

KENAI PENINSULA BOROUGH

Land Valuation



THE ABC'S OF ASSESSING



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LAND

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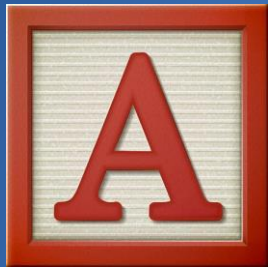
STRUCTURE

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TOTAL VAL

THE ABC'S OF ASSESSING

Let's talk about the Land component of your 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

Basic Land Valuation Concept

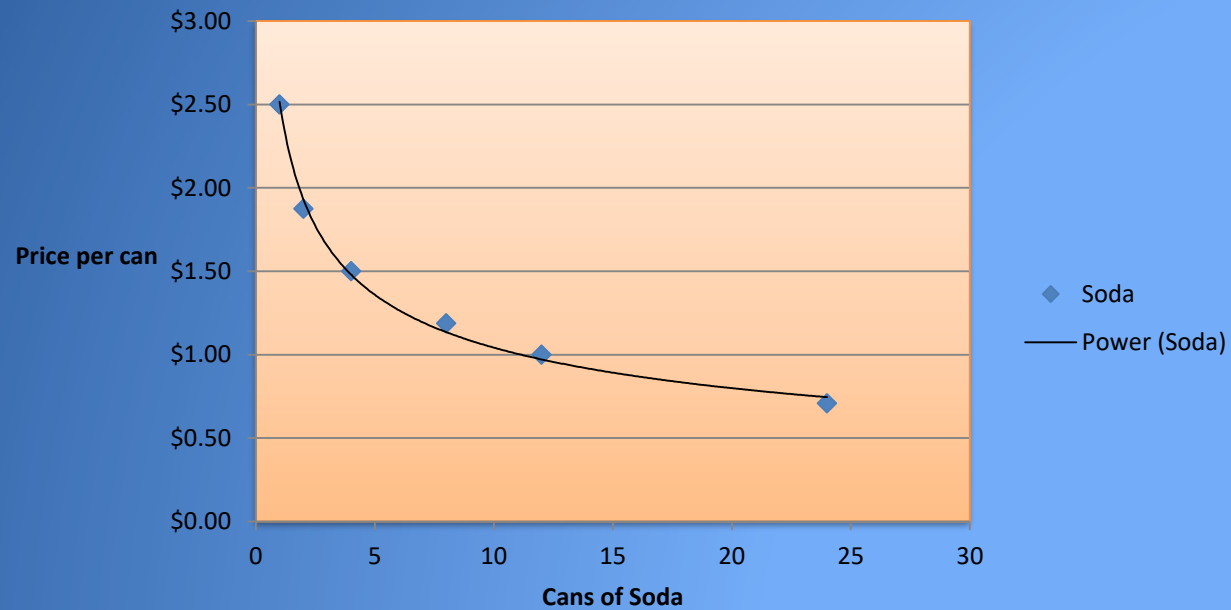
Raw land is valued on a Price per acre basis in an inversely proportional relationship.

Simply stated, as the number of units (acres) increases and the overall price increases, the value per unit decreases

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



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

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

Influence Adjustments

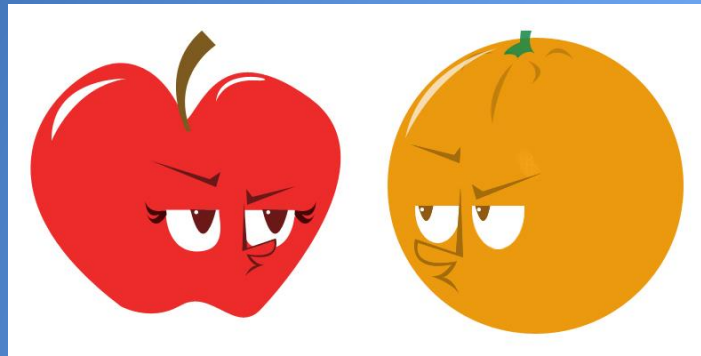
Sample Parcel & Influence adjustment build-up

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.



