Land Valuation

Assessing Department

The ABC's of Assessing

LAND
+
STRUCTURE
=
TOTAL VAL

The Land Component of the Total Assessed Value

LAND

Common Terms

- Sales Ratio: Assessed value divided by the Sales price, expressed as a percentage.

- Median Ratio: Tells us how close our modeled values are, on average to market value as represented by the sales price

- COD or Coefficient of Dispersion: Tells us how tightly the ratios are clustered around the median ratio . The lower the COD, the greater uniformity in the modeled values. The International Association of Assessing Officers (IAAO) acceptable standard for raw land is less than 25

20XX

Basic Land Valuation Concept

Raw land is valued on a Price per acre basis in an inversely proportional relationship.
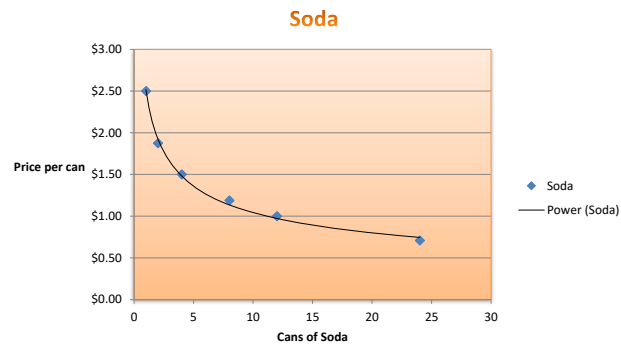
Simply stated, as the number of units (acres) increases and the overall price increases, the value per unit decreases

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Basic Land Valuation Concept

# of Cans	Total Price	Price/Unit
1	$2.50	$2.50
2	$3.75	$1.88
4	$6.00	$1.50
8	$9.50	$1.19
12	$12.00	$1.00
24	$17.00	$0.71

Soda

Price per can

- Soda
— Power (Soda)

Cans of Soda

Land Influence Adjustments

May be adjusted as a dollar ($) value or Percent (%) of value

Gas/ No gas

Electric/ No electric

Road maintained/ Not maintained

Waterfront (Ocean, river, lake, pond/creek)

View (none, limited, good, excellent)

Wetlands

Non usable/ non developable portions of land

Land Influence Adjustments (con't)

Influences that are not modeled!

- Neighbor has a few junk cars in his yard

- Maintenance on land

- Retaining wall systems

- Cleared land vs. non cleared land, Trees vs. no trees

- No Fish in the River

- No Snow in the Mountains

- Gravel Pits

- Boat tie-ups

Land Influence Adjustments

Sample Parcel & Influence adjustment build-up

| 39.98	Acres	Base Land	$	110,400	
PIN	**Influence**	**Influence %**	**Price Adjustment**		
	Gas No	-10	$	(11,040)	
	Elec Yes	0	$	-	
	View Good	100	$	110,400	
	Platted	-44	$	(48,576)	
		Total	$	**161,200**	**Ratio**
		Sales Price	$	**170,000**	**94.82%**

Price per Acre Calculations

A very popular way to compare land values is to do a simple Price per Acre calculation. Simply stated this is the assessed value divided by the acreage.

This will work just fine if the properties you are comparing are exactly the same size and have the exact same influences. Otherwise you are comparing apples to oranges.
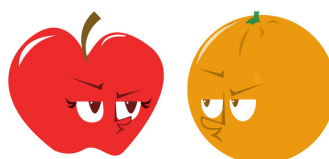
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Price per Acre Calculations

Below is a comparison of 2 parcels that have the same acreage, with different influences.

5.0 AC Base	$ 50,000		5.0 AC Base	$ 50,000
Gravel Maint	$ -		Paved	$ 5,000
Elec Yes	$ -		Elec Yes	$ -
Gas No	$ (10,000)		Gas Yes	$ -
View Limited	$ 12,000		View Good	$ 25,000
			Waterfront Pond	$ 25,000
Land Value	$ 52,000		Land Value	$105,000
Price/AC	$ 10,400		Price/AC	$ 21,000

Below is a comparison of 2 parcels with the same influences, with different acreages.

5.0 AC Base	$ 50,000		10.0 AC Base	$ 70,000
Paved	$ 5,000		Paved	$ 7,000
Elec Yes	$ -		Elec Yes	$ -
Gas Yes	$ -		Gas Yes	$ -
View Good	$ 25,000		View Good	$ 35,000
Waterfront Pond	$ 25,000		Waterfront Pond	$ 35,000
Land Value	$105,000		Land Value	$147,000
Price/AC	$ 21,000		Price/AC	$ 14,700

Views

Currently we have 4 classifications of views

- None

- Limited

- Good

- Excellent

The influence amount for each view classification is based off of sales for each Market area that we update to the new land model.

No View

133-530-29
7/27/2017 AW
VIEW

133-530-69
12/7/2017 TJ
VIEW

137-051-25
6/14/2018 LC
VIEW3

137-051-25
6/14/2018 LC
VIEW2

137-022-72
8/7/2017 TB
VIEW

133-590-23
6/26/2017 TB
VIEW

133-590-23
6/13/2018 LC
VIEW

133-590-22
6/26/2017 TB
VIEW

133-590-22
6/13/2018 LC
VIEW

View & View Potential

View Potential:

We can't always see the view when we are inspecting the property, usually due to poor weather conditions, trees and foliage blocking the view. Just because we can't physically see it, does not mean that it's not there. We rely on ur local knowledge, mapping tools such as contours and LIDAR to help determine if the topography will provide a view.

172-180-19
4/19/2017 TJ
VIEW

172-180-19
5/15/2017 BA
VIEW 2