

LAND

SECTION 3

VALUATION OF LAND

The valuation of land is a comparatively simple and logical operation given sufficient data for analysis. The factors which contribute to value and those which detract from value are there for everyone to see. It remains only for the critical eye of the appraiser to observe them.

The residential appraiser who possesses a thorough understanding of the basic theory of valuation experiences little difficulty in appraising residential lots. Here he has an excellent opportunity to exercise his inherent common sense and good judgment. To assist him in his appraisal, we review here several basic valuation rules which experience has indicated are acceptable, in that their use has given consistently reliable results in the past.

Residential lots differ as to the desirability and advantages and thus have a varying capacity for use. It is upon the degree to which this capacity for use exists in a particular lot that competition between bidders is developed and the demand for ownership may be established.

Intelligent buyers compare prices as well as the advantages and disadvantages of other available building sites. It is understandable that the value of lots of equal desirability and advantages in a neighborhood tend to seek a common level. An oversupply of lots of comparable desirability tends to diminish the value. Conversely, a shortage of building sites makes for premium prices paid for those available, and in this, establishes the value of all similar lots at the same higher level.

Thus, the appraisal of residential land, and for land given to any other use is not primarily a process of determining its use value as with structures, but rather one of comparing the desirability and prices of other available building sites. One needs only to compare the advantages and disadvantages of a site of unknown with those offered by a lot of known value. The appraiser simply cuts and tries and fits until he has narrowed the bracket of valuation to a figure which completely satisfies him as representing the justifiable price on the current market for such real estate in the community.

BRACKETING

The method of cutting and trying referred to on the previous page is known as “bracketing” and may be used to excellent advantages in all appraisal work. The appraiser simply determines maximum and minimum limits to value, and by narrowing the zone between these limits, finally establishes a “bracket” within which it is reasonable to assume the actual value will fall. Bracketing is very useful in sorting the correlating sale prices in a neighborhood, both for vacant and improved properties. Recent actual selling prices for vacant lots in a locality, when obtained from reliable sources represent a starting point for land valuation. Such sale prices must be carefully investigated to determine their reliability as criteria of value. The circumstances, which actuated the buyer and seller, should be considered in each case to determine if the actual sale price represents a fair value for the property. The date of each sale should be obtained so that the effect of general economic conditions and special conditions of the environment at the time of the sale can be determined.

The appraiser should never lose sight of the fact that he is seeking a present and future value rather than an expression of values in the past. He should also remember that he is determining the value of a lot for future benefits and not simply a record of “past prices paid”. Values of all property, vacant or improved, are correct only to the extent that the appraiser is able to predict the future. The trends of a particular neighborhood, an entire town, and even the nation all have their effect upon real estate values.

TOPOGRAPHY

Unusual topographical features invariably require special treatment in land valuations. Ravines or gullies, ledges, hillsides, and hilltops do not necessarily detract from value. Often the presence of such out of the ordinary topographical features may be of considerable value to builders with vision and enterprise to take advantage of them. So called "problem lots" usually represent a difficult design problem. When building is visualized taking full advantage of unusual topography, the problem lot often turns out to be exceptionally desirable and valuable.

There are many instances in which unusual topography will detract from the desirability and value of a lot as a building site. Ravines and gullies may require filling before the lot is made usable. Unusually high lots may have to be graded and the excess material hauled away in preparing the site for building. Open ditches may be required to be converted to underground sewers. Outcroppings of rock or buried rock ledges in some localities represent another costly hazard of building. These require special depreciation allowances, approximating the cost of eliminating the hazard. It should be remembered that the added investment required to eliminate such obnoxious features will only bring the lot to the value it would possess as a normal building site.

LAND SIZE ADJUSTMENT

In the Schedule of Values you will find that we utilize land size adjustments. The reason is that certain size tracts of land will sell for considerably more or less per acre depending on the size of the tract. Studies show that there is less of a market for larger tracts, so their selling price tends to be somewhat lower per acre. Downward adjustments are used on those tracts that contain 20 acres or more. Studies also show that those tracts which contain less than 1 acre will sell for more per acre. Upward adjustments are made to these tracts. Acreage Factor Tables 1 - 2 are included as part of the Land Schedules.

Size adjustments may also be expressed using incremental/decremental adjustments.

At the appraiser's discretion, depth tables may also be utilized as a means of adjusting for size differences among parcels. Consolidated depth tables, expressed as value ranges are also included in the Land Schedules. The standard depth in each table is associated with a factor of 1.00 or 100%. Lot depths less than the standard will be factored downward, expressed as a factor <1.00 , representing a decrease in value. If the depth is greater than the standard, the factor will >1.00 , representing a value increase due to the increased depth of the property.

LAND DEFINITIONS

Land values in Onslow County are dependent on a variety of factors that change in relative importance depending on location and the quality of the property being appraised.

Rural and urban properties may be affected by many factors that may act on an individual property such as, the geographical area, proximity to roads, residential areas, or business areas.

Due to these factors, it is not practical to develop a single schedule, giving all property a single classification.

The following definitions are used only as a guideline in appraising land in Onslow County.

- **Residential**– Parcels have improvements such as electricity, water, sewer, septic system, dwelling, mobile home or double wide. These parcels are normally urban or in subdivisions. The quality and location of the land will determine the rate used.
- **Building Site**- Parcels have improvements such as electricity, water, sewer, septic system, dwelling, mobile home or double wide. These parcels normally are in the rural area. The quality and location of the land will determine the rate used.
- **Waterfront River/Creek**- These parcels may or may not be improved with electricity, water, sewer, or septic system. They may be located on the White Oak River, New River, North East Creek, Dix Creek, Queens Creek or any other river or creek that may be in Onslow County. The quality and location of the land will determine the rate used.
- **Waterfront Intra Coastal Waterway**- These parcels are located on the Intra Coastal Waterway. They may or may not have improvements such as water, electricity, sewer, or septic systems. The quality and the location of the land will determine the rate used.
- **Waterfront Canal**- Parcels are typically located on Topsail Island. They may or may not be improved with electricity, water, sewer or septic system. The quality and location of the land will determine the rate used.
- **Waterfront Sound**- These parcels are located on the sound or bays, such as Stump Sound, Everett Bay and Chadwick Bay. They may or may not be improved with electricity, water, sewer or septic system. The quality and location will determine the rate used.
- **Waterfront Ocean**- These parcels are located on the Atlantic Ocean. They may or may not be improved with electricity, water, sewer or septic system. The quality and location of the land will determine the rate used.
- **Townhome**- These parcels are always improved with dwelling, electricity, water, sewer or septic system. Some parcels may or may not include a Homeowner's Association with swimming pool, tennis courts, walkways, and parking lots. These items are covered under the

homeowner's dues and considered part of the market value. The quality and location of the parcel will determine the rate used.

- **Undeveloped**- These parcels are contiguous to developed parcels such as subdivisions or shopping centers, having more value than cleared or wooded lands. The quality and location will determine the rate used.
- **Frontage**- Land that fronts a road or highway. The quality and location will determine the rate used.
- **Cleared**- Land that is suitable for raising crops or other farm use. The quality and location will determine the rate used.
- **Pasture**- Land that is suitable for growing crops for livestock to graze. The quality and location will determine the rate used.
- **Wood Land**- Land that is suitable for raising hard or soft wood trees. **NOTE:** Timber is not assessed in this State, only the ability of the land to produce. The quality and location will determine the rate used.
- **Rear**- These parcels are located off road and have minimal to no access to a road or highway. The quality and location will determine the rate used.
- **Residual**- This is usually a small tract of land that adjoins the building site, usually rural. The quality and location will determine the rate used.
- **Lake/Pond**- An inland body of fresh water, a still body of water usually artificially constructed. The quality and location will determine the rate used.
- **Marsh**- Water logged land that grows marsh grass. This land can be used to construct a pier and dock for deep-water access over the marsh grass. The quality and location will determine the rate used.
- **Wet/Swampy**- Parcels of land that are in low land areas. These parcels are saturated with moisture, usually 404-type land. The quality and location will determine the rate used.
- **Mobile Home/Recreation Vehicle Park**- Parcels that rent or lease three (3) or more spaced for mobile homes and/or recreational vehicles. The quality and location will determine the rate used.
- **Commercial Rural**- Tracts or parcels of land that are used for commercial business in rural areas, zoned or not zoned. The quality and location will determine the rate used.
- **Commercial Urban**- Tracts or parcels of land used for commercial business, zoned or not zoned. The quality and location will determine the rate used.
- **Commercial Island**- Tracts or parcels of land used for commercial business, (usually zoned) located on Topsail Island. The quality and location will determine the rate used.

