct. 2010). An appraisal, however, is not reliable if there are “wide-ranging disparities” between the appraisal and “the valuation standards and assumptions underlying Indiana’s assessment guidelines.” *Wigwam Holdings*, 125 N.E.3d at 12. Likewise, an appraiser’s opinion “must be based upon facts.” *Marion Cty. Ass’r v. Wash. Square Mall*, 46 N.E.3d 1, 12 (Ind. Tax Ct. 2015).

56. The Indiana Legislature has enacted a specific statute for the valuation of rental properties with four or more units like the subject property. Indiana Code § 6-1.1-4-39(a) provides as follows:

(a) For assessment dates after February 28, 2005...the true tax value of real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more and that has more than four (4) rental units is the lowest valuation determined by applying each of the following appraisal approaches:

- (1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation together with estimates of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences.
- (2) Sales comparison approach, using data for generally comparable property.
- (3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.

I.C. § 6-1.1-4-39(a). The Tax Court has not addressed how this statute interplays with the Board’s role as factfinder. We interpret this statute as a requirement that the evidence

submitted by the taxpayer or the assessor should include all three of the standard appraisal approaches. Likewise, the statute mandates that the lowest valuation reached among the three approaches reflects the property's true tax value. However, the statute does not create a race to the bottom. As in all property tax appeals, evidence of true tax value must be reliable and probative. And if an appraiser's approach is unreliable or "not probative," the Board "should not then accept those parts of the appraisal to value the property." *Marion Cnty. Assessor v. Wash. Square Mall*, 46 N.E.3d 1, 14 (Ind. Tax Ct. 2015). Accordingly, our role is to first determine, under a preponderance of evidence, the credibility and reliability of each of the valuation approaches in evidence and then select the lowest valuation among the approaches that are found to be credible and reliable.

B. VALUATION EVIDENCE

1. The Assessor's Evidence

57. As discussed above, the Assessor bears the burden of proof. She submitted an appraisal from Hall, a licensed and highly qualified expert who certified that he completed his appraisal report and formed his valuation opinion in conformity with USPAP. Hall applied the cost, sales comparison, and income capitalization approaches to value, which are generally accepted methodologies in the appraisal profession. In doing so, he broadly relied on market data and used his professional expertise in analyzing that data to reach his opinion of value in each approach. Hall also complied with the valuation standards and assumptions underlying Indiana's true tax value system and I.C. § 6-1.1-4-39(a) by estimating the market value-in-use of the subject property's fee-simple interest using the three standard valuation approaches and reconciling to the lowest valuation they produced. And particularly in reaching an opinion of value using the sales comparison approach (an approach Echo Park did not meaningfully contest), Hall relied on comparable properties that were appropriate substitutes for the subject property and supported his adjustments to those comparable sales with relevant market data. While Echo Park cross-examined Hall on a number of assumptions and decisions, it did not persuade us Hall's findings were unreliable. Moreover, Echo Park's brief does not even

attempt to persuade us that Hall's appraisals were insufficient to meet the Assessor's burden. Rather, Echo Park cites portions of Hall's analysis it would like to substitute for Becker's. We therefore find Hall's opinion of value sufficient to make a prima facie case that the subject property's true tax value for the 2022 assessment year should be \$44,300,000.

2. Echo Park's Evidence

58. Echo Park submitted an appraisal from Becker, another licensed and highly qualified expert who certified that he complied with USPAP when developing his report. Like Hall, he also complied with I.C. § 6-1.1-4-39(a) by developing all three standard approaches and concluding to the lowest valuation indicated by his three approaches. However, Becker's reconciled opinion of value, which he developed using the cost approach, has significant issues that make it unreliable. His income capitalization approach likewise suffers from several substantial errors and unsupported decisions that render it unreliable as well. And Becker's sales comparison approach produced a value conclusion \$500,000 higher than Hall's value conclusion, making a review of it unnecessary because it does not lead to a lower valuation than the Assessor's evidence.

