



TERRY COUNTY APPRAISAL DISTRICT

PROCEDURES FOR APPRAISING REAL PROPERTY

Real Property: Land and Improvements

Appraisal districts appraise property in fee simple interest. When appraising real property, the basic principles of value have to be considered; change, anticipation, supply and demand etc. Highest and Best use is considered to be the current use of the property.

The steps in appraising real property are basically the same for commercial and residential.

1. Identify the Property

- a. Physically inspect the property noting the street address, and legal description, observing condition, age, exterior, location, and neighborhood if in an incorporated city of platted area.

2. Data Collection

- a. Gather sales or rental information when available.
- b. If appraising new improvements, gather cost information from well known appraisal cost vendors. Terry CAD uses Marshall & Swift Valuation Service.
- c. Analyze and verify all sales used in appraising subject property.
- d. If appraising commercial improvements, determine age and condition for discount rates.
- e. Determine if there is a demand for the business use.

3. Application of Data

- a. Determine which of the three approaches to value that is relevant to the property.
- b. If appraising a single-family residence, the market approach is typically the best indicator of market value.

4. Reconcile Values

- a. Determine which approach, if using more than one is the best indicator of an estimate of value.
- b. Verify data being used is as accurate as can be determined or obtained at the time.

TCAD's commercial and residential properties are assigned grades and classes according to quality and type of construction. New improvements are measured for square footage, and graded, before being included in the records.

Properties that do not conform to any Terry CAD schedule due to lack of economic life or, is determined to be a special use property etc., flat values and/or overrides are utilized.

GENERAL DESCRIPTIONS

Residential Properties

Low Quality Residence

Interiors and exteriors are plain and inexpensive with little attention given to detail. Architectural design is concerned with function with little attention to appearance. Typically, there is no third party financing on these residences.

These residences will usually grade 1.0 to 2.9.

Roof Slope is typically 3 in 12.

Heating and cooling is usually floor or wall furnace and window cooling units although warm and cooled are systems may have been installed

Appraisal Estimate

Highest and best use is current use of improvements. Cost and market approaches are utilized. Income is considered but usually not used in final estimate of value.

Improvement model is described above.

The improvement is measured and graded by estimating quality and construction. Observed condition is estimated and noted for estimating depreciation. Any location factors are determined along with any functional depreciation.

Depreciation is usually the effective age/life method.

Overrides and modifiers are utilized if there is limited or no economic life left. Overrides are also used if any agreements to value are determined between the property owner and the appraisal district.

Utilizing computer assisted mass appraisal systems, the value of improvements are estimated on a per-square foot basis. Depreciation is applied. Land value is added. The final estimated total value is then printed on the appraisal card.

Land is appraised as though vacant.

Fair Quality Residence

Fair quality residences are frequently mass-produced. Low-cost production is a primary consideration. Although overall quality of materials and workmanship is below average, fair quality housing is not substandard and will meet minimum construction requirements of lend institutions, insuring agencies, and building codes.

Fair quality housing will usually grade 3.0 to 4.9 depending on amenities, number of baths and bedrooms.

Roof Slope is usually 4 in 12 or less.

Heating and cooling can be furnace with window units, or warm and cooled air systems.

Appraisal Estimate

Highest and best use is current use of improvements. Cost and market approaches are utilized. Income is considered but usually not used in final estimate of value.

Improvement model is described above.

The improvement is measured and graded by estimating quality and construction. Observed condition is estimated and noted for estimating depreciation. Any location factors are determined along with any functional depreciation.

Depreciation is usually the effective age/life method.

Overrides and modifiers are utilized if there is limited or no economic life left. Overrides are also used if any agreements to value are determined between the property owner and the appraisal district.

Utilizing computer assisted mass appraisal systems, the value of improvements are estimated on a per-square foot basis. Depreciation is applied. Land value is added. The final estimated total value is then printed on the appraisal card.

Land is appraised thought vacant.

Average Quality Residence

Average quality residences are usually mass-produced and will meet or exceed minimum construction requirements of lending institutions, insurance companies, and building codes. The quality of materials and workmanship, in some cases, will reflect custom craftsmanship, but for the most part will be stock cabinets, doors, hardware, and plumbing. These residences usually include some architectural design.

Average quality housing will usually grade 5.0 to 5.9.

Roof slope is usually 5 in 12 or less. Roof will have overhang.

Heating and cooling is usually a warm and cool air system.

Appraisal Estimate

Highest and best use is current use of improvements. Cost and market approaches are utilized. Income is considered but usually not used in final estimate of value.

Improvement model is described above.

The improvement is measured and graded by estimating quality and construction. Observed condition is estimated and noted for estimating depreciation. Any location factors are determined along with any functional depreciation.

Depreciation is usually the effective age/life method.

Overrides and modifiers are utilized if there is limited or no economic life left. Overrides are also used if any agreements to value are determined between the property owner and the appraisal district.

Utilizing computer assisted mass appraisal systems, the value of improvements are estimated on a per-square foot basis. Depreciation is applied. Land value is added. The final estimated total value is then printed on the appraisal card.

Land is appraised though vacant.

Good Quality Residence

Good quality residences are usually custom built for individuals. Good quality standard materials are usually used throughout. Some stock materials may partly be used. These residences exceed the minimum construction requirements of lending institutions, insurance companies, and building codes. Great attention is given to architectural design in refinements and detail. Interiors are well finished. Exteriors have good curb appeal.

Good quality housing will usually grade 6.0 or higher.

Roof will have hips and valleys and overhangs with composite, wood, or metal shingles.

Heating and cooling will be warm and cool air systems.

Appraisal Estimate

Highest and best use is current use of improvements. Cost and market approaches are utilized. Income is considered but usually not used in final estimate of value.

Improvement model is described above.

The improvement is measured and graded by estimating quality and construction. Observed condition is estimated and noted for estimating depreciation. Any location factors are determined along with any functional depreciation.

Depreciation is usually the effective age/life method.

Overrides and modifiers are utilized if there is limited or no economic life left. Overrides are also used if any agreements to value are determined between the property owner and the appraisal district.

Utilizing computer assisted mass appraisal systems, the value of improvements are estimated on a per-square foot basis. Depreciation is applied. Land value is added. The final estimated total value is then printed on the appraisal card.

Land is appraised thought vacant.