

Valuation Area Delineation

October 27, 2010
DOR Webinar

Valuation Area Delineation

October 27, 2010 @ 9:00

DOR Webinar

Presenter: Michael Dahle,
Assessment & Technology Specialist
MichaelD@dor.wa.gov

Valuation Area Delineation

- Outline / Agenda
 - Definitions
 - Two Methodologies
 - External Force Influence Methodology
 - Geographic Boundary Influence Methodology
 - Process of Delineation
 - Use in Analysis and Mass Appraisal
 - General Tips

Valuation Area Delineation

- Valuation areas are also referred to as:
 - Neighborhoods
 - Regions or Districts
 - Market Areas
- For purposes of today's discussion we will use: Valuation Areas and those will be broken down into Region, District, Neighborhood

Valuation Area Delineation

- One question we get is, “Do your valuation areas and inspection areas need to match or be the same?”
 - No, they do not need to match.
 - Valuation Areas and Inspection Areas have different purposes:
 - Valuation Areas are for analyzing the market and applying locational valuation factors.
 - Inspection Areas are for updating the property data.
 - Valuation Areas are driven by market influences.
 - Inspection Areas are driven by staffing, efficiency, and time issues.

Valuation Area Delineation

Definitions - General

Valuation Area, in this context, refers to a grouping of properties based on locational characteristics for the purposes of analysis and valuation of properties for property tax assessments.

Valuation Area Delineation

Definitions - General

- The Basic Purpose of Valuation Areas is:
 - Better Equity in Your Assessments
- This is achieved through Valuation Areas providing for:
 - A more refined Valuation Model
 - Additional options for Market Analysis

Valuation Area Delineation

Definitions - IAAO: Methodologies

Valuation areas are “areas of complementary land uses in which all properties are similarly influenced by the four forces affecting property values: Environmental, governmental, social and economic forces.”

-OR-

“Geographic areas defined for some useful purpose.”

ex. A group of properties that share important locational characteristics for the purpose of valuation modeling.

Valuation Area Delineation

- Two Methodologies -

The two methodologies described in the previous slide's definitions could be summarized as follows:

- External Force Influences
 - Geographic Boundary Influences (or Characteristics)
-
- We will review both of these methodologies.

Valuation Area Delineation

- Two Methodologies -

General Pros & Cons

- External Force Influences
 - Can be very effective.
 - Is more complex.
 - Requires more sophisticated analysis.
 - Often is more difficult to explain.
- Geographic Boundary Influences
 - Appraisers can more easily relate to or engage with it.
 - Can facilitate a simpler approach.
 - Generally is easier to explain to the public and BOE.
 - We recommend the Geographic Boundary Influence methodology.

Valuation Area Delineation

Uniform Residential Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description			
Assessor's Parcel #	Tax Year	R.E. Taxes \$	
Neighborhood Name	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	<input type="checkbox"/> PUD	HOA \$ <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client	Address		
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s).			

I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$	Date of Contract	Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If Yes, report the total dollar amount and describe the items to be paid.			

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	One-Unit %
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	2-4 Unit %
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	AGE (yrs)	Multi-Family %
Neighborhood Boundaries		Low	Commercial %
		High	Other %
Neighborhood Description		Pred.	

Valuation Area Delineation

- External Force Influence Methodology -

Let's look at the method of delineating Valuation Areas based on External Influences.

Valuation Area Delineation

- External Force Influence Methodology -

The four forces
that impact valuation areas when defined as
properties that are similarly influenced by
external forces affecting property values are:

- Environmental
- Governmental
- Social
- Economic

Valuation Area Delineation

- External Force Influence Methodology -

Environmental forces

- Important in consumer preference formation, such as:
 - Proximity to amenities such as schools and parks
 - Access to employment, shopping, etc.
 - Access to a recreation area

Valuation Area Delineation

- External Force Influence Methodology -

Governmental forces

- Forces affecting land use, such as:
 - Zoning
 - Restrictions on development
 - Level of public services
 - Incorporated Areas / Cities
 - Areas effected by building codes

Valuation Area Delineation

- External Force Influence Methodology -

Social Forces

- Regional or demographic trends:
 - Population growth
 - Migration
 - Population demographics

Valuation Area Delineation

- External Force Influence Methodology -

Economic Forces

- Effect both supply and demand
 - Employment
 - Interest rates / financing
 - Construction costs
 - Cost of Living

Valuation Area Delineation

- External Force Influence Methodology -

General Notes regarding External Force Influence

- External Force Influences are often more dynamic and require much more vigilance if they are the basis for your Valuation Areas.

Valuation Area Delineation

- External Force Influence Methodology -

General Notes regarding External Force Influence

- If you are going to use this methodology it is important that you do not adjust boundaries just because of prices. You need to do analysis. In your analysis:
 - First, see if the price differential ties to other characteristics such as Condition/Effective Age.
 - Second, if you ascertain that the difference comes from an external force then try to tie those price differences to one or more of the external forces in order to know the extent of the influence so you know how to adjust the Valuation Area boundaries or delineation or the valuation factor to apply.
- Do not get tempted into chasing sales prices.

Valuation Area Delineation

- External Force Influence Methodology -

Words of Caution

- Avoid Things Like:
 - Appearance of Neighborhood
 - Per Capita Income
 - Racial Composition
 - Defining a Neighborhood by a General Effective Age or Condition (Example- Carving a couple blocks out of a neighborhood because some or even most of the houses are not maintained as well.) (Handle that with your Effective Age or Condition depreciation adjustment.)

- External Force Influence Methodology -



Valuation Area Delineation

- External Force Influence Methodology -

- One additional aspect that you will want to consider is the life cycle (growth, stability, decline, and revitalization) of a Valuation Area.

Valuation Area Delineation

- External Force Influence Methodology -

- The life cycle typically consists of four phases:
 - Period of Growth – construction and development
 - Period of Stability – where supply and demand are equal
 - Period of Decline – diminishing demand or diminishing desirability
 - Period of Revitalization – desirability increasing again
- The four forces (Environmental, Governmental, Social, Economic) can have an effect on the life cycle of a Valuation Area.

Valuation Area Delineation

- External Force Influence Methodology -

Determining Life Cycle Trends

- Life Cycle Trends may be effecting an entire Valuation Area or may indicate a need to adjust your Valuation Areas. If the trend is reflective of a change in external forces then it may indicate a need to change your Valuation Area Delineation. If it is just a normal progression of individual properties it is more appropriately captured by effective age or condition.
- Be very cautious in changing a Valuation Area due to life cycle trends. Make sure you have done the proper analysis to determine that it actually warrants a change to your Valuation Areas.

