

10/7/2024 PTABOA HEARING

90-05-22-500-062.000-011/ 90-011-24-0-5-00004

SODERVICK, SCOTT S/MICHELLE A

2416 CHESTNUT CT., BLUFFTON IN 46714

Laura- This is an administrative hearing. Held on October 7th, 2024, in the Wells County Annex. This hearing is being recorded. And the hearing is being conducted pursuant to the laws of the State of Indiana as found in Indiana code 6-1.1-1-1. The appeal # is 90-011-24-0-5-00004. The parcel # is 90-05-22-500-062.000-011. And the address is 2416 Chestnut Ct., Bluffton, IN. The assessment year under appeal is 2024pay2025. Does everybody agree with the year under appeal and the address is correct?

PTABOA Board, Andrew Smethers & Michelle Sodervick all said, "yes."

Laura- I am acting as the secretary of the PTABOA. The following people are hearing representing the PTABOA. If you would please state your names.

PTABOA Board-Judy Affolder, Ben Beer, Nathan Shrock

Laura- The following people are here representing the taxpayer.

Michelle- Michelle Sodervick

Laura- And the following are here representing the Assessor's office.

Andrew- I am Andrew Smethers with the Nexus Group.

Laura- And Kimi Elzey is our recorder. All persons that are or may be a witness in this hearing please raise your right hand to be sworn in. Do you solemnly swear or affirm that the testimony that you are about to give is the truth, the whole truth and nothing but the truth?

All replied- "Yes."

Laura- We want to get started. I think that we have the burden. So, if you would like to go ahead first Andrew.

Andrew- Yes, I will go first so thank you. I will try to be brief. So, I can hand the floor over to you, Michelle. The parcel is question is in a neighborhood that the Assessor's office has been struggling with for at least a year or two now. Very kind of traditional residential neighborhood subdivision with houses that are not necessarily cookie cutter. You've seen these subdivisions where the same kind of house is built over and over. And one the reasons that Assessor's office kind of struggled with this neighborhood is because of all the different styles of homes. And we have had a lot of large increases over the last two years that have generated quite a few appeals. This particular property went from \$319,400 to \$460,400. Which is just an enormous increase, that we totally understand the appeal. And these kinds of increases are the ones that the office is actively trying to avoid. But as we are trending for market value and trying to fix these problem areas, we are unfortunately finding these kinds of increases every once in a while. When I come in, I analyze these values after the fact. And say, "yes that increase is large. But let's look at what the actual property value should be. Whether the increase was warranted, and had it been under assessed the previous years. Or was the increase kind of erroneous and some form of mistake was made. When we start digging into the sales, what I am finding is...(and I recommended this to Laura kind of late in the process as the appeal was given to me last week sometime), is that we actually adjust the value down around the \$430,000 range based off from the comps that we had. So, you guys have in your packet the spread sheet too. The excel sheet with the green and yellow... so when we incur the information that Michelle provided. I think that she is going to get into some of the same kind of concepts. So, I am going to let her do that. We want to compare apples to apples. If we have a subject property is a two-story house on a slab and we have sales of two-story on slabs. We have a lot better idea of what the value is. Unfortunately, we don't have those sales. We have sales of two-stories on basements and sales of one-stories on slabs. What is highlighted in yellow on the spreadsheet, is the price per square foot perspective these sale prices for properties on slabs (The ones in yellow) range from \$170 sf to \$200 sf. When we look at the sales on basements, the price per sf is much larger. But the total area is much larger too. So, because the economy is on a scale, the higher you go up on square footage, the lower per sf value is. And a lot of that is because the upper core value as well

as the basement finished level is going to be less valuable per square foot compared to the first floor. That is what is going to drive that. So, if you look at the price per square foot, the slabs were a little bit under. Turning to the comparably sales that we do have on the other side of the grid. Where I differ from the assessor slightly was on the comps 2 & 3 the newer houses. There is a very large adjustment for the fact that the other homes are newer than the subject property; the sale houses were newer, and the subject house is older. Well then there is another adjustment for quality and that kind of wiped that out. And I said for the sake of the comparison, let's assume that the quality of the homes is similar. And let's just adjust downward for the age difference. That brought me to adjustment to \$433,000. And that is going to be your second sheet here. And after looking at all that and the large increase. My recommendation to Laura and to the board would be that we actually come down from the \$460,400 to \$430,000 range. So, with that do have any questions for me. I would be happy to answer them. Otherwise, I will wrap up and hand the floor over to Michelle.

Michelle passing out her slide presentation to everyone.

Michelle- I do want to let you know that I am a local realtor. I am Michelle Sodervick. I am part of the couple that own this home. The assessed value of this home, and you touched on it. There are only 3 properties within 80 properties in the neighborhood in GIS in this neighborhood that are two-story homes without a basement. And I noticed this early on in my research that is a major part of the problem. But these properties are being compared to one-story homes with no basements. Which is not a good comparison. Slide 3 on the comps, and again we touched on my career as a realtor, during my analysis for my clients doing a sales comparisons price on the listings main square footage is never valued the same as second story square footage or basements. Every attempt is to not compare a one-story home to a two-story home when setting that price or value even if you are appraising it. As a realtor I was trained to compute the selling price of price of non-main floor square footage at half the value of the main floor. So, main floor 1X and basement, second- story, even the third story would be half of the value of the main floor. That is what I have always used. I have done my research. I talked to two other local licensed appraisers. One for quite a while. He was very interested in it when he found out where I was at. And again, valuing main square footage not at the same as other levels, he agreed. In the neighborhood that I am in, Woodlands addition. In recent years, four neighborhoods (per GIS) were combined into one neighborhood. You may be aware of that, and you might have, or Nexus made that was on suggestion, "Yes?"