- **Commercial Sound Front-** Tracts or parcels of land used for commercial business, may or may not be zoned, located on Topsail Island, Sneads Ferry or Swansboro. The quality and location will determine the rate used.
- **Commercial Ocean Front-** Tracts or parcels of land used for commercial business (usually zoned) located on Topsail Island. The quality and location will determine the rate used.
- **Commercial/Industrial Primary-** Tracts or parcels of land that may or may not be zoned for Primary Industrial or Commercial use. The quality and location will determine the rate used.
- **Commercial/Industrial Secondary-** Tracts or parcels of land that may or may not be zoned for Secondary Industrial or Commercial use. The quality and location will determine the rate used.
- **Market Price-** Flat value rates that are not covered by any other schedule. The quality and location will determine the market.
- **Right of Ways-** Land that is set aside for power lines, telephone lines or Cable TV lines. Usually public utilities. The quality and location will determine the rate used.
- **Oyster Bottoms-** Land that is covered by water and leased to commercial fishermen. The quality and location will determine the rate used.
- **Mineral Rights-** Land that is mined or rights to be mined by others. The quality and location will determine the rate used.
- **Cemetery-** Graveyards may be commercial or private. Private or exempt graveyards have low or little value. **NOTE:** Commercial grave plots and crypts “*For Sale*” are valued at market value. The quality and location will determine the rate used.
- **Billboard Site-** Commercial site typically leased and used for a large advertising billboard. These sites are typically valued based on income.
- **Cell Tower Site-** Commercial site typically leased and used for a cell tower. These sites are typically valued based on income.

LAND SCHEDULES

LAND MODELS

Once the appraiser has determined the appropriate land values for various properties in each neighborhood, a land model is constructed to ensure uniform application of the rates used for each land classification (residential, commercial, woodland, etc.) and valuation method (acre, lot-gross value, square feet, front feet) used within the neighborhood. For example, neighborhood # 100 may consist of standard subdivision lots of similar size. The appraiser decides that a lot value is the appropriate method, and the value per lot is \$35,000. Using the land schedules, residential land code 01 is assigned to the subdivision lots, using land type method G (gross value) with a rate of \$35,000 (from range of rates in land schedules). All lots are coded and valued uniformly within the neighborhood, producing equitable assessments. The land model would look as follows:

The screenshot shows a web application window titled "Land Models - iasWorld - Windows Internet Explorer". The interface includes a menu bar with "HELP", a toolbar with buttons for "Enter Query", "Execute Query", "Cancel", "100", "<<", ">>", "Clone", "Insert", "Delete", "Save", and "1 / 1", and an "Export ..." button. Below the toolbar, it says "Updated: hsmith on 07-OCT-2013 09:04:24". The main data area contains a table with the following columns and one row of data:

Version▲	Land Type	Nbhd	Zone	Street	Location	Util	Land Code	Base Size	Base Rate	Base Increase	Base Decrease	Status
14	G. GROSS	100	0	0	0	0	01		35,000			

This process is repeated for the various land classifications and valuation methods for each neighborhood, creating a unique Land Model for each neighborhood.

CALP Land Codes and Value Ranges (LP57) 2018

(A=Acreage, F=Front Feet, G=Gross Value, U=Unit, S=Square Feet)

Code	Description	A	F	G	U	S
1	Residential Lot	-	100-2500	10000-500000		-
2	Residential Lot	-	100-2500	10000-500000		-
3	Residential Lot	-	100-2500	10000-500000		-
4	Residential Lot	-	100-2500	10000-500000		-
5	Nitrification Field	100	-	100		-
6	WF R/C	10000-900000	50-4500	10000-900000		-
7	WF R/C	10000-900000	50-4500	10000-900000		-
8	WF R/C	10000-900000	50-4500	10000-900000		-
9	WF Canal	10000-900000	50-4500	10000-900000		-
10	WF Canal	10000-900000	50-4500	10000-900000		-
11	WF ICW	10000-900000	50-4500	10000-900000		-
12	WF Sound	10000-900000	50-4500	10000-900000		-
13	WF Sound	10000-900000	50-4500	10000-900000		-
14	WF Ocean	10000-900000	50-4500	10000-900000		-
15	WF Ocean	10000-900000	50-4500	10000-900000		-
16	Waterview	10000-600000	-	-		-
17	Undeveloped	5000-200000	-	-		-
18	Townhome	5000-100000	-	5000-100000		-
19	Building Site	10000-250000	-	-		-
20	Building Site	10000-250000	-	-		-
21	Bldg Site Off-Road	5000-200000	-	-		-
22	Golf Course Lot	-	-	25000-250000		-
23	Residual	1000-50000	-	-		-
24	Clear	500-10000	-	-		-
25	Woodland	500-10000	-	-		-
26	404 Wetlands	1000	-	-		-
27	Right of Way	500-25000	-	-		-
28	Marsh/Wet	100	-	100		-
29	Lake/Pond	100-500	-	100-500		-
30	Mobile Home Park	10000-200000	-	-		-
31	RV Park	10000-200000	-	-		-
32	Rear	5000-200000	-	-		1-20
33	Commercial	10000-900000	-	-		1-40
34	Comm Ind Primary	-	-	-		1-40
35	Comm Ind Secondary	10000-200000	-	-		1-20
36	Cemetery	100	-	100		-
37	Quarry	100-25000	-	-		-
38	Island Spoil	100	-	100		-
39	Oyster Bottom	100	-	100		-
40	Mineral Rights	100-1000	-			-
41	Common Area	100	-	100		-
42	Commercial	5000-500000	-	-		1-18
43	Commercial	5000-500000	-	-		1-18
44	Commercial	5000-500000	-	-		1-18

Code	Description	A	F	G	U	S
45	Commercial	5000-500000	-	-		1-18
46	WF ICW	10000-300000	50-1000	5000-300000		
47	WF ICW	10000-300000	50-1000	5000-300000		
48	WATERVIEW	10000-200000	50-1000	5000-200000		
49	WATERVIEW	10000-200000	50-1000	5000-200000		
50	WATERVIEW	10000-200000	50-1000	5000-200000		
51	UNDEVELOPED	5000-200000				
52	UNDEVELOPED	5000-200000				
53	BUILDING SITE	10000-200000				
54	BLDGSITE OFF ROAD	10000-200000				
55	BLDGSITE OFF ROAD	10000-200000				
56	GOLF COURSE LOT			25000-100000		
57	RESIDUAL	1000-20000				
58	RESIDUAL	1000-20000				
59	MOBILE HOME PARK	10000-100000				
60	MOBILE HOME PARK	10000-100000				
61	MOBILE HOME PARK	10000-100000				
62	CLEAR	500-10000				
63	CLEAR	500-10000				
64	CLEAR	500-10000				
65	WOODLAND	500-10000				
66	WOODLAND	500-10000				
67	WOODLAND	500-10000				
68	RESIDENTIAL		100-2500	10000-200000		
69	RESIDENTIAL		100-2500	10000-200000		
70	RESIDENTIAL		100-2500	10000-200000		
71	RESIDENTIAL		100-2500	10000-200000		
72	RESIDENTIAL		100-2500	10000-200000		
73	RESIDENTIAL		100-2500	10000-200000		
74	RESIDENTIAL		100-2500	10000-200000		
75	RESIDENTIAL		100-2500	10000-200000		
76	RESIDENTIAL		100-2500	10000-200000		
77	RESIDENTIAL		100-2500	10000-200000		
78	RESIDENTIAL		100-2500	10000-200000		
79	WF OCEAN	10000-900000	50-4500	10000-900000		
80	WF OCEAN	10000-900000	50-4500	10000-900000		
81	WF OCEAN	10000-900000	50-4500	10000-900000		
82	WF SOUND	10000-900000	50-4500	10000-900000		
83	WF SOUND	10000-900000	50-4500	10000-900000		
84	WF SOUND	10000-900000	50-4500	10000-900000		
85	BLDGSITE	10000-200000				
86	BLDGSITE	10000-200000				
87	BLDGSITE	10000-200000				
88	BLDGSITE	10000-200000				
89	BLDGSITE	10000-200000				
90	BLDGSITE	10000-200000				