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

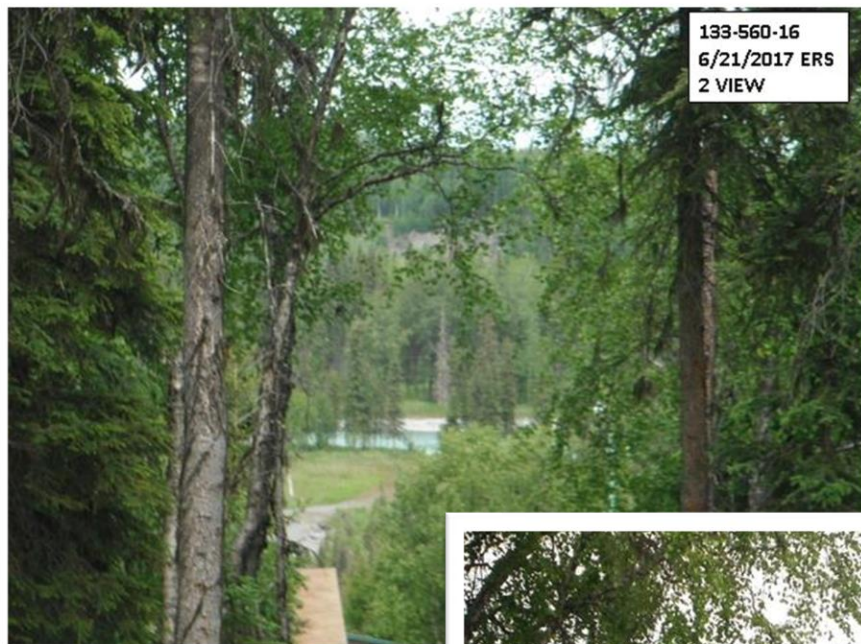
- None
- Limited
- Good
- Excellent

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



Limited View



Good View



Good View



Good View



Excellent View



Excellent View



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



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



Excellent View



View & View Potential

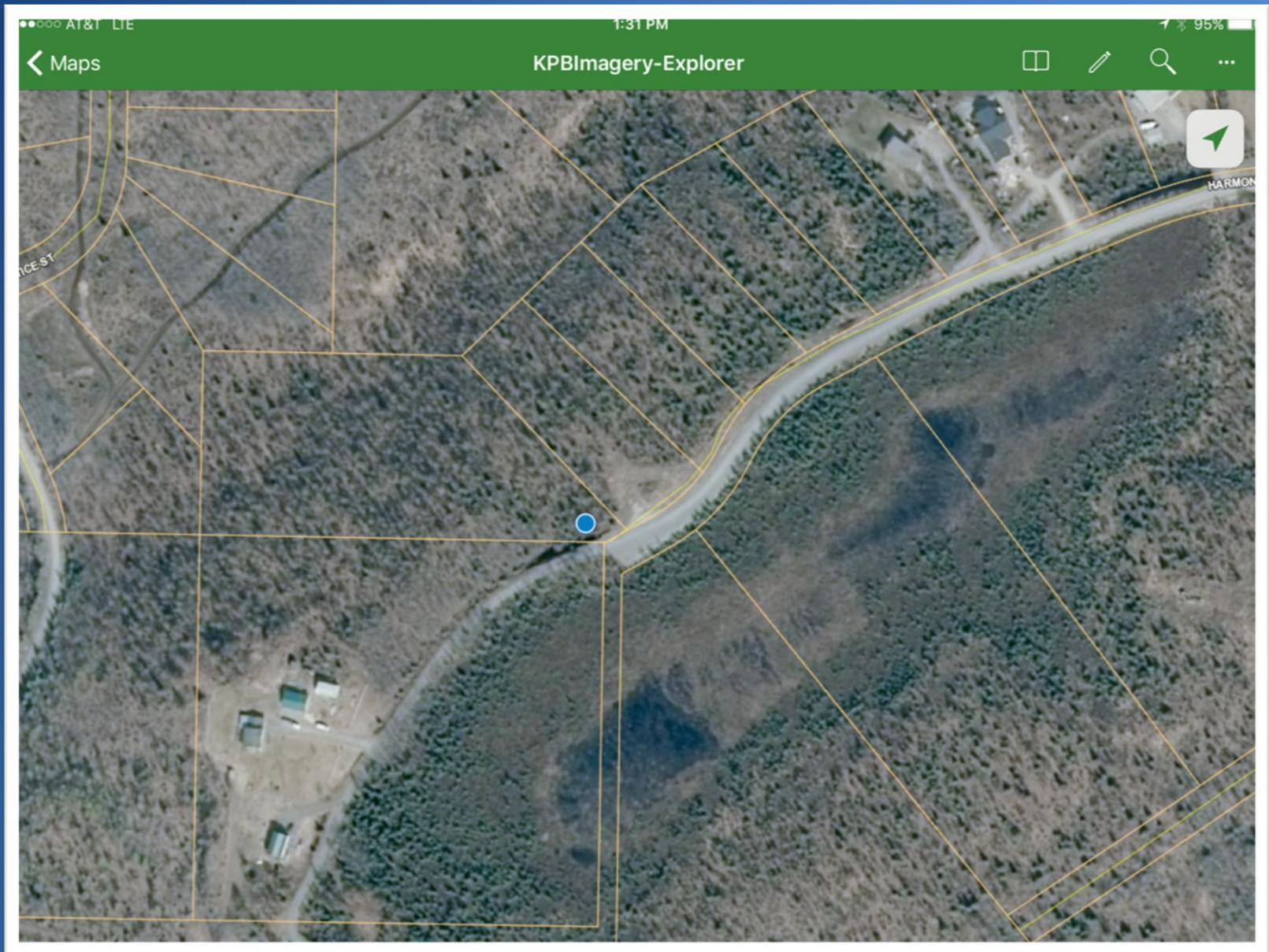
View Potential:

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 our local knowledge, mapping tools such as contours and LIDAR to help determine if the topography will provide a view.

