
LAND VALUATION

In making appraisals for ad valorem tax purposes, it is generally necessary to estimate separate values for the land and the improvements on the land. In actuality, the two are not separated and the final estimate of the property as a single unit must be given prime consideration. However, in arriving at that final estimate of value, aside from the requirements for property tax appraisals, there are certain other reasons for making a separate estimate of value for the land:

1. An estimate of land value is required in the application of the Cost Approach.
2. An estimate of land is required to be deducted from the total property selling price in order to derive indications of depreciation through market-data analysis. (Depreciation being equal to the difference between the replacement cost new of a structure and the residual price attributable to the structure from the sales price.)
3. As land is not a depreciable item, a separate estimate of land value is often required for bookkeeping and accounting purposes; likewise, the total capitalization rate applicable to land will differ from the rate applicable to the improvements on the land.
4. Since land may or may not be used at its highest and best use (potential), the value of land may be completely independent of the existing improvements on the land.

Real Estate is valued in terms of its highest and best use. The highest and best use of the land (or site), as if vacant and available for use, may be different from the highest and best use of the *improved property*. This will be true when improvement is not an appropriate use and yet makes a contribution to total property value in excess of the value of the site. Highest and Best Use (Highest and Most Profitable Use; Optimum Use) is that reasonable and probable use which will support the highest present value as of the date of the appraisal. Alternatively, it is the most profitable likely use to which a property can be put. It may be *measured* in terms of the present worth of the highest net return that the property can be expected to produce over a stipulated long run period of time. (American Institute of Real Estate Appraisers' Appraisal Terminology Handbook, 1981 edition.)

As appraisers' opinions are based on data derived from the market, it is necessary to study and adapt, if possible, procedures used by those closest to everyday transactions.

COMPARABLE SALES METHOD

The most frequently used method in estimating the value of land is the comparable sales method in which land values are derived from analyzing the selling prices of similar sites. This method is in essence the application of the market data approach to value and all the considerations pertaining thereto are equally applicable here.

The appraiser must select comparable and valid market transactions and must weigh and give due consideration to all the factors significant to value, adjusting each to the subject property. The comparable sites must be used in the same way as is the subject property and subjected to the same zoning regulations and restrictions. It is also preferable, whenever possible, to select comparables from the same or a similar neighborhood. The major adjustments will be to account for variations in time, location and physical characteristics to include size, shape, topography, landscaping, access, as well as other factors which may significantly influence the selling price.

Although it is always preferable to use sales of unimproved lots for comparables, it is not always possible to do so. Older neighborhoods are not likely to yield a sufficient number of representative's sales of unimproved lots to permit a valid analysis. In such cases, in order to arrive at an estimate of land values using the comparable sales approach, it is necessary to consider improved property sales and to estimate the portion of the selling price applicable to the structure. The procedure would be to estimate the replacement cost of the buildings as of the date of sale, estimate the accrued depreciation and deduct that amount from replacement cost resulting in the estimated selling price of the buildings, which can be deducted from the total selling price of the property to derive the portion of the selling price which can be allocated to the land. The equation is as follows:

Selling Price of Property – Estimated Depreciation Value of Buildings = Indication of Land Value

In some older neighborhoods, vacant lots will exist often as a result of fire or normal deterioration. Care must be taken in determining their highest and best use as either a building site or as a buffer of additional land to an adjoining owner.

In order to apply the comparable sales method, it is first necessary to establish a common unit of comparison. The units generally used in the valuation of land are price per front foot, price per square foot and price per acre. The selection of any one particular unit depends upon the type of property being appraised; frontage being more appropriate for older, platted, uniform type residential lots; square footage and acreage for larger, unplatted tracts, as well as irregularly shaped lots lacking in uniformity. Depth factor adjustments are most appropriate for residential parcels valued by the frontage method and if applied to commercial parcels may have a tendency to distort this concept. Use of square footage is especially desirable in Central Business Districts and along commercial arteries where the entire lot maintains the same level of value.

The utility of a site will vary with the frontage, width, depth, shape and overall area. Similarly, the unit land values should be adjusted to account for differences in size and shape between the comparables and the subject property. Since such an adjustment is generally necessary for each lot, it is beneficial that the appraiser adopts and/or develops standardized procedures for adjusting the lot size and the unit values to account for the variations. While it is not uncommon for all lots within some developments to market at the same price, should the data so indicate, it will be necessary to make alterations or adjustments to reflect the data from the marketplace. In some of these cases, a "site value" concept has advantages. Other techniques commonly employed include:

Standard lot sizing techniques provide for the adjustment of the frontage, width and depth of irregular shaped lots to make the units of measurement more comparable with uniform rectangular lots.

Standard Depth Tables provide for the adjustment of front foot unit values to account for variations in depth from a predetermined norm.

Frontage Tables provide for the adjustment of front footage unit values to account for variations in the relative utility value of excessive or insufficient frontage as compared to a predetermined norm.

Acreage or Square Footage Tables provide for the adjustment of unit values to account for variations in the relative utility value of excessive of insufficient land sizes as compared to a predetermined norm.

During the process of adjusting the comparable sales to account for variations between them and the subject property, the appraiser must exercise great care to include all significant factors and to properly consider the impact of each of the factors upon the total value. If done properly, the adjusted selling prices of the comparable properties will establish a range in value in which the value of the subject property will fall.

Further analysis of the factors should enable the appraiser to narrow the range down to the value level which is most applicable to the subject property.