Andrew- In a sense yes. The biggest problem we had with the neighborhoods was the different land rates. So, what we found when we dug in. Was that within this subdivision if you will you had similarly sized lots with the pricing close to 100% different. You have a \$30,000 lot and a \$60,000 lot side by side. So, in the Assessor's world what does that mean you have two different neighborhoods with two different land rates. So, by combining those two different neighborhoods, you are equalizing the land values and lot values. And as we go through the annual trending process, it makes the increases uniform. You don't have one neighborhood go up 5% & the other one going up 10%. That are advantages to making it into one neighborhood.

Michelle- So that was why the recommendation was to equalize the values of the properties within the whole addition basically. Now it is one basically one neighborhood. All three comps that Laura was using for our assessed value tabulation were not in our previous neighborhood. And the two that you pointed out are newer layout, newer floorplan, facade and all of that. I don't consider myself compared with them. I just wanted to communicate that. I have a huge excel sheet. I know it is kind of hard to read, but I wanted to bring it to show you where I got my adjustment from. On slide 6, I put all 80 properties into this huge excel sheet. It is my accounting background, I apologize. In my mind my property should without any major changes to it. Good or bad, improvements or whatever if I let go. My property should maintain its value relative to the other properties. If it's 50 up, it should stay 50 up if everyone is moving the same. I know it's not going to stay exactly there. But it ought to move proportionately at the same rates. Out of 80 properties in our neighborhood, our property is ranked highest to lowest. In 2022, it's 43rd out of 80. In 2023, it moved down to 66th. But now in 2024, it has gone up to 21st highest assessed value in the whole addition. And our house is one of the oldest houses in our addition. To the next slide then, average per square foot is. This is where the 1/2 factor comes in. So, if you take the whole square footage number and don't adjust for a non-main square footage, in 2022 from 35th to 23rd in 2024. But if you take the 1/2 factor and factoring in the non-main floor square footage and take half value, I go from 2022 30th to being 8th in 2024. I have a hard time believing I'm the 8th most expensive square footage in that addition. And my house is one the oldest or older houses in that addition. And again, we haven't made any adjustments or any major improvements to our home in the 11/12 years that we have lived there. Increase in AV, our assessed value increased from 24% to 45% from 23 to 24. Which is the second highest increase in the neighborhood. The highest increase, which is a half a percent greater is a property on Oak Forest drive. Which again was one of only three houses in the neighborhood with two stories and no basement. I talked

to the gentleman to see if he wanted to work with me on the appeal. He is planning to leave in the next year so. So, he didn't want to go through the hassle. The third house that I have is one of two stories without a basement, it is only three years old. It only increased by 5.8%. It is a new house, new façade. All of that is a popular thing now. The average increase in the neighborhood was only 12.27% compared to our 44.15%. My understanding of the best neighborhood comp for my house is the house that is located directly behind us. It is the best comparison in the neighborhood. It is the same basic floor plan. Just a smidge smaller. And the same façade. It's on a similar lot size. And those are the two properties that are the two highlighted in yellow on the spread sheet that I gave you. Similar lot size, similar bedrooms, bathrooms and fixtures are close. I don't remember exactly, but they are very, very close. Both are the same grade. The biggest difference with the Summerwood house is that it has an unfinished basement. When I talked to the appraiser, we were talking through this on the phone. He said that basements unfinished or finished always increase the value of the home. So, if we set them side by side, they should always be more than mine. The Summerwood house has an assessed value of \$374,300 which is 23% lower than our assessment of \$460,400. Huge. I do not understand the huge difference when you are talking about the same houses and market values. The next page is where I compare the assessed values of the two properties for the last four years from 2024 through 2021. So, you can see that we have always been more than them in 21, 22, but then in 23 they were ahead of us. But now, from 24 to 23, we went back ahead of them by \$86,100. That was a \$89,000 shift. That is a lot. In Indiana statistics- the average increase in assessed value went up from 2022 to 2023 was 16%. The average increase in a typical home with no improvements from 2023 to 2024 is showing up right now to be about 4%. Yet our assessed value increased 44.15% compared to that 4% from 2023 to 2024. Our assessed value has increased 74% since 2020. That is way beyond the state statistics. I in talking with the Assessor sorry appraiser he stated that he would probably appraise our house closer to \$400,000. So, this \$466 is way above that. We have talked about downsizing and listing our house. And to be honest with you, if someone walked in here today and gave \$460, I would take that money and run. I appreciate your time. And that is all I have to say. I appreciate all of that. And I would yield back.

Judy- Where do you feel the increase came from?

