

Ratio Study Narrative 2023

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	1/1/2022 to 12/31/2022
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.

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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>Two Industrial Improved were grouped into County Wide. Twelve Commercial Improved were grouped into County Wide.</p> <p>Eleven Residential Vacant Land were grouped into County Wide.</p> <p>The Eleven sales that were grouped together in Residential Vacant County Wide were grouped together based on the following:</p> <p>They are rural in nature, smaller than the other townships and are homogenous to one and other.</p> <p>No Commercial or Industrial were trended this year.</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	Niles	Only 11 parcels under this category, one parcel was changed from agricultural to commercial improved due to new construction
Commercial Vacant	Salem	New construction on many new projects, changed land value to represent that
	Washington	Added 2 new parcels which was enough to impact over 10% increase
	Center	Added new parcels
	Perry	Commercial vacant conservatory with multiple acres of ag land

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	<p>Hamilton</p> <p>Mt. Pleasant</p> <p>Harrison</p>	<p>Muncie Aviation (part of the airport) has multiple acres of agricultural land which increased this year</p> <p>Land was increased due to new office/apartment complex, sitting area and amphitheater</p> <p>This is a parcel owned by Menard's that is part of an ongoing 8 year appeal. Land value was reduced in efforts to settle.</p>
Industrial Improved	Monroe	New construction
Industrial Vacant	<p>Center</p> <p>Union</p>	<p>Multiple parcels from different property class deleted into single Industrial Vacant</p> <p>Only eight parcels in the Union Industrial Vacant property class, some of the land is agricultural which was increased this year</p>
Residential Improved	<p>Perry</p> <p>Union</p> <p>Monroe</p>	<p>New construction and Trending</p> <p>Part of phase 1 data collection and new construction</p> <p>The 15.5 million increase was actually under Improved Industrial. It is the partial construction of a \$50M facility</p>
Residential Vacant	<p>Hamilton</p> <p>Harrison</p> <p>Niles</p> <p>Union</p>	<p>Lost 45 parcels due to class change</p> <p>Lost parcels due to class change</p> <p>Multiple parcels from different property class deleted into single Residential Vacant</p> <p>Addition of 5 parcels and removal of influence factors during reassessment</p>

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Cyclical Reassessment

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

Center, Niles, Union, Washington

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, Land order will be completed in last 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.

The PRD of 1.044 for Vacant Residential-Center Township

Sales were all in different neighborhoods, none of which were comparable. Land was not trended in any of these neighborhoods.

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:

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

Where: A= Remodel year

B= Original or "actual" documented construction year

Example: Dwelling constructed in 1970 is remodeled (complete interior/exterior) in 2022.

In this case, we determine the effective age by taking 2022 and subtracting 1970. This calculation equals 52. 52 divided by 2=26. $1970 + 26 = 1996$. The Eff Age would then be 1996. 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	2500	5000	50%	1970	985
Addition	2500	5000	50%	2022	1011

Effective Age: 1996

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

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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 or local, 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.