



Schedule of Values

2025 Reappraisal



2025 Schedule of Values, Standards and Rules

Board of County Commissioners

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Introduction

The purpose of this manual is to describe the methodology and procedures for appraising real property in Jackson County at its market value of January 1, 2025. The Schedule of Values, Standards and Rules establishes the base rates and ranges for all types of property that will be in effect until the next general reappraisal, scheduled for January 1, 2029.

The tables, rates and ranges found in this manual are only guidelines. On a property-by-property basis, appraisers have the flexibility to adjust rates in order to appraise individual properties at market value and establish equitable and uniform values for all types of property.

General reappraisals are conducted by applying mass appraisal techniques, with thorough analysis from appraisal staff, and the use of a computer-assisted mass appraisal (CAMA) software system. The market approach, cost approach and income approach to value are all considered, when applicable, to appraise all real property.

Reappraisal

Reappraisal, as known as revaluation or reval, is the process of updating real property values to reflect the fair market value as of January 1 of each reappraisal year. Fair market value is the most probable price a property would bring in an open and competitive market, a hypothetical sale.

The tax assessor does not create market value. Rather, they analyze the patterns and trends of the local real estate market and use that information to estimate the market value for all properties. North Carolina law does not allow for fractional assessment or an increase cap. The value as of January 1 of each reappraisal must be 100% of what the property should sell for on the open market. Property values adjust regardless of whether the property owner makes changes to the property.

North Carolina law requires each county to reappraise real property at least once every eight years. However, the North Carolina Department of Revenue (NCDOR) has adopted the International Association of Assessing Officers (IAAO) *Standard on Mass Appraisal of Real Property* (2017), which recommends all counties conduct a reappraisal at least once every four years. Jackson County elected to move to a four-year cycle beginning with the 2000 reappraisal.

The NCDOR Reappraisal Standards can be found at the following website: <https://www.ncdor.gov/documents/files/ncdor-reappraisal-standards/open>.

The IAAO Standard on Mass Appraisal of Real Property can be found at: <https://www.iaao.org/media/standards/StandardOnMassAppraisal.pdf>.

The mission of the IAAO is to advance fair and equitable property appraisal, assessment administration and property tax policy through professional development, research and technical assistance throughout the world.

Additionally, the IAAO has adopted Standards 1 through 10 of the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP was developed to promote and maintain a high level of public trust, as well as confidence, in professional appraisal practice. Standard 6 focuses on developing and reporting of mass appraisal. USPAP defines mass appraisal as the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.

Property taxes are based on property values. Without periodic reappraisals some property owners would pay more than their fair share while other would pay less. Reappraisal resets property values to their current market value so that the property tax burden is equalized for all taxpayers.

Equity and Fairness Example:

Area	Percent Change
1	60%
2	10%
3	25%
4	40%

Area	2021 Assessment	2025 Assessment	Change
1	\$300,000	\$480,000	\$180,000
2	\$300,000	\$330,000	\$30,000
3	\$300,000	\$375,000	\$75,000
4	\$300,000	\$420,000	\$120,000

In the example above, Areas 1 and 4 have increased in value at a much higher percentage but are paying taxes based on the same assessed value as Areas 2 and 3, that have not increased at the same percentage. These types of value discrepancies become more prevalent with longer reappraisal cycles.

A term commonly used during a reappraisal is “Sticker Shock”. More frequent reappraisals can reduce substantial percentage changes to the assessed value. Although the change can feel significant for one year, the value adjustment reflects the market change from the four years leading up to the reappraisal.

The following is an example of the potential percent change, if the county performed eight-year reappraisals. This parcel should have seen a percent change in the 2021

reappraisal of approximately 25%. Had the 2021 reappraisal not occurred, after eight years, the parcel would have seen a percent change of approximately 98%.

Parcel Number		7581030535
Sales Price	9/18/2014	\$650,000
Sales Price	8/5/2020	\$815,000
Sales Price	8/16/2023	\$1,290,000
Percent Change 2014 – 2020		25.38%
Percent Change 2020 – 2023		58.28%
Percent Change 2014 – 2023		98.46%

An eight-year cycle creates more opportunity for inequities to grow and usually leads to much larger and unpredictable changes to property values. As the inequities increase, the tax burden on individual property owners becomes unfair. Reappraisal assures every property owner they are only paying their fair share.

North Carolina General Statutes

In North Carolina, laws and procedural requirements are set forth in the *Machinery Act of North Carolina*. The following statutes specifically address the reappraisal of real property and can be accessed at: <https://www.ncleg.gov/Laws/GeneralStatutes>.

North Carolina General Statute 105-274 states that all real and personal property located within its jurisdiction shall be subject to taxation unless it is otherwise exempted or excluded from taxation by law.

North Carolina General Statute 105-286 requires each county to conduct a general reappraisal of all real property at least once every eight years. A county may conduct a reappraisal of real property earlier than required if the board of county commissioners adopts a resolution providing for advancement of the reappraisal. Jackson County adopted a four-year reappraisal cycle at the October 21, 1999, meeting.

North Carolina General Statute 105-283 states that all property, real and personal, shall as far as practicable be appraised or valued at its true value in money. The words "true value" shall be interpreted as meaning market value, that is, the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used.

North Carolina General Statute 105-317 requires the tax assessor to create this schedule, and outlines the procedure for adoption of the schedule.

Appraisal Terminology and Principles

Real property is defined, in North Carolina General Statute 105-273(13), as land, buildings, structures, improvements and all rights and privileges appertaining to the property.

There are six basic rights associated with fee-simple property ownership, also known as the “bundle of rights”:

The Right to Sell	The Right to Give Away
The Right to Lease or Rent	The Right to Enter or Leave
The Right to Use	The Right to Refuse to do any of these

The following restrictions place limitations on the bundle of rights:

Taxation	The right to tax the property for the support of government.
Eminent Domain	The right to take the property for public use provided just compensation is paid.
Police Power	The right to regulate the use of property for the public welfare in the areas of safety, health, morals, zoning, building codes, traffic and sanitary regulations.
Escheat	The right of government to have property revert to the state for non-payment of taxes or when there are no legal heirs of decedent who dies without a will.

Value may be defined as the present worth of future benefits arising from the ownership of real property. For a property to have value, it must have utility, scarcity, desirability and effective purchasing power.

Market value is not always the same as market price. Market price is what the property actually sold for. Market value is an estimate of value based on comparable sales and other market information. Market price can differ from market value if any of the market value criteria are not met.

Market value is **NOT**:

Historical Cost	Liquidation or Salvage Value
Construction Costs	Aesthetic Value
Depreciated Asset or Book Value	Inheritance Value
Insurance Value	

A major factor of ensuring a property transaction reflects fair market value is that the property is listed for sale on the open market. Properties not listed for sale on a real estate

site are typically considered unqualified. This can typically be seen when a property is purchased by a neighbor and does not involve a realtor. That sale does not reflect the true market value of the property and would not be used to determine the assessed value.

The cost of a property is not always equal to its market value. Cost may equal market value when the improvements on a property are new and are the highest and best use of the land. The cost may exceed the actual market value if special features are added and the market does not allow for a return on investment. For example, installing premium features on low quality construction may drive the cost above market value. Another example, when the demand for homes greatly exceeds the available supply to such an extent that buyers actually pay more than the improvement cost of such homes in order to secure housing without a long delay. In this instance, market value could easily exceed cost.

The following is a list of valid deed codes:

Code	Explanation
IC	Improved Commercial
IR	Improved Residential
MH	Manufactured Home
TC	Townhouse/Condominium
VC	Vacant Commercial
VR	Vacant Residential

If the deed has been deemed qualified, the property record card will show a “Y” or any of the above valid deed codes under the Valid category.

The following is a list of reasons, provided by the North Carolina Department of Revenue (NCDOR), why a deed may not be a valid transaction. Jackson County has adopted the NCDOR list. If the deed has been rejected, the property record card will show a “N” or any of the following rejection codes under the Valid category.

Below is where sales information can be found on the property record card.

SALES INFORMATION			
Date	Sales Price	Valid	Book/Page
8/16/2024	945,000	Y	2383/105
9/10/2020	612,000	Y	2276/778
10/11/2013		N	2011/104
9/30/2013	555,000	Y	2009/300
Plat Book: 00		Plat Card: 000	

Code	Explanation
A	The transaction includes the conveyance of two (2) or more parcels.
B	Sales for which the improvements sold are not included in the tax assessment or the assessment included improvements built after the sale.
C	Deed shows \$6.00* or less in revenue stamps. * Transaction is for \$3,000 or less.
D	The date the deed was made, entered or notarized is outside the dates of the study period. (The study period runs from January 1 to December 31).
E	The transaction is between relatives or related businesses.
F	The grantor is only conveying an undivided or fractional interest to the grantee.
G	The deed reserves until the grantor, a life estate or some other interest.
H	The deed reserved until the grantor the possession of, or lease of, the property for specified period following the sale.
I	One or both of the parties involved in the transaction is governmental, a public utility, lending institution or a relocation firm.
J	The deed conveys a cemetery lot or other tax-exempt property.
K	One or both of the parties involved in the transaction is a church, school, lodge or some other educational organization.
M	The deed indicates that the property conveyed is situated in more than one county.
N	The transaction is for mineral, timber, etc. or the right to mine or cut same.
O	The transaction includes the conveyance of personal property, and the value of such is not specified separate from the real property value in the deed.
P	The transaction is the result of a forced sale or auction.
Q	Transaction made by the use of a Contract for Deed, the agreement for which is executed and sale actually made prior to the study.
R	The transaction involves the trade or exchange of real property.
S	The transaction is for real property, which cannot be clearly identified on the county tax records.
X	Other

Highest and best use is the reasonable and probable use that supports the highest present value as of the date of the appraisal. Because the highest and best use of a piece of land may not be its current use, the appraiser must consider the relationship between the highest and best use of the land and its existing improvements. For example, a residential structure would have little value attributed to a prime commercial parcel.

Once the highest and best use is determined, the use must meet four criteria:

Must be Legally Permissible

Must be Financially Feasible

Must be Physically Possible

Must be Maximally Productive

Basic Principles of Value:

Principle	Explanation
Anticipation	Value is created by the expected future benefits to be derived from the property.
Balance	Properties achieve maximum market value when complementary uses are in balance.
Change	Market value is never constant because physical (environmental), economic, governmental and social forces are at work to change property and its environment.
Competition	Availability must be in harmony with demand.
Conformity	Maximum market value is achieved when there is a reasonable similarity among the improvements in a neighborhood.
Consistent Use	The property must be valued with a single use for the entire property.
Contribution	The value of a component of property depends on its contribution to the whole.
Increasing and Decreasing Returns	When successive increments of one agent of production are added to fixed amounts of other agents, future net benefits will increase up to a certain point, after which successive increments will decrease future benefits.
Progression and Regression	Progression states that the value of a lower priced property is increased by association with better properties of the same type. Regression states that the value of a better-quality property is decreased by association with lower quality properties in the same area.
Substitution	The market value of a property tends to be set by the cost of acquiring an equally desirable and valuable substitute property, assuming that no costly delay is encountered in making the substitute.
Surplus Productivity	The net income remaining after the costs of labor, management and capital have been satisfied.
Supply and Demand	Supply is the amount of goods that producers are willing to sell at a given price during a specific period. Demand is the amount of a commodity that consumers buy at a given price during a specific period.

Mass Appraisal

Mass appraisal is the process of appraising a large number of properties, as of a given effective date, using statistical analysis to arrive at uniform and equitable values. A valuation model is developed to replicate changes in supply and demand over a large area. It is different from single-property appraisal (“fee appraisal”), in which a market analysis is performed for only the subject parcel. The same approaches to value (market, income and cost) apply to both methods; the differences lie in the way market analysis and appraisals are performed.