Andrew-The one increase that I found was from combining them into one neighborhood. That was the biggest driving force. Also, the acknowledgement of the comps... I don't want to beat this dead horse. I have already acknowledged that there aren't great comps. You said that there is one similar house in the neighborhood, that hasn't sold. If that one sells or a similar property sells, then we feel good about the value because we have that data point. What I would say is with what we have seen in this neighborhood... I am looking at the comps here on this. If you look at just the sales price of the comps. Not any of the adjustments. The best comp of these three is probably comp 1 simply due to the age and although it is a one story. And all the square footage is on one level. At 1800 sf, it sold for \$350,000. Comp 2 is newer but smaller, sold for \$415,000. So, all these comps as far as size goes are inferior to our subject. I think when I remove that quality adjustment, I will come out at \$433,000. And Michelle is asking respectfully for \$400,000. I think that we have got a ballpark. And I would turn it over to the board. And if the number is anywhere within that range, I think that the Assessor is satisfied. And again, this neighborhood has been a pain. We had parcels that increased greatly last year because that is when we started this combination of the neighborhoods. We have had parcels that increased like your property this year. I do believe that we are at the end of this roller coaster. Now that the land rates are equalized. And it is all one neighborhood. The trend will be uniform. You will see those uniform increases now that it is all one neighborhood. I think that establishing the correct starting point is a very, very important thing. As for me, I have nothing more to add. I really appreciate all the work you have done on this. Any value that the board decides between that \$400,000 and \$430,000 I accept.

Laura- I would like to add just for explanation mostly to Michelle is because her house didn't go up more than \$3000 in assessed value in 2020-2021 \$316,500 and in 2022- 2023 it was \$319,400. Whereas the Summerwood house went from \$270,000 in 2022 to \$322,300 in 2023. So, that is the reason that yours went up so drastically while theirs didn't. It's because theirs change for those three years. And for whatever reason your house didn't. I don't know why that is.

Michelle- I would say that I agree. But the difference between the two houses considering how similar they are is too great respectfully. I would be the first to admit that I tracked this back. I have the history of that home. You go back over the last 15 years... 12 years since we owned the house. The house didn't go as it should have over the years. It was flat and then nose-dived up. And I didn't appeal... Because from 2020 to 2021 it went up a bunch too and that's not on here. We had more than a 20% increase then and 50% in property taxes. But I am choosing to appeal this time because I feel like we have risen way higher than we should.

Andrew- And I think that we agree.

Ben- Can you say a little more Andrew about... I know this subdivision very well. I was HOA board president for a long time. So, I know the subject very well. What happened when those things got combined? Just explain that in simple terms before they were combined what was the effect?

Andrew- Okay so what we had with one neighborhood the land rate was too low. And so, when we do the annual trending process to make sure that those values are matching what properties are selling for. You got a large factor that was applied to the improvements. So, you have an uneven ratio as far as the land value is too low, but the building value is too high, and the end result is correct overall value. Does that make sense? So, then when we combined those neighborhoods, you have some parcels who are seeing an increase to their land value but a decrease to their improvements value. Some properties are seeing an increase to both elements. And so, it was a huge mess. I thought that we were done with it last year. But this other neighborhood was just kind of hiding in the weeds. As we get improved technology with GIS and things like that, we are finding these errors hidden for decades going back sometimes. And so again, just to answer your question. To combine those neighborhoods, you have some parcels that are getting a completely new way of assessing. And in this case, we end up with a value that is way out of line. And so maybe by adjusting the grade... Whatever you guys decide what you guys think that the value should be, it's then up to Laura in the office then to apply that change in a way that will be permanent. And then the only changes that you will see going forward are those annual trends. And so, when they do the ratio study this year, values have gone up 10%, you will see that \$400,000 value trend up 10%. And when you look on Beacon, you should see everybody going up 10%. But until get that neighborhood all fixed, you are going to have like you have... Like what you have shown in your slides. One area you go up and the other area stays the same and the next year you stayed the same and they went up. And this is what the Assessor is actively trying to avoid. I think that she is doing a great job at it. I have seen the appeal numbers over the years decrease because we are fixing the uniformity thing. So, I hope that answered your questions.

Ben- It helps. One other question that I have is. None of these comps and maybe you weren't able to include the home she's thinking of as the best comp?

Andrew- If it didn't sell, we can't use it as a comp. We can compare the assessments informally. But in order to ...

Ben- So, it is ineligible to be as a comp because it didn't sell, basically.

Andrew- I don't want to get too far into it but, there is something wrong with that other assessment. It is too low. Cause you are right; it is the same house as yours. It has an unfinished basement. It should be assessed for higher. So, there is something wrong with the nuts and bolts of that assessment. That I am sure of, we will have to look into. Because she is 100% right with everything she said.

Laura- The whole slab, basement selling difference in the square footage was the biggest factor this year. Because the houses that were on slabs sold for so much more than what the houses on basements sold.

Andrew- Those kinds of neighborhoods are the Assessor's worse kind of nightmare.

Laura- Any other questions?

Nathan- You said that you had an appraisal done or just consulted.

Michelle- I consulted with an appraiser as I was doing my research for this.

Nathan- So you don't have any documents.

Michelle- No.

Nathan- You just talk to him.

Michelle- I did.

Judy- We as a board will discuss this and then make a decision and let you know within the allotted timeframe.

Michelle- Can I be present for that discussion?

Judy- Sure, but we don't know when.

Michelle- So you will contact me and let me know when and where at?

Judy-It may be right after this.

Michelle- That's fine. I will stay if you think that it would be right after this, I will just stay. Thank you for your time.