Valuation Area Delineation

- Geographic Boundary Influence Methodology -

Now let's look at the method of delineating
Valuation Areas based on Geographic
Boundary Influences.

Valuation Area Delineation

- Geographic Boundary Influence Methodology -

One of the great advantages of the Geographic Boundary Influence approach is how it can be utilized in conjunction with Use Classifications and Property Characteristics.

The Geographic Boundary Influence approach is the recommended or preferred method of delineation of your Valuation Areas when used in conjunction with other property characteristics.

Valuation Area Delineation

- Geographic Boundary Influence Methodology -

Examples of Characteristics that could be used in conjunction with or alongside your Valuation Areas:

- Acreage / Size of Lot
- Waterfront versus upland
- Views
- Available Services (power, water, sewer, gas)
- Year Built and Effective Age
- Any / All Other Property Characteristics

Valuation Area Delineation

- Geographic Boundary Influence Methodology -

For Example:

- One county might find that they have a Valuation Area (Neighborhood) adjustment and all of the rest of their adjustments work across the whole county- waterfront, view, etc.
- A second county might find that they have Valuation Area (Neighborhood) factors and all of the rest of their characteristic factors also need to be adjusted for each Valuation Area.
- Another county might find that they have a Valuation Area adjustment, that some adjustments (view for example) apply across the whole county, but that some of their valuation model characteristics need different rates in different Regions or Valuation Areas (lake frontage for example).

Valuation Area Delineation

- Geographic Boundary Influence Methodology -

The primary question when utilizing geographic boundaries is:

- Would this influence the sale of the property?
 - Would it influence available buyers? (marketability)
 - Would it influence price? (travel time and cost considerations for example)
 - Does it effect access to services?
 - Does it effect access to employment?
 - Other similar questions.

Valuation Area Delineation

- Geographic Boundary Influence Methodology -

- Geographic Boundaries of Valuation Areas can be determined by a variety of characteristics, methods or factors:
 - Natural Boundaries
 - Political Boundaries
 - Man-Made Boundaries
 - Or a combination of all of the above
- Let's take a closer look at each of these.

Valuation Area Delineation

- Geographic Boundary Influence Methodology -

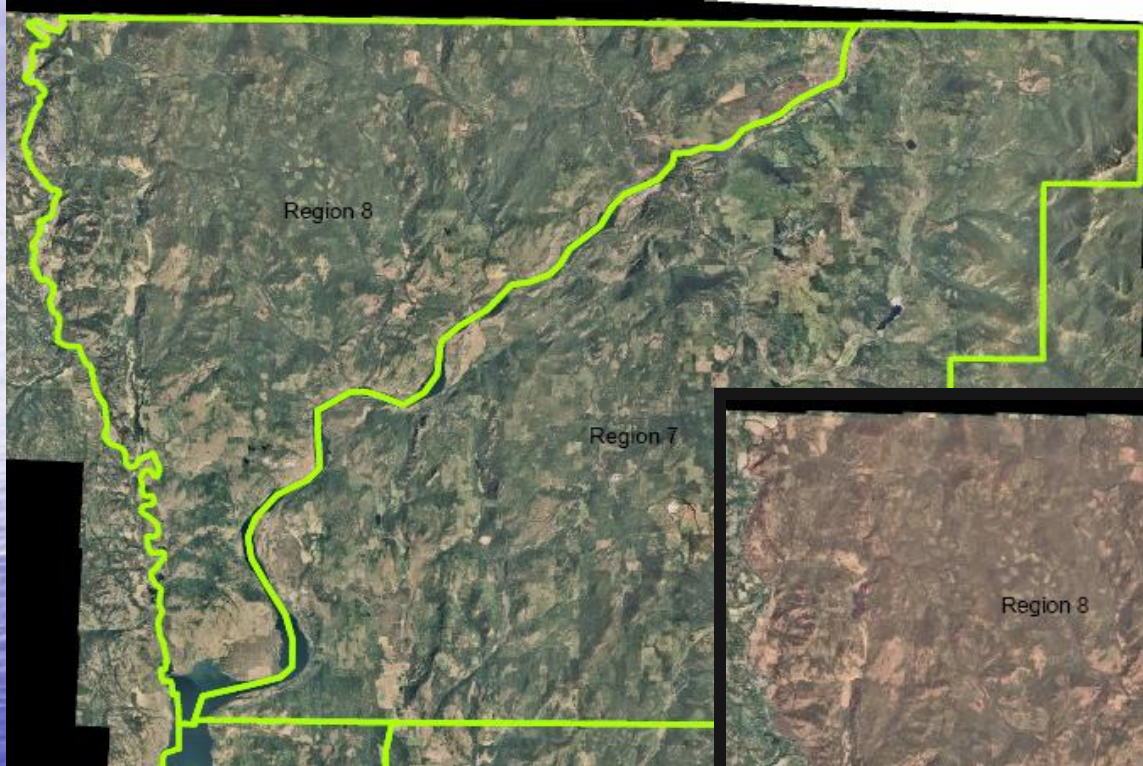
- **Boundary Factors:**

- Natural Boundaries:

- Lakes
 - Rivers
 - Hills
 - Mountains
 - Undeveloped Areas (influences such as access & roadless areas)