To accomplish appraising over 40,000 properties at the time of the general reappraisal, as well as new construction on an ongoing basis, the county is divided into taxing neighborhoods. This allows the county to recognize and adjust for distinct market conditions affecting value in each neighborhood. An example would be a residential subdivision where houses are of a similar age, constructed with similar style and workmanship, and share the same common amenities. These homes would typically be affected by the same market conditions and have similar desirability on the market.

The taxing neighborhoods can be a handful of parcels to hundreds of parcels. In more rural areas of the county the taxing neighborhoods typically contains many more parcels. Occasionally, based on location and access alone, parcels outside of a subdivision may be placed in the same taxing neighborhood. This does not mean they are subject to the covenants and restrictions of the subdivision. Typically, adjustments will be made to those parcels to ensure they are not valued as having any benefits of the subdivision.

All recent sales are analyzed to determine if they are arm’s length transactions. A transaction is considered “arm’s length” if it is between two unrelated parties who are not under any unique compulsion to buy or sell and if it is representative of the fair market value. Sales between relatives, short sales and estate sales are examples of transactions that might not be good evidence of market value. Sale prices are determined based on the revenue tax (“revenue stamps”) paid to the Register of Deeds office and reported on the deed.

$$\text{Revenue Tax} \times .5 \times 1,000 = \text{Sales Price}$$

$$\$440.00 \times .5 \times 1,000 = \$220,000 \text{ Sales Price}$$

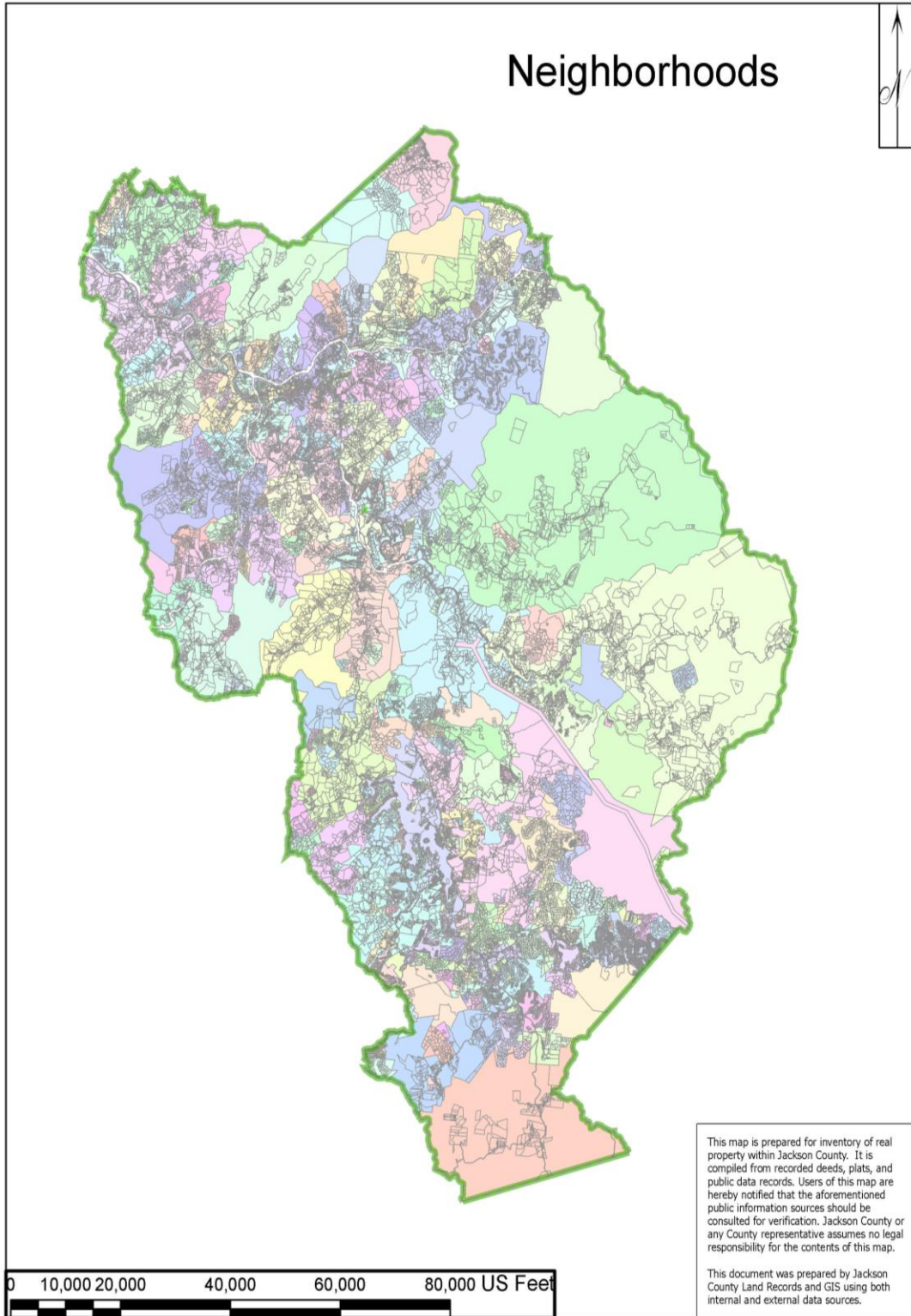
Land is appraised based on available land sales data, allocation of sale prices between land and improvements, or other methods as appropriate. Once land rates are established, analysis is performed to ascertain the positive or negative influence of various property characteristics.

The rates published in the Schedule of Values are base rates and ranges for what is considered average quality and workmanship and standard lots and acreage. The computer-assisted mass appraisal (CAMA) software system contains factors and adjustments that can be applied to land and building rates to recognize market conditions, functional or economic obsolescence, deferred maintenance, remodeling, poor topography, and many other characteristics that can affect supply and demand. Judgment by the appraiser plays an important role with respect to comparative grading and depreciation.

There are 17 townships in Jackson County, the following map shows each of those townships.



There are approximately 400 taxing neighborhoods in the county, the following map shows each of those taxing neighborhoods.



Approaches to Value

There are three recognized approaches to appraising real property; these are the market, cost and income approaches. The use of one or all of these approaches to value is determined by the quantity, quality and accuracy of data available to the appraiser. Not all approaches are applicable to every type of property. Underlying each approach is the principle of substitution, which states that the value of a property is no more than the cost of acquiring an equally desirable substitute property.

Market Approach

The market approach, also referred to as the sales comparison approach, is the most commonly used method for residential properties and the most universally known among the general public. This method involves comparing the characteristics of a property being appraised to those of properties that have recently sold, adjusting the known sale prices to reflect any noted differences, and using those adjusted sales to estimate the value of the subject property.

General procedures involved in valuing property using the market approach:

- i. Research, collect, verify and analyze sales data of comparable properties.
- ii. Select the appropriate units of comparison between the subject and comparable properties.
- iii. Determine from the market the contributory value of differences between the subject property and the comparable properties.
- iv. Adjust the comparable properties for these differences.
- v. Correlate the adjusted values of the comparable sales to develop a final estimate of market value.

North Carolina General Statute 105-283, definition of market value: all property, real and personal, shall as far as practicable be appraised or valued at its true value in money. The words "true value" shall be interpreted as meaning market value, that is, the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used.

No two parcels of land are exactly alike. Typical differences requiring adjustments are time of sale, location and physical characteristics. Adjustments may also need to be made for atypical financing.

Example using the market approach. This is just for illustration purposes, showing how the approach calculates an estimated value for a subject property. For categories (den, kitchen, etc.), Yes would be indicated with a “1” and No with a “0”.

	Subject	Sale 1	Sale 2	Sale 3
Sales price		\$400,000	\$340,000	\$390,000
Date of Sale		10/01/2024	09/01/2024	08/01/2024
Bathrooms	2.5	2.5	1.5	2.5
Bedrooms	3	4	3	4
Kitchen	1	1	1	1
Living Room	1	1	1	1
Dining Room	1	1	1	1
Den	1	1	0	1
Garage stalls	2	2	1	2

Market adjustment:

Sale 1 and Sale 3 are identical, other than when they sold. The market adjustment can be determined using the following formula:

$$(\text{Current Sale} - \text{Previous Sale}) \div \text{Previous Sale} = \text{Total Percent Change}$$

$$\text{Total Percent Change} \div \text{Number of Months Between Sales} = \text{Percent Change per Month}$$

$$(\$400,000 - \$390,000) \div \$390,000 = .0256 \text{ or } 2.56\%$$

$$.0256 \div 2 = .0128 \text{ or } 1.28\%$$

Market analysis provided the following adjustments:

Market conditions (change over time)	1.28% per month
Fourth Bedroom	\$22,000
Full bathroom	\$12,000
Den	\$15,000
Single-car garage	\$18,000
Two-car garage	\$26,500

Adjustments:

	Subject	Sale 1	Sale 2	Sale 3
Sale price		\$400,000	\$340,000	\$390,000
Time adjustment		N/A	1.28%	2.56% (1.28% X 2)
Adjusted sale price		\$400,000	\$344,352 (\$340,000 X 1.0128)	\$399,984 (\$390,000 X 1.0256)
Bathrooms	2 and 1/2	Equal	+ \$12,000	Equal
Bedrooms	3	(\$22,000)	Equal	(\$22,000)
Den	1	Equal	+ \$15,000	Equal
Garage stalls	2	Equal	+ \$8,500 (\$26,500-\$18,000)	Equal
Net adjustments		(\$22,000)	+ \$35,500	(\$22,000)
Adjusted sale price		\$378,000	\$379,852	\$377,984

The indicated value for the subject property as of October 2024 is \$378,000. To determine the value as of January 1, 2025, the market adjustment must be applied.

$$\$378,000 \times 1.0384 (1.28\% \times 3 \text{ months}) = \$392,515$$

The value for the subject property as of January 1, 2025, would be \$392,515.

Although older sales may be used to establish the value of a property, the sales must be trended using the market adjustment to ensure the property value reflects the target assessment date of January 1, 2025.

Cost Approach

In the cost approach, the appraiser determines the cost to build the subject structure new, including all direct and indirect costs, and then makes an allowance for depreciation based on the actual condition of the improvements. This is added to the appraiser's opinion of value of the land to calculate a total value.

This approach works best for new construction or special purpose/use properties.

General steps involved in valuing property using the cost approach:

- i. Determine the land (site) value as if vacant and available for development to its highest and best use.
- ii. Calculate the total cost new of improvements.
- iii. Determine the total amount of depreciation from all causes.
- iv. Subtract the total dollar amount of depreciation from the total cost new of the primary improvements.
- v. Determine the total cost new of any accessory and site improvements.
- vi. Add land value to the depreciated cost of the primary, accessory and site improvements to arrive at a value indication by the cost approach.

Land value is determined using the market approach, that is, the location, conditions and improvements of the subject site are compared to those of similar sites and adjustments are made for significant differences.

The next step in the cost approach is to value all improvements based on replacement cost new. Replacement cost is the construction cost at current prices using present day materials and construction practices that produces a very similar, although not exact duplicate, and serves the same purpose or function as the original.