90-04-35-300-001.001-016/ 90-016-24-0-5-00004

RICHHART, DAVID/AMANDA

491 N 200 W, BLUFFTON, IN 46714

Laura- Mr. Richhart please come forward. I am going to give a packet that is going to be presented. This is an administrative hearing. Held on October 7th, 2024, In the Wells County Annex. This hearing is being recorded. And the hearing is being conducted pursuant to the laws of the State of Indiana as found in IC 6-1.1-1-1. The appeal number is 90-016-24-0-5-00004. The parcel number is 90-04-35-300-001.016. And the property address is 491 N 200 W, Bluffton, IN. The assessment year under appeal is 2024pay2025. Does everyone present agree with the year of the appeal as stated & the address is correct? The property owner is Mr. Richhart.

PTABOA members, Andrew Smethers & Mr. Richhart all said, "Yes."

Laura- I am Laura Roberts. I am the secretary of the PTABOA. The following people are hearing representing the PTABOA. Please state your names.

PTABOA Board- Judy Affolder, Ben Beer, Nathan Shrock

Laura- The following persons are here representing the taxpayer are.

Mr. Richhart- David Richhart

Laura- The following people are here representing the Assessor's office.

Andrew-Andrew Smethers with the Nexus Group.

Laura- Kimi Elzey is the recorder.

Laura- All people who are or may be witnesses in this hearing please raise your right hand to be sworn in. Do you solemnly swear or affirm that the testimony that you are about to give is the truth, the whole truth and nothing but the truth?

All replied- "Yes."

Laura- Thank you. I believe that we have the burden on this one. And so, Andrew will present first.

Andrew- Please correct me if I misspeak on any of the details about the property. This is a house that began construction in 2021 and was completed in 2022. That's what our records indicated. Okay. And again, being in the rural nature of this, we don't have great comparable sales especially from new construction. We are really relying heavily on the cost data from the initial construction and then the change or market trend since that time-period. We have tried to analyze this on from as many different viewpoints as far as the data goes. So, the screen shot in the packet is an HPI house pricing index just some data from the federal government that shows what property values have done in the State of Indiana since the time of that the house was built. It is a kind of a screen shot, so it's not pretty. It doesn't show the figure, but you can see on the graph the information that we have about the cost to build it at \$437,000 back at the beginning of 2022 end of 2021. Will trend up just above that \$500,000 trend line on that graph there. That is just one piece of data, and we aren't going to rely solely on that data. The other place that we looked at is the Alliance of Local Realtors. Their data for Wells County specifically shows an increase of 3% during 2021 to 2022. And another 20% from 2022 to the end of 2023. You are looking at a 23% change in values. And again, we are just trying to trend the change from the original construction cost. Again, we analyze this the current value of the dwelling itself not the land. Because they did have some land that was converted to agricultural use. So, it lowered the land value. But the building's value is

\$509,000. Again, from the data that we were able to track down & based on the information from original cost to build value in late 2021, we feel that kind of value is correct. And if there are no questions from me, I would like to turn it over to Mr. Richhart.

Mr. Richhart- I feel like I should have Michelle up here. So, thank you for helping me to get the land converted to AG. That certainly helped. The reason why I am appealing this is because Laura helped walked me through the numbers. This is more of an educational on my part of on how property taxes work based on the assessed value. We built the home for \$430,000. That is what my sale contract is. Right. That doesn't include the land. We agree on that \$437,000. It is my understanding that based on the rates of the assessments increasing and adding a finished basement and adding a deck, that is how we arrived at the \$509,000. What I don't understand, and I will probably learn today is the cost of building my home included everything, the finished basement, the extra bath included all of that but was said that it was added in the assessment. With the exception of the deck. The deck was added after. So, I don't understand why we added an additional \$40,000 in assessed value. Because that certainly isn't what the deck is worth. Right? When the extra bathroom and the finished basement was already included in that price. I guess that is what I am appealing. I think the land value is fair. I think the home, the property, the dwelling value is just inflated. I am not going to talk about property prices or values across the board. My in-laws live right next to me while theirs is \$266,000 and about the same square foot. Well, mine is new I guess, and I get the book thrown at us. Because there are not very many half-million homes sitting where we are at in our township. Nobody is paying that for houses like that. I guess I would like some explanation on that and help me to understand why it is like that.