a. Becker's Cost Approach

59. We start with Becker's cost approach. The fundamental shortcoming in his cost approach is his reliance on three land sales that were not arm's-length transactions to develop his land valuation. For a sale to reflect market value, it must be reflective of the price it would sell for after exposure to a competitive and open market in which the buyer and seller are typically motivated. Here, the fact that all three of Becker's land sales were sales between related entities makes his land value conclusion an unreliable indicator of market value because there is no indication that they were exposed to the market or that both parties were seeking to maximize their own self-interest. And we are particularly concerned by his decision to rely on Land Sales 1 and 2 since verifying whether they were arm's-length transactions should have been a simple matter given Felix Shalit's

involvement in this case. We also question the validity of the 15% per year market conditions adjustments he applied to his land sales to relate their sales prices to the valuation date. Becker claimed to have extracted the 15% rate from paired sales of Land Sales 1 and 3, but he failed to provide any details about exactly which pairings he relied on leaving us with the impression that at least one sale in each pairing was from the same related party transactions he was attempting to adjust.

60. In addition to the issues with his land valuation, Becker failed to include an adjustment for entrepreneurial incentive or profit when developing his estimate of the subject property's replacement cost. As the Assessor pointed out, THE APPRAISAL OF REAL ESTATE specifically provides that the cost approach should include an appropriate entrepreneurial incentive or anticipated profit and directs appraisers to estimate it from an analysis of the market and add it to the estimated direct and indirect costs to arrive at the total cost of the improvements. *See Ex. R-6 at 532, 534.* Although Becker claimed to include entrepreneurial profit in his value indication, he did not adjust for it in his report. And we find no merit to his subsequent claim that accounting for it was unnecessary. Indeed, Becker's explanation that the incentive for the investor or developer constructing the property is the cash flow over the holding period together with Shalit's testimony that a developer might be able to take a 10% ownership stake in a project as sweat equity to reward a developer for his time both demonstrate the need for such an adjustment.
61. Becker also admittedly failed to account for about half of the subject property's asphalt pavement or any of the costs associated with constructing its swimming pool when developing his site improvement costs. Additionally, Becker's mistaken use of an estimated economic life of 45 years for the building improvements instead of the 50-year life MVS recommends for Class D properties led him to overestimate depreciation. Given the significant issues we have identified, we conclude that Becker's cost approach is not a reliable indicator of the subject property's value.

b. Becker's Income Capitalization Approach

62. Becker's income capitalization approach is likewise unreliable. Because the rental rates in his survey were from 2024, he claimed to have adjusted his market rents by 10% to trend them to January 1, 2022. But he did not actually apply the unexplained 10% adjustment in his valuation. And despite the many differences between his rent comparables and the subject property, Becker ultimately made no adjustments to his market rents [REDACTED]

Thus, we are not convinced that the rental rates he used to calculate potential gross revenue are truly reflective of market rents. Furthermore, his individual market rent conclusions do not add up to the market rent he reported and used to calculate potential gross revenue. And using the sum of his individual market rent conclusions produces potential gross revenue \$56,954 higher than the potential gross revenue Becker calculated using the market rent he selected. Consequently, we have no confidence in Becker's potential gross revenue estimate, which we note then served as the starting point for his calculation of vacancy and collection loss, and ultimately affected his estimates of effective gross revenue, operating expense, NOI, and his final value conclusion under the income capitalization approach.

63. We also find that Becker lacked sufficient market support for his expense estimates. Beyond the fact that his operating expense deduction was derived from his questionable estimate of effective gross revenue, Becker's five expense comparables were not particularly relevant to the subject property's market. Two of the comparables were in Illinois, the expense data for four of the comparables was from after the valuation date, and Becker did not provide an itemized breakdown for two of the comparables' expenses leaving us to guess whether they included property tax expenses. Further, Becker concluded to total operating expenses of 33% for the subject property even though the average operating expense for his five expense comparables was 28% and the subject property's actual expenses in 2021 [REDACTED] He also failed to provide any market data to support his claim that market norms for operating expenses ranged from 30 to 35%.