Code	Description	A	F	G	U	S
91	BLDGSITE	10000-200000				
92	BLDGSITE	10000-200000				
93	BLDGSITE	10000-200000				
94	BLDGSITE	10000-200000				
95	BLDGSITE	10000-200000				
96	BLDGSITE	10000-200000				
97	COMMERCIAL	10000-900000				1-40
98	UNDEVELOPED	5000-200000				
99	APPRAISER REVIEW					
100	BILLBOARD SITE			5000-100000		
101	CELL TOWER SITE			5000-100000		

ACREAGE FACTOR TABLES

Acre Tables (LP59)
2018

Table	Acres	Acres Factor
1	0.20	195.00
1	0.30	180.00
1	0.40	165.00
1	0.50	150.00
1	0.60	140.00
1	0.70	130.00
1	0.80	120.00
1	0.90	110.00
1	1.00	100.00
1	20.00	85.00
1	30.00	77.00
1	50.00	65.00
1	100.00	60.00
1	99999.99	60.00

Table	Acres	Acres Factor
2	20.00	95.00
2	50.00	90.00
2	100.00	85.00
2	200.00	80.00
2	400.00	75.00
2	500.00	70.00
2	600.00	60.00
2	700.00	50.00
2	800.00	40.00
2	900.00	30.00
2	99999.99	30.00

DEPTH FACTOR TABLES

Depth Tables

(LP58) 2018

Table	Depth Range	Factor Range
1	5 - 99	.08 - .99
1	100	1.00
1	101 - 450	1.01 - 1.36
2	25 - 124	.41 - .99
2	125	1.00
2	126 - 600	1.01 - 1.37
3	25 - 149	.36 - .99
3	150	1.00
3	151 - 600	1.01 - 1.34
4	25 - 199	.29 - .99
4	200	1.00
4	201 - 600	1.01 - 1.29
5	40 - 299	.30 - .99
5	300	1.00
5	301 - 600	1.01 - 1.22
10	10 - 99	.24 - .99
10	100	1.00
10	101 - 999	1.01 - 1.38
12	1 - 124	.20 - .99
12	125	1.00
12	126 - 999	1.01 - 1.37
20	10 - 199	.13 - .99
20	200	1.00
20	201 - 999	1.01 - 1.29
99	1 - 999	1.00
100	1 - 99	.03 - .99
100	100	1.00
100	101 - 390	1.01 - 1.31
120	1 - 119	.03 - .99
120	120	1.00
120	121 - 999	1.01 - 1.46
132	1 - 130	.02 - .99
132	130	1.00
132	131 - 999	1.01 - 1.46
150	1 - 149	.02 - .99
150	150	1.00
150	151 - 999	1.01 - 1.28
200	1 - 199	.01 - .99
200	200	1.00
200	201 - 999	1.01 - 1.74

PRESENT LAND USE VALUATION

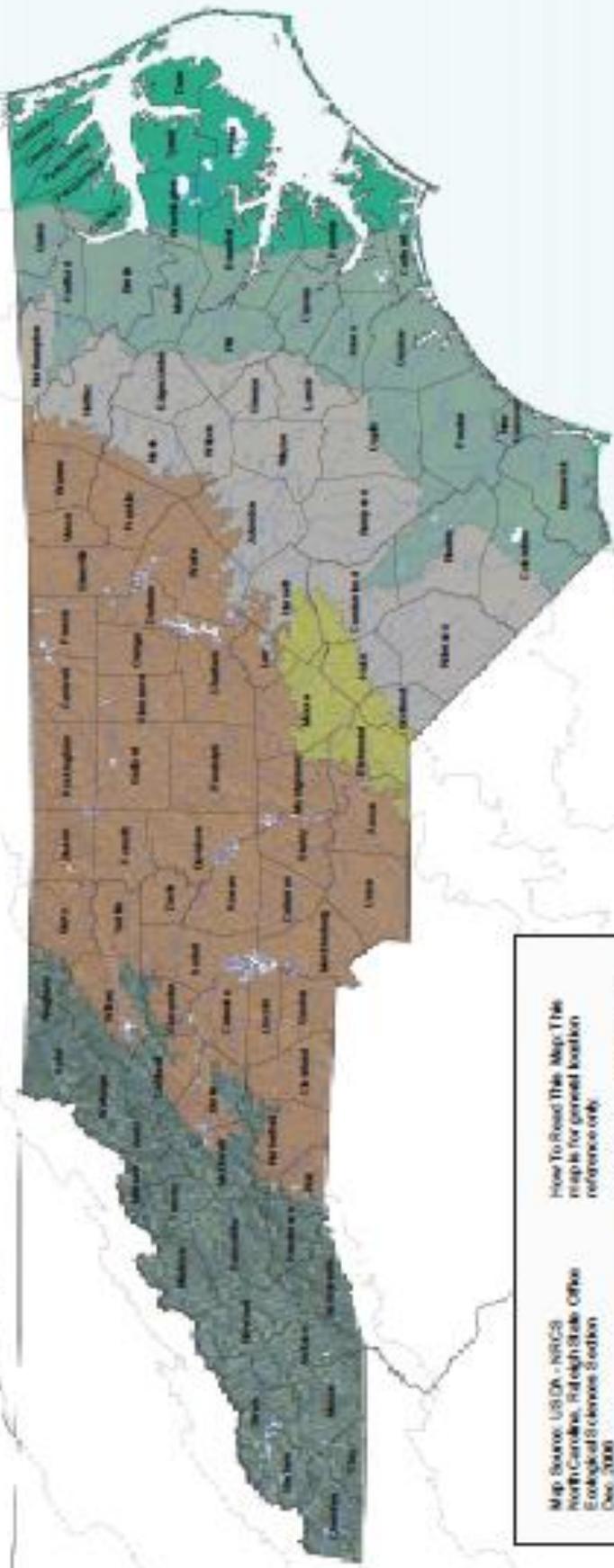
PRESENT LAND USE VALUATION

Taxation on the basis of present-use value is authorized by North Carolina law for eligible land designated by use as agricultural, horticultural, or forest land under North Carolina General Statute Sections 105-277.2 through 105-277.7 (incorporated herein by reference). All properties meeting the guidelines set forth in this Statute will be appraised in accordance with the ***2018 Use-Value Manual for Agricultural, Horticultural, and Forest Land*** as published by the North Carolina Use-Value Advisory Board through the North Carolina Department of Revenue.

North Carolina is divided into six Major Land Resource Areas (MLRA's). Onslow County is located in Major Land Resource Area 153A-Lower Coastal Plain. Present Use-Value rates for this area are used as the basis for assessing parcels in the Present-Use Value program which are located in Onslow County.



Major Land Resource Areas North Carolina



130B - Mountains
136 - Piedmont
137 - Sandhills
130A - Upper Coastal Plain
153A - Lower Coastal Plain
153B - Tidewater

Map Source: USDA - NRCS, North Carolina, Raleigh State Office, Ecological Sciences Section, Dec. 2006

Data Source: USDA - NRCS, NCDOT, and USGS base maps/shape.

Map Location: h:\proddat\works\pssr\maps

How To Read This Map: This map is for general location reference only.

Purpose: This map displays the Major Land Resource Areas of the USDA - NRCS.