Valuation Area Delineation

- Geographic Boundary Influence Methodology -



Valuation Area Delineation

- Geographic Boundary Influence Methodology -

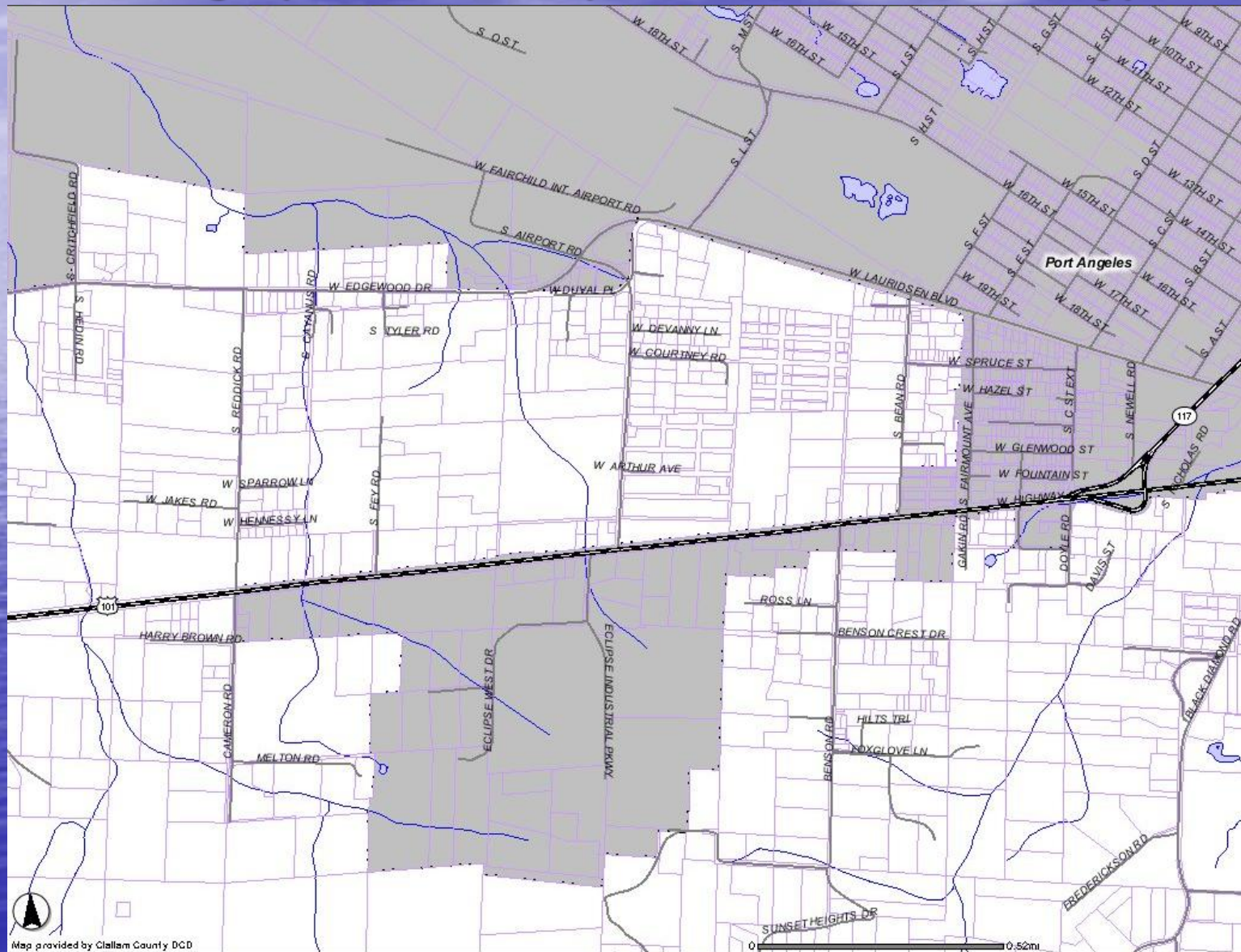
- **Boundary Factors**

- Political Boundaries:

- City Limits (effect services, taxes, etc)
 - School Districts
 - Zoning (may want to capture as separate characteristic and not define Valuation Area by it)
 - Urban Growth Boundaries and other types of restrictions

Valuation Area Delineation

- Geographic Boundary Influence Methodology -



Valuation Area Delineation

- Geographic Boundary Influence Methodology -

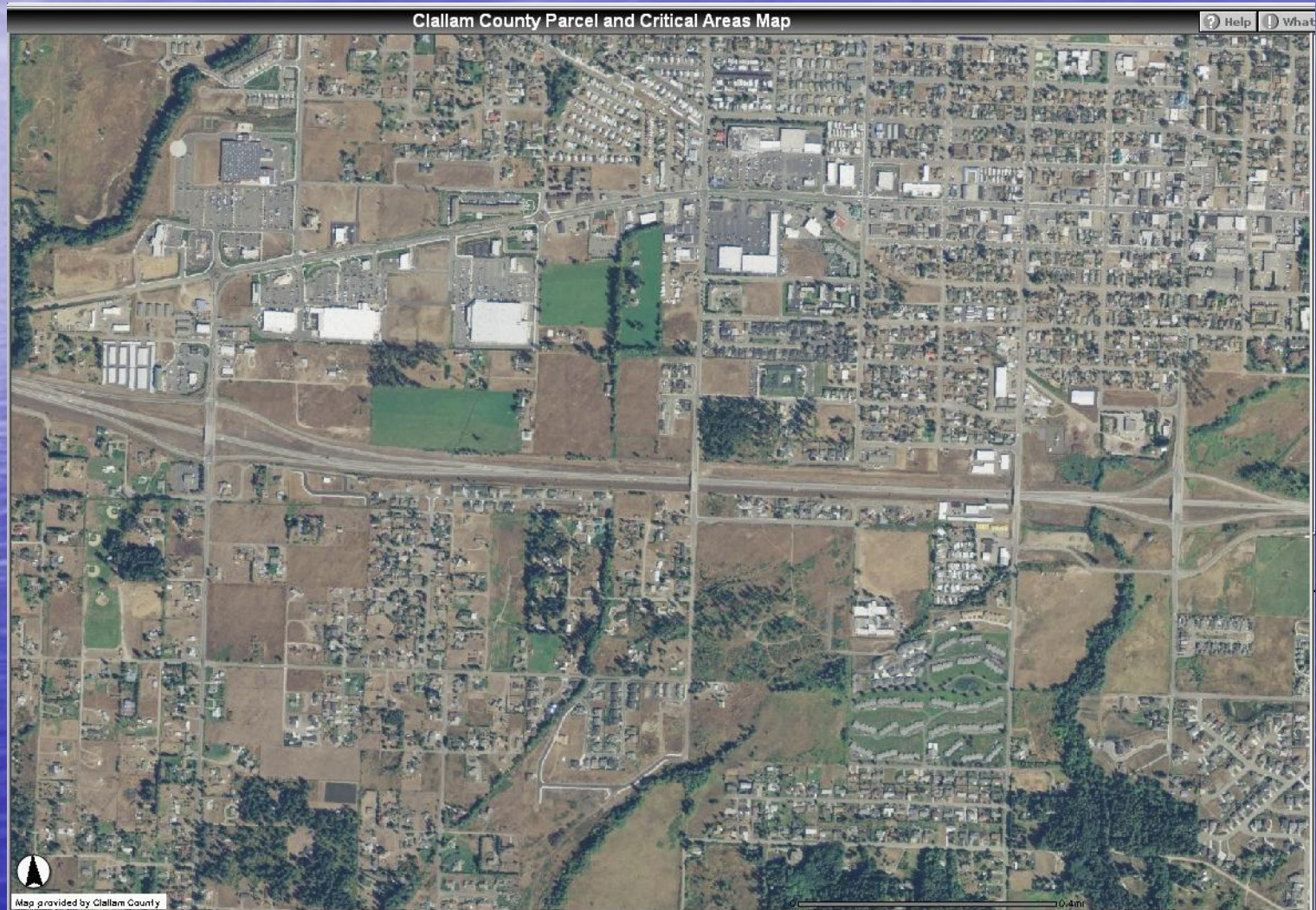
- **Boundary Factors**

- Man-made Boundaries:

