

# Narrative

## General Information

County Name: Randolph

Person Performing Ratio Study: County Assessor: George Caster, Vendor: Charles Ward

Sales Window: 1/1/19 to 12/31/19

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.

No. As in previous years, when sales data from the prescribed time frame is broken down by Township and/or class, the number of sales by class of properties is quite limited. Including sales data from outside of the time frame would require the application of an inflationary time adjustment. Application of said adjustment could skew the data by artificially increasing the sale prices for those older transfers resulting in artificial changes in assessed values.

## Groupings

In the space below, 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.

1. Residential Improved Class – There are less than five valid sales in Jackson township. For purposes of this ratio study, Jackson and Ward township’s sales have been grouped together. Ward township is the most comparable township to Jackson. They are contiguous and are located in the northern rural part of the County. They are very similar economically and this is reflected in the lack of sales data for these townships.
2. Commercial Improved Class – All townships consolidated into County-Wide Study with the exception of White River Township; resulting in 2 valid sales, thus no trending was performed. There are 4 valid commercial sales in White River Township, no trending was performed. We are not able to group White River township with County-Wide because they are not comparable. The statistical measures such as median ratio and COD are within the standard, while the PRD is not. This is due to sale price and assessed value for one sale being much higher than the other sales used in the study. The sale has been field checked and reviewed and we are not able to make any changes to the assessed value to satisfy the PRD without “sales chasing.” If we exclude the sale the PRD is within the standard. Since we are not trending these properties, we did not exclude the sale.

**\*\*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\*\***

**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.

<b>Property Type</b>	<b>Townships Impacted</b>	<b>Explanation</b>
Commercial Improved	Washington, Wayne & White River	Changes to Land Types, New Parcels from Splits, Combinations, New Construction and Use
Commercial Vacant	Wayne	Changes in Use, Land Types as well as Demolition
Industrial Improved	Ward, Wayne, White River	New Construction, Demolition, Changes in Class, Use & Land Type
Industrial Vacant	Ward & Wayne	Change in Use
Residential Improved	County-Wide	Changes in Use, Land Types; Market Sales, Demolitions and New Construction, Parcel Combinations
Residential Vacant	Franklin, Greensfork, Jackson, Monroe, Union, Washington, Wayne, White River	Demolition, Changes in Use from AG to Res, Parcel Combinations

**Cyclical Reassessment**

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

The following townships were reviewed during the current phase of the cycle: Greensfork, Jackson and Wayne.

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 is planned to be completed during phase four of the cyclical 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.

**Methodology for Determining the Effective Age of an Improvement**

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

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

Where: A= Remodel year

B= Original or "actual" documented construction year

Example: Dwelling constructed in 1950 is remodeled (complete interior/exterior) in 2016.

In this case, we determine the effective age by taking 2016 and subtracting 1950. This calculation equals 66. 66 divided by 2=33. 1950 + 33 = 1988. The Eff Age would then be 1988. 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 1992.43; rounded to nearest whole number equals 1992)

<u>Structure</u>	<u>SF</u>	<u>Total SF</u>	<u>%</u>	<u>Year</u>	
Original	8610	9912	87%	1991	1732.17
Addition	1302	9912	13%	2002	260.26

*Effective Age:* **1992**

3. The third and *rarely* 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. This method is only used for properties that are appealed and successful, as 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. Again, this is a method that is used rarely and only for cases where the appeal of a property was successful. 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."

***Q. How you ensure this is applied consistently throughout the county.***

***A.*** As previously explained, the Standard Procedures for Review in Randolph 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.

***Q. Is there a calculation for specific features that have been updated such as completely or partially new kitchen, new roof, etc. or is there some other method for determining the effective age?***

***A.*** Unless there is a situation, as addressed in method 3 above, we do not have make adjustments to effective age based on a new roof, a partially upgraded kitchen, or changing of windows or paint or siding. At best, these would only adjust the condition based on livability or utility.