Andrew- And again, the increase was due to what we call the annual trending process. We will break areas down as small as we can. So, if you are in towns. you will look at subdivisions. So, where you at, you basically have the entire township of sales. And say what were houses selling for in 2022 compared to what they were selling for in 2023. And we put that data into our ratio study, if properties are selling for 10%/15%/5% more, the entire area will increase that same amount based on that trend. And if you look at the property record card. It shows it as well. Where you will see that accounted for is on this line on the very bottom of page 2. Follow the line all the way across, there is an abbreviation for neighborhood is 1.86. That is where that neighborhood factor is. And we are going to do the same thing again this year. We are going to look at sales compared from 2023 compared to what things sold for in 2024. If that figure is higher, you will see that 1.86 increase or decrease by whatever that factor is. I think that we have seen increases for the most part state-wide for the last 10 years. People do not believe me when I say that their house assessed value will decrease if the market ever decreases in value. And we are still kind of waiting for that to happen. If things kind of plateau and stagnate and you get an assessment next year that is within 1% or 2% of your assessed value. You are going to come to this card, and you will see a 1.88 or 1.89. But that neighborhood factor is what increases based on area sales. And it is a percentage increase that is going to happen to your entire township where you are at. That is the reason for the change. It was not the adding of the basement. So, if you go back to the front of the card, you will see a big increase from 2022 to 2023. They had your house assessed as partially complete in 2022. So, on January 1, 2023, was the first year that the house was ever assessed as being built completely. So, what you would be questioning is okay that increased from \$471,000 to \$509,000 is that percentage reasonable? Based on what we have seen change? But then also from what we try to do from the appeal process is look at what did you agree to build the house for in 2021. And what is that percentage difference from today's assessment is that reasonable. And when we look at those two data points, our stance is that yes that it has increased appropriately. And we don't have any good comps. There are not a lot of half-million-dollar houses where you are in the county. So, we are strictly relying on those cost figures.

Mr. Richhart- So, those explanation that we went going back and forth on in the email was the \$413-\$415, Right? And it was partially complete. And then, we added \$40 sum thousand dollars to it because then the basement was added, the bathroom was added and the deck. Did I misunderstand that?

Laura- Those were actually added before. So, this year the reason that it went up was actually because of the trending process. I think... I don't have the letter in front of me... but I think I was explaining that the year before we had added it. So, in the year 2023 the total assessment was \$581,900. And this year is with the change in the AG land; we dropped it to \$582,100. Right?

Mr. Richhart- Yes. So, what I have here is that we adjusted from \$620 to \$582. Based on the AG land adjustment?

Laura- Yes, based on the AG land.

Mr. Richart- My house was 55% complete for 2022pay2023. And was assessed for \$415,000, if it was 100% at that time? Right? In Rockcreek unpaved, my neighborhood, the median sales price went up 7.87%. We also added another full bathroom, a wood deck and a finished basement for 2023pay 2024. Adding an additional \$42,568.

Laura- Right. That was last year. This year we are appealing 24pay25.

Mr. Richhart- Ok.

Laura- When we changed it from 55%; when we did that an we also added the bathroom and the basement in.

Mr. Richhart- My point is though is that the cost (county term?) Is that the premise of the \$415, right? Which is at 100%. But we added the extra \$42,000, I understand that was done last year and we should've probably appealed them?

Laura- No

Mr. Richhart- Because you are saying that my home build is worth \$460 some.

Laura- I think that in 23pay24, I think that I was explaining from the \$415,000 to the \$470,000.

Andrew- I think that I can help with this. The \$415 figure is hypothetical because it was never assessed at that. Because everything is assessed as of January 1st so that is why it was partially complete. When our boots were on the ground and went out at properties at the end of the year; it was noted that the property was only halfway done. Was it 40%, 50%, 55% done, we don't really know. But when we plug the elements of the assessment... I always refer to it as the nuts and the bolts of the assessment. The size, the garage size, the bathrooms, all of that, when we put that into our system- what Laura was telling you was that it came out to \$415,000. Now that number is never going to match your \$430,000 contract. Right. When it was assessed in 2022 at 55%, it did not include the basement finish, the bathroom and other things that she mentioned. When it went 100%, those parts were also added in because they were present. What I am getting at, it wasn't necessarily increased because you added those things. We understand that those things were part of your initial construction cost. They just weren't included in the assessment cost at 55%. But when it went to 100%, they began being assessed. We don't have the luxury of starting at \$430,000. We can't start it out at exactly what your cost was. But through this whole process, there are elements that we can tweak to make it more accurate. And again, for the sake of the appeal we have tried to gauge the trend from what were the market values at the time the contract was agreed upon to build the house for what value on there. So, our stance is the amount we feel of the dwelling, the improvement value on the record card has increased from \$437 is appropriate for what other houses has increased during that time.

Mr. Richhart- But you are not saying \$437 to but more like \$457, right?

Andrew- I couldn't tell you. If I had the system in front of me, I would go back to 2022 year, I could plug your house in at the neighborhood. Because when you go back to 2022, the neighborhood factor isn't going to be the same rates.

Mr. Richhart- All I am doing is simple math \$415 started it out at 55%. Plus, the extra \$43,000, right. And that is assuming that it is 100% got 23pay24. So, I guess what I should have done is appealed last year. Because my contract what I paid for it. You don't have my contract. So, the value is what someone is going to pay for it. So, the value of the house in 2023 is \$430 versus \$457.

Andrew- Right. The value for 2023 of the house was \$471. So, to look at it from that perspective, last year we would have been saying that from the time you agreed in the contract to end of 2021 to 1/1/2023, the value increased that much. That percentage. And then, from 2023 to 2024, it increased that additional from \$471 to \$509.

Mr. Richhart- Yep. That makes sense.

Andrew- I would acknowledge this and say this on the record. If you see an increase of 15% to 20%, I would file an appeal again. Because what happens when we measure these trends, especially in rural areas like you are. The data in the study that's driving those trends could be 1200 sf, 60-year-old houses. So, those trends might not fit your brand-new large home. Does that make sense.

Mr. Richhart- Yes.