Direct (hard) costs include:

Labor	Materials
Security During Construction	Equipment Rental
Utilities	Building Permits
Material Storage Buildings	Contractor Trailer/Building
Temporary Needs (such as fencing)	Contractor Profit and Overhead

Indirect (soft) costs include:

- Architecture and Engineering Fees
- Accounting and Appraisal Fees
- Title and Legal Expenses
- Insurance
- Real Estate Taxes During Construction
- Construction Loan Fees
- Marketing, Advertising and Sales Expenses
- Cost of Carrying the Investment After Completion but Before Stabilization is Realized

Depreciation is defined as a loss in value from all causes. The three causes or types of depreciation are:

Physical Deterioration	Loss in value due to ordinary wear and tear and the forces of nature. The condition may be considered either curable or incurable, depending upon whether it may or may not be practical and economically feasible to cure the deficiency by repair and replacement.
Functional Obsolescence	Loss in value due to inability of the improvement to perform adequately the function for which it is used, as of the appraisal date. The condition may be considered either curable or incurable.
External (Economic) Obsolescence	Diminished utility of an improvement due to negative influences from outside the building. The condition is generally incurable in that the causes lie outside the property owner's control.

Physical Deterioration:

Curable	Incurable Short-Lived	Incurable Long-Lived
Components that need to be replaced. Deferred maintenance.	Items that are not ready to be replaced, but will be soon.	“Bones” of the structure.
Ex. Replace gutters and window screens	Ex. Water heater, roof cover	Ex. Foundation issues

Functional Obsolescence:

Normal Deficiency	Modernization Deficiency	Superadequacy Deficiency
The absence of a component that the market expects.	Something that is present but either substandard or defective.	Component included in the original construction that exceeds the expectations of the market.

An example of functional obsolescence is a 5,000 square foot home in a 2,500 square foot neighborhood.

External (economic) obsolescence could include a residential structure in a predominantly commercial area.

Example using the cost approach. This is just for illustration purposes, showing how the approach calculates an estimated value for a subject property.

	Sale 1	Sale 2	Sale 3
Sale price	\$400,000	\$340,000	\$390,000
Indicated land value	<u>(\$50,000)</u>	<u>(\$50,000)</u>	<u>(\$50,000)</u>
Improvement market value	\$350,000	\$290,000	\$340,000
Replacement cost new (RCN)	\$395,000	\$332,000	\$380,000
Improvement market value	<u>(\$350,000)</u>	<u>(\$290,000)</u>	<u>(\$340,000)</u>
\$ Depreciation (from market)	\$45,000	\$42,000	\$40,000
\$ Depreciation ÷ RCN	\$45,000 ÷ \$395,000	\$42,000 ÷ \$332,000	\$40,000 ÷ \$380,000
Depreciation percentage	0.1139	0.1265	0.1053
Depreciation % ÷ Effective Age	0.1139 ÷ 14	0.1265 ÷ 16	0.1053 ÷ 13
Annual depreciation %	.81%	.79%	.81%

The results from the three sales indicate a depreciation amount of approximately .80% per year.

Subject property:	
Replacement cost new (RCN)	\$400,000
Depreciation %	12% (15 effective age X .80%)
Depreciation amount	\$48,000 (\$400,000 X .12)
RCN	\$400,000
\$ Depreciation	(\$48,000)
Improvement value	\$352,000
Land value	\$50,000
Total value	\$402,000 (\$352,000 + \$50,000)

Income Approach

The income approach assumes that the subject property was (or is typically) bought for its potential to produce an income stream. In this approach, the value of an income-producing property is estimated by converting anticipated benefits (income and rent) arising from the ownership of the income producing property.

The normal goals of the investor are twofold: (1) a return on the investment and (2) a return of the investment. With income-producing property, the return on the investment depends on the difference between the property's income and all expenses for the same period, and the return of the investment depends on the resale value of the property.

General procedure involved in valuing property using the income approach:

- i. Estimate potential gross income, based on market rents.
- ii. Deduct for vacancy and collection loss.
- iii. Add miscellaneous income to get the effective gross income.
- iv. Determine operating expenses.
- v. Deduct operating expenses from the effective gross income to determine net operating income before discount, recapture and taxes.
- vi. Select the proper capitalization rate.
- vii. Capitalize the net operating income into an estimated property value.

Potential gross income is annual market rent for the property at 100 percent (100%) occupancy. Market rent is the rent currently prevailing in the market for properties comparable to the subject property. Contract rent is the rent required to be paid by the tenant under the terms of the lease. Contract rent may, or may not, be equal to market rent.

Vacancy loss is the amount of income lost due to unoccupied space. Collection loss is the loss that results from the failure of tenants to pay the rent, sometimes referred to as bad debt.

Miscellaneous income is nonscheduled income and is often referred to as service income. It comes from sources other than actual rent. It may include parking fees, resale of utilities, coin-operated laundry, and clubroom or recreational area fees.

Operating expenses are ordinary and typical expenses that are necessary to keep the property functional and rented competitively with other properties in the area.

Proper expenses included:

Fixed Expenses	An expense that does not vary by rate of occupancy, ex. property taxes and insurance.
Variable Expenses	Expenses that vary based on the rate of occupancy, ex. management fees, utilities, repairs and maintenance.
Reserves for Replacement	Annual charges for items that have relatively short lives (short-lived items) and that must be replaced before the end of the lease period or before the improvement reaches the end of its useful life. Ex. drapes, ranges, refrigerators, water heaters, etc.

Improper expenses are those not necessary to keep the property functional, such as debt service, income taxes, capital improvements, depreciation and owner's business expenses.

Capitalization is the process of converting a series of anticipated future payments (income) into present value. Capitalization transforms net operating income produced by a property into the property value. The capitalization process, or the income approach, restates market value by converting the future benefits of property ownership into an expression of present worth.

There are three primary components involved in the capitalization process: the net operating income, the capitalization rate and the value (where the verified sales price represents value).

The formula used is: $\text{Income} \div \text{Value} = \text{Rate}$.

Example:

	Sale 1	Sale 2	Sale 3
Sales price	\$480,000	\$600,000	\$440,000
Net operating income	\$50,000	\$60,800	\$45,000
Capitalization rate (%)	10.4	10.1	10.2

The three components of a capitalization rate are:

Discount Rate	The return on a real estate investment, it reflects the compensation necessary to attract investors to give up liquidity, defer compensation and assume the risks of investing.
Recapture Rate	The rate of return of a real estate investment; the annual dollar requirement for returning to the investor a sum equal to the property value (improvements only) at the end of a given period of time.
Effective Tax Rate	The rate expressing the ratio between the property value and the current tax bill; the official tax rate of the taxing jurisdiction multiplied by the assessment ratio.

The capitalization rate can be derived from a variety of sources, including comparable sales data, provider companies, investor surveys, market sales and data analysis. Like the other elements of income analysis, all elements of the capitalization rate must be based on market data relevant to the property type and market conditions at the effective date of the value estimate.

After performing the analyses discussed in the previous steps and determining the capitalization rate for the subject property, the appraiser must capitalize the net income to determine the value of the property.

Example using the income approach. This is just for illustration purposes, showing how the approach calculates an estimated value for a subject property.

Potential gross income	\$50,000
Vacancy & collection loss	(\$5,000)
Miscellaneous income	\$2,000
Effective gross income	\$47,000
Operating expenses	(\$10,000)
Net operating income	\$37,000
Capitalization rate	10%
Estimated property value ($\$37,000 \div 10\%$)	\$370,000

Reconciliation

Reconciliation is the art of analyzing and effectively weighing the findings from the three approaches. If the three approaches are applied to the same property, they will normally produce three separate indications of value. Although each approach may serve as an independent guide to value, whenever possible, all three approaches should be used as a check on the final estimate of value.

The process of reconciliation is more complicated than simply taking the average of the three value estimates. An average implies that the data and logic applied in each of the approaches is equally valid and reliable.

For example, in appraising a home, the income approach is rarely used and the cost approach is of limited value unless the home is relatively new; therefore, the market approach is usually given the greatest weight in valuing single-family residences. In the appraisal of income or investment properties, the income approach would normally be given the greatest weight. In the appraisal of churches, libraries, museums, schools and other special-use properties, where there is seldom an increase in income and few sales, if any, the cost approach would usually be assigned the greatest weight. From this analysis or reconciliation, a single estimate of market value is produced.

Quality Control in Mass Appraisal

Mass appraisal relies heavily on statistical analysis to ensure uniformity and equity. The most commonly used test is the ratio study.

A ratio study compares appraised values to sale prices. The sales ratio is calculated by dividing the appraised value by the sales price. For example, if a property is appraised at \$350,000 and has a recent sale price of \$352,000, its sales ratio is 99% ($\$350,000 \div \$352,000$). This means the property is appraised at 99% of its market value, as represented by the sales price.

Similar sales ratios \neq similar assessed value changes.

The following is an example of four properties, all with a 60% sales ratio.

Assessed Value	Sales Price	Value Difference
\$75,000	\$125,000	\$50,000
\$150,000	\$250,000	\$100,000
\$300,000	\$500,000	\$200,000
\$1,500,000	\$2,500,000	\$1,000,000

In mass appraisal, appraised values should not be expected to exactly match sale prices or independent appraisals. Instead, the median ratio (the middle value in an arrayed dataset) for a group of similar properties should be near 100%, with high and low ratios balancing. Per the International Association of Assessing Officers (IAAO) *Standard on Ratio Studies* (2013), the median ratio should fall between 90% and 110%. Additionally, each class of property should be within 5% of the overall level of appraisal. The Standard on Ratio Studies can be found by visiting the following website: https://www.iaao.org/media/standards/Standard_on_Ratio_Studies.pdf

If the median ratio for a group of parcels falls within this range, the standard for overall appraisal level has been met. In conducting a ratio study, it is imperative that there be a

sufficient number of samples for meaningful analysis. In Jackson County, the market is active enough to meet this need.

Additional checks show if the appraised values are uniform and equitable.

The Coefficient of Dispersion (COD) measures the difference between each ratio in the sample and the median ratio, and returns the average deviation. A low COD indicates more uniformity in the sample than a high COD.

Example:

Sale	Sales Ratio	Median	Absolute Difference
1	.975	.975	.000
2	.956	.975	.019
3	1.083	.975	.108
4	.925	.975	.050
5	.986	.975	.011
Average Deviation			.188
Median			.975
COD (Average Deviation ÷ Median)			19.28%

IAAO Ratio Study Uniformity Standards:

Type of Property	COD Range
Single-Family Residential	
Newer, Homogenous Areas	5.0 – 10.0
Older, Heterogeneous Areas	5.0 – 15.0
Other Residential	5.0 – 20.0
Income Properties	
Larger, Urban Jurisdictions	5.0 – 15.0
Smaller, Rural Jurisdictions	5.0 – 20.0
Vacant Land	5.0 – 25.0

Homogeneous is defined by the IAAO as possessing the quality of being alike in nature and therefore comparable with respect to the parts or elements. Heterogeneous is the opposite of homogeneous and means unlike or without interrelation, buildings of varied styles or uses.

The Price-Related Differential (PRD) is used to measure vertical equity, how high-value properties and low-value properties are appraised relative to each other. A PRD above 1.0 is evidence is regressivity, below 1.0 is evidence of progressivity. No bias is any price related differential between 0.98 and 1.03. Assessment progressivity (regressivity) is appraisal bias such that high-value properties are appraised higher (or lower) than low-value properties in relation to market values.

The PRD is calculated as follows: Mean ÷ Weighted Mean. The mean is the average value of the sample. The weighted mean is the sum of the appraised values ÷ sum of the sales prices.

Example:

Sale	Appraised Value	Sales Price	Sales Ratio
1	\$270,000	\$280,000	.964
2	\$315,000	\$334,500	.942
3	\$302,000	\$290,000	1.041
4	\$105,500	\$110,000	.959
5	\$399,000	\$425,000	.939
	\$1,391,500	\$1,439,500	
	Weighted Mean (\$1,391,500 ÷ \$1,439,500)		.967
	Mean (Sales Ratio Average)		.969
	PRD (Mean ÷ Weighted Mean)		1.002

Post-Reappraisal

After a general reappraisal, the Schedule of Values must remain in effect until the next general reappraisal. North Carolina General Statute 105-287 outlines the conditions under which values may and may not be changed in between general reappraisal years.