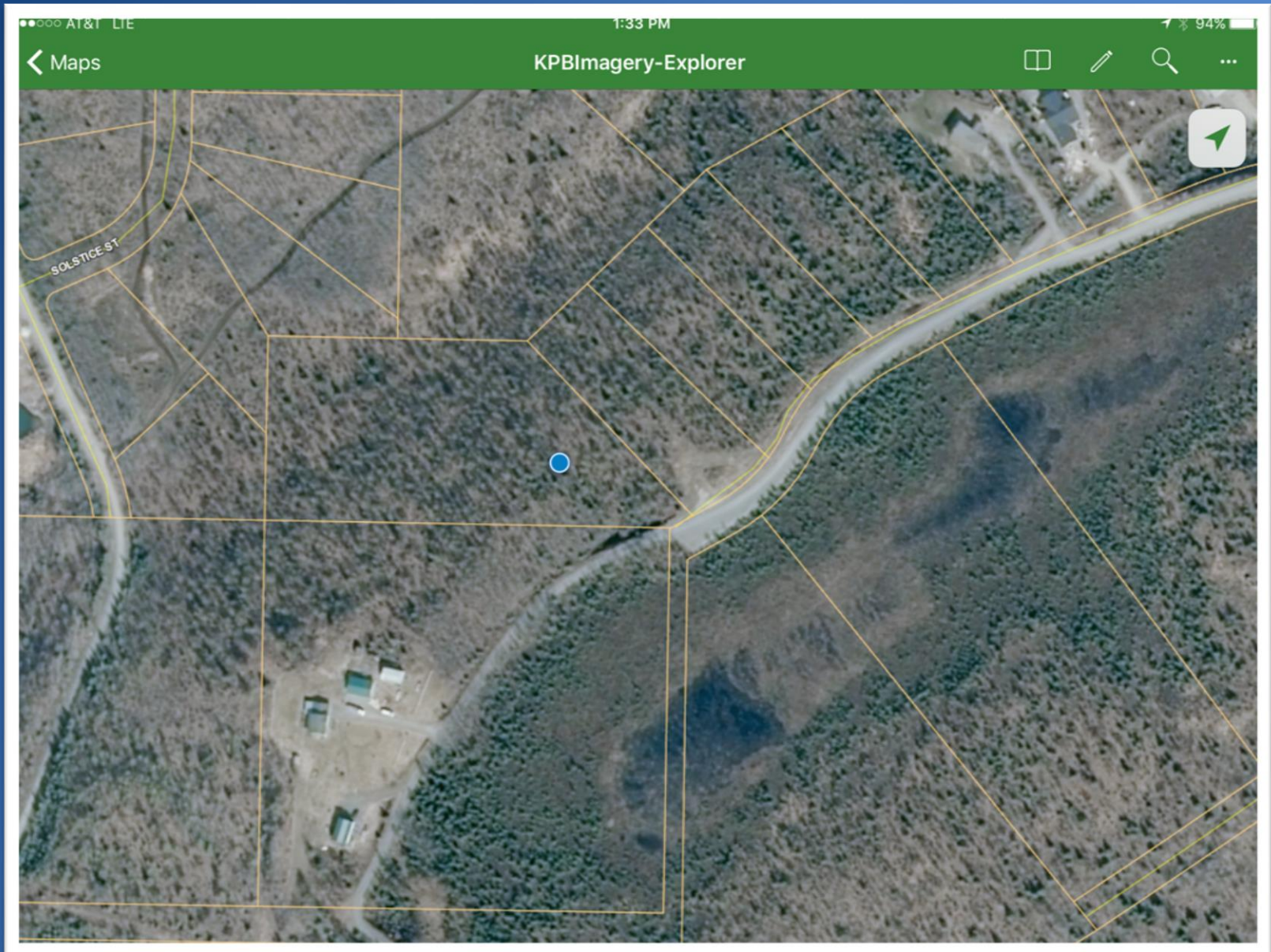
View & View Potential



View & View Potential



View & View Potential



View & View Potential



View & View Potential



View & View Potential



View & View Potential

