

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## Ratio Study Narrative 2024

General Information	
<b>County Name</b>	ORANGE

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
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<b>Sales Window</b>	<p><b>1/1/2023 to 12/31/2023 for Residential Improved in French Lick, Orleans, and Paoli Townships.</b></p> <p><b>1/1/2022 to 12/31/2023 for Residential Improved in the two sets of grouped Residential Improved.</b></p> <p><b>1/1/2021 to 12/31/2023 for Residential Vacant.</b></p> <p><b>1/1/2021 to 12/31/2023 for Commercial Improved in Paoli Township and the grouping that includes Orleans Township.</b></p> <p><b>1/1/2020 to 12/31/2023 for Commercial Improved in French Lick Township</b></p>
<b>If more than one year of sales were used, was a time adjustment applied?</b>	<p><b>If no, please explain why not.</b></p> <p>For <b>Commercial Improved</b> the sales window for French Lick Township was expanded to include sales from January 1, 2020 through December 31, 2023. For Paoli Township and the grouping which includes Orleans Township the sales</p>

window was expanded to include sales from January 1, 2021 through December 31, 2023. There was no measurable change and limited market data to derive a time adjustment.

For **Residential Vacant** the sales window was also expanded to include sales from January 1, 2021 through December 31, 2023. With few sales the data was limited in arriving at a time adjustment. No time adjustment was applied.

**If yes, please explain the method used to calculate the adjustment.**

For **Residential Improved** sales in both grouped sections (Jackson and Greenfield Townships), and the grouping that includes (Northeast, Northwest, Orangeville, Southeast and Stampers Creek Townships) the sales window was expanded to include sales from January 1, 2022 through December 31, 2023.

The 2022 sales for these two townships were time adjusted using an annualized rate of 3 %. The yearly Midwest CPI, through 12/2023 was 3.2%. The US Federal Housing Authority housing index for Indiana in 2023 was 7%, but the Regional Index for the Bloomington area was 3% and Zillow's index for Indiana for 2023 was 5%. The data from the Indiana Realtor Association is showing an increase in the range of 4% for this period.

Orange County is one of the smaller counties in the state and these grouped townships are the smaller townships within the county with real estate markets that lag the rest of the county so a 3 % rate was considered reasonable considering the above data and a limited number of year-over-year sales.

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**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\*\***

**Residential Improved** sales from Northeast, Northwest, Southeast and Stampers Creek Townships have been combined into one grouping. Orangeville would have been included in this group but no usable sales were available. These townships are each away from the incorporated areas of French Lick, Orleans, Paoli and West Baden. The topography and terrain is the same in each of these townships with rolling, heavily wooded hills and valleys. These are very sparsely populated areas with scattered farms and houses which include a high concentration of Amish farms. The real estate market is relatively inactive in these areas. Demand for homes in these areas is similar with comparable homes selling in the same price ranges.

The second grouping of Residential Improved parcels includes Greenfield and Jackson Townships on the southwest corner of the county. A large number of sales in these two townships are to buyers from outside the county. A large part of Patoka Lake is located in Jackson Township and the majority of sales in this township are weekend cabins, recreational sites and summer homes. Greenfield Township contains Wildwood Lake and like Jackson a majority of the sales are for recreational sites, and hunting and fishing cabins, primarily to buyers that reside outside the county.

**Residential Vacant** Sales have been combined into two groupings. French Lick, Jackson and Northwest Townships comprise the first group. These townships are adjacent, all in the same school district and make up the western third of the county. Vacant sales are influenced by proximity to French Lick, West Baden and Patoka Lake. Vacant sales in this area are primarily for recreational type properties with many out of county buyers. All 3 townships are heavily wooded and rolling with little variance between townships. Sites would have similar appeal to buyers in each of the three townships.

The second grouping of residential vacant parcels is comprised of Greenfield, Orleans, and Paoli Townships. The terrain is similar to the western third of the county but there is a higher percentage of agricultural properties here. These townships make up the Orleans and Paoli school districts. Buyers in these areas tend to be more local buyers than non-resident buyers. In prior year Ratio Studies sales from Northeast, Orangeville, Southeast and Stampers Creek Townships have been included with this grouping but no valid sales from those townships were available.

**Commercial Improved** sales from French Lick, and Paoli Townships have their own sales studies and are far more active commercial sales areas than the remainder of the county.

Sales from the smaller townships have been combined with Commercial Improved sales from Orleans Township. The majority of Commercial sales of properties in Orleans Township tend to be under \$100,00. Commercial properties in the smaller townships tend to show the limited demand that is seen in Orleans Township.

### Cyclical Reassessment

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

Phase 2 Review Included Paoli Township and Paoli Town and part of Stampers Creek 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.**

Yes. The Land Order has been uploaded to Teams. The Land Order is reviewed and revised on an annual basis.

## 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.

**Neighborhood anomaly** – While most of Orange County is quite similar in the types of homes throughout, there is one area within the county with far more variance. Greenfield Township has neighborhood 9403-004 which is made up solely of “Wildwood Lake”. This is a rural recreational and hunting development with approximately 500 lots. Some of the lots are occupied year round but many are for weekend or seasonal use. Most of the property owners are from out of the county and there tends to be a fairly large number of lots that sell each year. Some of the sales are open market sales but many are private sales without market exposure. There is no consistent pattern to sales in this area. Adjacent lots with similar amenities and topography may easily sell with variances of 50 to 200% in prices. Because of the abnormal sales patterns, many sales each year are excluded from the ratio study.

Effective Age Application. The county does not have a rigid guideline for effective age changes since each house is different in age, size and design. For example, replacing the roof and siding on a small older home with a new standing seam metal roof and new vinyl siding could have a much greater change to the overall effective age than doing the same to a modern ranch home. The county adjusts effective ages to sold and unsold homes when updates, renovations or additions warrant a change. For unsold properties the changes start with field notes from data collectors and the Assessor being able to compare old photos versus recent photos in the County's CAMA software program.

For sold properties the Assessor has additional data including MLS listing information which is extremely beneficial when interior improvements have been made.

The amount of the effective age change is based upon the degree to which the property has been upgraded or renovated and how much the potential value of the property has changed.