LAND APPRAISAL PROCEDURES

PREFACE

Land values are derived primarily by the sales comparison method. It is, therefore, important that certain factors be accurately shown and considered. These factors include location, size, topography, present use, highest and best use, etc. The following chapter describes procedures for recording these important elements and determining land values.

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INTRODUCTION

The market or sales comparison approach is the most applicable method for the valuation of land. The income approach should also be considered for properties for which sufficient income data are not available for vacant parcels, as often happens in the downtown area and the older subdivisions where no vacant parcels remain, value may be estimated using a land residual approach.

Land value is generally estimated by comparing the subject property to similar properties which have recently sold and making adjustments to the comparable for the different factors affecting land value.

Some of the factors which must be considered include: location, size, shape, topography, accessibility, present use, highest and best use, zoning, utilities, income to the land, supply and demand for the particular type land, improvements to the land and improvements on the land, irrigation, drainage, sea walls, sidewalks, curbs, gutter, etc. are examples of improvements to the land and are included in the value of the land. Building structures are improvements on the land and with few exceptions, (some condominium or cooperative buildings), are valued apart from the land.

LAND APPRAISAL PROCEDURE

All zoning, utilities, and pertinent data should be shown on the market area land pricing worksheet maps.

Roads should be classified paved, dirt, nonexistent, etc. and the availability of public improvements indicated on the pricing worksheet maps as necessary.

The last two years sales value and dates should be shown on or beside that particular parcel on the pricing worksheet map by market area.

Land pricing tables should be established for each market area and entered into the computer assisted mass appraisal system.

Base Price Method

The base price method of appraising land is utilized to reflect market value when appraising acreage. The market indicates that land values change when properties have different amenities such as road frontage, public utilities, road types and the size of the tract.

The following is a description of how these factors affect each parcel of land;

Location

Location is the key factor in the determination of market value in the county. Depending on the market demand and the sales prices, locational areas (Valuation Control Sectors) were established throughout the county. Within each market area other locational factors may be applied to a given parcel. The concept of neighborhood homogeneity may tend to fluctuate values as the parcel becomes more under the influence of the neighborhood and less under the influence of the total area. The market demands high prices for property in or near active market areas. Desirable subdivisions, availability of water and sewer, proximity to shopping areas, higher market areas and the existence of amenities are factors which tend to increase market demand. The inverse may be true for parcels near a declining subdivision or undesirable industrial or commercial use area. These influences must be determined and adjusted on an individual basis by the appraiser.

Size

The size of a parcel plays a major role in determining the per acre price at which a parcel of land will sell. The total price asked for a parcel of land has an indirect correlation with the number of potential buyers in the market. This situation stimulates more price negotiations and longer turnover periods for large tracts. Consequently, the actual cash value per acre decreases as the size of the parcel increases.

The value of small lots containing less than one acre depends greatly on zoning and health department restrictions, therefore, these lots must be priced by the lot or square foot.

Road Frontage

The Market tends to recognize parcels containing 10 acres or less as residential home sites. Tracts of this size are more desirable if they have at least 26-30% road frontage. Sales of large tracts, which have potential for development, tend to reflect the amount of road frontage in relation to total parcel size. Parcels containing more than 10 acres are considered to have adequate frontage if 10% of the total acreage is in road frontage. Dividing the number of acres of road frontage (1acre=208'x208') by the total acreage, yields the percent of frontage to total acreage. This percent when applied to the following chart produces a plus or minus factor to be applied to each parcel. This chart may be used as a guide to help price difficult parcels.

Percentage FTG To Total Acreage	0-10 Acres	10.01 Acres Acres and Up
.1-.9%	-22%	-18%
1-1.9%	-21%	-16%
2-2.9%	-20%	-14%
3-3.9%	-19%	-12%
4-4.9%	-18%	-10%
5-5.9%	-16%	-8%
6-6.9%	-14%	-6%
7-7.9%	-12%	-4%
8-8.9%	-10%	-2%
9-11%	-8%	0%
12-15%	-6%	+2%
16-20%	-4%	+4%
21-25%	-2%	+6%
26-30%	0%	+8%
31-35%	+2%	+11%
36-40%	+4%	+14%
41-50%	+7%	+17%
61-70%	+15%	+23%
71-80%	+20%	+26%
81-100&	+30%	+30%

*Note- Parcels that front on intersections or corners will be adjusted so that usable frontage will be considered only once.

Access

Paved: This is considered to be the norm and no adjustment is needed.
Dirt: Parcels located on dirt roads are to be minuses 10% for access.
No State Maintained Access, NX: Parcels having no access are useful mainly as add on property for adjoining owners which have access and are to be minuses 25%-50% for access.

ROAD CLASSIFICATIONS:

Nonexistent . . . . . NX

Private Drive . . .. . . PD

Dirt
Rural Dirt . . . ….. .RD
Suburban Dirt . .. . . SD
Urban Dirt . . . …. .UD

Paved
Rural Paved . .. . . RP
Suburban Paved .. SP
Urban Paved . . . . . UP
Urban Highway……UH
Rural Highway…….RH
Rural Gravel . . . . . RG

Interstate . . … . . . IS

PUBLIC IMPROVEMENT CLASSIFICATIONS:

Electric . . . . . E

Water . . . . W

Sewer . . . . S

Curb . . . . . …. .. C

Sidewalk . . . . . K

Storm Drainage . . . D

Gas . . . . . ….... . G

Qualified, recent sales data should be posted to the property ownership maps. This data should include whether the sale was vacant or improved, the month and the year of the sale, the amount of the sale and the units and unit price of the sale if it was a vacant sale as follows:

$250,000 / QV / 2006 or $25,000 / QI / 2006

The maps are then taken into the field by the land appraiser to field check, study and analyze the sales and their characteristics.