Andrew- So, I would watch it and stay in contact with Laura. Kind of like our previous appeal... I know that we are on the record, and I don't want to bounce back and forth but... When we don't have like-to-like comps, the system that is put into place for the Assessor to follow doesn't necessarily always work. And that is where the appeal process comes in. So, if the board was to uphold the value, I would not want it to deter you from making appeals in future. Because you are not like your area. Whenever that is the case, your value could be out of line- up or down. Just depends on the types of sales that we have.

Mr. Richhart- For example, comps of 40- or 30-year-old homes.

Andrew- For example we have simple numbers, we have a bunch of 1200 sf ranch homes that are significantly older than yours and they are assessed at \$200,000. And they sell for \$220,000. That data is going to tell us that your area is increasing by 10%. When we apply that 10% increase to your almost \$600,000 value, it doesn't fit in. It's not sales like yours that were driving that. And so that is what I mean by that process can get out of line when you have ununiform areas. And that is where the appeal process comes in and can be beneficial.

Ben- You built the home for \$430,000; it did not include the deck. You did that after the fact. Is that correct?

Mr. Richart- That is correct.

Andrew- I think that the deck is only adding \$5000 to the value. If I remember correctly. I don't think really should matter.

Laura- On the comps. I want to say this. I don't know if you looked at our comps. The top number on the side, the median sales price & the price per square foot are the same numbers. And the subject is the larger column. And his total AV the price per square foot is down there. So, you can kind of look at the two to compare what the sales compared to what Mr. Richhart's is assessed at.

Ben- Is there a value or a suggested value to present?

Andrew- That is stays.

Mr. Richhart- There is essentially a \$40,000+ based on my math which I shouldn't have appealed so. It looks like it is going to be \$509.

Ben- Is there any range at all with your analysis?

Andrew- And again, based off from the trending the data we were able to pull off the state-wide average what the going value establishing a \$437,000 for 1/1/2022 to 1/1/2024 puts the indicated value right around \$500,000. If I take the Upstart Realtor Reports for Wells County specifically, it shows a 23% increase during that time. If I take the \$437 x 23%, I get \$537. And again, it is kind of the aggregation of that data. And I think that the value is where it needs to be. The \$537 is probably high because a lot of that data comes from realtors is probably from small, older homes. So, I don't think that it shows go up to the \$537 by any means. And again, looking at the limited data that we do have. I think that it supports the current assessment.

PTABOA Board- Talking amongst themselves.

Ben- I think keep it at the value suggested by Nexus. They didn't have a range. That would be supported and well within the assessment numbers.

Andrew- I know that this would be semantics, but it was the value determined by Laura in her office.

Ben- Presented by Nexus on behalf of Wells County.

Andrew- Because the value did go down. The office did lower the land value. Just so that all gets recorded properly. It's not a no change.

Ben- So, it went down because land change use got changed to tillable.

Andrew- Yes.

Ben- The land use was changed.

Laura- I always say to look at it as a packaged deal. The land sometimes goes up and sometimes the land stays the same. And the dwelling may change. But the bottom number is what you want to look at. Unless you do a split, you are not going to sell the land without the house or the house without the land.

Mr. Richhart- What I look at according to my dollars in taxes.

Laura- I know, maybe our taxes will go down this year. We are all hoping. No one would like to see the values go down more than myself.

Nathan- So the board's recommendation would be to maintain the land value at \$72,700 and the improvement value at \$509,400.

Ben- Yes. And the total value at \$582,100.

Nathan- I second

Judy- All in favor

PTABOA Board- All said "I"

Laura- And if you have any questions just come in our call. The other two are no-shows. So, if you would like to make a decision on the Sodervick home. Then I will present for the other two that didn't come in.

PTABOA Board- discussing amongst themselves.

Nathan- I would like to have the total assessment value at 2416 Chestnut be changed to \$400,000.

Ben- Just to clarify that anything you say within this range would be kind of reasonable given all the nuances within those bounds.

Andrew- Technically, I am not allowed to tip it. I am glad that Michelle is here. Basically, the way the formality of the board works is they takes it under advisement. Obviously, it is a public hearing and everything. But I am not comfortable answering anything at all at this point.

Ben- Okay.

PTABOA Board- Discussing amongst themselves.

Andrew- The board can split. That is why there are three of you and four of you.

Ben- I think that based on the data presented it should be somewhere between those two. I would like to make a motion for \$415,000.

Nathan- I will second the \$415.

Judy- \$415. All in agreement?

PTABOA Board- All said "I."

Laura- Okay for our two no-shows. I am just going to go ahead. And obviously skip over what they did. And I don't have to swear them in.

90-08-04-511-011.000-004/90-004-22-0-5-00004

BCG CAPITAL LLC

724 S WAYNE ST, BLUFFTON, IN 46714

Laura- We have an appeal for 724 S Wayne St in Bluffton. Parcel number 90-08-04-511-011.000-004. The assessment year under appeal is 2024pay2025. Here representing the board. Will you state your names again. (confusion with the location and mailing address discussion) Will you state your names.

Laura- It should be under the name BCG. The address is 724 S Wayne St.

Andrew- I have Marion St.

Laura- That is their mailing address.

PTABOA Board- Judy Affolder, Ben Beer, Nathan Shrock

Laura- And representing the Assessor's office.

Andrew- Andrew Smethers

Laura- Andrew, do you solemnly swear or affirm that the testimony that you are about to give is the truth, the whole truth and nothing but the truth?