The statute permits the assessor to increase or decrease the appraised value of a property based on physical changes to the land and/or improvements (105-287(a)). Common examples of this would include new structures or outbuildings (such as detached garages), demolition of existing improvements, zoning changes or a division of land into smaller lots.

The statute prohibits the assessor from increasing or decreasing the appraised value of a property due to inflation, deflation or changes in the local economy (105-287(b)). This allows for equity in assessments, as every property is appraised based on the economic conditions influencing supply and demand at the same point in time.

The statute requires that all changes made in the above (and other allowed) situations be made using the current Schedule of Values (105-287(c)). This means that when improvements are made, they are valued using the same rates and guidelines outlined in this schedule until the next general reappraisal is conducted. For example, a house built in 2027 would be appraised based on an analysis of what similar homes were selling for at the time the 2025 Schedule of Values was compiled. The cost and market value of the home at the time of its construction would not be considered. This allows new construction to be appraised uniformly and equitably with existing construction.

Additionally, North Carolina General Statute 105-317(a)(3) requires that partially completed buildings be appraised based on their degree of completion as of January 1 of the year for which the new assessment is being made. Meaning that law requires structures be added to the tax scrolls prior to receiving a Certificate of Occupancy (CO).

Property Record Card Definitions

Ownership Information:

Can be found in the top left corner of the card. This includes the owner name(s), mailing address and account number. Only two owner names will display on the card. If there are more than two owner names on the account, the owner names will say ETAL at the end. Et al means and others.

Tax Districts:

Tax district information can be found in the top middle section of the card. All parcels in the County will receive General County Tax. Additional tax districts that apply to certain parcels are as follows:

- Cashiers Fire Tax
- Highlands Fire Tax
- Town of Dillsboro
- Town of Dillsboro Fire
- Town of Highlands
- Town of Sylva
- Town of Webster
- Village of Forest Hills

Parcel:

The parcel identification number (PIN) can be found in the top right section of the card. This number is unique and only identifies that specific parcel of real property.

Tax Year and Reval Year:

The tax year is the current calendar year. The reval year is the year the last countywide reappraisal of all properties occurred. This information is found in the top right section of the card.

Parcel Information:

This information is found in the top left section of the card, below ownership information. Codes are found in the following table.

Road Type Codes

GM Gravel Municipality
 GS Gravel State
 NR No Road
 NW No Right of Way
 PM Paved Municipality
 PP Paved Primary
 PS Paved State
 RG Gravel Private
 RP Paved Private

Utilities Codes

A All Available
 CS Campsite
 CW Community Water
 G Gas
 MH Manufactured Home Site
 N None
 PS TWSA Sewer
 PW TWSA Water
 S Septic
 SC Sewer Community
 W Water

View Codes

CF Creek Front
 CV Creek View
 FW Fairway
 GC Golf Course
 LF Lake Front
 LR Long Range
 LS Limited/Seasonal
 LV Lake View
 MR Medium Range
 PV Panoramic
 RF River Front
 RV River View
 SR Short Range

Notes:

The notes section can be found directly below the parcel information section and may provide comments specific to the property.

Property Description:

The property description information can be found in the top middle section of the card, below tax districts. This includes the property description, typically found on the deed, and the overall acreage of the parcel.

Permit Information:

Any recent building permit information can be found in this section, which is located directly below the property description. The permit information is provided by Permitting and Code Enforcement.

Permit Codes and Descriptions

AC	Addition Commercial	MH	Manufactured Home
AR	Addition Residential	MI	Miscellaneous
C	New Commercial	NC	New Work Commercial
D	Demolition	NR	New Work Residential
E	Electrical	RC	Remodel Commercial
G	Gas	RR	Remodel Residential
HP	Heat Pump	SF	New Single Family
MF	New Multi Family		

Sales Information:

Recent deed, estate and plat information can be found in this section, located below permit information. Sale price is determined based on the revenue tax (“revenue stamps”) paid to the Register of Deeds office and reported on the deed. If the deed has been deemed qualified, the property record card will show a “Y” or a valid qualification code under the Valid category. If the deed has been rejected, the property record card will show a “N” or a rejection code under the Valid category. Please refer to the Appraisal Terminology and Principles section of this schedule for deed validation and rejection codes.

$$\text{Revenue Tax } \times .5 \times 1,000 = \text{Sales Price}$$

$$\$440.00 \times .5 \times 1,000 = \$220,000 \text{ Sales Price}$$

Value Summary:

This section provides the total value for each category and can be found below the parcel information. Market value is the value before any reduction for deferment or exemption. Net taxable is the amount the property will be taxed on.

Land	Total land value.
Building	Total building value.
OBXF	Total outbuilding value.
Market Value	The sum of the land, building and outbuilding values.
Deferred Amount	The total deferred amount (only applies to present-use value property and certain conservation company properties).
Exempt Value	The total exempt amount, this includes all exemptions and property tax relief programs.
Net Taxable	The market value minus deferred amount and exempt value. The amount the property will be billed on.

Land Data – Market Value:

This section provides the land segment information, including land segment type, price per acre or lot price, any land adjustments, value added for utilities and any associated notes. The total land value will equal the land in the value summary. If there is an L under MTH, the parcel is lot priced and the acres will display as 1.00. The parcel acreage can be found under property description. Additional information can be found in the Land Valuation section of this schedule.

Methods

A Acreage
 L Lot
 S Square Foot

Land Codes and Descriptions

0100 Residential Homesite	0199 Residential Common Area
0110 Residential	0200 Agriculture
0111 Residential	0260 Agriculture Wildlife
0112 Residential	0300 Horticulture
0115 Residential	0400 Forestry
0116 Residential	0460 Forestry Wildlife
0119 Residential	0499 U.S. Forest Service
0120 Residential Creek Front	0500 Commercial Primary
0121 Residential River Front	0501 Commercial Secondary
0130 Resort	0502 Commercial Tertiary
0131 Resort Fairway	0503 Commercial Residual
0132 Resort View	0504 Commercial Rural
0133 Resort Waterfront	0505 Golf Course
0134 Resort Amenity Lot	0590 Cell Tower
0135 Resort Vacant	0599 Commercial Common Area
0139 Resort Common Area	0600 Industrial Primary
0140 Residential Lakefront	0601 Industrial Secondary
0141 Residential Lake View	0602 Industrial Rear
0142 Residential Boat Slip	0603 Industrial Residual
0150 Residential View	0700 Wasteland
0151 Residential View	0701 Residential Conservation Land
0152 Residential View	0702 Commercial Conservation Land
0198 Cemetery	0800 Mineral Rights

Land Adjustment Codes

BI Builders Inventory	LV Lake View
C Corner Influence	LW Low
CA Common Area	M Misimproved
CE Conservation Easement	NC Non-Conforming
CF Creek Front	P Percolation Test Failed
D Drainage	R Rear
E Excess	RA Restricted Access
EF Excessive Frontage	RF River Front
EO Economic Obsolescence	RU Restricted Use
ER Easement/Right of Way	S Size/Shape
EX Exempt	SA Slope Analysis
FF Flood Fringe	SE Septic Easement
FP Flood Plain	SI Site Improvement
FW Flood Way	T Topography
L Level	UN Undeveloped
LC Location	V View
LF Lakefront	WF Waterfront
LR Leasehold Real Property	

Zoning Codes

B1	Main Street District	DR2	Dillsboro Residential District
B2	Business District	DR3	Dillsboro Residential District
B3	Business District	DTB	Downtown Business District
C-1	Corridor Gateway Corridor	DTD1	Dillsboro Traditional Downtown District
C-10	Corridor Working Farm	DTD2	Dillsboro Traditional Downtown District
C-2	Corridor Golf Course Comm	GB	General Business
C-3	Corridor Industrial	GI	Government/Institutional District
C-4	Corridor Institutional	HRD	High Density Residential
C-5	Corridor Planned Residential	HSO	Hillside and Steep Slope Development Overlay
C-6	Corridor Recreational Areas	I	Institutional
C-7	Corridor Rural Living	I1	Industrial District
C-8	Corridor Townhome/Condo	IND	Industrial
C-9	Corridor Village Center	LDR	Low Density Residential
CCG	Cashiers Comm General	MDR	Medium Density Residential
CCO	Commercial Corridor Overlay	PB	Professional Business
CCV	Cashiers Comm Village	PU	Public Utility
CTY	County	R1	Res District Low Density
CV-MX	Cashiers Mixed-Use	R1A	Res District Low Density
CV-NR	Cashiers Nonresidential	R1B	Res District Medium Density
CV-R	Cashiers Residential	R2	Res District Low Density
DC1	Dillsboro General Commercial District	R3	Res District Medium Density
DC2	Dillsboro Commercial Use District	WB-1	Webster Business
DI1	Dillsboro Industrial District	WG-1	Webster Government
DR1	Dillsboro Residential District	WR-1	Webster Residential

Land Data – Present Use Value:

This section will display on the card if the parcel is receiving the present use value deferment or for certain conservation company properties. For additional information on the present use value program please refer to the Schedule of Values – Present Use Value.

Outbuilding Data:

This section will display any taxable outbuildings located on the parcel. The total outbuilding value will be reflected in the OBXF category under value summary. Additional information can be found in the Outbuilding Valuation section of this schedule.

Title	Explanation
CODE	The code associated with the outbuilding.
DESC	The description of the outbuilding code.
CT	Count of how many of each outbuilding code. If blank, count is 1.
LN	Length of the outbuilding.
WD	Width of the outbuilding.
UNITS	Square footage of the outbuilding.
AYB	Actual year built.
EYB	Effective year built.
COND	Condition of the outbuilding.
PHYS	Physical depreciation applied to the outbuilding.
FUNC	Any function depreciation/obsolescence applied to the outbuilding.
ECON	Any economic depreciation/obsolescence applied to the outbuilding.
% COMPT	Percent complete of the outbuilding, if 100% complete this field will be blank.
TAX VALUE	Assessed value of the outbuilding.

Outbuilding Codes and Descriptions

01	Barn	41	Miscellaneous Building
02	Barn, Horse/Arena	42	Patio
03	Barn, Low Cost	43	Patio, Covered
04	Bath House	44	Pavilion
05	Boat Dock	45	Paving, Asphalt
06	Boat Slip	46	Paving, Concrete
08	Boat Storage Commercial	47	Pool, Concrete
09	Cabin, Average Quality	48	Pool, Vinyl
10	Cabin, Good Quality	49	Porch, Enclosed
11	Cabin, Low Quality	50	Porch, Open
12	Carport with Living Quarters	51	Porch, Screened
13	Canopy, Average Quality	53	Pump House
14	Canopy, Commercial	54	Railroad Spur
15	Carport, Metal	55	Residential Finished Upper Story/Living Quarters
16	Carport, Average Quality	56	Shed, Equipment with Sides
17	Carport, Good Quality	57	Shed, Open Pole
18	Commercial Lumber Storage	58	Shop, Frame
19	Commercial Office	59	Shop, Steel Prefabricated
20	Commercial Office, Low Quality	61	Stable
21	Dwelling Sound Value	62	Storage, Brick
22	Fellowship/Recreation Hall	63	Storage, Concrete Block/Frame
23	Fence, Commercial	64	Storage, Metal Utility
24	Garage, Metal	65	Storage, Quonset
25	Garage, Finished	66	Storage, Steel Prefabricated
26	Garage, Unfinished	67	Studio
27	Garage with Living Quarters	69	Tennis/Pickleball Court
28	Gazebo	70	Utility Room
29	Golf Course	71	Water Tank
32	Golf Course, Par 3	72	Wood Deck
33	Greenhouse	73	Yurt
34	Hangar, Airplane	74	Fireplace
35	Kennel Building	75	Outdoor Kitchen
39	Manufactured Home Sound Value		

Building Information:

Page 2 of the card is where building information will display. This includes the building description, sketch, computation and section detail. If there is more than one building, additional building pages will follow page 2. The total replacement cost new less depreciation will be the value reflected in the building category under value summary. Additional information can be found in the building valuation sections of this schedule.