RATIO METHOD

A technique useful for establishing broad indications of land values is a “typical” allocation or *ratio* method. In this technique, the *ratio* of the land value to the total value of improved properties is observed in situations where there is good market and/or cost evidence to support both the land value and total values. This market abstracted ratio is then applied to similar properties where the total values are known, but the allocation of values between land and improvements are not known. The ratio is usually expressed as a percentage which represents the portion of the total improved value that is land value, or as a formula:

$$\frac{\text{Total Land Value}}{\text{Total Property Value}} \times 100\% = \% \text{ Land Is of Total Property Value}$$

Total Property Value

This technique can be used on most types of improved properties, with important exceptions being farms and recreational facilities, provided that the necessary market and/or cost information is available. In actual practice, available market information limits this technique primarily to residential properties and to much lesser extent, commercial and industrial properties such as apartment, offices, shopping centers and warehouses.

The ratio technique cannot give exact indications of land values. It is nevertheless useful, especially when used in conjunction with other techniques of estimating land values because it provides an indication of the reasonableness of the final estimate of land value.

The ratio should be extracted from available market information and applied to closely similar properties. It should be noted that any factor that affects values may also affect the ratio of values. Zoning is particularly important because it may require more or less improvements be made to the land, or may require a larger or smaller minimum size. This tends to have a bearing on land values and so it may also influence the ratio of values considerably from community to community. The following is an example of a residential land valuation situation:

Market information derived from an active new subdivision:

Typical Lot Sale Price (most lots equivalent)

Improved Lot Sales (range)

$$\text{Indicated Ratio } \frac{\$15,000}{75,000} \text{ to } \frac{15,000}{65,000} \times 100\% = 20\% \text{ to } 23\%$$

Similar subdivision, but 100% developed:

Typical Lot Sale (most lots equivalent) unavailable

Improved Lot Sales (range) \$85,000 to \$105,000

Broadest Indicated Range of Lot Values
(20% x \$85,000 to 23% x \$125,000) \$17,000 to \$24,150

Narrowest Indicated Range of Lot Values
(23% x \$85,000 to 20% x \$105,000) \$19,550 to \$21,000

If both lots and improvements vary considerable, the broadest range is most appropriate. If most lots vary little and are judged equivalent but the improvements vary somewhat, the narrowest range is appropriate. Most subdivisions exhibit a combination of the two ranges: showing a narrow typical range, but a wide actual range of land values.

Cost of Development Method

This method finds its widest application in the appraisal of large tracts of undeveloped land suitable for residential, commercial, or industrial development. It is a technique which requires a great deal of data, time and skill and is therefore generally used only in those cases where an insufficient number of comparable sales are available for analysis. This method involves making an estimate of the value of the site fully developed for its highest and most likely use and deducting an estimate of the total cost of developing the site to derive an indication of its present value. The procedure for employing the method is as follows:

1. Determine the highest and most likely use of the site, including the optimum size of the lots if the use involves subdividing.
2. Estimate the most likely selling price of the developed site(s) by the comparable method.
3. In cases involving subdividing, determine the optimum number of sites which can be developed.
4. Calculate the aggregate selling price which the developer can expect to receive.
5. Estimate the developing cost to include the cost of improvements, taxes, insurance, engineering fees, interest, advertising, sales, profit and other related expenditures and deduct that amount from the anticipated gross sales, to arrive at an indication of the present value of the underdeveloped tract.

There are several types of land that the Tax Department has defined. The neighborhoods are defined as rural acreage, neighborhood and subdivision lots, commercial neighborhoods and industrial neighborhoods. Depending on the type of land use, land may be value on a per acre basis, a per lot basis or a per square foot basis.

In valuing land, the appraiser determines a *base price* of the neighborhood being assessed. The best method for valuing vacant land is using current market sales of vacant land in the immediate area (neighborhood). If current sales are not available then the appraiser will use the allocation method to determine the land value. The abstraction method to land valuation takes the sale price of the property and subtracts the value of the improvements on the property; the remaining value is attributed to the land. There are several factors Randolph County considers when appraising land. Condition factors are factors that have a negative influence on a parcel of land. Land influence factors are factors that have a positive influence on a parcel of land.

Rural acreage land is defined as land that is outside most city limits and is over 5 acres in size. Historically this land has been used in farming and agricultural processes. Rural large acreage tracts are valued by the acre. Appraisers determine the base acre price for the neighborhood by using sales of similar size acreage tracts sold in the neighborhood or in a highly similar neighborhood. There are several factors that can affect the value of rural acreage land. The main factors considered by an appraiser when valuing a parcel of land are location, topography, flood plain/wetlands, accessibility, shape and size.

Neighborhood and Subdivision lots are in a neighborhood or a named subdivision where the surrounding properties are similar in value and in use. Appraisers valuing the neighborhood use sales of lots in the neighborhood to determine a base land value. In neighborhoods where a subdivision is fully developed and there are no sales, the appraiser may use the abstraction method to value the land. The main factors that influence the base value of neighborhood and subdivision are topography, shape, accessibility and size.

Commercial use properties are properties that are typically zoned for commercial use. Commercial neighborhoods are valued by the acre or by the square foot. Base price for the neighborhood is determined by the appraiser through sales of vacant similar use properties. If current sales are not available, the appraiser may use the allocation method of land valuation to determine the neighborhood base value. Commercial land value tends to have a higher value than residential and rural properties. Zoning can have significant influence on a parcel's value.

Industrial use properties are properties that are specifically zoned for Industrial use. Industrial neighborhoods are valued by the acre or by the square foot. Base price for the neighborhood is determined by the appraiser through sales of vacant similar use properties. If current sales are not available, the appraiser may use the abstraction method of land valuation to determine the neighborhood base value. Acreage tracts with industrial use land generally will have a higher value than acreage tracts used for residential purposes.

Condominiums and townhouses are treated slightly different from other parcels of land. Condominium owners do not actually own the land under their building, but the owners own a percent of total property value. Randolph County assigns a value to the land of condominium use types as a representation of the value of the jointly owned common area of each complex. Townhouses are treated similarly to condos. Although the townhouse owners actually own the land below their units, all the common area and common area improvements in the townhouse development are valued and then divided amongst the townhouse owners. Townhouse owners actually have a base lot value and an additional value is added to cover the value of the common areas.

