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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

Residential zoned land in the subject market area is typically valued using either the price per acre, or price per potential house lot unit of comparison. Due to its more common usage by buyers and sellers in the greater Portland-Vancouver market area, the price per developable unit or lot method of comparison is used in this analysis.

With respect to the subject site consisting of ${netacre} net acres assumed zoned as ${zone} – Residential, the likely attached / detached housing would reflect a minimum / maximum density of 12 to 15 lots per net acre. This would infer a lot / unit yield of 40 to 50 residential lots, based on the reasonable assumption of a zone change to ${zone}. For purposes of this analysis, we have assumed a mid-range yield of 45 lots or 13.47 lots per net acre for the subject site.

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 low density single-family residential zoned 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

Presented on a following page is a summary of the selected land transaction data, all sales located within the subject's immediate to expanded Hillsboro / Sunset Corridor submarket areas. All were reasonably similar in terms of zoning, and all had similar potential for various detached single-family uses. Hence, the data was considered sufficient to provide a reasonable estimate of subject land value. Our presentation of the land sales is presented in the chart at the end of this subsection.

Density Adjustment Analysis

The following chart summarizes our analysis of the land sales with each adjusted to reflect its unit price based on the subject’s assumed density of 13.47 lots per net acre. With the preceding density adjustments kept in mind, each of the land sales will individually be analyzed.

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| --- | --- | --- | --- | --- | --- |
| **Comparable** | **Density /**  **Net Acre** | **Base**  **Adjusted**  **Unit Price** | **Density**  **Adjusted Lot Price (13.47 / Acre)** | **Analysis**  **Conclusion** | **Reliability** |
| Land Sale 1 | 9.26 | $42,500 | $29,208 | High indicator | Average |
| Land Sale 2 | 10.32 | $26,250 | $20,112 | Low indicator | Average |
| Land Sale 3 | 9.09 | $30,759 | $20,761 | Low indicator | Below Avg. |
| Land Sale 4 | 17.13 | $26,892 | $34,190 | High indicator | Below Avg. |
| Land Sale 5 | 7.00 | $35,843 | $18,722 | Low indicator | Poor |

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 $30,000 and $45,000 per lot with an average price of $35,000 per lot and median price of $37,000 per lot. 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 single-family 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, the data would tend to support a unit value conclusion for subject land of approximately **$\_\_\_\_\_\_\_\_ per lot**. Alternatively, this would equate to **$\_\_\_\_\_\_\_\_\_ per net acre**, based on an assumed density of 13.47 lots per acre. This conclusion is considered reasonably supported by the land sales presented in the following chart.

Based on the preceding, it is the appraiser’s that the **concluded market value** of the fee simple interest in the **subject land** (site area = ${netacre} net developable acres / assumed 45 detached lots) is as follows (rounded to the nearest $5,000):

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **Concluded Market Land Value** | **$\_\_\_\_\_\_\_\_ / Lot $\_\_\_\_\_\_\_\_ / Net Acre** | **$\_\_\_\_\_\_\_\_\_\_\_\_** |

Concluded Master Site Land Value (${netacre} Acres)

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 ($29,500, $36,000 and $37,250 per lot). Secondary consideration and bracketing support placed near average and median adjusted comparable range of ($35,000 and $37,000 per lot). Hence, a unit land value of **$\_\_\_\_\_\_\_\_ per lot** is concluded in this assignment.

Placing primary emphasis on the higher end of this range due to the subject’s Hillsboro location, view amenity and the perceived rising trends in area land prices, it is the appraiser’s opinion that the **concluded market value** of the ${netacre}-net acre **subject site** should be **$\_\_\_\_\_\_\_\_ per lot**, or rounded to (${no\_units} lots x $\_\_\_\_\_\_\_\_ per lot; rounded to the nearest $5,000):

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | |
| **Concluded Master Site Land Value** | **$\_\_\_\_\_\_\_\_ / Lot** | **$\_\_\_\_\_\_\_\_\_\_\_** |

Concluded Primary Site Value (${primacre} Acres)

Phase I contains ${primacre} acres and will be developed with 63 lots. The primary site value is deemed to have the same utility as the master parcel. Based on the preceding, it is the appraiser’s opinion that the **concluded market value** of the **primary building site**, is (63 Phase I lots x $35,000 per lot; rounded to the nearest $5,000):

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | |
| **Concluded Primary Site Value** | **$\_\_\_\_\_\_\_\_ / Lot** | **$\_\_\_\_\_\_\_\_\_\_\_** |

Concluded Excess Land Value (${excessacre} Acres)

Phase II contains ${excessacre} acres and will be developed with 84 lots. This excess land value is deemed to have the same utility as the master parcel and the primary building site. As such, based on the preceding, it is the appraiser’s opinion that the **concluded market value** of the **excess land**, is (84 Phase II lots x $\_\_\_\_\_\_\_\_\_ per lot; rounded to the nearest $5,000)::

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| --- | --- | --- | --- |
|  |  |  | |
| **Concluded Excess Land Value** | **$\_\_\_\_\_\_\_\_ / Lot** | **$\_\_\_\_\_\_\_\_\_\_\_** |





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