Building Description:

Building Valuation Model

- C Commercial
- R Residential
- V Vacant

Building Use Codes and Descriptions

C01	Apartment	C26	Prefabricated Commercial Building
C02	Auto Service Center	C27	Rest/Nursing Home
C03	Auto Dealership	C28	Restaurant Fast Food
C04	Bank	C29	Restaurant/Lounge
C05	Barber/Beauty Shop	C30	Retail Store
C06	Bed and Breakfast	C31	Retail Rural
C07	Car Wash	C32	School
C08	Church	C33	Service Garage
C09	Clubhouse	C34	Service Lube Center
C10	Commercial Building	C35	Shopping Center
C11	Convenience Store	C36	Supermarket
C12	Country Club	C37	Theater
C13	Daycare Center	C38	Warehouse
C14	Department Store	C39	Warehouse, Distribution
C15	Dormitory	C40	Warehouse, Mini Storage
C16	Fire Station	C41	Fitness Center
C17	Fellowship Hall	C42	College
C18	Government Building	C43	Student Housing
C19	Hospital	R01	Single Family Dwelling
C20	Hotel/Motel	R02	Manufactured Housing
C21	Industrial/Manufacturing	R03	Condominium
C22	Laundromat	R04	Townhouse/Villa
C23	Mortuary	R05	Duplex/Triplex
C24	Office Medical	R07	Tiny Home
C25	Office Typical		

Style Codes

DW Double Wide
 PM Park Model
 SW Single Wide

Foundation Codes

C Continuous Wall
 P Pier
 S Slab

Exterior Wall Codes

AS Asbestos Shingles	MS Masonite
AV Aluminum/Vinyl	MT Metal
BR Brick	SO Stucco
CB Concrete Block	SS Stacked Stone
CP Concrete Board	ST Stone
FR Frame	WS Wood Shingle
LG Log	

Roof Structure Codes

F Flat
 G Gable
 GM Gambrel/Mansard
 H Hip
 P Post and Beam
 S Shed

Roof Cover Codes

AS Asphalt Shingle
 MT Metal
 PS Plastic
 RB Rubber
 RC Rolled Composition
 SL Slate
 TG Tar and Gravel
 WS Wood Shake

Bedrooms and Bathrooms:

This section will list how many bedrooms and bathrooms that are associated with the building. A full bath contains a toilet, sink, and shower, tub, or shower tub combination. A half bath contains a toilet and sink.

Generator:

This section lists any generators associated with the structure. If none are associated, this category will be blank. If present, this category will read "Y".

Fireplace:

This section lists any fireplaces associated with the building.

Title	Explanation
TYPE	Description of the fireplace opening surround.
CNT	Count of how many of that type, opening and chimney.
OPN	Count of fireplace openings.
CH	Count of chimneys.

Fireplace Codes

MS	Massive
PF	Pre-Fabricated
SD	Standard
SS	Stacked Stone
ST	Stone

Example: If the structure had one stacked stone fireplace with two openings and one chimney, this section would read SS 1/2/1.

Elevator:

This section lists any elevators associated with the building, if present the count will be displayed.

Phys Override:

This section lists any additional physical depreciation associated with the structure.

Economic and Functional Depreciation/Obsolescence:

This section will list any additional depreciation associated with the structure. Depreciation is described in the Cost Approach section of this schedule.

Special Condition Code and Value:

This section will list a code of UC, if the building is under construction. In the value section it will list a number which reflects the percentage of completion.

Description, Remarks and Building Card Notes:

This section provides any comments associated with the structure.

Units:

For building types such as apartments, the total number of units for that building will display in this section.

Heated Square Feet:

This section lists the total heated square footage of the structure. This number does not include any building attachments (decks, porches, etc.) or any basement area.

Building Sketch:

This section displays a schematic of the structure. The dimensions shown are exterior measurements, the measurements may be rounded.

Building Computation:

This section lists a breakdown of the total value and associated depreciation and/or percentage complete. The replacement cost new breakdown is found in Building Section Detail. Physical depreciation is provided in the building physical depreciation tables found in the applicable building valuation section of this schedule.

Functional and economic depreciation/obsolescence is listed in the Building Description section and described in the Cost Approach section of this schedule. % Complete is described under Special Condition Code and Value.

Replacement cost new less depreciation is the taxable value after all depreciation has been removed and any applicable reduction for the structure being incomplete. The total replacement cost new less depreciation for all structures will be reflected in the building category under value summary.

$$\text{Replacement Cost New} \times \text{Physical Depreciation} = \text{Depreciation Amount}$$

$$\text{Replacement Cost New} - \text{Depreciation} = \text{Replacement Cost New Less Depreciation}$$

$$\$988,980 \times 31\% = \$306,584$$

$$\$988,980 - \$306,584 = \$682,396$$

Building Section Detail:

This section is a breakdown of all the separate building items that make up the total replacement cost new less depreciation. For residential structures, BAS is the main living area of the home, typically where the kitchen and living room are located. Only building subareas on the base level of the home will display on the sketch.

Title	Explanation
TYPE	The code associated with the building subarea.
AREA	The square footage of the subarea.
WALL HT	The interior wall height of the subarea.
#ST	The number of stories (story height) of the subarea.
HEAT TYPE	The main heating source of the structure.
HEAT %	If heated percentage if less than 100%, the percentage will display here.
AIR%	The percentage of the building that is air conditioned.
SPK%	The percentage of the building that has a sprinkler system.
GRADE	The grade of the building.
AYB	Actual year built.
EYB	Effective year built.
COND	The condition of the building.
P%	The physical depreciation of the building.
E%	Percentage loss for economic depreciation/obsolescence for the subarea.
F%	Percentage loss for functional depreciation/obsolescence for the subarea.
VALUE	Assessed value for each subarea.

Heat Type Codes and Descriptions

BB	Electric Baseboard
FA	Forced Air Ducted
FN	Forced Air Not Ducted
GT	Geo-Thermal
HP	Heat Pump
HW	Hot Water
MS	Mini-Split
NO	None
RD	Radiant

Subarea/Type Codes and Descriptions

AOF	Average Office	C37	Theater
BAS	Base	C38	Warehouse
C01	Apartment	C39	Warehouse, Distribution
C02	Auto Service Center	C40	Warehouse, Mini Storage
C03	Auto Dealership	C41	Fitness Center
C04	Bank	C42	College
C05	Barber/Beauty Shop	C43	Student Housing
C06	Bed and Breakfast	CAN	Canopy
C07	Car Wash	CBC	Commercial Bank Canopy
C08	Church	CLP	Covered Loading Platform
C09	Clubhouse	FCP	Finished Carport
C10	Commercial Building	FEP	Finished Enclosed Porch
C11	Convenience Store	FGR	Finished Garage
C12	Country Club	FOP	Finished Open Porch
C13	Daycare Center	FSP	Finished Screened Porch
C14	Department Store	FST	Finished Storage
C15	Dormitory	FUS	Finished Upper Story
C16	Fire Station	FUT	Finished Utility
C17	Fellowship Hall	GOF	Good Office
C18	Government Building	LLF	Lower Level Finished
C19	Hospital	LLR	Lower Level Recreation Finished
C20	Hotel/Motel	LLS	Lower Level Semi Finished
C21	Industrial/Manufacturing	LLU	Lower Level Unfinished
C22	Laundromat	LTO	Lean-to
C23	Mortuary	MEZ	Mezzanine
C24	Office Medical	PBS	Part of Base
C25	Office Typical	PTO	Patio
C26	Prefabricated Commercial Building	STP	Stoop
C27	Rest/Nursing Home	UCP	Unfinished Carport
C28	Restaurant Fast Food	UEP	Unfinished Enclosed Porch
C29	Restaurant/Lounge	UGR	Unfinished Garage
C30	Retail Store	ULP	Uncovered Loading Platform
C31	Retail Rural	UOP	Unfinished Open Porch
C32	School	USP	Unfinished Screened Porch
C33	Service Garage	UST	Unfinished Storage
C34	Service Lube Center	UUS	Unfinished Upper Story
C35	Shopping Center	UUT	Unfinished Utility
C36	Supermarket	WDD	Wood Deck

Land Valuation

The market approach is the most appropriate method of land valuation when qualified sales are available. This is done by analyzing sales data for the last three years in each neighborhood, with greater emphasis placed on the most recent sales. If no data exists for a neighborhood, the appraiser uses data from a comparable taxing neighborhood.

Taxing neighborhoods (also called “Market Areas”) are unique areas of property determined by subdivisions, natural boundaries or other determining factors. The appraiser will determine neighborhoods and numeric codes will be created to uniquely identify them. The land base rate adjustment for these neighborhoods could range from .25 – 15.00.

In areas of commercial or industrial sites, tracts for residential development, excessive road frontage, useable water frontage, well-located small tracts or any other features that influence land value pricing will be adjusted with a market adjustment. Likewise, factors that affect tracts located in areas that make them unfeasible to manage and practically inaccessible will cause a reduction in price to reflect the proper value.

Ranges are established to ensure all market area factors and classifications are captured. One cannot simply select the base rate they would prefer; the appraisers must review all elements required by law. The ranges simply establish a per acre range for all acreage in the county, the price per acre for all parcels will not fall outside of the following ranges. These ranges do not include parcels that are lot priced. Lots in subdivisions may be valued by site value from \$100 to \$10,000,000, depending on the market conditions, sales and geographic location.

North Carolina General Statute 105-317(a)(1) states in determining the true value of land, to consider as to each tract, parcel, or lot separately listed at least its advantages and disadvantages as to location; zoning; quality of soil; waterpower; water privileges; dedication as a nature preserve; conservation or preservation agreements; mineral, quarry, or other valuable deposits; fertility; adaptability for agricultural, timber-producing, commercial, industrial, or other uses; past income; probable future income; and any other factors that may affect its value except growing crops of a seasonal or annual nature.

Base values have been established for each land type based on market analysis. All acreage land rates are based on one (1) acre. Adjustments will be made to the base rate according to the acreage size factor.