Land Class Codes are a description of how the land is being used or how it can legally be used according to zoning requirements.

The land size and influences factors were derived from sales of vacant land in Randolph County. By looking at acreage tract sales over a multi-year period, Randolph County has developed a uniform size adjustment table for acreage size tracts in the County. A trending analysis was determined by plotting the sales by graph. This trending analysis shows that there is an inverse relation to the value per acre as the amount of acreage increases. This relationship is also known as economy of scale. The base acreage that the county uses is 25 acres. In other words, a parcel with 25 acres would have no influence factor (positive) or condition factor (negative) applied for the size. For properties that are less than 25 acres an influence factor is applied. These factors are applied to the base rate per acre of a neighborhood to account for differences in land sizes of the individual parcels in the neighborhood.

The size factor on the follow page is a guideline that appraisers use to determine the value impact of acreage size in relation to rural land value. Generally the value percentage factor increases as the acreage size gets smaller. The opposite trend occurs for tracts of land over 25 acres as the size factor becomes a negative percentage as the acreage tract gets larger.

LAND DESCRIPTION CODES

<u>Code</u>	<u>Description</u>
AGR	Agriculture/woodland

Market value rural acreage tracts with road frontage. Unimproved tracts typically being used for growing crops, grazing or timber.

APT	Apartment
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Used for apartment complexes. Land base rate based on number of living units in complex. Included in the unit value is area for amenities.

APTBAL	Apartment Balance
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Unimproved apartment acreage tract. Remaining acreage at an apartment complex and could be used for future development.

COMMON	Common Area
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All property owned by a nonprofit homeowners association that is held for the use of all members of the association. The allocated value of the association's property. G.S. 105-277.8

COMMSITE	Commercial site
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Improved with commercial building or used in conjunction with commercial building

COMMBAL	Commercial balance
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Unimproved commercial acreage tract. Remaining acreage at a commercial site.

COMUNDEV	Commercial Undeveloped
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Undeveloped commercial acreage tract. Potential or future development of a commercial site.

FOREST	Forestry
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Land that is part of a forest unit or agriculture unit that is actively engaged in the commercial growing of trees or seedlings under a sound forestry management programs. The requirements of G.S.105-277.2-6 must be met.

HORT	Horticultural
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Land that is a part of a horticultural unit that is actively engaged in the commercial production of fruits, vegetable, nursery, or floral products under a sound management program. The requirements of G.S.105-277.2-6 must be met.

INDSITE	Industrial site
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Improved with industrial building or used in conjunction with industrial building based size dependent on building size to land ratio.

<u>Code</u>	<u>Description</u>
INDBAL	Industrial Balance
	Unimproved industrial acreage tract or remaining acreage at an industrial site.
INDUNDEV	Industrial Undeveloped
	Undeveloped industrial acreage tract. Potential or future development of an industrial site.
LOT	Lot
	Improved site. Base value not dependent on size or shape. Unit value concept
NOMKTVAL	No Market Value
	Land that is used for easement, private road buffer, tract owned by a homeowners association (value allocated to members of HOA), etc.
OPEN	Open Land
	Open land that is part of a farm unit that is actively engaged in the commercial production or growing crops, plants, or animals under a sound management program and that is not used as building sites, access to building sites, or for purposes other than agricultural use. The requirements of G.S. 105-277.2-6 must be met.
PARKSITE	Mobile Home Park Site
	Improved site used for mobile home park, typically more than 3 hook-ups (sites) and meets zoning requirements for a mobile home park. Four (4) hookups (sites) per 1 acre site.
PARKBAL	Mobile Home Park Balance
	Unimproved mobile home park acreage tract. Remaining acreage at a mobile home park site.
RESID	Residual
	Land with no public access. Small slivers of land owned by adjoining landowner or which cannot be used because of condition, size or zoning. Rear portion of large acreage tract. Rear lot within a city or subdivision not suitable for building site. Small lot/tract used a buffer.
SECSITE	Secondary Site
	Improved with major structure but located on dirt road, private road or has deeded access. Older dwellings where utilities have not been maintained, small mobile home sites and multiple dwellings.
SITE	Primary Site

Lot improved with major structure, such as a dwelling. Normally, this is the typical or zoned base lot size for the neighborhood. A tract that is considered subdivided into lots when the lots are located on streets laid out and open for travel and the lots have been sold or offered for sale. Acreage tract site can be on or more acres.

UNDEV Undeveloped

Lots that have been laid out and platted, but the streets have not been cut and open for travel. Unimproved building sites. Rural acreage tracts of 0.70 acre up to 15 acres with road frontage which is suitable for a home site and which meets soil conditions for county percolation requirements.

<u>Code</u>	<u>Description</u>
UNPERK	Unperkable

Lot will not meet the requirements for county percolation test. Verified through the Randolph County Health Department. Not intended for acreage tracts

WASTE Wasteland

Land that is a part of either an agricultural unit, forest unit or horticultural unit but which will not produce or assist in the production of crops, plants, trees or animals. Remaining tract meets requirements of G.S.105-277.26

WILDOPEN	Wildlife Open
WILDWOOD	Wildlife Woodland

100 acres or less which has a written wildlife habitat conservation agreement with North Carolina Wildlife Resources Commission and meets the requirements. G.S. 105-277.15

Land Condition Factors

Condition factors are factors that have a negative influence on a tract of land.

<u>Type</u>	<u>Description</u>
ACCESS	Access/Easement

This influence factor is reserved for properties that have limited access. Property that has no state maintained road frontage. Access should be through easement, deeded access, private roads/driveways, or cart ways. This adjustment recognizes that the market often penalizes a property for access problems. The value range adjustment is 30% - 50%.

This factor is reserved for the appraiser's discretion.