0 25 50 100 Miles

1:3,200,000

Map Projection: Albers Equal Area
Datum: NAD27

LAND USE RATES

<u>SOIL-TYPE</u>	<u>RATE/ACRE</u>
WOOD1	290.00
WOOD2	240.00
WOOD3	200.00
WOOD4	100.00
WOOD5	100.00
SWAMP1	100.00
CLEAR1	1080.00
CLEAR2	790.00
CLEAR3	590.00
HORT1	1310.00
HORT2	820.00
HORT3	620.00

**HOMEOWNERS
ASSOCIATION PROPERTIES**

NORTH CAROLINA GENERAL STATUTE

105 – 277.8. Taxation of property of nonprofit homeowner’s association.

(a)The value of real and personal property owned by a nonprofit homeowner’s association shall be included in the appraisals of property owned by members of the association and shall not be assessed against the association if:

- (1) All property owned by the association is held for the use, benefit, and enjoyment of all members of the association equally.
- (2) Each member of the association has an irrevocable right to use and enjoy, on an equal basis, all property owned by the association, subject to any restrictions imposed by the instruments conveying the right or the rules, regulations, or bylaws of the association; and
- (3) Each irrevocable right to use and enjoy all property owned by the association is appurtenant to taxable real property owned by a member of the association.

The assessor may allocate the value of the association’s property among the property of the association’s members on any fair and reasonable basis.

ARCHITECTURAL TERMS

Apartment hotel	a building designed for non-transient residential use, divided into dwelling units similar to an apartment house, but having such hotel accommodations as room furnishings, lounges, public dining room, maid service, etc.
Apartment house	a multi-family residence containing three or more non-transient residential living units and generally providing them with a number of common facilities and services.
Attic	an unfinished or semi-finished portion of a building lying between the highest finished story and the roof and wholly within the roof framing.
Basement	a building story which is wholly or partly below the grade level.
Bay	(1) a horizontal area division of a building usually defined as the space between columns or division walls. (2) an internal recess formed by causing a wall to project beyond its general line.
Bay window	a window, or group of continuous windows, projecting from the main wall of a building.
Beam	a long structural load-bearing member which is placed horizontally or nearly so and which is supported at both ends or, infrequently at intervals along its length.
Beam, spandrel	a wall beam supporting the wall above, as well as the floor.
Building	any structure partially or wholly above ground which is designed to afford shelter to persons, animals, or goods. See also "construction."
Building, fireproof	a building in which all parts carrying loads or resisting stresses and all exterior and interior walls, floors, and staircases are made of incombustible materials, and in which all metallic structural members are encased in materials which remain rigid at the highest probable temperature in case its contents are burned, or which provide ample insulation from such a temperature.
Building, loft	a building have three or more stories with few or no interior bearing walls and designed for storage, wholesaling, or light industrial purposes.
Building, single-purpose	a building designed for a specific purpose, which cannot be used for another purpose without substantial alterations; e.g., a theater or church.
Bungalow	a one-story dwelling unit which is somewhat more pretentious than a cottage.
Column	a structurally isolated vertical member which is at least 8 to 10 times as long as it's least lateral dimension and which is designed to carry loads. Compare "pier."

Conduit	a tube, pipe, or small artificial tunnel used to enclose wires or pipes or to convey water or other fluids.
Construction, brick	a type of construction in which the exterior walls are bearing walls (q.v.) made of solid brick or brick and tile masonry.
Construction, brick veneer	a type of construction in which the exterior walls are one-layer brick curtain walls backed by a wood frame.
Construction, fireproof	see “fireproof building.”
Construction, mill	a type of construction in which the exterior walls are substantial masonry bearing walls, in which the structural members are heavy timber, and which is further characterized by an open design and by other safeguards against fire hazards. Sometimes called “Slow-Burning Construction.”
Construction, reinforced concrete	a type of construction in which the principal structural members, such as the floors, columns, beams, etc., are made of concrete poured around isolated steel bars or steel meshwork in such manner that the two materials act together in resisting forces.
Construction, steel frame	a type of construction in which there is a framework of steel structural members for the support of all loads and the resistance of all stresses.
Construction, wood frame	a type of construction in which there is a framework of wooden structural members for the support of all loads and the resistance of all stresses. Loosely called “Frame Construction.”
Coping	a special capping at the top of a wall, serving principally as a watershed.
Cornice	a projecting element at the top of a wall, serving principally as a decoration or as part of the coping (q.v.).
Cottage	a one-story to two-story dwelling unit of small size and humble character.
Course	a uniform horizontal layer of brick, stone, terra cotta, shingles, or some other structural material, extending continuously around a building or along a wall.
Court	an open space bordered on two or more sides by the walls of a single building, or of two or more buildings, and by a lot line or a yard on any side not so bordered.
Dormer	(1) a relatively small structure projecting from a sloping roof. (2) a window set upright in the face of such a structure.
Dwelling	any building or portion thereof designed or occupied in whole or in part as a place of residence.
Dwelling, attached	a multi-family dwelling in which the dwelling units are separated vertically by means of common or party walls. See “terrace.”

Dwelling, double	a two-family dwelling in which the dwelling units are separated vertically, by means of a common or party wall. Synonymous with “Semi-detached Dwelling.”
Dwelling, duplex	a two-framing dwelling in which the two dwelling units are separated horizontally with a private street entrance for each; i.e., a two-family flat.
Dwelling, multi-family	a building designed as a place of residence for more than two families or households; e.g., an apartment house or tenement.
Dwelling, row	any one of a series of similar single-family, two-family, or multi-family dwellings having one or more contiguous common, or party walls. Compare “Terrace”; “Dwelling, Double.”
Dwelling, unit	any room or group of rooms designed as the living quarters of one family or household, equipped with cooking and toilet facilities, and having an independent entrance from a public hall or from the outside.
Eaves	the portion of a sloping roof which projects beyond the outside walls of a building.
Elevation	a drawing representing a projection of any one of the vertical sides or vertical cross-sections of a building or of any other object. Compare “plan.”
Façade	the face of a building.
Firewall	a wall of fire-resisting material erected between two parts of a building to prevent the spread of fire from one part to the other.
Flashing	small metal strips used to prevent leaking of roofs around chimneys, dormers, hips and valleys.
Flat	(1) any one floor of a building two or more stories high each floor of which constitutes a single dwelling unit and has a private street entrance. (2) the building containing two or more such floors. Compare “Dwelling, Duplex.”
Footing	a spreading base to a wall, column, or other supporting member, which serves to widen the ground area to which structural loads are transmitted.
Foundation	the structural members below grade level, or below the first tier of beams above grade level, which transmit the load of a superstructure to the ground.
Gable	(1) the triangular portion of a wall between the slopes of a double-sloping (i.e., gable) roof. (2) the whole of the wall containing such a triangular portion. (3) a portion of a building extending from the remainder of the building and covered with a gable roof.

Girder	a large or principal beam (q.v.) used to support concentrated loads at isolated points along its length. (Girders usually support the beams and structure above.)
Header	(1) a structural member which is laid perpendicularly to a parallel series of similar members and against which the latter members abut. (2) a brick or other piece of masonry which is laid in a wall in such manner that its longest dimension extends along the thickness of the wall. Contrast "Stretcher."
Hip	(1) a sloping line along which two roof surfaces meet to form an external angle of more than 180 degrees. (2) a hip rater (q.v.) Compare "Ridge", "Valley."
Hotel	a building designed for transient or semi-transient residential use, divided into furnished single rooms and suites, and having such accommodations as lounges, public dining rooms and maid service, etc.
Hotel, apartment	see "Apartment Hotel."
Joist	one of a series of small parallel beams laid on edge and used to support floor and ceiling loads, and usually supported in turn by larger beams and girders.
Lintel	a beam over a wall opening, such as a door or windows, designed to carry the load of the wall over such opening.
Loft	an un-partitioned or relatively un-partitioned upper story of a building, designed for storage, wholesaling, or light manufacturing. See also "Loft Building."
Louver	a ventilator containing slats which are placed lengthwise across the ventilator opening, each slat being slanted in such manner as to the overlap the next lower slat and to permit ventilation but exclude rain.
Marquise	a flat roof-like structure which shelters a doorway, which has no floor beneath it, and which is usually supported wholly from the walls or the building.
Mezzanine	a low story formed by placing a floor between what would ordinarily be the floor and ceiling of a high story. <i>Note</i> the mezzanine floor frequently has a smaller area than other floors and, if present at all, is usually between the first and second story.
Millwork	all of the wooden portions of a building, whether frame construction or otherwise, which are customarily purchased in finished form from a planing mill, such as doors, windows, trim, balusters, etc.
Overhang	a finished portion of a building having fully story height which extends beyond the foundation wall line if part of the ground story, or beyond the exterior walls of the ground story if part of any higher story.

