

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
 100 NORTH SENATE AVENUE N1058(B)
 INDIANAPOLIS, IN 46204
 PHONE (317) 232-3777
 FAX (317) 974-1629

Ratio Study Narrative 2024

| General Information | |
|---------------------|----------|
| County Name | Delaware |

| Person Performing Ratio Study | | | |
|-------------------------------|--------------|----------------------------|-----------------------------|
| Name | Phone Number | Email | Vendor Name (if applicable) |
| Christopher Ward | 765-747-0092 | Chris@pscassociatesllc.com | PSC Associates, LLC. |
| | | | |
| | | | |

| | |
|---|---|
| Sales Window | 1/1/2023 to 12/31/2023 |
| 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

Please provide a list of townships and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in market.

****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****

Cyclical Reassessment

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

Center township, Liberty township, Delaware township and Harrison township.

Land Order

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, the land order will be completed in the final phase of reassessment

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.

Delaware County uses three methods in determining the effective age of a dwelling or any other improvement on a parcel. We have listed these steps and examples of each below.

Methodology for Determining the Effective Age of an Improvement

1. The basic method used for an improvement that has been completely remodeled is:

1. $A - B / 2 + B = \text{New Effective Age}$

Where: A= Remodel year

B= Original or “actual” documented construction year

Example: Dwelling constructed in 1983 is remodeled (complete interior/exterior) in 2023.

In this case, we determine the effective age by taking 2023 and subtracting 1983. This calculation equals 40. 40 divided by 2=20. 1. The Eff Age would then be 2003. This adjustment is required because the functional utility of the property has been increased due to the remodel or renovation.

2. Here is a secondary method that we use when the original structure has had square footage added to the existing improvement. This method requires the calculation of the “average” or “weighted” age. Using the following formula, we are able to calculate the average age of the structure.

a. Determine the percentage by taking the Original SF divided by the Total Square Footage

b. Multiply the original construction year by the percentage

c. For the addition, determine the percentage by taking the Additional SF divided by the total square footage.

d. Multiply the additions construction year by the percentage

e. Determine the new Actual “average” Age by adding the two numbers together, rounding to the nearest whole number. (In the example below the total equals 1996

| <u>Structure</u> | <u>SF</u> | <u>Total SF</u> | <u>%</u> | <u>Year</u> | |
|------------------|-----------|-----------------|----------|-------------|--------|
| Original | 2600 | 4000 | 65% | 1970 | 1280.5 |
| Addition | 1400 | 4000 | 35% | 2023 | 708.05 |

Effective Age: 1988.55 rounded to 1989

3. The third used method in determining the effective age of an improvement is based on actual appraisal and/or marketing data. Because of the source of the data, this is the most subjective evaluation of remaining economic life and the corresponding change to effective age. Sometimes the data used for determining the effective age is not verifiable but rather, is determined by the appraiser's subjective view of property characteristics that are needed to reach a pre-determined

Scope of Work. In cases like this, the effective age that was determined by the appraiser must be used to arrive at the new value.

Example: Kitchen is usable; however, the seller believes in order to sell the property they need to replace the kitchen cabinets. If the appraiser believes the condition of the dwelling had any determination based on how the kitchen looked, the appraiser may increase condition from "F" to "AV."

To ensure this is applied consistently throughout the county, the Standard Procedures for Review, in Delaware County ensures that each time a data collector steps onto a parcel, regardless of the initial reason, be it New Construction, Removal, Notice by Tax Payer, etc., everything is subject to review. By constantly reviewing data from Listings, Permits, Reassessments or Reviews of Opportunity (driving to one parcel and passing another and noticing something may or may have not changed), Tax Sale and Foreclosure Parcels, we can solidify our data to ensure ALL parcels are being treated as they are, not what taxpayers want them to be.

Additionally, if a parcel requires a change to the effective age due to remodel or addition of living area, this is not something that we can blanket apply to the entire neighborhood. We cannot assume, based on 2 or 3 sales in a neighborhood that had significant interior updates, that the entire neighborhood has made these same significant interior updates. We can only do the best we can with the data available to us. Unfortunately, since we do not do interior inspections of homes, this data is only made available to the Assessor when the property is listed or sold.