

Ratio Study Narrative 2024

General Information	
County Name	Spencer County

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
Austin Budell	(812) 827-0915	Austin.budell@tylertech.com	Tyler Technologies
Ryan Mickel	(812) 568-1857	Ryan.Mickel@tylertech.com	Tyler Technologies

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.
	N/A
	If yes, please explain the method used to calculate the adjustment.
	N/A

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Groupings
<p>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. **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**</p>
<p>Residential Improved– We grouped Grass and Jackson Townships together. These areas are similar because they have comparable economic factors, are mostly rural un-platted land, and have mostly similar sized houses; they also have few incorporated towns. These townships make up the Central-West of the County. We have also grouped Harrison and Huff Townships together. These areas are similar because they have comparable economic factors, are mostly rural un-platted land, and have mostly similar sized houses, also having few incorporated towns. These townships make up the East-North-East section of the county. Clay, Carter, Luce and Ohio Townships were not grouped with any other townships for the “Improved Residential” portion of the ratio study.</p> <p>Residential Vacant- We grouped Carter, Hammond, Harrison, Huff, Grass, Jackson, Luce, and Ohio Township. These areas are similar because they have comparable economic factors, mostly rural un-platted land, with some small, incorporated towns. This is the entire county aside from Clay Township. Clay Township was not grouped with any other townships for the “Residential Vacant” portion of the study.</p> <p>Commercial/Industrial Improved- There was no study completed due to lack of sales.</p> <p>Commercial/Industrial Vacant- There was no study completed due to lack of sales.</p>

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	1. Clay	1. Several parcels’ depreciation increased, resulting in a loss close to 10% of the study section, notably the below parcel, which was several hundred thousand: 74-05-02-100-005.003-005
	2. Hammond	2. One apartment building’s AV increased. We modeled all 3 approaches to value and selected the lowest. This resulted in a large increase. 74-16-05-403-001.000-010

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	<p>3. Harrison</p> <p>4. Huff</p> <p>5. Ohio</p>	<p>3. 1 parcel entered the study section from being agricultural land: 74-01-31-300-013.001-003</p> <p>4. 1 parcel entered the study section and 1 parcel had new construction: 74-09-10-400-028.000-013 74-06-25-202-021.000-013 Cyclical review was also performed here.</p> <p>5. Ohio Township was reviewed this past year, resulting in substantial changes to properties. The following parcels either had significant changes picked up during review and/or new construction: 74-15-26-201-123.000-018 74-15-26-201-131.000-018 74-15-22-700-007.011-018 74-15-23-200-004.001-017 74-15-22-500-005.000-017 74-15-26-204-039.000-018 74-15-23-303-050.000-018 74-15-26-204-046.001-018 74-15-26-201-133.000-018 74-15-19-100-039.001-017 74-15-26-202-145.000-018 74-15-26-204-012.000-018 74-15-23-304-006.000-018 74-15-23-302-035.001-018 74-15-18-403-003.000-017 74-15-19-100-056.000-017 74-15-26-201-146.000-018 74-15-22-401-074.000-018</p> <p>Additionally, the following parcels entered the study section from a different one: 74-15-08-300-006.000-017 74-15-26-201-020.000-018 74-15-26-201-148.000-018 74-15-23-301-021.000-018 74-15-26-201-145.000-018 74-15-22-404-025.002-018</p>
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Commercial Vacant	<ol style="list-style-type: none"> 1. Carter 2. Clay 3. Huff 4. Ohio 	<ol style="list-style-type: none"> 1. 1 parcel left the study section (new construction) 74-02-08-400-033.002-002 2. 2 parcels entered the study section (splits) 74-05-04-200-001.000-005 74-05-04-200-006.000-005 3. 1 commercial vacant parcel in the township, increased \$300 from applying new land rate. 4. 6 parcels entered the study section through property class changes or demolitions: 74-17-07-100-023.000-017 74-15-23-301-010.000-018 74-15-23-301-011.000-018 74-15-23-301-009.000-018 74-17-30-400-012.000-017 74-17-30-400-010.000-017
Industrial Improved	<ol style="list-style-type: none"> 1. Luce 2. Ohio 	<ol style="list-style-type: none"> 1. 1 parcel experienced a change in physical characteristics: 74-14-21-100-018.000-016 <p>And 1 parcel experienced an increase due to having a portion of its land in agricultural: 74-14-22-500-015.001-016 Its primary use is still industrial.</p> <ol style="list-style-type: none"> 2. The increase is due to updated land and building factors developed as part of

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		<p>cyclical review using historical sale data. Numerous parcels' data were changed during the review process this year, which resulted in a large increase in this study section.</p>
Industrial Vacant	1. Ohio	<p>1. Industrial land rates were reviewed and adjusted for cyclical review. The land rate adjustment was large, but we believe it is warranted based on our historical sales data.</p>
Residential Improved	1. Ohio	<p>1. 10 parcels entered the study section this year (property class changes):</p> <p>74-17-07-100-023.001-017 74-14-36-100-014.000-017 74-15-26-301-001.002-018 74-15-26-204-043.000-018 74-15-22-700-007.018-018 74-15-22-700-007.017-018 74-15-27-101-032.000-018 74-11-33-400-018.000-017 74-17-06-400-024.003-017 74-15-23-304-008.000-018</p>
Residential Vacant	<p>1. Grass</p> <p>2. Huff</p>	<p>1. 3 parcels entered the study section:</p> <p>74-11-15-300-043.000-006 74-11-12-202-003.000-007 74-11-12-200-027.000-007</p> <p>The remaining increase was due to changes made to land rates predicated upon 2023 land sales. The average land increase per parcel in NBHDs 3102 and 3010 (the neighborhoods impacted) was less than \$560.</p> <p>2. 2 parcels entered the study section, but the primary reason for the increase was due to land rate updates applied</p>

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	3. Ohio	<p>during cyclical reassessment based on historical sales.</p> <p>3. 14 parcels entered the study section, but the primary reason for the increase was due to land rate updates applied during cyclical reassessment based on historical sales. The average land increase per parcel was less than \$3,000.</p>
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Cyclical Reassessment

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

In year two of the current cyclical reassessment, we reviewed the following areas:

Residential and Agricultural Review: Huff Township (District 013) and Ohio Township (Districts 017 and 018).

Commercial and Industrial Review: Huff Township (District 013) and Ohio Township (Districts 017 and 018).

All parcels reviewed in year two are noted in the County's Workbook, as provided.

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, however we did adjust land rates for our cyclical review areas and trend land sales as needed during ratio study if enough representation occurs. The formal land order will be completed in year 4 of the cyclical review, which is 2025.

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.

Spencer County continued to experience real estate growth in 2023. As part of our cyclical review, we analyzed and updated land rates in the areas reviewed this year. The resulting fluctuations contributed to several sections increasing above the 10% threshold, which was expected and is noted in our large change review. Additionally, we did adjust factors based on sales, which also caused

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townships not within the cyclical review to increase above the 10% threshold. Again, this was anticipated and is noted in the large change review.

Overall, we continue to see an increase in market value within Spencer County. We applied factor adjustments and land rate adjustments where necessary to meet IAAO standards. Areas without fair representation of sales were combined with an adjoining area of similar economic factors, so that we could draw better conclusions from a larger representation of market.

Spencer County has updated its cost/depreciation tables, agricultural land rates, and solar rates, which is reflected in the workbook. The County has additionally considered all three approaches to value for apartments containing more than 4 regularly rented units, and the lowest of the three approaches was applied and is reflected in the workbook.