Overhead structure	similar to overhang above ground story, as O. H. bridge or passage, O. H. walk, O. H. addition.
Partition	see “Wall, Partition.”
Pier	(1) a thick, solid mass of masonry which is fully or partially isolated from a structural standpoint and which is designed to transmit vertical loads to the earth. (2) a structure projecting from land into water for use in loading and unloading vessels. Compare “Column.”
Pilaster	a flat-faced pillar projecting somewhat from, but engaged in, the wall of a building and used for decorative purposes or to help support truss and girder loads or both.
Pile	a heavy timber, metallic, or masonry pillar forced into the earth to form a foundation member.
Pitch	the slope of any structural member, such as a roof or rafter, usually expressed as a simple fraction representing the rise per lateral foot.
Plan	a drawing representing a projection of any one of the floors or horizontal cross-sections of a building or of the horizontal plane of any other object or area. Compare “Elevation.”
Purlin	a beam running along the underside of a sloping roof surface and at right angles to the rafters, used to support the common rafters, and usually supported in turn by larger structural members, such as trusses or girders (usually run along length of a building).
Rafter	a structural member placed, as a rule, in a sloping position and used as the supporting element for the structural material forming the plane of the roof. See also “Purlin.”
Rafter, hip	a rafter placed in an inclined position to support the edges of two sloping roof surfaces which meet to form an external angle of less than 180 degrees.
Rafter, valley	a rafter placed in an inclined position to support the edges of two sloping roof surfaces which meet to form an external angle or less than 180 degrees.
Ramp	an inclined plan connecting two different floor levels and used in lieu of steps.
Residence	see “Dwelling.”
Ridge	a horizontal line along which the upper edges of two roof surfaces meet to form an external angle of more than 180 degrees. Compare “Hip”; “Valley.”

Rise	(1) in general, any vertical distance. (2) specifically, the rise of a roof, being the distance between the top of an exterior wall and the peak of the roof; the rise of a stair, being the distance from tread to tread.
Roof	the top portion of a structure. Types of roofs include double-pitch, flat, gable, gambrel, hip, lean-to, and single-pitch.
Roof, curb (or curbed)	a roof in which the pitch of the upper part of a sloping side is less than the pitch of the lower part.
Roof, flat	a roof which is flat or sloped only enough to provide proper drainage.
Roof, gable	a double-sloped roof having a cross section similar in general to the shape of the inverted letter "V".
Roof, gambrel	a barn style roof with 3-4 planes
Roof, hip (or hipped)	(1) in general, any roof having one or more hips (q.v.) (2) usually, a roof with four sloping sides meeting along four hips or along four hips and a ridge. Compare "Roof, Pyramid."
Roof, lean-to	(1) a roof having a single sloping side which is supported at the upper edge by the wall of an attached building or of a larger and higher portion of the same building (preferred). (2) any roof with a single slope. Compare "Roof, Flat."
Roof, mansard	a special type of curb roof (q.v.) in which the pitch of the upper part of each of the four equally sloping sides is small or negligible and that the lower part very great, and from the lower part of which a series of dormers project.
Roof, monitor	a type of gable roof, commonly found on industrial buildings, having a small raised portion along the ridge with openings for the admission of light and air.
Roof, pyramid	a hip roof having four sloping triangular sides, usually of equal pitch meeting together at the peak.
Roof, ridged	a roof having one or more ridges (q.v.).
Roof, saw tooth	a roof with a series of parallel sloping surfaces interspersed between a series of vertical surfaces which rise from the lower edges of such sloping surfaces and which contain windows for the admission of light and air.
Roof, single pitch	any roof with a single slope other than a lean-to roof.
Sash	the wooden or metal framework in which the glass of a door or window is set.
Sheathing	the covering, usually of rough lumber, placed immediately over studding or rafters.

Sill	(1) the lower horizontal part of a door-case (the threshold) or of a window. (2) the lowest horizontal structural member of a frame building, upon which the superstructure is supported.
Sleeper	a structural member laid horizontally on the ground or upon a masonry base as a support to a floor or other superstructures.
Specifications	a detailed description of the dimensions, materials, quantities, structural procedures, etc. applicable to a projected or completed piece of construction.
Story	that portion of a building enclosed by a floor, a ceiling, and the exterior walls.
Story, ground	the first story lying wholly above the ground level. Synonymous with "First Story."
Story, half (or one-half)	(1) for buildings with a mansard or gambrel roof, a finished portion of a building which lies above the wall plate or cornice and which has a usable floor area substantially less than that of the next lower story. (2) for all other buildings, a finished portion of a building which is above one or more full stories, which is wholly or partly within the roof frame and which has one or more exterior walls substantially lower than the full height of the story.
Story, one	a building having no finished story above the ground story.
Stretcher	a brick or other piece of masonry which is laid lengthwise in a wall. (Header.)
Strut	any structural member, which holds apart two or more other members by counteracting a pressure, which tends to bring them together. (Tie.)
Stud	one of a series of small slender structural members placed vertically and used as the supporting element of exterior or interior walls. (Plural – "Studs" or "Studding.")
Subfloor	the flooring laid directly on top of the floor joists but beneath the finish floor.
Tenement	a building, usually of obsolete nature, designed primarily for non-transient residential use and divided into three or more dwelling units having common stairs, halls, and street entrances, and sometimes-common bath and toilet rooms. Compare "Apartment House"; "Flat"; "Terrace."
Terrace	(1) an unroofed level area covered with grass or masonry or both, raised above the surrounding ground level, and having a vertical or sloping front. (2) a multi-family dwelling in which the dwelling units are separated vertically by means of common or party walls.

Terra cotta	a hard-baked pottery molded into decorative tiles, bricks, etc. and used particularly for facing and trim on buildings.
Tie	any structural member, which binds together two or more members by counteracting a stress, which tends to draw them apart. (Strut)
Trim	(1) the wooden portions of a plastered room, such as the doors, windows, wainscoting, and molding, or the corresponding portions of a room finished otherwise than with plaster. (2) the contracting elements on the exterior of a building which serve no structural purpose but are intended to enhance its appearance, e.g., the cornice. (3) occasionally, the hardware of a house, such as locks, hinges, doorknobs, etc.
Truss	a combination of structural pieces fastened together into a rigid open member which is supported at both ends and upon which loads are superimposed. Compare "Girder."
Valley	a sloping line along which two roof surfaces meet to form an external angle of less than 180 degrees. Compare "Hip"; "Ridge."
Veneer	a thin ornamental or protective facing which does not add appreciably to the strength of the body to which it is attached.
Wainscot (or wainscoting)	(1) a wooden facing on the lower portion of a contrasting interior wall. (2) by extension, a facing of marble tile, or the like, on the lower portion of interior walls.
Wall	a vertical structure serving to enclose, support, divide; as one of the vertical enclosing sides of a building or room.
Wall, bearing	a wall designed primarily to withstand vertical pressure in addition to its own weight.
Wall, common	a wall owned by one or two parties and jointly used by both, one or both of whom is entitle to such use under the provisions of ownership.
Wall, curtain	a non-bearing wall which is supported by columns, beams, or other structural members, and whose primary function is to enclose space.
Wall, fire	see "Firewall."
Wall, partition	an interior bearing or non-bearing wall which separates portions of a story. Synonymous with "Partition."
Wall, party	a wall jointly used by two parties under easement agreement and erected at or upon a line separating two parcels of land held under different ownership.
Wall, retaining	a wall designed primarily to withstand lateral pressures of earth or other filling or backing deposited behind it after constructing.