Land Codes and Descriptions		Base Range per Acre	
0100	Residential Homesite	\$5,000	- \$2,000,000
0110	Residential	\$5,000	- \$2,000,000
0111	Residential	\$5,000	- \$2,000,000
0112	Residential	\$5,000	- \$2,000,000
0115	Residential	\$5,000	- \$2,000,000
0116	Residential	\$5,000	- \$2,000,000
0119	Residential	\$2,500	- \$2,000,000
0120	Residential Creek Front	\$15,000	- \$2,500,000
0121	Residential River Front	\$15,000	- \$2,500,000
0130	Resort	\$10,000	- \$3,000,000
0131	Resort Fairway	\$20,000	- \$3,000,000
0132	Resort View	\$40,000	- \$2,000,000
0133	Resort Waterfront	\$50,000	- \$2,500,000
0134	Resort Amenity Lot	\$100	- \$100,000
0135	Resort Vacant	\$2,500	- \$3,000,000
0139	Resort Common Area	\$100	- \$1,000,000
0140	Residential Lakefront	\$50,000	- \$2,500,000
0141	Residential Lake View	\$20,000	- \$1,000,000
0142	Residential Boat Slip	\$0	- \$0
0150	Residential View	\$40,000	- \$2,000,000
0151	Residential View	\$80,000	- \$4,000,000
0152	Residential View	\$160,000	- \$8,000,000
0198	Cemetery	\$500	- \$500
0199	Residential Common Area	\$100	- \$1,000,000
0200	Agriculture	See Schedule of Values – Present Use Value	
0260	Agriculture Wildlife	See Schedule of Values – Present Use Value	
0300	Horticulture	See Schedule of Values – Present Use Value	
0400	Forestry	See Schedule of Values – Present Use Value	
0460	Forestry Wildlife	See Schedule of Values – Present Use Value	
0499	U.S. Forest Service	\$2,500	- \$2,000,000
0500	Commercial Primary	\$100,000	- \$1,000,000
0501	Commercial Secondary	\$50,000	- \$750,000
0502	Commercial Tertiary	\$25,000	- \$500,000
0503	Commercial Residual	\$15,000	- \$250,000
0504	Commercial Rural	\$25,000	- \$250,000
0505	Golf Course	\$25,000	- \$250,000
0590	Cell Tower	\$100,000	- \$100,000
0599	Commercial Common Area	\$100	- \$1,000,000
0600	Industrial Primary	\$75,000	- \$250,000
0601	Industrial Secondary	\$35,000	- \$150,000
0602	Industrial Rear	\$25,000	- \$100,000
0603	Industrial Residual	\$15,000	- \$100,000
0700	Wasteland	\$1,000	- \$1,000
0701	Residential Conservation Land	\$1,000	- \$2,000,000
0702	Commercial Conservation Land	\$1,000	- \$1,000,000
0800	Mineral Rights	\$10	- \$1,000

Road type adjustment is determined by the road access to the property. Adjustments will be made using the following factors.

Road Type Codes		Land Code Type	Factor	Land Code Type	Factor
GM	Gravel Municipality	Residential	.85	Commercial	.70
GS	Gravel State	Residential	.95	Commercial	.80
NR	No Road	Residential	.40	Commercial	.40
NW	No Right of Way	Residential	.10	Commercial	.10
PM	Paved Municipality	Residential	.90	Commercial	.80
PP	Paved Primary	Residential	1.00	Commercial	1.00
PS	Paved State	Residential	1.00	Commercial	.90
RG	Gravel Private	Residential	.85	Commercial	.60
RP	Paved Private	Residential	.90	Commercial	.70

Road Type Codes

- GM Gravel Municipality – gravel or dirt public access road maintained by local municipalities.
- GS Gravel State – all weather surface road maintained by N.C. Department of Transportation (NCDOT).
- NR No Road – right of way that is not open for normal road use.
- NW No Right of Way – property without a legal right of way or easement
- PM Paved Municipality – paved public road maintained by local municipalities.
- PP Paved Primary – interstates or other major artery highways maintained by N.C. Department of Transportation (NCDOT).
- PS Paved State – paved public road or secondary arteries maintained by N.C. Department of Transportation (NCDOT).
- RG Gravel Private – gravel or dirt private access road maintained by property owners.
- RP Paved Private – paved or concrete private access road maintained by property owners.

Land adjustment codes can be applied as a positive or negative adjustment.

Land Adjustment Codes

BI	Builders Inventory	LV	Lake View
C	Corner Influence	LW	Low
CA	Common Area	M	Misimproved
CE	Conservation Easement	NC	Non-Conforming
CF	Creek Front	P	Percolation Test Failed
D	Drainage	R	Rear
E	Excess	RA	Restricted Access
EF	Excessive Frontage	RF	River Front
EO	Economic Obsolescence	RU	Restricted Use
ER	Easement/Right of Way	S	Size/Shape
EX	Exempt	SA	Slope Analysis
FF	Flood Fringe	SE	Septic Easement
FP	Flood Plain	SI	Site Improvement
FW	Flood Way	T	Topography
L	Level	UN	Undeveloped
LC	Location	V	View
LF	Lakefront	WF	Waterfront
LR	Leasehold Real Property		

Utility code value adds for each applicable code. If a property has two campsites, the value will be \$5,000 X 2 or \$10,000.

Utilities Codes and Values

A	All Available	N/A
CS	Campsite	\$5,000
CW	Community Water	N/A
G	Gas	N/A
MH	Manufactured Home Site	\$10,000
N	None	N/A
PS	TWSA Sewer	N/A
PW	TWSA Water	N/A
S	Septic	\$4,000
SC	Sewer Community	N/A
W	Water	\$6,000

The land size factor is established by the total size of an individual tract. The factor will be determined from where the total acreage falls in the table. The matching rate from the size factor will be used as the factor to adjust the entire tract.

Residential		Commercial	
Tract Size	Size Factor	Tract Size	Size Factor
.01	5.00	.10	2.00
.10	3.50	.25	1.75
.15	2.50	.50	1.50
.20	2.40	.75	1.25
.25	2.20	1.00+	1.00
.30	2.00		
.40	1.75		
.50	1.50		
.60	1.40		
.70	1.30		
.80	1.20		
.90	1.10		
1.00	1.00		
2.00	.90		
3.00	.80		
4.00	.75		
5.00	.70		
10.00	.60		
50.00	.40		
100.00	.30		
200.00	.25		
201.00+	.15		

Residential Acreage Valuation Example:

This is just for illustration purposes, showing how to calculate an estimated value for residential land.

Subject Property:

Acreage	10
Land Code	Residential (O110)
Access	State Paved Road
Utilities	Water, Septic
Adjustments	None

Land Pricing

Base Price	\$26,000
Road Type Factor	1.00
Adjusted Base Price	\$26,000 (\$26,000 X 1.00)
Size Factor	.60
Adjusted Base Price	\$15,600 (\$26,000 X .60)
Acreage	10
Adjusted Base Price	\$156,000 (\$15,600 X 10)
Utility Value	\$10,000
Total Land Value	\$166,000 (\$156,000 + \$10,000)

Residential Structure Valuation

The quality grade of materials and workmanship is one of the most significant variables to consider in estimating the replacement cost of a structure. Two buildings may be built from the same general plan, each offering the same facilities and general features, but have vastly different costs due to the quality of materials and workmanship used in their construction. For instance, the cost of a dwelling constructed of high-quality materials and with the best workmanship throughout can be more than twice the cost of one built from the same floor plan but with inferior materials and workmanship.

The following schedules have been developed to distinguish between variations in cost. This schedule represents the full range of conventional dwelling construction. The basic qualifications for each grade are relatively constant. That is, each has one kitchen, and other typical living facilities, but with differing quality of materials and workmanship.

The base grade represents the cost of construction with average quality materials and workmanship and is designated as Grade C. Most dwellings fall within one class above or below the base grade of C.

In order to justify variation in cost, maintain uniformity and retain complete control throughout the cost range, Jackson County has established these base grades. The pricing spread between each grade is based on the use of better-grade materials and higher-quality workmanship from Grade C to Grade B. Grade B dwellings have better quality features and finishes, which reflects a higher cost than Grade C. Likewise, Grade D dwellings would be constructed of materials and workmanship of lower quality than Grade C.

Grade AA or A dwellings incorporates the best quality of materials and workmanship. Construction costs of Grade AA or A dwellings generally run as much as 250% higher than that of Grade C dwellings. The prestige-type home and country estate-type home are usually in this class. Grade A dwellings with outstanding architectural style and design are generally custom-built and are as much as 85% better in overall construction than Grade C dwellings.

Dwellings of the cheapest quality construction, built of low-grade materials and inferior workmanship, and typically lacking sufficient facilities, occupy the class of Grade D or E.

The relationship between the highest and lowest grade level is established by means of grade factor multipliers. Since not all dwellings fall precisely within a particular grade level, but may be slightly superior or interior, the use of grade factor symbols (+ or -) will accomplish the appropriate adjustment in Grades A, B, C, D, and E.

The quality factor ultimately selected is to represent a composite judgment of the materials and workmanship of the overall quality grade. Generally, the quality of

materials and workmanship is consistent. However, since this is not always the case, it is frequently necessary to weigh the quality of each major component to arrive at the proper overall quality grade. Equal consideration must be given to any additions that are constructed of materials and workmanship inconsistent with the quality of the main building.

The appraiser must be careful not to confuse quality and condition when establishing grades for older houses in which a deteriorated condition may noticeably affect appearance. Grades should be established on original built-in quality and not be influenced by physical condition. Proper grading must reflect replacement cost of new buildings.

Residential Grade Specifications:

AA

Buildings generally having an exceptionally high quality of architectural style and design, constructed with the finest quality materials and workmanship. Highest quality of exterior and interior finish and features. These are usually individually designed by an architect for a specific owner.

A

Buildings generally having excellent quality materials and workmanship throughout. Excellent quality of exterior and interior finish and features. These are frequently custom designed for an individual owning their own building site but may also be found in tract developments. These homes may be constructed from individual plans or involve modifications and upgrades to existing plans.

B

Buildings generally having above average quality materials and workmanship throughout. Above average quality of exterior and interior finish and features. Homes are built from custom or existing designer home plans on an individually-owned site or in an existing tract development, and may include modifications and upgrades.

C

Buildings generally having average quality materials and workmanship throughout. Average quality of exterior and interior finish and features. Homes meet or exceed all applicable building codes, but standard or modified standard plans are used, and materials and workmanship are mostly stock or builder grade.

D

Buildings generally having below average quality materials and workmanship throughout. Inexpensive exterior and interior finish and features. Homes use basic

designs and meet minimum applicable building codes, but have limited ornamentation and detail, with few upgrades.

E

Buildings generally having very low-quality materials and workmanship throughout. Very low quality of exterior and interior finish and features. Homes are built with simple plans or without plans and may be built or expanded by non-professionals. Additions may not conform to the original structure.

Ranges are established to ensure all market area factors and classifications are captured. One cannot simply select the base rate they would prefer; the appraisers must review all elements required by law. The ranges simply establish a per square foot range for all residential structures in the county, the price per square foot for all parcels will not fall outside of the following ranges. These ranges do not include parcels that have an override value, parcels with manufactured homes classified as personal property may be drawn on the real property parcel but have an override value of zero dollars (\$0).

North Carolina General Statute 105-317(a)(2) states in determining the true value of a building or other improvement, to consider at least its location; type of construction; age; replacement cost; cost; adaptability for residence, commercial, industrial, or other uses; past income; probable future income; and any other factors that may affect its value.

Base values have been established for each building type based on market analysis. Base square footage for each building use code can be found in the table below. Adjustments will be made to the base rate according to the size factor.

Single family dwellings include both stick-built homes and modular homes. Manufactured homes are not considered to be single family dwellings unless an addition has been made to the manufactured home that would change the classification.

Condominium is defined by the International Association of Assessing Officers (IAAO) as a real property ownership concept in which one can own an undivided interest in a portion of the real property (typically called a unit) and own a shared interest with other unit owners in the public areas of the real property (the common elements). A condominium unit is the portion of real property owned individually in a condominium ownership concept (as opposed to the common elements in which ownership is shared with other unit owners).

Townhouse is defined by the IAAO as a single-family dwelling sharing a common wall with another dwelling.