- Streets (freeways and other roadways that restrict access)
 - Railroads
 - Major Utility Right of Ways
 - Effect on access
 - Proximity to influence (negative or positive)
 - Canals

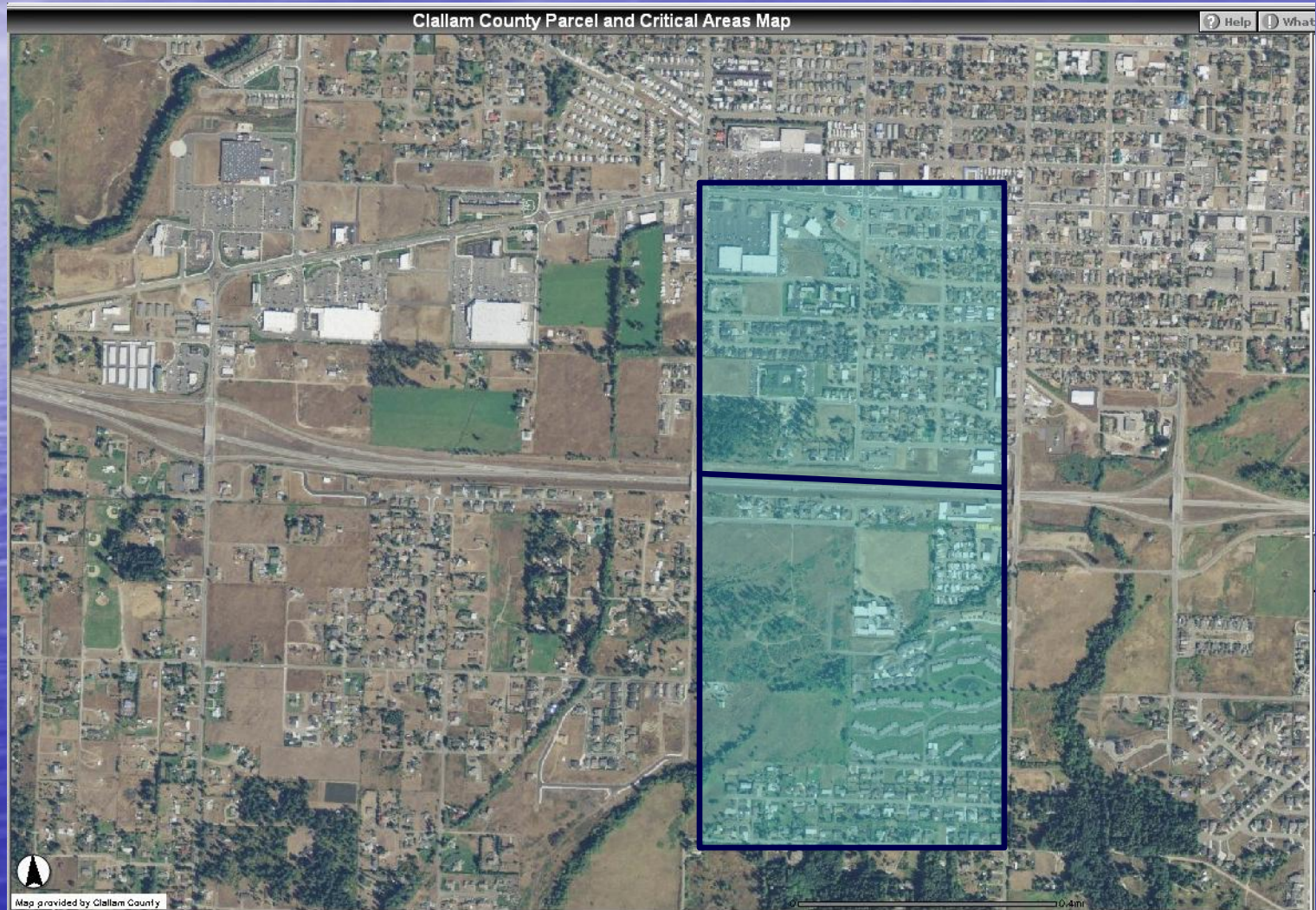
Valuation Area Delineation

- Geographic Boundary Influence Methodology -



Valuation Area Delineation

- Geographic Boundary Influence Methodology -



Valuation Area Delineation

- Geographic Boundary Influence Methodology -

- **Boundary Factors**

- A Combination of All Of The Above

- A Valuation Area may be defined by a combination of Natural, Political and Man Made boundaries.

- For example:

- A Valuation Area may be defined by a river on the West side, a lake and shipping canal on the North side, a major rail line with few crossings on the East side, and a City Limits or Urban Growth Boundary on the South side.

Valuation Area Delineation

- Delineation Process -

Delineation or Identification of Valuation Areas

- Primary Steps
 - Identify **Regions**
 - Divide Regions into **Districts**
 - Further divide Districts into smaller **Neighborhoods**
 - **REFINE**

Valuation Area Delineation

- Delineation Process -

Delineation or Identification of Valuation Areas

- Start with **Regions**
 - Identify or define broad geographic areas
- Divide Regions into **Districts**
 - Ex. School district, incorporated areas, city limits, etc.
- Further divide Districts into smaller **Neighborhoods** as the market dictates
 - Ex. Subdivision, downtown, uptown, etc.
 - Influences recognized in the market or important for analysis
- **REFINE**
 - After the initial identification of delineation of your Valuation Areas you will want to refine and adjust them over time and as market or other conditions change.

Valuation Area Delineation

- Delineation Process -

Delineation or Identification of Valuation Areas

- Tools you can use in this process
 - Appraisers knowledge and ideas of areas
 - Discussions and brainstorming
 - Analysis / Statistics
 - GIS / Mapping
 - External / Independent Studies

Valuation Area Delineation

- Delineation Process -

Geographic Region – District - Neighborhood

- This type of valuation area development by region, district and neighborhood allows a great deal of flexibility for analysis while also maintaining the integrity of a geographic boundary delineation.

Valuation Area Delineation

- Delineation Process -

Things to consider...

- How many regions are needed to capture broad locational differences within your county?
- What districts and/or neighborhoods would be required within each region to capture market differences?
- CAMA (software) structure or parameters

Valuation Area Delineation

- Delineation Process -

More things to consider...

- Consider how GIS can be used to help delineate your Valuation Areas and to assist each year in any refinement or calibration.