CONESMT Conservation Easement

This influence factor is reserved for deed recorded Conservation Easements. These are a "protected natural area" meaning a nature reserve or park in which all types of wild nature, flora and fauna and biotic communities are preserved for observation and study. The adjustment will be based on any reduction in value caused by the conservation agreement from its true market value.

ECON

Economic

This influence factor is reserved for economic detriments to the property. Conditions from outside the property which are considered detrimental to the property value. Adjustments for, but not limited to: heavy traffic, noise, dirt roads, undesirable nuisances adjacent to the property, commercial or industrial encroachments.

This factor is reserved for the appraiser's discretion.

Economic Factor Guide

	<u>Condition</u>	<u>Factor</u>
Normal -	No significant adverse economic influence	None
Minor -	An adverse economic influence exists which represents a slight loss of desirability to the property.	- 5% - 20%
Moderate -	Economic influence exists which represents a significant loss of desirability to the property	-20% - 50%
Severe -	Economic influence is so severe that it prevents any utilization of building improvements to the property.	-50% - 90%

Type
FLOOD

Description
Flood Plain

This influence factor is reserved for frequent flooding. Those parcels subject to loss of value due to the potential for periodic flooding. Land that lies within a flood plain area. Flood plain coverage is provided through GIS system.

Frequent Flooding Factor Guide

	<u>Condition</u>	<u>Factor</u>
<u>Normal</u> -	The property is not subject to flooding	none
<u>Minor</u> -	The property is subject to potential flooding at rare or infrequent intervals which does not prevent utilization but represents a potential hazard.	-5% - 15%
<u>Moderate</u> -	The property is subject to a potential flooding at a frequency which limits the utilization.	-20% - 40%
<u>Severe</u> -	The property is subject to a degree of frequency and severity that is not economically feasible to utilize.	-50% - 90%

<u>Type</u> MISIMP	<u>Description</u> Mis-improvement
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This influence factor is reserved for mis-improvements (either under-improvement or over-improvement). The mis-improvement would prohibit the property from being utilized to its highest and best use. A private agreement that restricts the use and occupancy of the property. Mis-improvement adjustments include but are not limited to: easements, deeded access, power line right-of-ways, underground cables, encroachments.

This factor is reserved for the appraiser’s discretion.

Mis-Improvements Factor Guide

<u>Condition</u>	<u>Factor</u>
<u>Normal</u> - No encumbrance	None
<u>Minor</u> - Problem is slight but handicaps the property from full utilization. Mis-improvements could be “curable”.	-5% - 15%
<u>Moderate</u> - Problem is significant. Limits the utilization. Mis-improvements are long or permanent.	-20% - 40%
<u>Severe</u> - Problem is a know environmental hazard	-50% - 75%

<u>Type</u> NONPERK	<u>Description</u> will not perk
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This influence factor is reserved for building lots that do not meet the requirements for county soil percolation tests. Lots should be listed as “unperk” or “agriculture” in the land segment type. Lot value has been adjusted by changing the land segment type from a buildable site to residual/agriculture. The value range adjustment is 25% - 90%.

SHAPE	Shape
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This influence factor is reserved for irregular shape or size for the presumed utilization of the land. This would be above the incremental and decremental adjustment in land valuing for size. Irregular shape adjustment includes but is not limited to: limited road frontage, “frying pan” shape, “flagpole” shape.

This factor is reserved for the appraiser’s discretion.

Shape Factor Guide

<u>Condition</u>	<u>Factor</u>
<u>Normal</u> - Shape is no significant detriment to the presumed utilization of the parcel	None

<u>Minor</u> -	The land is economically usable for the presumed utilization but shape precludes the full utilization of the land.	-5% - 25%
<u>Moderate</u> -	Shape represents a significant handicap to the presumed utilization or development of the parcel.	-25% – 50%
<u>Severe</u> -	Shape problem is so severe that the land has very little utilization. The value adjustment will most likely be adjusted in land segment type “residual”.	-25% – 90%

Examples – long narrow strips, small piece That crosses road, strip to straighten out boundary lines, well site.

<u>Type</u>	<u>Description</u>
TOPO	Topography

This influence factor is reserved for topographical features abnormal to the neighborhood.

Topography factors include but are not limited to: mountainous, hilly, low-lying sub-surface rock ledge, gullies.

This factor is reserved for the appraiser’s discretion.

Topography Factor Guide

	<u>Condition</u>	<u>Factor Range</u>
<u>Normal</u> -	Typical for neighborhood	None
<u>Minor</u> -	Problem is slight but handicaps the land from full utilization. The lot is correctable but less desirable than typical lot in neighborhood.	-5% - 15%
<u>Moderate</u> -	Problem is significant. Limits the utilization of the land. Less desirable than the typical lot in neighborhood.	-15% - 50%
<u>Severe</u> -	Problem is so severe that is has little or no utilization. It is economically not feasible to attempt to correct.	-50% - 90%

Land Influence Factors

Influence factors are factors that have a positive influence on a tract of land

<u>Type</u>	<u>Description</u>
CORNER	Corner

This influence factor is reserved for Corner/Alley. The factor recognizes the enhancement in the land value attributable to potential utilization of a corner or alley lot. This enhancement is not applicable to Residential properties. Corner influence should be applied to only those cases of commercial or industrial property where the corner is an actual enhancement to the property.

This factor is reserved for the appraiser's discretion.

Corner Influence Factor Guide

	<u>Condition</u>	<u>Factor</u>
<u>Normal</u>	The presence of a corner or alley has no effect on value	None
<u>Minor</u>	The lot value is moderately enhanced by the presence	+10% - 40%
<u>Major</u>	The lot value is significantly enhanced by the presence of corner or alley	+40% - 150%

ECON	Economic
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This influence factor is reserved for positive economic influence which is considered favorable to the property. The value range adjustment is 10% - 50%.