64. Finally, we note that unlike Hall, Becker did not even attempt to remove the contributory value of personal property from his income capitalization approach. As the Assessor emphasized, USPAP Standards Rule 1-4 states that “when personal property, trade fixtures, or intangible assets are included in the appraisal, the appraiser must analyze the effect on value of such non-real property assets.” *See Ex. R-22 at 20-21*. In this case, Becker admitted that both the subject property and his rent comparables have personal property, and that Indiana values personal property separately from real property. We also note that he specifically adjusted one of his comparable sales in the sales comparison approach for personal property. Thus, we find no merit to his bare assertion that the market does not allocate any value to personal property and conclude that his failure to account for it did not comply with USPAP. As outlined above, Becker made several substantial errors, lacked market support for many of his decisions, and strayed from Indiana’s valuation standards and USPAP. We therefore conclude that his income capitalization approach is not a reliable indicator of the subject property’s value.

c. Echo Park’s Alternative Valuations

65. Apparently recognizing the weakness of its own valuation evidence, Echo Park ultimately elected to abandon Becker’s reconciled valuation opinion of \$30,500,000, which he developed using the cost approach, and did not advocate for us to adopt it or the concluded value from Becker’s income capitalization approach. Instead, Echo Park contends that the lowest valuation determined by applying all three appraisal approaches is \$30,538,949, a value its counsel calculated using parts of Becker’s and Hall’s individual cost approaches. Alternatively, Echo Park asserts that the lowest valuation determined by applying all three appraisal approaches is \$39,062,775, a value its counsel calculated using parts of Becker’s and Hall’s individual income capitalization approaches. *Echo Park’s Post-Hearing Brief at 3, 21*.
66. In its post-hearing brief, in support of its alternative valuations, Echo Park notes that “[t]he totality of the probative evidence may compel the Board to determine a value using

components taken from different appraisal reports,” citing to *Southlake Indiana LLC v. Lake Cnty. Assessor*, 135 N.E. 3d 692, 701 (Ind. Tax Ct. 2019), *rev. denied*, for support. This is typically invoked where one unreliable component of the otherwise more credible valuation is replaced by another appraiser’s better-supported evidence of that component, as necessary to reach the most accurate reflection of true tax value. That is not what Echo Park asks us to do here. Echo Park is not merely requesting that we replace one or two shortcomings in Becker’s substantially deficient appraisal by filling in numbers from Hall’s analysis. Rather, Echo Park proposes a wholesale re-shuffling of the two appraisals where the components are selected solely on the criteria of which of the two might result in a lower valuation.

67. As noted above, we do not interpret I.C. § 6-1.1-4-39(a) as a race to the bottom. We do not find, as expressed in the plain meaning of the statute, that true tax value equals the lowest valuation possible under the evidence presented. Rather, as in any appeal before us, we (1) decide whether there is probative evidence to rebut the presumption of correctness (2) weigh the credibility of the competing experts. Unique to this statute, we are expressly directed to determine a value under each of the three appraisal approaches individually and then select the lowest of the three. Our valuation determinations under each approach must still be based on the preponderance of probative, credible, and persuasive evidence.
68. We decline Echo Park’s request to ignore the most credible and persuasive expert opinion and, instead, fabricate a piecemeal valuation for the sole purpose of reaching a lower valuation than either expert reached.

CONCLUSION

69. We find, by a preponderance of evidence, that Hall’s appraisal provides the most reliable valuations under each of the three standard valuation approaches, and we accordingly select the lowest of Hall’s three approaches. We therefore find for the Assessor and order the 2022 assessment changed to reflect Hall’s value conclusion of \$44,300,000. And in

accordance with the parties' stipulation agreement, we order the 2023 assessment changed to \$44,964,500.

DATE: SEPT. 5, 2025


Chairman, Indiana Board of Tax Review


Commissioner, Indiana Board of Tax Review

Commissioner, Indiana Board of Tax Review

- APPEAL RIGHTS -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5 and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required not later than forty-five (45) days of the date of this notice.

The Indiana Code is available on the Internet at <<http://www.in.gov/legislative/ic/code>>. The Indiana Tax Court's rules are available at <<http://www.in.gov/judiciary/rules/tax/index.html>>.