- Delineation Process -

The screenshot shows a GIS interface with a map of West Sequim Bay. The map features numerous colored polygons representing land parcels, each labeled with a unique identifier. A red line highlights the boundary of the 'BIG FOOT LN' area. Below the map, a table titled 'Parcels' lists details for four selected parcels.

Rec	PNUM	VERSION	ACRES	C_DATE	CDOC_AFN	CDOC_TYPE	R_DATE	STATUS	G_SOURCE	D_SOURCE	MULTIPART	PART	NOTES
1	033021500000	0	4.46308211878	Fri, 7 Jul 1995 00:00:00	1995-0725139	3		A	2	1	1	2	
2	033021500820	0	0.1637902039	Fri, 7 Jul 1995 00:00:00	1995-0725139	3		A	2	1	0	0	
3	033021500810	0	0.144226909468	Fri, 7 Jul 1995 00:00:00	1995-0725139	3		A	2	1	0	0	
4	033021500800	0	0.142539189955	Fri, 7 Jul 1995 00:00:00	1995-0725139	3		A	2	1	0	0	

Line/Polygon Zoom to Parcel: [Go] Zoom to Scale (no commas) 1: 4937 [Go]

095516.64, 401012.08 -- Image: 307, 183 -- Scale 1:4937

- Delineation Process -

Property Sales

Rec	RR	TT	SS	PNUM	ADMIN	REVAL	LAND_AV	BLD_AV	TOTAL_AV	SALE_AMT	DOC	SORT_DATE	DATE	MULTI_SALE	TOTAL_ACRE	HO
1	03	30	21	033021500020	0000	1	55035	190315	245350	265000	WD	20050616	06/16/2005	0	60	
2	03	30	21	033021500060	0000	1	55035	180520	235555	205000	WD	20050531	05/31/2005	0	200	
3	03	30	21	033021500080	0000	1	55035	191900	246935	225000	WD	20050518	05/18/2005	0	220	
4	03	30	21	033021500090	0000	1	55035	186430	241465	250000	WD	20051118	11/18/2005	0	230	
5	03	30	21	033021500100	0000	1	55035	145250	200285	219000	WD	20050923	09/23/2005	0	141	
6	03	30	21	033021500130	0000	1	55035	174330	229365	228000	WD	20060822	08/22/2006	0	130	
7	03	30	21	033021500150	0000	1	55035	202445	257480	284000	WD	20060308	03/08/2006	0	171	
8	03	30	21	033021500190	0000	1	55035	175470	230505	179950	WD	20050525	05/25/2005	0	50	
9	03	30	21	033021500200	0000	1	46250	186365	232615	232000	WD	20051207	12/07/2005	0	40	

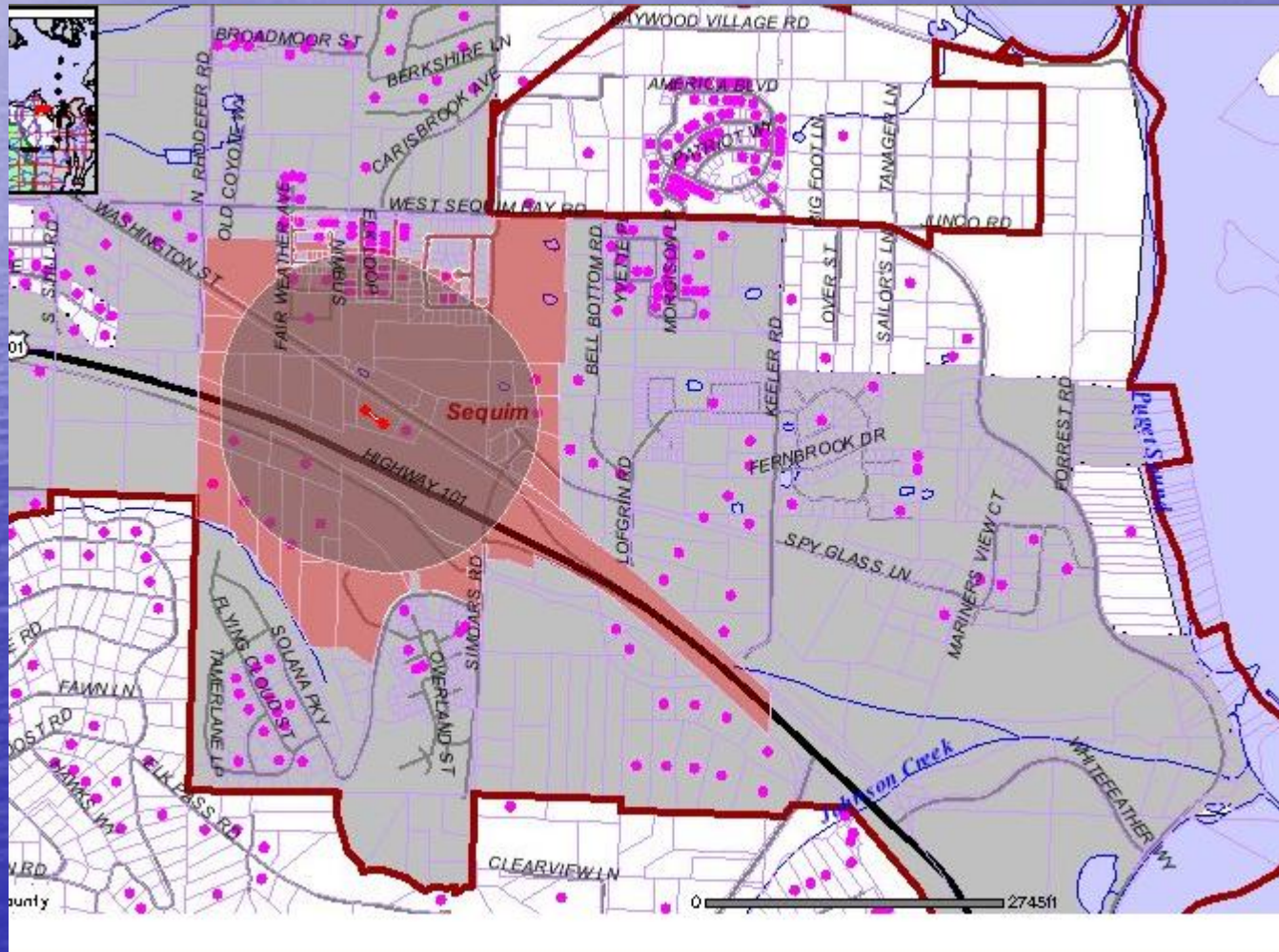
Select Line/Polygon Zoom to Parcel: Go Zoom to Scale (no commas) 1: 4937 Go