Building Use Codes and Descriptions		Base Square Footage	Base Price per Square Foot Range		
R01	Single Family Dwelling	1,200	\$200.00	-	\$250.00
R02	Manufactured Housing	See Manufactured Home Valuation section of this Schedule			
R03	Condominium	1,000	\$150.00	-	\$200.00
R04	Townhouse/Villa	1,000	\$150.00	-	\$200.00
R05	Duplex/Triplex	1,000	\$175.00	-	\$225.00
R07	Tiny Home	420	\$275.00	-	\$325.00

Base Area Cost Formula

Single Family Dwelling		Condominium		Townhouse/Villa	
Coefficient	Constant	Coefficient	Constant	Coefficient	Constant
.00058400	.2992	.00070080	.2992	.00070080	.2992
Duplex/Triplex		Tiny Home			
Coefficient	Constant	Coefficient	Constant		
.00070080	.2992	.00166857	.2992		

Subarea/Type Codes and Descriptions		Factor	1 Story	2 Story	3 Story	4 Story
AOF	Average Office	1.00	1.00	1.90	2.80	3.70
CAN	Canopy	.10	-	-	-	-
FCP	Finished Carport	.40	-	-	-	-
FEP	Finished Enclosed Porch	.70	1.00	1.90	2.80	3.70
FGR	Finished Garage	.50	-	-	-	-
FOP	Finished Open Porch	.30	1.00	1.90	2.80	3.70
FSP	Finished Screened Porch	.40	1.00	1.90	2.80	3.70
FST	Finished Storage	.50	1.00	1.90	2.80	3.70
FUS	Finished Upper Story	.92	-	-	-	-
FUT	Finished Utility	.55	1.00	1.90	2.80	3.70
LTO	Lean-to	.20	-	-	-	-
PBS	Part of Base	1.00	1.00	1.90	2.80	3.70
PTO	Patio	.05	-	-	-	-
STP	Stoop	.20	-	-	-	-
UCP	Unfinished Carport	.25	-	-	-	-
UEP	Unfinished Enclosed Porch	.50	1.00	1.90	2.80	3.70
UGR	Unfinished Garage	.40	-	-	-	-
UOP	Unfinished Open Porch	.25	1.00	1.90	2.80	3.70
USP	Unfinished Screened Porch	.40	1.00	1.90	2.80	3.70
UST	Unfinished Storage	.40	1.00	1.90	2.80	3.70
UUS	Unfinished Upper Story	.20	-	-	-	-
UUT	Unfinished Utility	.45	1.00	1.90	2.80	3.70
WDD	Wood Deck	.15	1.00	2.00	3.00	4.00

Additional Adjustments Not Included in Base Price:

Exterior Wall Codes Factor

AS	Asbestos Shingles	1.00
AV	Aluminum/Vinyl	1.00
BR	Brick	1.06
CB	Concrete Block	1.00
CP	Concrete Board	1.00
FR	Frame	1.00
LG	Log	1.10
MS	Masonite	1.00
MT	Metal	1.00
SO	Stucco	1.00
SS	Stacked Stone	1.10
ST	Stone	1.06
WS	Wood Shingle	1.10

Basement Codes & Descriptions Factor

LLU	Unfinished	.10
LLR	Recreation Room	.20
LLS	Semi-Finished	.25
LLF	Finished	.30

Heat Type Codes and Descriptions Price per Square Foot

BB	Electric Baseboard	\$3.00
FA	Forced Air Ducted	\$4.00
FN	Forced Air Not Ducted	\$2.00
GT	Geo-Thermal	\$9.00
HP	Heat Pump	\$4.00
HW	Hot Water	\$7.00
MS	Mini-Split	\$4.00
NO	None	\$0.00
RD	Radiant	\$7.00

Air Type Price per Square Foot

Central Air	\$3.00
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Plumbing Each

Full Bath	\$4,500
Half Bath	\$3,000

Fireplace	Each
Stack/Chimney	\$4,000
Opening	\$2,500

Fireplace Type Codes		Each
MS	Massive	\$15,000
PF	Pre-Fabricated	\$0.00
SD	Standard	\$0.00
SS	Stacked Stone	\$10,000
ST	Stone	\$5,000

Wall Height	Factor
7	.97
8	1.00
9	1.03
10	1.06
11	1.09
12	1.12
13	1.15
14	1.18
15	1.21
16	1.24
17	1.27
18	1.30
19	1.33
20+	1.36

Elevator	Each
	\$60,000

Generator	Each
	\$5,000

A neighborhood adjustment will be applied to each neighborhood according to the market of that neighborhood. The appraiser will determine neighborhoods and numeric codes

will be created to uniquely identify them. The residential base rate adjustment for these neighborhoods could range from .25 – 5.00.

Building grades may be entered as just a letter grade or as a letter grade plus or minus. If a percentage is specified as a part of the grade, then that percentage is added to or subtracted from the letter grade in the following table. Grades of AA+ add an additional 10% to the AA factor. For example, a grade of AA+20 has a factor of 2.20 and a grade of AA+200 has a factor of 4.00.

Grade	Factor
AA	2.00
A+40	1.90
A+30	1.80
A+25	1.75
A+20	1.70
A+15	1.65
A+	1.60
A	1.50
A-	1.40
B+	1.35
B	1.25
B-	1.15
C+	1.10
C	1.00
C-	.90
D+	.85
D	.75
D-	.65
E+	.60
E	.50
E-	.40

Physical Depreciation Table

Age	Good	Average	Fair	Poor	Unsound
1	1.00	1.00	.99	.97	.10
2	.99	.99	.97	.93	.10
3	.99	.98	.96	.89	.10
4	.98	.97	.95	.85	.10
5	.98	.96	.93	.80	.10
6	.97	.96	.91	.76	.10
7	.96	.95	.90	.72	.10
8	.96	.94	.88	.67	.10
9	.95	.93	.86	.62	.10
10	.95	.92	.84	.57	.05
12	.93	.90	.80	.47	.05
14	.92	.88	.76	.39	.05
16	.90	.87	.72	.30	.05
18	.89	.84	.68	.24	.05
20	.87	.82	.63	.20	.01
22	.86	.80	.58	.10	.01
24	.84	.77	.53	.10	.01
26	.82	.75	.48	.10	.01
28	.80	.72	.43	.10	.01
30	.78	.69	.38	.10	.01
32	.76	.66	.33	.10	.01
34	.73	.63	.29	.10	.01
36	.71	.60	.26	.10	.01
38	.68	.57	.23	.10	.01
40	.65	.53	.21	.10	.01
42	.62	.49	.20	.10	.01
44	.59	.46	.19	.10	.01
46	.56	.43	.18	.10	.01
48	.54	.39	.17	.10	.01
50	.51	.36	.16	.10	.01
55	.43	.30	.15	.10	.01
60+	.36	.26	.15	.10	.01

Residential Building Valuation Example:

This is just for illustration purposes, showing how to calculate an estimated value for a residential structure.

Subject Property:

Age	5
Condition	Average
Grade	C+
Square Footage	1,200
Use Code	Single Family Dwelling
Exterior Wall	Concrete Board
Basement	100% Finished
Heat Type	Heat Pump
Air	100%
Plumbing	2 full baths, 1 half bath
Fireplace	Stone, 1 opening, 1 stack/chimney
Wall Height	8
Elevator	0
Generator	N
Wood Deck	100 square feet

Subarea 1 – Base

Square Footage	1,200
Coefficient	X .000584
Constant	<u>+.2992</u>
Area Factor	1.00
Exterior Wall Factor	1.00
Base Price	\$264,000 ($\$220.00 \times 1,200 \times 1.00 \times 1.00$)
Wall Height Factor	1.00
Adjusted Base Price	\$264,000 ($\$264,000 \times 1.00$)
Fireplace Stack	+\$4,000
Fireplace Opening	+\$2,500
Fireplace Type	+\$5,000
Heat Type Factor	+\$4,800 ($1,200 \times \4.00)
Air	+\$3,600 ($1,200 \times \3.00)
Plumbing	<u>+\$12,000</u> ($\$4,500 + \$4,500 + \$3,000$)
Adjusted Base Price	\$295,900
Grade Factor	1.10
Adjusted Base Price	\$325,490 ($\$295,900 \times 1.10$)
Depreciation	.96
Total Base Value	\$312,470 ($\$325,490 \times .96$)

Subarea 2 – LLF	
LLF Factor	66.00 ($\$264,000 \div 1,200 \times .30$)
Heat Type Factor	+4.00
Air Factor	+3.00
LLU Factor	<u>+22.00</u> ($\$264,000 \div 1,200 \times .10$)
Total Factor	95.00
LLF Initial Value	$\$114,000$ ($95.00 \times 1,200$)
Grade Factor	1.10
LLF Adjusted Value	$\$125,400$ ($\$114,000 \times 1.10$)
Depreciation	.96
Total LLF Value	$\$120,384$ ($\$125,400 \times .96$)

Subarea 3 – WDD	
WDD Factor	.15
Story Factor	1.00
Total Factor	33.00 ($\$264,000 \div 1,200 \times .15 + 1.00$)
Area	100
WDD Value	$\$3,300$ ($\$33.00 \times 100$)
Grade Factor	1.10
WDD Adjusted Value	3,630 ($\$3,300 \times 1.10$)
Depreciation	.96
WDD Total Value	$\$3,485$ ($\$3,640 \times .96$)
Total Building Value	$\\$436,339$ ($\\$312,470 + \\$120,384 + \\$3,485$)

Manufactured Home Valuation

North Carolina General Statute 143-143.9(6) defines a manufactured home as a structure, transportable in one or more sections, which, in the traveling mode, is eight feet or more in width or is 40 feet or more in length, or when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning and electrical systems contained therein.

North Carolina General Statute 105-273(13) states a manufactured home as defined in G.S. 143-143.9(6), unless it is considered tangible personal property for failure to meet all of the following requirements:

- i. It is a residential structure.
- ii. It has the moving hitch, wheels and axles removed.
- iii. It is placed upon a permanent foundation either on land owned by the owner of the manufactured home or on land in which the owner of the manufactured home has a leasehold interest pursuant to a lease with a primary term of at least 20 years and the lease expressly provides for disposition of the manufactured home upon termination of the lease.

Although both terms are still used today, a mobile home is defined as a factory-built home built before June 15, 1976, and a manufactured home is a factory-built home built after June 15, 1976.

Ranges are established to ensure all market area factors and classifications are captured. One cannot simply select the base rate they would prefer; the appraisers must review all elements required by law. The ranges simply establish a per square foot range for all manufactured homes in the county, the price per square foot for all parcels will not fall outside of the following ranges. These ranges do not include parcels that have an override value, parcels with manufactured classified as personal property may be drawn on the real property parcel but have an override value of zero dollars (\$0).

North Carolina General Statute 105-317(a)(2) states in determining the true value of a building or other improvement, to consider at least its location; type of construction; age; replacement cost; cost; adaptability for residence, commercial, industrial, or other uses; past income; probable future income; and any other factors that may affect its value.

Base values have been established for each building type based on market analysis. Base square footage for each building use code can be found in the table below. Adjustments will be made to the base rate according to the size factor.

Any unlisted manufactured homes may be deemed real property. Modular homes are considered single-family dwellings and not valued based on the manufactured home base rates.

Manufactured home quality can vary drastically between models and manufacturers, with some priced at over \$300,000. As the cost to construct a new single-family dwelling increases so does the cost of manufactured homes. Although manufactured homes typically depreciate more rapidly than single-family dwellings, when the market is driving up the price of stick-built homes, it also drives up the price for manufactured homes.