This factor is reserved for the appraiser's discretion.

<u>Type</u>	<u>Description</u>
SHAPE	Size or Shape

This influence factor is reserved for a positive size or shape influence which would be an enhancement to the property. The value range adjustment is 10% - 50%.

The rural acreage size factor chart on the following pages is a guideline that appraisers use to determine the value impact of acreage size in relation to rural land value. Sales analysis shows that there is an inverse relation to the value per acre as the amount of acreage increases. This relationship is also known as economy of scale. The base acreage size for the county is 20 acres after site.

This factor is reserved for the appraiser's discretion.

TOPO

Topography

This influence factor is reserved for a positive topography influence for topographical features superior to the typical topography of the neighborhood. The value range adjustment is 10%-50%.

This factor is reserved for the appraiser’s discretion.

VIEW

View

This influence factor is reserved for view enhancement. This factor is normally a positive adjustment for tracts with scenic or water view when compared to similar tracts in the same neighborhood where no significant view is present.

This factor is reserved for the appraiser’s discretion.

View Influence Factor Guide

	<u>Condition</u>	<u>Factor</u>
<u>Normal</u>	Typical for neighborhood	None
<u>Minor</u>	The property has a moderate enhancement due to an appealing view above normal for neighborhood.	+5% - 50%
<u>Moderate</u>	The property has a significant enhancement due to an appealing view above the normal for the neighborhood.	+60% - 200%

RESIDENTIAL LAND GUIDE

Urban residential lots and suburban subdivision will be priced on square foot basis. Acreage tracts in these areas may be priced on a per acre basis. Each lot will be appraised separately considering its advantages and disadvantages as to location, topography, utilities and any other factors that may affect its value.

Rural – Remote or sparsely developed areas of the county where much of the land is being actively farmed or lying idle. Turnover is infrequent and development is generally limited to major highway intersections and rural hamlet communities. Public water may or may not be available. The majority of homes are served by individual wells and septic systems.

Rural Land Table Ranges

Home sites	\$10,000 - \$60,000	per acre
Secondary site	\$ 7,500 - \$45,000	per acre
Agriculture	\$ 1,800 - \$30,000	per acre
Residual	\$ 900 - \$15,000	per acre
Undeveloped	\$ 7,500 - \$45,000	per acre

Sub-Urban – Areas in the county in which development is occurring or has reached equilibrium stage. Includes typical subdivisions and concentrated communities surrounding cities and towns. Public water is normally available and in some cases sanitary sewer services exist.

Subdivision Table Ranges

Primary site	\$0.50 - \$3.10	per sq ft
Secondary Site	\$0.40 - \$2.35	per sq ft
Residual	\$0.10 - \$0.25	per sq ft
Undeveloped	\$0.10 - \$0.25	per sq ft
Unperk	\$0.10 - \$0.25	per sq ft
Common area	\$2.00 - \$25000	per unit

Urban – Areas in or surrounding cities or towns with a high density of housing, commercial and/or industrial properties. Land is almost always bought and sold with the intent to develop; turnover is frequent and development is rapid. Public water and sewer are readily available.

Urban Table Ranges

Primary site	\$0.50 - \$6.00	per sq ft
Residual	\$0.10 - \$0.25	per sq ft
Undeveloped	\$0.10 - \$0.25	per sq ft
Unperk	\$0.10 - \$0.25	per sq ft
Common area	\$2.00 - \$25000	per unit

Lot Typically 80% of site value

No Market Value 0

COMMERCIAL LAND GUIDE

Urban – Commercial lots will be priced on a square foot basis. Acreage tracts in these areas may be priced on a per acre basis. Each tract will be appraised separately considering its advantages and disadvantages as to location, topography utilities and other factors that may affect value.

Rural – Commercial/Industrial land will be priced on a per acre price. Each tract will be appraised separately, considering its advantages and disadvantages as to location, topography, utilities and other factors that may affect value.

Commercial/Industrial Urban Land Table Ranges

Commercial Site	\$14,000 - \$1,200,000	per acre
Commercial Balance	\$ 2,500 - \$ 300,000	per acre
Commercial Undeveloped	\$10,000 - \$1,100,000	per acre
Home sites	\$10,000 - \$1,200,000	per acre
Industrial Balance	\$ 2,500 - \$ 300,000	per acre
Industrial Site	\$14,000 - \$1,200,000	per acre
Industrial Undeveloped	\$10,000 - \$1,100,000	per acre
Residual	\$ 1,200 - \$ 300,000	per acre
Secondary Site	\$ 7,500 - \$ 900,000	per acre
Undeveloped	\$ 7,500 - \$1,080,000	per acre
Commercial Site	\$0.30 - \$28.00	per sq ft
Industrial Site	\$0.30 - \$28.00	per sq ft
Residual	\$0.05 - \$3.60	per sq ft
Secondary	\$0.20 - \$21.00	per sq ft
Undeveloped	\$0.20 - \$25.20	per sq ft

Commercial/Industrial Rural Land Table Ranges

Commercial Site	\$14,000 - \$150,000	per acre
Commercial Balance	\$ 1,800 - \$ 40,000	per acre
Commercial Undeveloped	\$10,000 - \$140,000	per acre
Home site	\$10,000 - \$ 70,000	per acre
Industrial Site	\$14,000 - \$150,000	per acre
Industrial Balance	\$ 1,800 - \$ 40,000	per acre
Industrial Undeveloped	\$10,000 - \$140,000	per acre
Residual	\$ 900 - \$ 20,000	per acre
Secondary Site	\$ 5,600 - \$ 50,000	per acre
Undeveloped	\$ 5,600 - \$ 50,000	per acre
Apartments	\$ 2,500 - \$ 50,000	per unit
Apartment Balance	\$ 2,500 - \$300,000	per acre
Mobile Park Site	\$14,000 - \$1,200,000	per acre
Mobile Park Balance	\$ 2,500 - \$ 300,000	per acre
Lot	Typically 80% of site value	
No Market Value	0	

LAND SIZE FACTOR CONDITION

The rural acreage size factor chart on the following pages is a guideline that appraisers use to determine the value impact of acreage size in relation to rural land value. Sales analysis shows that there is an inverse relation to the value per acre as the amount of acreage increases. This relationship is also known as economy of scale. The base acreage size for the county is 20 acres after site.