Map: 1095996.64, 400227.8 -- Image: 419, 366 -- Scale 1:4937

Valuation Area Delineation

- Delineation Process -


More things to consider... GIS



Valuation Area Delineation

- Delineation Process -

More things to consider... GIS



Parcels

Rec	PNUM	VERSION	ACRES	C_DATE	CDOC_AFN	CDOC_TYPE	R_DATE	STATUS	G_SOURCE	D_SOURCE	MULTIPART	PART	NOTES
1	033021530002	0	1.07304013971	Wed Jul 12 17:00:00 PDT 2006	2006-1183935	3		A	2	1	0	0	
2	033021530005	0	0.435489799039	Wed Jul 12 17:00:00 PDT 2006	2006-1183935	3		A	2	1	1	2	
3	033021road47	0	1.90356926704	Wed Apr 14 17:00:00 PDT 2004	2004-1147646	3		M	2	1	-5	0	
4	033021430000	0	24.6990288021			0		A	2	0	0	0	
5	033021530005	0	0.851618037727	Wed Jul 12 17:00:00 PDT 2006	2006-1183935	3		A	2	1	1	1	

Valuation Area Delineation

- Delineation Process -

More things to consider...

- Do I have enough sales in my neighborhood to perform a statistical analysis or do I need to expand my database for analysis purposes?
 - Move up to district/region level for analysis
 - Combine homogeneous neighborhoods (Valuation Areas) in sets.
 - Set up **Analysis Sets** ahead of time for ease of analysis.

Valuation Area Delineation

- Delineation Process -

More things to consider...

- Set up **Analysis Sets** ahead of time for ease of analysis – Examples:
 - You might have 5 neighborhoods that have similarities in characteristics such as age, quality mix, amenities and services but are geographically separated and thus have differing access.
 - You might have lake or saltwater waterfront properties that are scattered throughout your county.
 - You might have large, undeveloped tracts of land scattered throughout your county

Valuation Area Delineation

- Delineation Process -

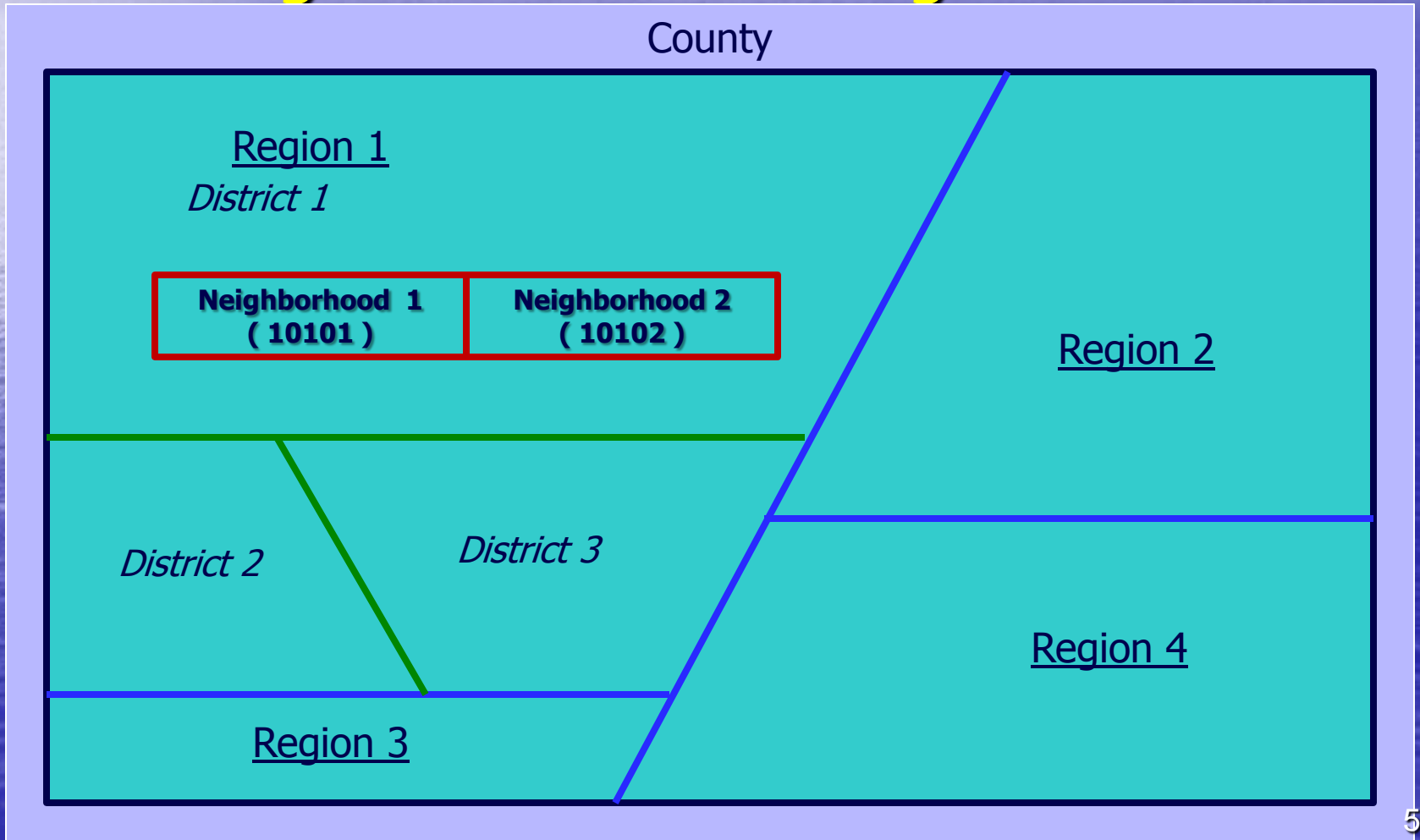
More things to consider...

- Another way of looking at it - If there are any property classifications that need to be analyzed globally due to a lack in the number of parcels or of sales data (industrial properties or premier residential properties for example) these should not be broken out of your Valuation Areas but should be captured by other characteristics and then just combined in your analysis.
 - For example: Premier Properties – What makes them a Premier Property? What are they defined by?
 - Acreage?
 - Privacy?
 - View?
 - Improvement Size (SF)?
 - Improvement Quality?