Window, bay	see “Bay Window.”
Window, dormer	see “Dormer.”
Wing	a subordinate part of a building extending from the main part, or any one of two or more substantially co-ordinate parts of a building which extends out from one or more common junctions.

REAL ESTATE
APPRAISAL TERMS

Abstract	a computer-printed report of appraised and/or assessed values for each parcel of real property in a given taxing district; generally sequenced geographically.
Accrued depreciation	see <i>depreciation</i> .
Actual age	the number of years elapsed since the original construction, as of the effective valuation date. Compare with <i>effective age</i> .
Ad valorem tax	in reference to property, a tax based upon the value of the property.
Agricultural property	land and improvements devoted to or best adaptable for the production of crops, fruits and timber and the raising of livestock.
Air rights	the right to the use of a certain specified space within the boundaries of a parcel of land and above a specified elevation.
Alley influence	the enhancement to the value of a property rising out of the presence of an abutting alley; most generally applicable to commercial properties.
Amenities	in reference to property, the intangible benefits arising out of ownership, <i>amenity value</i> refers to the enhancement of value attributable to such amenities.
Appraisal	an estimate, usually in written form, of the value of specifically described property as of a specified date; may be used synonymously with <i>valuation</i> or <i>appraised value</i> .
Appraisal schedules	any standardized schedules and tables used in conjunction with a revaluation program such as replacement cost pricing schedules, depreciation tables, land tables, etc.
Appraised value	see <i>appraisal</i> .
Appraiser	one who estimates value. More specifically, one who possesses the expertise to execute or direct the execution of any appraisal.
Assessed value	see <i>assessment</i> .
Assessing	the act of valuing a property for the purpose of establishing a tax base.
Assessment	the value of taxable property to which the tax rate is to be applied in order to compute the amount of taxes; may be used synonymously with <i>assessed value</i> , <i>taxable value</i> , and <i>tax base</i> .
Assessment district	an assessor's jurisdiction; it may or may not be an entire tax district.
Assessment period	the period of time during which the assessment of all properties within a given assessment district must be completed; the period between tax lien dates.

Assessment ratio	the ratio of assessed value to a particular standard of value, generally the appraised value. A percentage to be applied to the appraised value in order to derive the assessed value.
Assessment roll	the official listing of all properties within a given taxing jurisdiction by ownership, description, and location showing the corresponding assessed values for each; also referred to as <i>tax list</i> , <i>tax book</i> , <i>tax duplicate</i> and <i>tax roll</i> .
Assessor	the administrator charged with the assessment of property for ad valorem taxes; his precise duties differ from state to state depending upon state statutes.
Aesthetic value	a value, intangible in nature, which is attributable to the pleasing appearance of a property.
Average deviation	is a distribution of values, the average amount of deviation of all the values from the mean value, equal to the total amount of deviation from the mean divided by the number of deviations. As applied to an assessment-to-sale ration distribution, the average amount which all the ratios within the distribution deviate from the mean ratio.
Base rate	a value or unit rate established for a certain specified model, and subject to adjustments to account for variations between that particular model and the subject property under appraisal.
Blight area	a declining area characterized by marked structural deterioration and/or environmental deficiencies.
Board of Equalization	a non-jurisdictional board charged with the responsibility of reviewing assessments across properties and taxing districts and to assure that said properties and districts are assessed at a uniform level raising or lowering assessments accordingly; also referred to as <i>Board of Appeals</i> , and <i>Board of Review</i> .
Building residual technique	a building valuation technique which requires the value of the land to be a known factor; the value of the buildings can then be indicated by the capitalizing the residual net income remaining after deducting the portion attributable to the land.
Capitalization	a mathematical procedure for converting the net income which a property is capable of producing into an indication of its current value. See <i>income approach</i> .
CDU rating	a composite rating of the overall condition, desirability, and usefulness of a structure as developed by the Cole-Layer-Trumble Company and used nationally as a simple, direct, and uniform method of estimating accrued depreciation.
Central business district	the center of the city in which the primary commercial, governmental and recreational activities are concentrated.

Certified assessment evaluator	a professional designation (C.A.E.) conferred by the International Association of Assessing Officers (IAAO) upon qualifying assessors.
Circuit Breaker	statutory tax limitation for qualified property owners, whereby the total taxes paid are capped at a specified percentage of the property owner's income
Classified property tax	an ad valorem property tax under which the assessment ratio varies for different property classes.
Component part-in-place method	the application of the unit-in-place to unit groups or construction components. See <i>unit-in-place method</i> .
Corner influence	the enhancement to the value of a property rising out of its corner location; most generally applicable to commercial properties.
Cost approach	one of the three traditional approaches to value by which an indication of the value of a property is arrived at by estimating the value of the land, the replacement cost or reproduction cost new of the improvement, and the amount of accrued depreciation to the improvement; the estimated land value is then added to the estimated depreciated value of the improvements to arrive at the estimated property value. Also referred to as the <i>cost-to-market approach</i> to indicate that the value estimates are derived from market data abstraction and analysis.
Cost factor	a factor or multiplier applied to a replacement or reproduction cost to account for variations in location and time, as well as for other elements of construction costs not otherwise considered.
Cubic content	the cubic volume of a building within the outer surface of the exterior walls and roof and the upper surface of the lowest floor.
Deed	a written instrument, which conveys an interest in real property. A <i>quitclaim deed</i> conveys the interest described therein without warranty of title. A <i>trust deed</i> conveys interest described therein to a trustee. A <i>warranty deed</i> conveys the interest described therein with the provisions that the freehold is guaranteed by the grantor, his heirs, or successors.
Depreciation	loss in value from all causes; may be further classified as <i>physical</i> , referring to the loss of value caused by physical deterioration; <i>functional</i> , referring to the loss of value caused by obsolescence inherent in the property itself; and <i>economic</i> , referring to the loss of value caused by factors extraneous to the property. <i>Accrued</i> depreciation refers to the actual depreciation existing in a particular property as of a specific date. <i>Normal</i> depreciation refers to that amount of accrued depreciation one would normally expect to find in buildings of certain construction, design, quality and age.

Depreciation allowance	a loss of value expressed in terms of a percentage of replacement or reproduction cost new.
Design factor	a factor or multiplier applied to a computed replacement cost as an adjustment to account for cost variations attributable to the particular design of the subject property which were not accounted for in the particular pricing schedule used.
Deterioration	impairment of structural condition evidenced by the wear and tear caused by physical use and the action of the elements, also referred to as <i>physical depreciation</i> .
Economic depreciation	see <i>depreciation</i> .
Economic life	the life expectancy of a property during which it can be expected to be profitably utilized.
Economic obsolescence	obsolescence caused by factors extraneous to the property. Also referred to as <i>economic depreciation</i> .
Economic rent	the rent which a property can be expected to bring in the open market as opposed to <i>contract rent</i> or the rent the property is actually realizing at a given time.
Effective age	an age assigned to a structure based upon its condition as of the effective valuation date; it may be greater or less than the structure's actual age. Compare with <i>actual age</i> .
Effective frontage	in reference to property valuation, that total frontage, expressed in lineal feet, to which the unit land value is applied; it may or may not be the same as the actual frontage.
Effective gross income	the estimated gross income of a property less an appropriate allowance for vacancies and credit losses.
Effective valuation date	in reference to a revaluation program, the date as of which the value estimate is applicable.
Encroachment	the displacement of an existing use by another use.
Environmental deficiency	a neighborhood condition such as adverse land uses, congestion, poorly designed streets, etc. operating to cause economical obsolescence and, when coupled with excessive structural deterioration, blight.
Equalization program	a mass appraisal (or reappraisal) of all property within a given taxing jurisdiction with the goal of equalizing values in order to assure that each taxpayer is bearing only his fair share of the tax load; may be used synonymously with a <i>revaluation program</i> .