The appraiser can then use the sales to compare to other parcels with similar characteristics in the immediate area. Notes should be placed on vacant parcels to indicate the condition of the land if fill is required.

The appraiser should also note the characteristics of the area appraised for similarities which may be encountered in other areas which have insufficient sales.

Generally residential property is valued by square foot (SF), lot (LT), or units (UT), commercial property by square foot (SF), or units (UT); industrial property by square foot (SF), or acreage (AC), units (UT); and agricultural property by acreage (AC). (Some tracts may require two or more different land units.)

2024
MARKET VALUE MINIMUMS– RURAL LAND

Land Description	Access Paved	Dirt Road Percent Adjustment	No Road Frontage Percent Adjustment
Rural Home site/Water	16,000	10%	25%
Rural Home site/No Water	14,000	10%	25%
Lot	15,000	10%	25%
Agricultural/Horticultural I Good	2,200	10%	25%
Agricultural/Horticultural II Avg.	1,800	10%	25%
Agricultural/Horticultural III Fair	1,600	10%	25%
Agricultural/Horticultural IV Non-P	1,500	10%	25%
Forestry I	700	10%	25%
Forestry II	600	10%	25%
Forestry III	500	10%	25%
Forestry IV	400	10%	25%
Forestry V	400	10%	25%
Forestry VI	400	10%	25%
Water	400	10%	25%
Wasteland	400	10%	25%

On market value appraisals, the above values may be adjusted for other factors such as location, size, shape, topography, accessibility, zoning, utilities, sidewalks, curbs, gutter, etc. For further information see the Introduction.

In areas where the highest and best use of the property is determined to be something other than agricultural or forestry, the above values may be changed to reflect market value.

Homesites and lots with an unsuitable classification for a ground absorption sewage disposal and treatment system may be conditioned with a 25% or less good factor. Adjustments will be made only when a rejection certificate from the Health Department accompanies the property owner's request.

Commercial-Industrial Size Adjustments

Acreage	Unimproved Percent Adjustment	*Improved Percent Adjustment
0-.70	130%	150%
.71-2.00	110%	130%
2.01-3.00	100%	120%
3.01-5.00	90%	110%
5.01-15.00	80%	100%
15.01-30.00	75%	100%
30.01-60.00	70%	95%
60.01-UP	65%	90%

*Improved includes land that has been rough graded as well as building sites.

Size Adjustment for Rural Acreage

.01-0.49	260%		6.81-7.00	127%		195.01-200	73%
.50-.70	260%		7.01-7.30	126%		200.01-205.00	72%
.71-0.80	250%		7.31-7.60	125%		205.01-210.00	71%
.81-1.10	240%		7.61-7.90	124%		210.01-Up	70%
1.11-1.20	235%		7.91-8.20	123%			
1.21-1.30	230%		8.21-8.50	122%			
1.31-1.40	225%		8.51-8.80	121%			
1.41-1.50	222%		8.81-9.10	120%			
1.51-1.60	219%		9.11-9.40	119%			
1.61-1.70	216%		9.41-9.70	118%			
1.71-1.80	212%		9.71-10.00	117%			
1.81-1.90	209%		10.01-10.50	116%			
1.91-2.00	206%		10.51-11.00	115%			
2.01-2.10	204%		11.01-11.50	114%			
2.11-2.20	202%		11.51-12.00	113%			
2.21-2.30	200%		12.01-12.50	112%			
2.31-2.40	198%		12.51-13.00	111%			
2.41-2.50	196%		13.01-13.50	110%			
2.51-2.60	194%		13.51-14.00	109%			
2.61-2.70	192%		14.01-14.50	108%			
2.71-2.80	190%		14.51-15.00	107%			
2.81-2.90	188%		15.01-15.50	106%			
2.91-3.00	186%		15.51-16.00	105%			
3.01-3.10	184%		16.01-17.00	104%			
3.11-3.20	182%		17.01-18.00	103%			
3.21-3.30	180%		18.01-19.00	102%			
3.31-3.40	178%		19.01-20.00	101%			
3.41-3.50	176%		20.01-25.00	100%			
3.51-3.60	174%		25.01-30.00	99%			
3.61-3.70	172%		30.01-40.00	98%			
3.71-3.80	170%		40.01-50.00	97%			
3.81-3.90	168%		50.00-60.00	96%			
3.91-4.00	165%		60.01-70.00	95%			
4.01-4.10	163%		70.01-80.00	94%			
4.11-4.20	161%		80.01-90.00	93%			
4.21-4.30	159%		90.01-100.00	92%			
4.31-4.40	157%		100.01-110.00	91%			
4.41-4.50	155%		110.01-115.00	90%			
4.51-4.60	153%		115.01-120.00	89%			
4.61-4.70	151%		120.01-125.00	88%			
4.71-4.80	149%		125.01-130.00	87%			
4.81-4.90	147%		130.01-135.00	86%			
4.91-5.00	145%		135.01-140.00	85%			
5.01-5.10	143%		140.01-145.00	84%			
5.11-5.20	141%		145.01-150.00	83%			
5.21-5.30	139%		150.01-155.00	82%			
5.31-5.40	137%		155.01-160.00	81%			
5.41-5.60	135%		160.01-165.00	80%			
5.61-5.80	133%		165.01-170.00	79%			
5.81-6.00	132%		170.01-175.00	78%			
6.01-6.20	131%		175.01-180.00	77%			
6.21-6.40	130%		180.01-185.00	76%			
6.41-6.60	129%		185.01-190.00	75%			
6.61-6.80	128%		190.01-195.00	74%			