Andrew- Yes. I have very limited information on the property. I have not had contact with the tax rep representing the owner. Laura, correct me if I am wrong. We have the income information because it is a rental property. The value went up based on the income going up. I can answer any questions on the income approach to value. If you want to hear this.

Judy- We do.

Andrew- We do have a sale price in 2021 for \$120,000. Market has changed since then. Because this is assessed on income approach, the reason this went up is because their income went up. That is basically the crux of it. We have heard nothing from the tax rep. So, I am not sure what they thought they were going to prove it. I don't really want to guess on the record. But I can answer questions about the income approach and how it works.

Ben- Just for my own curiosity, do you fill out the actual income. Or can you just slip in a rate, so you see the income?

Andrew- In this case, the owner provided us the income information. That played a role in it. There is a gross rent multiplier that basically takes the monthly income & capitalizes it into an overall value. I mean with properties like this, we can look at... It is a duplex, fairly new, 20 years old. You are going to low depreciation. When you look at it from the cost side. The cost value is over \$200,000. So, valuing it from the income approach the approach, \$154.

Ben- Save some money there.

Andrew- They are saving some money there. And the state's allowance for the county to use the income approach to value stems from legislation that decades ago when property tax caps went into place. Basically, if I don't live in the property next to you and I rent it out and I don't have a homestead on it. Our assessed values will be the same. But I'm paying double the taxes. Because the residential property is going to be taxed at a 2% tax cap. Compared to 1% for the homestead. So, the State, recognizing the need for rental housing for the economy decided to implement this thing. That if the income approach is lower, than the landlord could get the income approach to lower it. It wouldn't change the tax rate. Landowners are still taxed at double the tax rate but can afford a little bit off the assessment to help them out. So, how often do you request these?

Laura- Every other year.

Andrew- Every other year updates on leases. So, they know. And then also making sure that the income and cost... Like if at any point in time the cost is ever lower than the income, then they would get the cost. They would get the lower of the two. And that process happens every other year. So, in this case the lease information gets turned. They are collecting more on rents. The income to value goes up. We get appeals from the tax reps. I don't know want to beat up on tax reps, but we get a lot of these appeals from the tax reps. We don't have any communication. So, we don't know from the crux if the folks at BCG told Mr. Ford don't worry about it. Did Mr. Ford think that we would retract. I have no idea. But the appeal was filed. We still present it to you guys and still answer questions. It would be easier to say, well, they didn't show up and no change. But I still want to be able to explain the process and answer any questions that you guys might have. Just so that BCG is in fact still getting a fair shake.

Ben- Sure. Is this the only one that BCG submitted out of all of them? There must have been some flag that stood out in his mind.

Judy- This on the side. Rent has really gone up. I make a motion to make the value where you guys have it.

Nathan- Second it.

Judy- All in favor?

PTABOA Board- All said, "I."

90-04-06-200-033.000-017/90-017-24-0-5-00001

WOLFE, REX

535 E 5th St, MARKLE, IN 46770

Laura- This is an administrative hearing is being recorded. And the hearing is being conducted pursuant to the laws of the State of Indiana as found in IC 6-1.1-1-1. Parcel number 90-04-06-200-033.000-017. The property address is 360 W Logan Ave, Markle, IN 46770. Parcel number 90-04-06-200-033.000-017. The assessment year under appeal is 2024pay2025. The assessment year under appeal is 2024pay2025. The people here representing the board. Will you state your names again.

PTABOA Board- Judy Affolder, Ben Beer, Nathan Shrock

Laura- There is no taxpayer present. And here representing the Assessor's office.

Andrew- Andrew Smethers with the Nexus Group.

Laura- And Kimi Elzey is her as our recorder. Andrew, will you please raise your right hand.

Andrew- Yes.

Laura- Do you solemnly swear or affirm that the testimony that you are about to give is the truth, the whole truth and nothing but the truth?

Andrew- Yes, I do. So, this property, I was just crunching the numbers to make sure that I had my facts correct. This is a parcel with a half-acre and a garage on it. When we do our annual trending process, that only gets applied to single family residences. As in some other residential building, it depends on what neighborhood they are in. But not garages, barns or outbuildings. So, what we have here is a land rate increase...township wide, tax district wide. It took the land value up 7.2%. There is no change in the garage. Leaves them a 5.1% overall increase for the total value of this property. Those trends are because it is a garage, we don't have any comps or comparable sales. That was the overall trend for this area of 7.2%. If there was a house on the property, the house would have gone up as well. But that 7.2% was the trend for this area. That was the change in the assessed value. No reassessment, no adding of anything, no saying that the garage had a new roof. None of that. Just the land value trending with that rate with no other changes. And because there is an air-conditioner sticking out of there, we are probably under assessing the value of the garage.

Ben- I was just going to ask you if someone was living in there.

Andrew- Not according to our assessment. It is probably a workshop. Just based off from its location. 535 E 5th, what's that compared to the 360 S Logan.

Andrew- Laura can you pull up the map. I'm not sure.

Laura-I'm not sure either.

Ben- I thought maybe that the owners were at 360 W and the property is at 535 E 5th St.

Andrew- Beacon will tell us within a couple of clicks.