Equity	in reference to property taxes, a condition in which the tax load is distributed fairly or <i>equitably</i> ; opposite of <i>inequitable</i> distribution of the tax burden. <i>Inequity</i> is a natural product of changing economic conditions, which can only be effectively cured by periodical equalization programs.
	In reference to value, it is that value of the property remaining after deducting all liens and charges against it.
Excessive frontage	frontage which because of the particular utility of the lot does not serve to add value to the lot.
Exempt property	see <i>tax exemption</i> .
Fee appraisal	see <i>mass appraisal</i> .
Field crew	the total professional staff assigned to a specific appraisal project, including listers, reviewers, staff appraisers, and clerical and administrative supporting personnel.
Functional depreciation	see <i>depreciation</i> .
Functional obsolescence	obsolescence caused by factors inherent in the property itself. Also referred to as <i>functional depreciation</i> .
Functional utility	the composite effect of a property's usefulness and desirability upon its marketability.
Grade	the classification of any improvement based upon certain construction specifications, and quality of materials and workmanship.
Grade factor	a factor or multiplier applied to a base grade level for the purpose of interpolating between grades or establishing an intermediate grade.
Grantee	a person to whom property is transferred and property rights are granted by deed, trust instrument, or other similar documents. Compare with <i>grantor</i> .
Grantor	a person who transfers property or grants property rights by deed, trust instrument, or other similar documents. Compare with <i>grantee</i> .
Gross area	the total floor area of a building measured from the exterior of the walls.
Gross income	the scheduled annual income produced by the operation of a business or by the property itself.
Gross income multiplier	a multiplier representing the relationship between the gross income of a property and its estimated value.
Gross sales	the total amount of invoiced sales before making any deductions for returns, allowances, etc.

Ground lease	a document entitling the lessee certain specified rights relating to the use of the land.
Ground rent	net rent from a ground lease; that portion of the total rent which is attributable to the land only.
Improved land	land developed for used by the erection of buildings and other improvements.
Income approach	one of the three traditional approaches to value which measures the present worth of the future benefits of a property by the capitalization of its net income stream over its remaining economic life. The approach involves making an estimate of the potential net income the property may be expected to yield, and capitalizing that income into an indication of value.
Income property	a property primarily used to produce a monetary income.
Industrial park	a subdivision designed and developed to accommodate specific types of industry.
Industrial property	land, improvements, and/or machinery used or adaptable for use in the production of goods either for materials, or by changing other materials and products, i.e. assembling, processing and manufacturing, as well as the supporting auxiliary facilities thereof.
Interest rate	the rate of return from an investment.
Land classification	the classification of land based upon its capabilities for use; and/or production.
Land contract	a purchase contract wherein the grantee takes possession of the property with the grantor retaining the deed to the property until the terms of the contract are met as specified.
Land residual technique	a land valuation technique which requires the value of the building(s) to be known; the value of the land can then be indicated by capitalizing the residual net income remaining after deducting the portion attributable to the building(s).
Land use restrictions	legal restrictions regulating the use to which land may be put.
Land value maps	a map used in conjunction with mass appraising, generally drawn to a small scale, and showing comparative unit land values, on a block to block basis.
Lease	a written contract by which one party (lessor) gives to another party (lessee) the possession and use of a specified property for a specified time, and under specified terms and conditions.

Leasehold	a property held under the terms of a lease.
Leasehold improvements	additions, renovations, and similar improvements made to a leased property by the lessee.
Leasehold value	the value of a leasehold; the difference between the contractual rent and the currently established economic or market rent.
Legal description	a description of a parcel of land which serves to identify the parcel in a manner sanctioned by law.
Lister	a field inspector whose principle duty is to collect and record property data. (not an appraiser).
Market data approach	one of the three approaches to value by which an indication of the value of a property is arrived at by compiling data on recently sold properties which are comparable to the subject property and adjust their selling prices to account for variations in time, location, and property characteristics between the comparable and the subject property.
Market value	the price an informed and intelligent buyer, fully aware of the existence of competing properties, and not compelled to act, would be justified in paying for a particular property.
Mass appraisal	appraisal of property on a mass scale, such as an entire community, generally for ad valorem tax purposes, using standardized appraisal techniques and procedures to affect uniform equitable valuations within a minimum of detail, within a limited time period and at a limited cost...as opposed to a <i>fee appraisal</i> which is generally used to refer to a rather extensive detailed appraisal of a single property or singularly used properties for a specified purpose.
Member Appraisal Institute	a professional designation (M.A.I.) conferred by the American Institute of Real Estate Appraisers upon qualifying real estate appraisers.
Mineral rights	the right to extract subterranean deposits such as oil, gas, coal, and minerals, as specified in the grant.
Minimum base	that portion of the rent in a percentage lease which is fixed.
Model method	a method of computing the replacement of the reproduction cost of an improvement by applying the cost of a specified model and adjusting the cost to account for specified variations between the subject improvement and the model.
Modernization	the corrective action taken to update a property so that it may conform with current standards.
Mortgage	a legal document by which the owner of a property (mortgagor) pledges the property to a creditor (mortgagee) as security for the payment of a debt.

Neighborhood	a geographical area exhibiting a high degree of homogeneity in residential amenities, land, use, economic and social trends, and housing characteristics.
Neighborhood trend	three stages in the life cycle of a neighborhood...the <i>improving stage</i> characterized by development and growth; the <i>static stage</i> characterized by a leveling off of values; and the <i>declining stage</i> characterized by infiltration and decay.
Net income	the income remaining from the effective gross income after deducting all operating expenses related to the cost of ownership.
Net lease	a lease wherein the lessee assumes to pay all applicable operating expenses related to the cost of ownership; also referred to as <i>net net</i> , or <i>net net net lease</i> .
Non-conforming use	a use which, because of modified or new zoning ordinances, no longer conforms to current use regulations, but which is nevertheless upheld to be legal so long as certain conditions are adhered to.
Observed depreciation	that loss in value which is discernible through physical observation by comparing the subject property with a comparable property either new or capable of rendering maximum utility.
Obsolescence	a diminishing of a property's desirability and usefulness brought about by either functional inadequacies and over adequacies inherent in the property itself, or adverse economic factors external to the property. Refer to <i>functional depreciation</i> and <i>economic depreciation</i> .
Operating expenses	the fixed expenses, operating costs, and reserves for replacements which are required to produce net income before depreciation, and which are to be deducted from effective gross income in order to arrive at net income.
Overage income	rental received in addition to the minimum contract rental based upon a specified percentage of a tenant's business receipts.
Overall rate	a capitalization rate representing the relationship of the net income (before recapture) of a property to its value as a single rate; it necessarily contains, in their property proportions, the elements of both the land and the building capitalization rates.
Over assessed	a condition wherein a property is assessed proportionately higher than comparable properties.
Parcel	piece of land held in one ownership.
Percentage lease	a type of lease in which the rental is stipulated to be a percentage of the tenant's gross or net sales, whichever specified.

Permanent parcel number	an identification number, which is assigned to a parcel of land to uniquely identify that parcel from any other parcel within a given taxing jurisdiction.
Personal property	property which is not permanently affixed to and part of the real estate, as specified by state statutes.
Physical depreciation	see <i>depreciation</i> .
Preferential assessment	an assessing system which provides preferential treatment in the form of reduced rates to a particular class of property, such as a system providing for farm properties to be assessed in accordance to their value in use as opposed to their value in the open market, as required by law.
Property class	a division of like properties generally defined by statutes and generally based upon their present use. The basis for establishing assessment ratios in a classified property assessment system. See <i>classified property tax</i> .
Property inspection	a physical inspection of a property for the purpose of collecting and/or reviewing property data.
Property record card	a document specially designated to record and process specified property data; may serve as a source document, a processing form; and/or a permanent property record.
Public utility property	properties devoted to the production of commodities or services for public consumption under the control of governmental agencies such as the Public Utility Commission.
Quantity survey method	a method of computing the replacement or the reproduction cost of an improvement by applying unit costs to the actual or estimated material and labor quantities and adding an allowance for overhead, profit, and all other indirect construction costs.
Real estate	the physical land and appurtenances affixed thereto; of used synonymously with <i>real property</i> . This term also includes a manufactured home if it is residential structure; has the moving hitch, wheels, and axles removed; and is placed upon a permanent foundation either on land owned by the owner of the home, or pursuant to a leasehold interest in land as specified in NCGS 105-273(13).
Real property	all the interests, benefits, and rights enjoyed by the ownership of the real estate.
Reassessment	the revaluation of all properties within a given jurisdiction for the purpose of establishing a new tax base.
Rent	the amount paid for the use of a capital good. See <i>economic rent</i> .