Valuation Area Delineation

- Delineation Process -

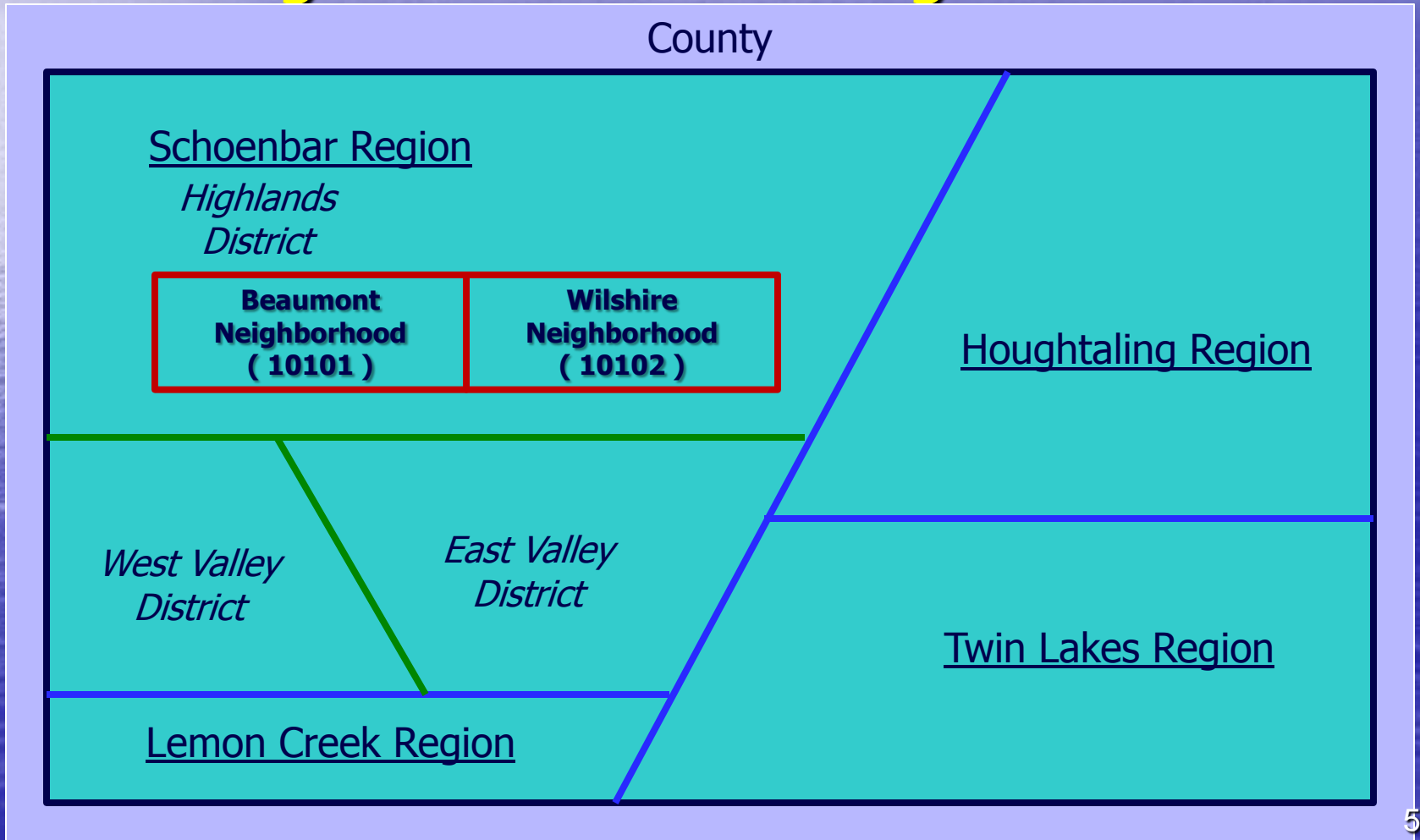
Region – District – Neighborhood



Valuation Area Delineation

- Delineation Process -

Region – District – Neighborhood



Valuation Area Delineation

- Use in Analysis and Mass Appraisal -

Property Use Classifications

- Properties can be further analyzed within your whole county, regions, districts or neighborhoods based on a land use code or use classification. Property classifications might include:
 - Residential property
 - Commercial Property
 - Industrial property
 - Rural property
 - Agricultural property

These properties can be selected for analysis by using land use or similar codes.

Valuation Area Delineation

- Use in Analysis and Mass Appraisal -

Property Use Classifications

An Overall Stratification of Neighborhood:

Type	Count	% of Nbhd
Commercial	520	24%
Commercial Lo	152	7%
Industrial	7	0%
Condo	8	0%
Residential	1312	63%
Residential Det	8	0%
Residential Lo	125	6%

Valuation Area Delineation

- Use in Analysis and Mass Appraisal -

Clipboard		Font		Alignment		Number		Styles								
A1																
A		B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1		Nbhd 119 - 2007 Profile														
2		Cycle 6														
3																
4																
5	2007 assessment adjusted to market value per ratio study					Ending Ratios		Initial Assessment		Assessment Level						
6	Last Physical Re- 2002 Assessment					Wt. Mean Ratio:		91%		98%						
7						Median Ratio:		91%		98%						
8						Total # Qualified Sales:				269						
9	Neighborhood Location					Total Accounts:				3,787						
10	Firecrest, south of Evergreen High School, Heathwood. Large Subdivision Neighborhood. Western boundary is I-205. Northern boundary is the BPA right of way that is south of NE 28th Street. Eastern boundary is Approximately NE 172nd Ave. Southern Boundary is SE Mill															
11																
12	General Neighborhood Description															
13	Large subdivision neighborhood centrally located in Vancouver. Fair quality ranch homes dominate the inventory here. Most houses in this neighborhood were constructed in the 1970's and 1990's.															
14																
15	Inventory of Neighborhood															
16																
17																
18	STYLE			BUILDING QUALITY			YEAR BUILT									
19	Description	Count	% of Inventory	Description	Count	% of Inventory	Year	Count	% of Inventory							
20	RANCH	2398	0.60	FR	3252	0.81	1900	5	0.00							
21	2STY	755	0.19	AV	751	0.19	1930	1	0.00							
22	DUP-RAN	426	0.11	GD	13	0.00	1940	1	0.00							
23	BILEY	179	0.04				1950	5	0.00							
24	DUP-2ST	116	0.03				1960	195	0.05							
25	15FN	68	0.02				1970	1656	0.41							
26	SPLIT	35	0.01				1980	423	0.11							
27	MH	24	0.01				1990	1447	0.36							
28	DUP-SPL	11	0.00				2000	283	0.07							
29	DUP-15F	3	0.00													
30	15UF	1	0.00													
31																
32																
33																
34	Sales Information															
35	(75% to 125% Ratios)															
36	Sales Price Range (Ratios 75% to 125%)			\$165,000			to			\$443,000						
37	Average Sale Price (Ratios 75% to 125%)									\$245,734						
38	Median Sale Price (Ratios 75% to 125%)									\$236,000						
39	PHOTOS:															
40																
41																
42																
43																
44																
45																
46																
47																
48																
49																
50																
51																
52																
53																
54	Selling			Sale Date:			Selling			Sale Date:			Selling			
55	\$205,300			08/23/2006			\$268,000			10/16/2006			\$253,300			
56	Typical Ranch			Fair Quality			Typical Ranch			Average - Quality			Typical 2 Story			
57													Fair Quality			
58																
59																
60																
61																
62																
63																
64																
65																
66																
67																
68																
69																
70																
71																
72																
73																
74																
75																
76																
77																
78																
79																
80																
81																
82																
83																
84																
85																
86																
87																
88																
89																
90																
91																
92																
93																
94																
95																
96																
97																
98																
99																
100																

