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| Land Valuation |

Methodology

Land is most often valued using the Sales Comparison Approach. The opinion of market value is based on an analysis of sales, listings and pending sales of properties similar to the subject property, using the most relevant units of comparison. The comparative analysis focuses on the difference between the comparable sales and the subject property using all appropriate elements of comparison.

In this section, the market value of the subject property is estimated by comparing it with recent similar sales and listings of rural properties and / or homesites located within the immediate to expanded competitive market area. Such lands are defined as future properties located within Metro’s Urban Reserve areas, but yet to be included within an Urban Growth Boundary expansion. Due to lack of sufficient recent sale / listing activity in this immediate South Beaverton / Scholls area, we also chose to survey recent land sale activity from neighboring perimeters of the Cities of Tigard, King City, Tualatin and Sherwood. As the highest and best use of the subject site is considered to be its interim wholesale nursery use pending eventual suburban redevelopment, only similar such land sale / listing comparables with similar future suburban potential were deemed as relevant for purposes of this land valuation analysis.

Unit of Comparison

Land within Urban Reserve areas or adjacent to the UGB that have future urban potential in the subject immediate to expanded market area is typically valued using the price per net developable acre unit of comparison which is the foremost unit of comparison used by buyers and sellers in this market area. Therefore, the price per net acre unit of comparison is used in this analysis.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The main elements of comparison that are considered in sales comparison analysis are as follows: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

Sale Adjustments

When applicable, the comparables are adjusted in order for property rights conveyed, financing terms, conditions of sale, market conditions, location, and physical characteristics. With the exception of a noted downward change in market conditions, no other specific adjustments were required in this analysis, though relative differences in location, land area size, available utilities, and available amenities (greenspace, views, etc.) will be considered on a general basis.

Land Sale 1 was adjusted upward / downward …. Etc. etc.

No other specific adjustments were made to the comparables’ Land Sale prices; although qualitative economic and property characteristics adjustments are addressed in the following analysis.

Comparable Sales Data

The land sales and current listings included in our survey and are presented at the end of this subsection as part of the following chart. The sales closed between July 2018 and November 2020, plus two listings and a current offer. In addition, other current listings, plus governmental land acquisition activity, were also analyzed and presented for supplemental support. All were confirmed with parties knowledgeable to their sales or current listing status and are briefly summarized as follows:

Insert Data Analysis merge of individual comparables here

Additional Quantitative Analysis

In addition to the preceding, an adjustment grid for the comparable sales is provided as additional analysis following the summary chart. The adjusted comparables indicate an adjusted unit prices of between $55,000 and $70,000 per acre with an average price of $62,000 per acre and median price of $65,000 per acre. Note that a market conditions adjustment of 3.0% per year was applied in this analysis. The adjusted value range provides additional support for the following final land value conclusion.

Recent Subject Sale Activity

Not applicable.

- Or -

Copy from Subject Ownership & Sales History section

Overall, the subject’s recent sale price appears to be reasonably bracketed and supported by the preceding comparable land sale analysis, and therefore is considered at market.

Secondary Listing Activity

During our research, two additional, current listings of Urban Reserve and/or acreage sites located adjacent to the UGB were noted during our research, and these are analyzed as follows:

Provide discussions on any relevant current listings and how they relate to the subject land.

Concluded Market Land Value

Overall, primary emphasis is placed near the mid-to-upper end of nearby Land Sales 2, 3 and 5 ($39,726, $43,026 and $65,043 per acre), but still well below nearby Land Sales 1 and 10 ($120,000 and $99,000 per acre). Therefore, a unit value somewhere in the lower mid-range between these two comparable sets is considered reasonably supportable. It is important to note that the current market for urban reserve land declined steeply in unit pricing since March 2020. Not all sellers are willing to recognize this, and thus there has been a disconnect with the potential buyers for such properties at this time.

Conventional financing for speculative hold reasons continues to be almost non-existent, and thus, sizeable down payments for homesite purchasers are required, thus winnowing down the pool of potential purchasers. In spite of these factors, our Market Analysis would indicate strongly rebounding residential prices in the Portland Metro area and the immediate submarket since 2020, which in turn has resulted in renewed interest in future land development and their related pricing. This upward land price pressure on speculative land is expected to continue for the next 1 to 5 years.

The appraiser has considered the characteristics of each comparable, with primary emphasis on the lower-middle portion of the range indicated by Land Sales 1, 2 and 3 ($50,000, $60,000 and $75,000 per acre). Secondary consideration and bracketing support placed near average and median adjusted comparable range of ($62,000 and $65,000 per acre). Hence, a unit land value of **$\_\_\_\_\_\_\_\_\_ per acre** is concluded in this assignment.

Based on the preceding, it is the appraiser’s opinion that the **concluded market value** of the fee simple interest for the **subject land** (${netacre} gross / net acre) is as follows (rounded to the nearest $5,000):

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| **Concluded Market Land Value** | **$\_\_\_\_\_\_\_\_ / Acre** | **$\_\_\_\_\_\_\_\_\_\_\_\_\_** |





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| **Land Sales Location Map** |
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Insert Land Sale Aerial Plats or Comp Write-ups