Laura- Let's see. That is exactly what it is. It is at 360 W Logan. What I stated was the mailing address.

Andrew- It is just a half-acre lot where you are going to see it in a second.

Laura- His argument was that it didn't have any access. And it does. It is right off the County Line Rd. So, you can see to the left is County Line Rd. And it has a very nice lane going right back to it. You know if they wanted to build a house back there- there is no reason that they couldn't build a house back there. His argument was that it didn't have access therefore should be lower. And it does.

Judy- So, I am looking and there are two property record cards; one says \$15,300 & other says \$13,600.

Laura- I was explaining this to Andrew too. I was going to give him a reduction because he was very angry. So, I lowered it a little bit to make him happy and not scream and yell at me. Which probably isn't a good idea to that but... I put down a no-show

because it's Wells County. Because we reduced a few properties when people were a no-show. We do want to be in-favor of the taxpayer; however, I have gotten word that people now think that they can just file an appeal and not show up for PTABOA and we will still lower the value. And I do not want that to become the trend in Wells County or anywhere. So, that is the reason I put the two different record cards with two values. I was just lowering the value so he would be a little bit happier. And he is another one that has not corresponded since he filed the appeal at all.

Andrew- Yes, and you could recommend a fine.

Laura- Yes.

Andrew- But you are not.

Laura- I am not going to do a fine.

Andrew- So, when someone files an appeal and doesn't show up for the hearing. The County Assessor can issue a \$50 fine.

Laura- I am not going to do it for this much. If it was a huge deal if we had spent hours on it; then I would recommend a fine. But I am not going to do that for this one.

Judy- Laura can you explain why you added 20% obsolescence and how it affects the pricing.

Andrew- So, if 20% obsolescence was added to the garage, that would basically accelerate the depreciation. So, if I would look at the property record and follow that line across the bottom... our cost schedule manual with the state. Tell us that we have a description, a detached garage, 1 story, wood frame construction, C grade quality (which is basically average quality), built in 1986, in average condition. Keep in mind the condition is relative to its age. We are saying that average condition for an almost 40-year-old structure at that size has a 28% depreciation. So, basically taking off 28% off the replacement cost value. That is how we are arriving at the \$17,000. By putting obsolescence on it... Typically, in a normal situation we would apply obsolescence where maybe the garage itself is in average condition, but the roof is shot. So, we are going to leave it in average condition but apply an obsolescence because the roof is in bad shape. Then once the roof is replaced, that obsolescence is removed. And then when it gets fixed at its normal depreciation.

Ben- obsolescence used in context of this.

Andrew- In this case, it would be to accelerate the depreciation. Obsolescence is by definition is anything that affects value negatively based on any given circumstance. You can have functional obsolescence where it is something like it is a roof problem. Or you can have an external obsolescence, you got an Amazon warehouse a quarter mile down the road and there is a bunch of trucks 24/7. That would be an example of an external obsolescence. It is hurting the value of your home based off from something that has nothing to do with your actual home. Obsolescence is anything that can be a detriment to the value because of one thing or another.

Ben- Interesting term. It's kind of like they don't make that anymore, so you can't buy it again.

Andrew- It's a real estate appraisal term. And again, it can be functional obsolescence and have something to do with the dwelling itself, the structure. Or it can be external obsolescence which is any sort of detriment to the property's value based on something that is going on outside. Power lines are a good example, we may add obsolescence for power lines that weren't there when the house was built but came in afterwards. It is extra. It is external, there is nothing wrong with the house. It is something external that is causing a decrease in value to the house.

Laura- Our houses over by Peyton's have an obsolescence. I believe they still have an obsolescence on them at this time.

Andrew- That is the definition term. But where the Assessor's office comes in handy, it allows us to make adjustments. Because the mass appraisal system is not going to hit the exact value every time on every house. So, if we come in and appeal, like the one we just heard. Our data, the mass appraisal, is set up to say \$460,000. We all agreed that it was less than that. Well, Laura can't just go into the system and put \$415. She is going to have apply obsolescence to get the value close to the \$415. The value may come out at \$414,800 after Laura changes it. So, that is the mechanism that the Assessor can use to tweak the value.

Judy- The 20% was added onto the improvement line but not to the land line.

Laura- Correct.

Andrew- You said, if you settle the appeal right now, we'll drop the value of the garage by 20%. He never agreed to that and signed it. Now we are here and not showing up. There is no information or evidence to support that 20% decrease. And so, we are just recommending the original assessment.

Judy- Okay.

Ben- You said that you can't get comps on something like this.

Andrew- We could but are going to find garages. We probably aren't going to find anything nearby. We are going to find something similar in size or age on half an acre. So, we would just be doing a lot of adjusting. What I can tell you from an equity standpoint is everything, one of those lots is assessed with the same front foot rate. Leaving the only thing left is for the Assessor to adjust the land value. So, if you look at that neighborhood which is considered by name Town of Markle. It is going to be \$356.99 per foot. Which then is multiplied by the factor. It is kind of complicated. Every lot there is going to be assessed the same way. So, every lot in there increased by 7.2%. And if there was a house there, the house would have increased by 7.2%.

Ben- More for curiosity more to know the difference. I would just make a motion to go with no show assessed value of \$63,000 total assessment.

Nathan- I second it.

Judy- All in favor?

PTABOA Board- All said, "I."

End.