Acreage Size Factor Chart based on 20 Acre Base						
ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR		ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR
DECREMENTAL				INCREMENTAL		
1	1.00	1.00		42	0.16	35.40
2	1.00	2.00		43	0.16	36.10
3	1.00	3.00		44	0.16	36.80
4	1.00	4.00		45	0.17	37.50
5	1.00	5.00		46	.017	38.20
6	1.00	6.00		47	.017	38.90
7	1.00	7.00		48	0.18	39.60
8	1.00	8.00		49	0.18	40.30
9	1.00	9.00		50	0.18	41.00
10	1.00	10.00		51	.018	41.70
11	1.00	11.00		52	0.18	42.40
12	1.00	12.00		53	0.19	43.10
13	1.00	13.00		54	0.19	43.80
14	1.00	14.00		55	0.19	44.50
15	1.00	15.00		56	0.19	45.20
16	1.00	16.00		57	0.19	45.90
17	1.00	17.00		58	0.20	46.60
18	1.00	18.00		59	0.20	47.30
19	1.00	19.00		60	0.20	48.00
20	1.00	20.00		61	0.20	48.70
INCREMENTAL				62	0.20	49.40
21	0.01	20.70		63	0.20	50.10
22	0.03	21.40		64	0.21	50.80
23	0.04	22.10		65	0.21	51.50
24	0.05	22.80		66	0.21	52.20
25	0.06	23.50		67	0.21	52.90
27	0.08	24.90		69	0.21	54.30
28	0.09	25.60		70	0.21	55.00
29	0.09	26.30		71	0.22	55.70
30	0.10	27.00		72	0.22	56.40
31	0.11	27.70		73	0.22	57.10
32	0.11	28.40		74	0.22	57.80
33	0.12	29.10		75	0.22	58.50
34	0.12	29.80		76	0.22	59.20
35	0.13	30.50		77	0.22	59.90
36	0.13	31.20		78	0.22	60.60
37	0.14	31.90		79	0.22	61.30
38	0.14	32.60		80	0.23	62.00
39	0.15	33.30		81	0.23	62.70
40	0.15	34.00		82	0.23	63.40
41	0.15	34.70		83	0.23	64.10

Acreage Size Factor Chart
based on 20 Acre Base

ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR		ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR
84	0.23	64.8		126	0.25	94.2
85	0.23	65.5		127	0.25	94.9
86	0.23	66.2		128	0.25	95.6
87	0.23	66.9		129	0.25	96.3
88	0.23	67.6		130	0.25	97.0
89	0.23	68.3		131	0.25	97.7
90	0.23	69.0		132	0.25	98.4
91	0.23	69.7		133	0.25	99.1
92	0.23	70.4		134	0.26	99.8
93	0.24	71.1		135	0.26	100.5
94	0.24	71.8		136	0.26	101.2
95	0.24	72.5		137	0.26	101.9
96	0.24	73.2		138	0.26	102.6
97	0.24	73.9		139	0.26	103.3
98	0.24	74.6		140	0.26	104.0
99	0.24	75.3		141	0.26	104.7
100	0.24	76.0		142	0.26	105.4
101	0.24	76.7		143	0.26	106.1
102	0.24	77.4		144	0.26	106.8
103	0.24	78.1		145	0.26	107.5
104	0.24	78.8		146	0.26	108.2
105	0.24	79.5		147	0.26	108.9
106	0.24	80.2		148	0.26	109.6
107	0.24	80.9		149	0.26	110.3
108	0.24	81.6		150	0.26	111.0
109	0.24	82.3		151	0.26	111.7
110	0.25	83.0		152	0.26	112.4
111	0.25	83.7		153	0.26	113.1
112	0.25	84.4		154	0.26	113.8
113	0.25	85.1		155	0.26	114.5
114	0.25	85.8		156	0.26	115.2
115	0.25	86.5		157	0.26	115.9
116	0.25	87.2		158	0.26	116.6
117	0.25	87.9		159	0.26	117.3
118	0.25	88.6		160	0.26	118.0
119	0.25	89.3		161	0.26	118.7
120	0.25	90.0		162	0.26	119.4
121	0.25	90.7		163	0.26	120.1
122	0.25	91.4		164	0.26	120.8
123	0.25	92.1		165	0.26	121.5
124	0.25	92.8		166	0.26	122.2
125	0.25	93.5		167	0.26	122.9