Replacement cost	the current cost of reproducing an improvement of equal utility to the subject property; it may or may not be the cost of reproducing a replica property. Compare with <i>reproduction cost</i> .
Reproduction cost	the current cost of reproducing a replica property. Compare with <i>replacement cost</i> .
Reserve for replacements	a reserve established to cover renewal and replacements of fixed assets.
Residential property	vacant or improved land devoted to or available for use primarily as a place to live.
Revaluation program	see <i>equalization program</i> .
Sales ratio study	a statistical analysis of the distribution of assessment or appraisal-to-sale ratios of a sample of recent sales made for the purpose of drawing inferences regarding the entire population of parcels from which the sample was abstracted.
Salvage value	the price one would be justified in paying for an item of property to be removed from the premises and used elsewhere.
Site development costs	all costs incurred in the preparation of a site for use.
Soil productivity	the capacity of a soil to produce crops
Sound value	the depreciated value of an improvement.
Sound value estimate	an estimate of the depreciated value of an improvement made directly by comparing it to improvements of comparable conditions, desirability, and usefulness without first estimating its replacement cost new,
Tax bill	an itemized statement showing the amount of taxes owed for certain property described therein and forwardable to the party(s) legally liable for payment thereof.
Tax book	see <i>assessment roll</i> .
Tax district	a political subdivision over which a governmental unit has authority to levy a tax.
Tax duplicate	see <i>assessment roll</i> .
Tax exemption	either total or partial freedom from tax; total exemption such as that granted to governmental, educational, charitable, religious, and similar nonprofit organizations, and partial exemption such as that granted on homesteads, etc.
Tax levy	in reference to property taxes, the total revenue which is to be realized by the tax.

Tax list	see <i>assessment roll</i> .
Tax mapping	the creation of accurate representations of property boundary lines at appropriate scales to provide a graphic inventory of parcels for use in accounting, appraising and assessing; such maps show dimensions and the relative size and location of each tract with respect to other tracts.
Tax notice	a written notification to a property owner of the assessed value of certain properties described therein; often mandated by law to be given to each property owner following a revaluation of his property.
Tax rate	the rate generally expressed in dollars per hundred or dollars per thousand (mills) which is to be applied against the tax base (assessed value) to compute the amount of taxes. The tax rate is derived by dividing the total amount of the tax levy by the total assessed value of the taxing district.
Tax roll	see <i>assessment roll</i> .
Tillable land	land suitable for growing annual crops.
Under assessed	a condition wherein a property is assessed proportionately lower than comparable properties.
Uniformity	as applied to assessing, a condition wherein all properties are assessed at the same ratio to market value, or other standard of value depending upon the particular assessing practices followed.
Unimproved land	vacant land; a parcel for which there is no improvement value.
Unit cost or price	the price or cost of one item of a quantity of similar items.
Unit-in-place method	a method of computing the replacement or reproduction cost of an improvement by applying established unit-in-place rates, developed to include the cost of materials, equipment, labor, overhead and profit, to the various construction units.
Use density	the number of buildings in a particular use per unit of area, such as a density of so many apartment units per acre.
Use value	the actual value of a commodity to a specific owner, as opposed to its value in exchange or market value.
Vacancy	an unrented unit of rental property.
Vacant land	unimproved land; a parcel for which there is no improvement value.
Valuation	see <i>appraisal</i> .
View	the scene as viewed from a property.
Water frontage	land abutting on a body of water.

Woodland land which is fairly densely covered with trees.

Zoning regulations governmental restrictions relating to the use of land.

STATISTICAL TERMS

Aggregate ratio	as applied to real estate, the ratio of the total assessed value to the total selling price.
Average deviation	in a distribution of values, the average amount of deviation of all the values from the mean value equal to the total amount of deviation from the mean divided by the number of deviations.
Cells	the basic units making up a stratified sample; each sale representing a distinct group within the total universe.
Coefficient	a value prefixed as a multiplier to a variable or an unknown quantity.
Coefficient of dispersion	as applied to an assessment-to-sale ratio distribution, a measure of dispersion in a given distribution equal to the average deviation of the ratios from the mean ratio divided by the mean ratio.
Frequency distribution	a display of the frequency with which each value in a given distribution occurs; or in a <i>grouped frequency distribution</i> , a display of the frequency with which the values within various intervals, or value groups, occur.
Mean	a measure of central tendency equal to the sum of the values divided by the number. Also referred to as <i>arithmetic average</i> or <i>arithmetic mean</i> .
Median	a measure of central tendency equal to that point in a distribution above 50% of the values fall and below which 50% of the values fall. The 50 th percentile.
Mode	a measure of central tendency equal to that value occurring most frequently in a given distribution. In a grouped frequency distribution, the mode is equal to the midpoint of the interval with the greatest frequency.
Normal distribution	a distribution in which all the values are distributed symmetrically about the mean value, with 68.26% of the values falling between +/- 1 standard deviation, 95.44% between +/- 2 standard deviations, and 99.74% between +/- 3 stand deviations.
Percentile rank	the relative position of a value in a distribution of values expressed in percentage terms; for instance, as applied to as assessment-to-sale ratio distribution, a ratio with a percentile rank of 83 would indicate that 83% of the ratios were lower and 17% of the ratios were higher than that particular ratio.
Precision	as applied to real estate, it refers to the closeness of estimated value to actual selling price on an aggregate basis.
Price related differential	as applied to real estate, an analytical measure of the vertical uniformity of values in a given distribution calculated by dividing the mean ratio by the aggregate ratio; a ratio of more than 1 being generally indicative of the relative undervaluation of high priced properties as compared to the less valuable properties, whereas a ratio of less than 1 would indicate the converse relationship.

Quartile	positions in a distribution at 25 percentile intervals; the first quartile being equal to the 25 th percentile, the second quartile being equal the 50 th percentile or the median, and the third quartile being equal to the 75 th percentile.
Regression analysis	a statistical technique for making statements as to the degree of linear association between a criterion (dependent) variable and one or more predictor (independent) variables; a simple linear regression having one independent variable, and multiple linear regression having more than one independent variable.
Range	the difference between the highest and the lowest value in a distribution.
Ratio	a fixed relationship between two similar things expressed in terms of the number of times the first contains the second; the quotient of one quantity divided by another quantity of the same type, generally expressed as a fraction.
Sample	<p>as applied to real estate, a set of parcels taken from a given universe which is used to make inferences about values for the universe.</p> <p><i>A probability sample</i> is a sample in which each parcel in the universe is given equal chance of being included. Also referred to as <i>random sample</i>.</p> <p><i>A non-probability sample</i> is a sample in which each parcel in the universe being chosen by other criteria is not given an equal chance of being included. Essentially all assessment-to-sale ratio studies are non-probability samples.</p>
Sample size	as applied to real estate, the number of parcels needed from a universe to achieve a desired level of precision, given the total number of parcels in the universe and the standard deviation thereof.
Standard deviation	a measure of dispersion, variability or scatter of values in a given distribution equal to the square root of the arithmetic mean of the squares of the deviations from the mean.
Standard error of the mean	a measure of the statistical variability of the mean equal to the standard deviation of the distribution divided by the square root of the sample size.
Stratified sampling	the selection of sample parcels from distinct groups within the total universe based upon the known sizes and characteristics of these distinct groups.
Universe	as applied to real estate, all the parcels of a given type in the group under study, i.e., all the parcels of a given neighborhood, district, etc. Also referred to as <i>population</i> .