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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.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. Higher density, urban commercial land within the subject market area is typically valued using either price per square foot of land area and / or price per square foot of the maximum allowable floor area ratio (FAR). As vacant land within the subject market area, as well as most close-in Portland neighborhoods, have recently been purchased for the planned development of high density apartment properties, 4 to 10 stories, similar to the highest and best use of the subject property, the price per square foot of the maximum allowable FAR is considered to be most applicable for use in this analysis. Therefore, the following analysis will be based on the sales price per square foot of the maximum allowable FAR net usable land area in estimating the subject’s land value.

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

The market value of the subject land area is estimated by comparing it with recent similar sales of commercial properties located within the immediate to expanded competitive market area.

When applicable, the comparables are adjusted for property rights conveyed, financing terms, conditions of sale, market conditions, location, and physical characteristics. After adjustments, analysis reflecting market behavior is used to determine which comparables are superior or inferior to the subject after considering the remaining characteristics that could not be accounted for in the adjustment process.

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 selected sales range in net usable size from 10,400 to 36,446 SF land area, with dates of sale as far back as September 2016, though more recently included was one sale from 2018, one from 2019, and three pending sales set to close by mid-2019. Overall, the comparables provide a reasonable basis for estimating the subject’s land value. Our analysis of the comparable sales is provided following.

Insert Data Analysis merge of individual comparables here

Additional Quantitative Analysis

The adjustment grid for the comparable land sales is provided as additional analysis following the summary chart. The adjusted comparables indicate an adjusted price per square foot FAR between $29.54 and $36.90 per SF with an average adjusted price of $33.56 per SF FAR and median price of $33.96 per SF FAR. Note 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 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 commercial zoned parcel listings 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, a unit value for the subject is reasonably supported at the upper end of the primary range indicated by Land Sales 1, 4 and 5 ($33.33, $38.85 and $26.83 per SF FAR / adjusted to $34.17, $36.90, $32.60 per SF FAR). Additional strong emphasis is placed above the subject’s recent purchase price of $31.06 per SF. Finally, strong secondary consideration given to just below the adjusted average and median unit prices of $33.56 and $33.96 per SF FAR. Therefore, a concluded unit value of **$\_\_\_\_\_\_ per SF FAR** is considered reasonable for use in this analysis.

As noted, the ${netsf} SF subject site has development potential for ${maxfar} SF of likely allowable building area (maximum FAR = ${far} to 1). Based on the preceding analysis, and consideration of the primary and secondary market data, it is the appraiser’s opinion that the **concluded stabilized market land value** of the fee simple interest in the subject property, as of ${effdov} ($\_\_\_\_\_\_ per SF FAR / $\_\_\_\_\_\_ per SF land area; rounded to the nearest $5,000) as follows:

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| **Concluded Market Land Value** | **$\_\_\_\_\_\_ / SF FAR** | **$\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |





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