Acreage Size Factor Chart
based on 20 Acre Base

ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR		ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR
168	0.26	123.6		210	0.27	153.0
169	0.26	124.3		211	0.27	153.7
170	0.26	125.0		212	0.27	154.4
171	0.26	125.7		213	0.27	155.1
172	0.27	126.4		214	0.27	155.8
173	0.27	127.1		215	0.27	156.5
174	0.27	127.8		216	0.27	157.2
175	0.27	128.5		217	0.27	157.9
176	0.27	129.2		218	0.27	158.6
177	0.27	129.9		219	0.27	159.3
178	0.27	130.6		220	0.27	160.0
179	0.27	131.3		221	0.27	160.7
180	0.27	132.0		222	0.27	161.4
181	0.27	132.7		223	0.27	162.1
182	0.27	133.4		224	0.27	162.8
183	0.27	134.1		225	0.27	163.5
184	0.27	134.8		226	0.27	164.2
185	0.27	135.5		227	0.27	164.9
186	0.27	136.2		228	0.27	165.6
187	0.27	136.9		229	0.27	166.3
188	0.27	137.6		230	0.27	167.0
189	0.27	138.3		231	0.27	167.7
190	0.27	139.0		232	0.27	168.4
191	0.27	139.7		233	0.27	169.1
192	0.27	140.4		234	0.27	169.8
193	0.27	141.1		235	0.27	170.5
194	0.27	141.8		236	0.27	171.2
195	0.27	142.5		237	0.27	171.9
196	0.27	143.2		238	0.27	172.6
197	0.27	143.9		239	0.27	173.3
198	0.27	144.6		240	0.28	174.0
199	0.27	145.3		241	0.28	174.7
200	0.27	146.0		242	0.28	175.4
201	0.27	146.7		243	0.28	176.1
202	0.27	147.4		244	0.28	176.8
203	0.27	148.1		245	0.28	177.5
204	0.27	148.8		246	0.28	178.2
205	0.27	149.5		247	0.28	178.9
206	0.27	150.2		248	0.28	179.6
207	0.27	150.9		249	0.28	180.3
208	0.27	151.6		250	0.28	181.0
209	0.27	152.3		251	0.28	181.7

Acreage Size Factor Chart
based on 20 Acre Base

ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR		ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR
252	0.28	182.4		294	0.28	211.8
253	0.28	183.1		295	0.28	212.5
254	0.28	183.8		296	0.28	213.2
255	0.28	184.5		297	0.28	213.9
256	0.28	185.2		298	0.28	214.6
257	0.28	185.9		299	0.28	215.3
258	0.28	186.6		300	0.28	216.0
259	0.28	187.3		301	0.28	216.7
260	0.28	188.0		302	0.28	217.4
261	0.28	188.7		303	0.28	218.1
262	0.28	189.4		304	0.28	218.8
263	0.28	190.1		305	0.28	219.5
264	0.28	190.8		306	0.28	220.2
265	0.28	191.5		307	0.28	220.9
266	0.28	192.2		308	0.28	221.6
267	0.28	192.9		309	0.28	222.3
268	0.28	193.6		310	0.28	223.0
269	0.28	194.3		311	0.28	223.7
270	0.28	195.0		312	0.28	224.4
271	0.28	195.7		313	0.28	225.1
272	0.28	196.4		314	0.28	225.8
273	0.28	197.1		315	0.28	226.5
274	0.28	197.8		316	0.28	227.2
275	0.28	198.5		317	0.28	227.9
276	0.28	199.2		318	0.28	228.6
277	0.28	199.9		319	0.28	229.3
278	0.28	200.6		320	0.28	230.0
279	0.28	201.3		321	0.28	230.7
280	0.28	202.0		322	0.28	231.4
281	0.28	202.7		323	0.28	232.1
282	0.28	203.4		324	0.28	232.8
283	0.28	204.1		325	0.28	233.5
284	0.28	204.8		326	0.28	234.2
285	0.28	205.5		327	0.28	234.9
286	0.28	206.2		328	0.28	235.6
287	0.28	206.9		329	0.28	236.3
288	0.28	207.6		330	0.28	237.0
289	0.28	208.3		331	0.28	237.7
290	0.28	209.0		332	0.28	238.4
291	0.28	209.7		333	0.28	239.1
292	0.28	210.4		334	0.28	239.8
293	0.28	211.1		335	0.28	240.5

Acreage Size Factor Chart
based on 20 Acre Base

ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR		ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR
336	0.28	241.2		378	0.28	270.6
337	0.28	241.9		379	0.28	271.3
338	0.28	242.6		380	0.28	272.0
339	0.28	243.3		381	0.28	272.7
340	0.28	244.0		382	0.28	273.4
341	0.28	244.7		383	0.28	274.1
342	0.28	245.4		384	0.28	274.8
343	0.28	246.1		385	0.28	275.5
344	0.28	246.8		386	0.28	276.2
345	0.28	247.5		387	0.28	276.9
346	0.28	248.2		388	0.28	277.6
347	0.28	248.9		389	0.28	278.3
348	0.28	249.6		390	0.28	279.0
349	0.28	250.3		391	0.28	279.7
350	0.28	251.0		392	0.28	280.4
351	0.28	251.7		393	0.28	281.1
352	0.28	252.4		394	0.28	281.8
353	0.28	253.1		395	0.28	282.5
354	0.28	253.8		396	0.28	283.2
355	0.28	254.5		397	0.28	283.9
356	0.28	255.2		398	0.28	284.6
357	0.28	255.9		399	0.28	285.3
358	0.28	256.6		400	0.29	286.0
359	0.28	257.3		401	0.29	286.7
360	0.28	258.0		402	0.29	287.4
361	0.28	258.7		403	0.29	288.1
362	0.28	259.4		404	0.29	288.8
363	0.28	260.1		405	0.29	289.5
364	0.28	260.8		406	0.29	290.2
365	0.28	261.5		407	0.29	290.9
366	0.28	262.2		408	0.29	291.6
367	0.28	262.9		409	0.29	292.3
368	0.28	263.6		410	0.29	293.0
369	0.28	264.3		411	0.29	293.7
370	0.28	265.0		412	0.29	294.4
371	0.28	265.7		413	0.29	295.1
372	0.28	266.4		414	0.29	295.8
373	0.28	267.1		415	0.29	296.5
374	0.28	267.8		416	0.29	297.2
375	0.28	268.5		417	0.29	297.9
376	0.28	269.2		418	0.29	298.6
377	0.28	269.9		419	0.29	299.3