- Use in Analysis and Mass Appraisal -

57

Valuation Area Delineation

- Use in Analysis and Mass Appraisal -

Property Characteristics

- Properties can also be further analyzed by individual property characteristics:
 - View property
 - Large acreage tracts
 - Lakefront properties
 - Very good quality homes
 - Homes with garages
 - Homes of a similar style
 - etc.

Valuation Area Delineation

- Use in Analysis and Mass Appraisal -

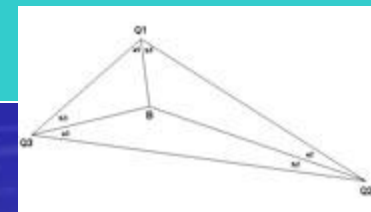
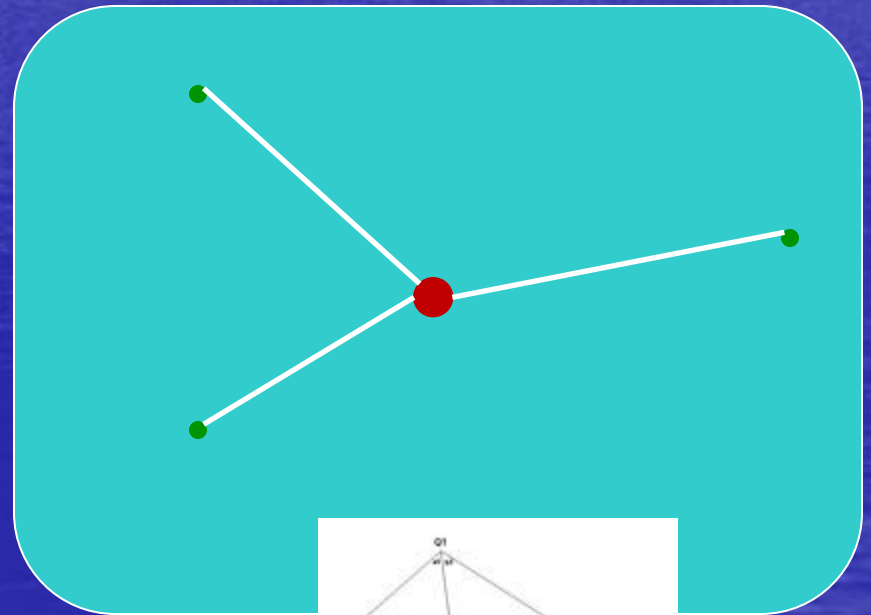
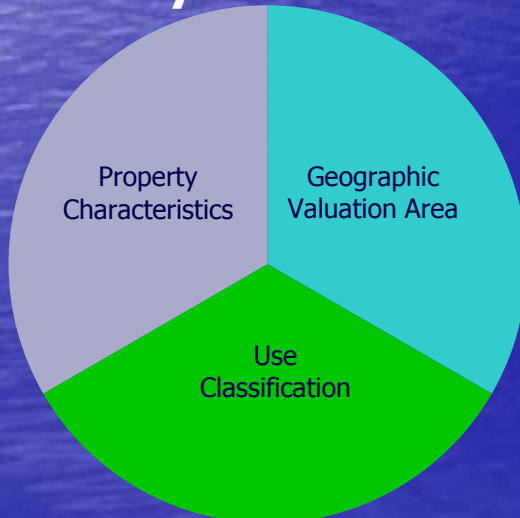
- Valuation Areas (Geographically Based)
- Use Classifications
- Property Characteristics
- These should all be used in conjunction with each other:
 - to get a clearer picture of your markets,
 - for valuation model specification and
 - for valuation model calibration.

Valuation Area Delineation

- Use in Analysis and Mass Appraisal -

- Valuation Areas (Geographically Based)
- Use Classifications
- Property Characteristics

Every Parcel Has



Valuation Area Delineation

- General Tips -

- Don't worry about getting your areas perfect the first time - It's a work in progress
- Don't try to capture everything in your valuation area – that's what other characteristics are for
 - keep it to one thing (Geographic or an External Influence for example)
- Don't be afraid to "JUST DO IT"

Valuation Area Delineation

- General Tips -

- Keep It Pure

- Do not mix Valuation Areas and other characteristics. If you set up your Valuation Areas based on geographic influences do not break out waterfront properties or view properties or “high end” properties into a separate Valuation Area or Neighborhood. Utilize separate fields to account for each attribute.

- Do Not Mix Methodologies

- If you set up your Valuation Areas based on an external influence such as access to amenities and/or access to employment centers do not alter the lines due to life cycle changes or simply to match sales prices of some sales.

Valuation Area Delineation

- General Tips -

KISS

Keep It Simply Straightforward

Thank you !

Valuation Area Delineation

Q & A:

Questions & Answers

To ask a question submit via chat or raise your hand.

Valuation Area Delineation

Q & A

- “Is it typical for offices to divide commercial, residential, and agricultural properties into separate groups and then break those groups into 6 inspection cycles?”
 - For Valuation Areas you do not want to separate by use type.
 - For analysis you will want to do both. Look at them all together and study them separated out.
 - For Inspection Areas, depending on your office organization / structure you may separate out use types.
 - For Example- If you only have one appraiser maybe they decide to have inspection areas strictly by location, however, if you have more appraisers and some specialize in residential while others do your commercial, then you probably want to separate them out for inspection purposes.
 - Some annual counties even have different inspection cycles for the different property types. (3 year -vs- 4 year for example)

Valuation Area Delineation

Q & A

- “How are unique properties handled that are not real conducive to mass updating?”
 - In regards to Valuation Areas they should remain in the appropriate area.
 - In regards to their valuation you may need to flag them for individual appraisal rather than running a mass appraisal valuation on them.
 - Most CAMA systems have the capability of locking in that individual appraisal value so that it does not get over-ridden whenever you run new values.