Acreage Size Factor Chart
based on 20 Acre Base

ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR		ACRES AFTER SITE	SIZE FACTOR	ACRE FACTOR
420	0.29	300.0		462	0.29	329.4
421	0.29	300.7		463	0.29	330.1
422	0.29	301.4		464	0.29	330.8
423	0.29	302.1		465	0.29	331.5
424	0.29	302.8		466	0.29	332.2
425	0.29	303.5		467	0.29	332.9
426	0.29	304.2		468	0.29	333.6
427	0.29	304.9		469	0.29	334.3
428	0.29	305.6		470	0.29	335.0
429	0.29	306.3		471	0.29	335.7
430	0.29	307.0		472	0.29	336.4
431	0.29	307.7		473	0.29	337.1
432	0.29	308.4		474	0.29	337.8
433	0.29	309.1		475	0.29	338.5
434	0.29	309.8		476	0.29	339.2
435	0.29	310.5		477	0.29	339.9
436	0.29	311.2		478	0.29	341.0
437	0.29	311.9		479	0.29	341.3
438	0.29	312.6		480	0.29	342.0
439	0.29	313.3				
440	0.29	314.0				
441	0.29	314.7				
442	0.29	315.4				
443	0.29	316.1				
444	0.29	316.8				
445	0.29	317.5				
446	0.29	318.2				
447	0.29	318.9				
448	0.29	319.6				
449	0.29	320.3				
450	0.29	321.0				
451	0.29	321.7				
452	0.29	322.4				
453	0.29	323.1				
454	0.29	323.8				
455	0.29	324.5				
456	0.29	325.2				
457	0.29	325.9				
458	0.29	326.6				
459	0.29	327.3				
460	0.29	328.0				
461	0.29	328.7				

Watershed Protection and Water Critical Areas

Almost the entire northern half of Randolph County is located in one of the following watersheds: Randleman Lake, Lake Reese, Sandy Creek, Rocky River, Lake Lucas and Bunch Lake, Polecat Creek, Badin Lake and Bear Creek. The topography of land in *watersheds* is such that all drainage would eventually lead to the reservoir. Minimum lot sizes and watershed classification are mandated and approved by the State.

Randolph County also provides *Water Critical Area* protection to all areas within one-half (1\2) mile of the reservoir water line. Minimum lot size and development standards in the water critical areas are designed to provide additional protection to the County’s water resources.

County and State watershed regulations strictly regulate the amount of **impervious surface** that can be built upon lands located within a watershed area. Developers should contact the County Planning Department to determine the allowed **impervious surface** coverage for any project **other than a single-family residence**.

WATERSHED NAME	WQCA %	WQCA LOT SIZE REQUIREMENT	BALANCE OF WATERSHED %	BALANCE LOT SIZE REQUIREMENT*
BACK CREEK	6%	80,000 sq ft	12%	40,000 sq ft
BADIN LAKE	N/A	N/A	24%	40,000 sq ft
BEAR CREEK	N/A	N/A	24%	40,000 sq ft
BIG ALAMANCE CREEK	N/A	N/A	24%	40,000 sq ft
LAKE REECE	6%	80,000 sq ft	24%	40,000 sq ft
McCRARY LAKES	6%	80,000 sq ft	12%	40,000 sq ft
POLECAT LAKE	6%	80,000 sq ft	24%	40,000 sq ft
RANDLEMAN LAKE	6%	80,000 sq ft	12%	40,000 sq ft
ROCKY RIVER	N/A	N/A	24%	40,000 sq ft
SANDY CREEK	6%	80,000 sq ft	24%	40,000 sq ft

Note: *minimum state-maintained road frontage is 100 ft; County private road standards can be used on subdivision having a minimum lot size of **5 acres**. No private road within Randolph County shall be longer than 1320 feet. In addition, no private road, created after Adoption of this ordinance and as defined by the Subdivision Ordinance, within the County shall serve more than six (6) lots. All private roads shall connect to a public road.

NC General Statutes dictate certain guidelines for valuing properties affected by highway project such as the HW 64 Loop.

§ 105-277.9. (Effective for taxes imposed for taxable years beginning before July 1, 2011) Taxation of property inside certain roadway corridors.

Real property that lies within a transportation corridor marked on an official map filed under Article 2E of Chapter 136 of the General Statutes is designated a special class of property under Article V, Sec. 2(2) of the North Carolina Constitution and is taxable at twenty percent (20%) of the general tax rate levied on real property by the taxing unit in which the property is situated if:

- (1) As of January 1, no building or other structure is located on the property; and
- (2) The property has not been subdivided, as defined in G.S. 153A-335 or G.S. 160A-376, since it was included in the corridor. (1987, c. 747, s. 22; 1998-184, s. 2.)

§ 105-277.9. (Effective for taxes imposed for taxable years beginning on or after July 1, 2011) Taxation of property inside certain roadway corridors.

Real property that lies within a transportation corridor marked on an official map filed under Article 2E of Chapter 136 of the General Statutes is designated a special class of property under Article V, Sec. 2(2) of the North Carolina Constitution and is taxable at twenty percent (20%) of the appraised value of the property if each of the following requirements is met:

- (1) As of January 1, no building or other structure is located on the property.
- (2) The property has not been subdivided, as defined in G.S. 153A-335 or G.S. 160A-376, since it was included in the corridor. (1987, c. 747, s. 22; 1998-184, s. 2; 2011-30, s. 1.)

§ 105-277.9A. (Effective for taxes imposed for taxable years beginning on or after July 1, 2011. See note for delayed repeal.) Taxation of improved property inside certain roadway corridors.

(a) **Reduced Assessment.** – Real property on which a building or other structure is located and that lies within a transportation corridor marked on an official map filed under Article 2E of Chapter 136 of the General Statutes is designated a special class of property under Section 2(2) of Article V of the North Carolina Constitution and is taxable at fifty percent (50%) of the appraised value of the property if the property has not been subdivided, as defined in G.S. 153A-335 or G.S. 160A-376, since it was included in the corridor.

(b) **Sunset.** – This section is repealed effective for taxes imposed for taxable years beginning on or after July 1, 2021. (2011-30, s. 2.)