Building Style Codes and Descriptions		Base Square Footage	Base Price per Square Foot Range		
DW	Double Wide	1,400	\$125.00	-	\$175.00
PM	Park Model	500	\$250.00	-	\$350.00
SW	Single Wide	800	\$80.00	-	\$120.00

Base Area Cost Formula

Double Wide		Park Model		Single Wide	
Coefficient	Constant	Coefficient	Constant	Coefficient	Constant
.00050057	.2992	.00140160	.2992	.00087600	.2992

Subarea/Type Codes and Descriptions

Subarea/Type Codes and Descriptions	Factor	
CAN	Canopy	.10
FCP	Finished Carport	.40
FEP	Finished Enclosed Porch	.70
FGR	Finished Garage	.50
FOP	Finished Open Porch	.30
FSP	Finished Screened Porch	.40
FST	Finished Storage	.50
FUS	Finished Upper Story	.92
FUT	Finished Utility	.55
LTO	Lean-to	.20
PBS	Part of Base	1.00
PTO	Patio	.05
STP	Stoop	.20
UCP	Unfinished Carport	.25
UEP	Unfinished Enclosed Porch	.50
UGR	Unfinished Garage	.40
UOP	Unfinished Open Porch	.25
USP	Unfinished Screened Porch	.40
UST	Unfinished Storage	.40
UUS	Unfinished Upper Story	.20
UUT	Unfinished Utility	.45
WDD	Wood Deck	.15

Additional Adjustments Not Included in Base Price:

Exterior Wall Codes		Factor
AS	Asbestos Shingles	1.00
AV	Aluminum/Vinyl	1.00
BR	Brick	1.06
CB	Concrete Block	1.00
CP	Concrete Board	1.00
FR	Frame	1.00
LG	Log	1.10
MS	Masonite	1.00
MT	Metal	1.00
SO	Stucco	1.00
SS	Stacked Stone	1.10
ST	Stone	1.06
WS	Wood Shingle	1.10

Basement Codes & Descriptions		Factor
LLU	Unfinished	.10
LLR	Recreation Room	.20
LLS	Semi-Finished	.25
LLF	Finished	.30

Heat Type Codes and Descriptions		Price per Square Foot
BB	Electric Baseboard	\$3.00
FA	Forced Air Ducted	\$4.00
FN	Forced Air Not Ducted	\$2.00
GT	Geo-Thermal	\$9.00
HP	Heat Pump	\$4.00
HW	Hot Water	\$7.00
MS	Mini-Split	\$4.00
NO	None	\$0.00
RD	Radiant	\$7.00

Air Type	Price per Square Foot
Central Air	\$3.00

Plumbing	Each
Full Bath	\$4,500
Half Bath	\$3,000

Fireplace	Each
Stack/Chimney	\$4,000
Opening	\$2,500

Fireplace Type Codes	Each
MS	Massive \$15,000
PF	Pre-Fabricated \$0.00
SD	Standard \$0.00
SS	Stacked Stone \$10,000
ST	Stone \$5,000

Elevator	Each
	\$60,000

Generator	Each
	\$5,000

A neighborhood adjustment will be applied to each neighborhood according to the market of that neighborhood. The appraiser will determine neighborhoods and numeric codes will be created to uniquely identify them. The manufactured home base rate adjustment for these neighborhoods could range from .25 – 5.00.

Building grades may be entered as just a letter grade or as a letter grade plus or minus. If a percentage is specified as a part of the grade, then that percentage is added to or subtracted from the letter grade in the following table.

Grade	Factor
A+	1.60
A	1.50
A-	1.40
B+	1.35
B	1.25
B-	1.15
C+	1.10
C	1.00
C-	.90
D+	.85
D	.75
D-	.65
E+	.60
E	.50
E-	.40

Physical Depreciation Tables – Single Wide

Age	Good	Average	Fair	Poor	Unsound
1	.99	.98	.97	.95	.10
2	.97	.96	.93	.90	.10
3	.96	.94	.89	.85	.10
4	.95	.91	.85	.79	.10
5	.93	.88	.80	.73	.10
6	.91	.86	.76	.68	.10
7	.90	.83	.72	.62	.10
8	.88	.81	.67	.55	.10
9	.86	.78	.62	.49	.10
10	.84	.75	.57	.43	.05
12	.80	.69	.47	.31	.05
14	.76	.63	.39	.23	.05
16	.72	.57	.30	.20	.05
18	.68	.50	.24	.18	.05
20	.63	.44	.21	.16	.01
22	.58	.38	.20	.14	.01
24	.53	.32	.16	.12	.01
26	.48	.26	.14	.10	.01
28	.43	.23	.12	.08	.01
30+	.38	.20	.10	.05	.01

Physical Depreciation Tables – Double Wide and Park Model

Age	Good	Average	Fair	Poor	Unsound
1	.99	.99	.98	.95	.10
2	.98	.97	.96	.90	.10
3	.97	.96	.95	.85	.10
4	.96	.95	.93	.79	.10
5	.95	.93	.91	.73	.10
6	.94	.91	.89	.68	.10
7	.93	.90	.87	.62	.10
8	.92	.88	.85	.55	.10
9	.90	.86	.83	.49	.10
10	.89	.84	.80	.43	.05
12	.87	.80	.76	.31	.05
14	.84	.76	.71	.23	.05
16	.81	.72	.66	.20	.05
18	.78	.68	.60	.17	.05
20	.75	.63	.55	.10	.01
22	.72	.58	.49	.05	.01
24	.69	.53	.43	.05	.01
26	.65	.48	.38	.05	.01
28	.61	.43	.32	.05	.01
30	.56	.38	.29	.05	.01
32	.53	.33	.26	.05	.01
34	.49	.29	.23	.05	.01
36	.45	.26	.21	.05	.01
38	.41	.23	.20	.05	.01
40+	.37	.21	.18	.05	.01

Manufactured Home Valuation Example:

This is just for illustration purposes, showing how to calculate an estimated value for a residential structure.

Subject Property:

Age	3
Condition	Average
Grade	C
Square Footage	1,400
Style Code	Double Wide
Exterior Wall	Aluminum Vinyl
Basement	N/A
Heat Type	Heat Pump
Air	100%
Plumbing	2 full baths
Fireplace	Prefab, 1 opening, 0 stack/chimney
Elevator	0
Generator	Y
Finished Open Porch	100 square feet

Subarea 1 – Base

Square Footage	1,400
Coefficient	X .00050057
Constant	<u>+ .2992</u>
Area Factor	1.00
Exterior Wall Factor	1.00
Base Price	\$210,000 ($\$150.00 \times 1,400$)
Adjusted Base Price	\$210,000 ($\$210,000 \times 1.00 \times 1.00$)
Fireplace Stack	+\$0
Fireplace Opening	+\$2,500
Fireplace Type	+\$0
Generator	+\$5,000
Heat Type Factor	+\$5,600 ($1,400 \times \4.00)
Air	+\$4,200 ($1,400 \times \3.00)
Plumbing	<u>+\$9,000</u> ($\$4,500 + \$4,500$)
Adjusted Base Price	\$236,300
Grade Factor	1.00
Adjusted Base Price	\$236,300 ($\$236,300 \times 1.00$)
Depreciation	.96
Total Base Value	\$226,848 ($\$236,300 \times .96$)

Subarea 2 – Fop	
WDD Factor	.30
Story Factor	1.00
Total Factor	45.00 ($\$210,000 \div 1,400 \times .30 + 1.00$)
Area	100
WDD Value	\$4,500 ($\45.00×100)
Grade Factor	1.00
WDD Adjusted Value	4,500 ($\$3,300 \times 1.00$)
Depreciation	.96
WDD Total Value	\$4,320 ($\$4,500 \times .96$)
Total Building Value	\$231,168 ($\\$226,848 + \\$4,320$)

Commercial and Industrial Valuation

The following tables are used in conjunction with all property types not identified in the residential sections of this manual. Commercial structures are usually built for a specific purpose and have less uniformity than residential structures, therefore the assessment procedure varies from residential property.

Ranges are established to ensure all market area factors and classifications are captured. One cannot simply select the base rate they would prefer; the appraisers must review all elements required by law. The ranges simply establish a per square foot range for all commercial structures in the county, the price per square foot for all parcels will not fall outside of the following ranges.

North Carolina General Statute 105-317(a)(2) states in determining the true value of a building or other improvement, to consider at least its location; type of construction; age; replacement cost; cost; adaptability for residence, commercial, industrial, or other uses; past income; probable future income; and any other factors that may affect its value.

Base values have been established for each building type based on market analysis. Base square footage for each building use code can be found in the table below. Adjustments will be made to the base rate according to the size factor.

Building Use Codes and Descriptions	Base Square Feet	Base Price per Square Foot Range		
C01 Apartment	3,000	\$100.00	-	\$110.00
C02 Auto Service Center	4,000	\$100.00	-	\$110.00
C03 Auto Dealership	4,000	\$110.00	-	\$120.00
C04 Bank	3,000	\$305.00	-	\$315.00
C05 Barber/Beauty Shop	1,500	\$100.00	-	\$110.00
C06 Bed and Breakfast	3,000	\$190.00	-	\$200.00
C07 Car Wash	1,400	\$170.00	-	\$180.00
C08 Church	3,000	\$250.00	-	\$260.00
C09 Clubhouse	3,000	\$130.00	-	\$140.00
C10 Commercial Building	2,000	\$70.00	-	\$80.00
C11 Convenience Store	3,000	\$120.00	-	\$130.00
C12 Country Club	9,000	\$180.00	-	\$190.00
C13 Daycare Center	3,000	\$160.00	-	\$170.00
C14 Department Store	5,000	\$140.00	-	\$150.00
C15 Dormitory	3,000	\$190.00	-	\$200.00
C16 Fire Station	3,000	\$90.00	-	\$100.00
C17 Fellowship Hall	3,000	\$130.00	-	\$140.00
C18 Government Building	30,000	\$480.00	-	\$490.00
C19 Hospital	80,000	\$270.00	-	\$280.00
C20 Hotel/Motel	4,000	\$120.00	-	\$130.00
C21 Industrial/Manufacturing	100,000	\$65.00	-	\$75.00
C22 Laundromat	1,500	\$115.00	-	\$125.00
C23 Mortuary	3,000	\$140.00	-	\$150.00
C24 Office Medical	2,000	\$185.00	-	\$195.00
C25 Office Typical	2,000	\$145.00	-	\$155.00
C26 Prefabricated Commercial Building	4,000	\$70.00	-	\$80.00
C27 Rest/Nursing Home	10,000	\$185.00	-	\$195.00
C28 Restaurant Fast Food	3,000	\$220.00	-	\$230.00
C29 Restaurant/Lounge	7,000	\$150.00	-	\$160.00
C30 Retail Store	2,500	\$100.00	-	\$110.00
C31 Retail Rural	1,500	\$75.00	-	\$85.00
C32 School	12,000	\$175.00	-	\$185.00
C33 Service Garage	2,800	\$75.00	-	\$85.00
C34 Service Lube Center	1,400	\$175.00	-	\$185.00
C35 Shopping Center	14,000	\$115.00	-	\$125.00
C36 Supermarket	80,000	\$110.00	-	\$120.00
C37 Theater	10,000	\$130.00	-	\$140.00
C38 Warehouse	30,000	\$55.00	-	\$65.00
C39 Warehouse, Distribution	100,000	\$65.00	-	\$75.00
C40 Warehouse, Mini Storage	3,000	\$45.00	-	\$55.00
C41 Fitness Center	3,000	\$140.00	-	\$150.00
C42 College	16,000	\$245.00	-	\$255.00
C43 Student Housing	3,000	\$155.00	-	\$165.00

Building Use Codes and Descriptions	Heat Price per Square Feet	Air per Square Foot Range
C01 Apartment	\$6.00	\$5.00
C02 Auto Service Center	\$3.00	\$10.00
C03 Auto Dealership	\$3.00	\$10.00
C04 Bank	\$12.00	\$15.00
C05 Barber/Beauty Shop	\$3.00	\$10.00
C06 Bed and Breakfast	\$6.00	\$3.00
C07 Car Wash	\$3.00	\$12.00
C08 Church	\$11.00	\$10.00
C09 Clubhouse	\$9.00	\$6.00
C10 Commercial Building	\$6.00	\$7.00
C11 Convenience Store	\$6.00	\$7.00
C12 Country Club	\$9.00	\$5.00
C13 Daycare Center	\$12.00	\$9.00
C14 Department Store	\$6.00	\$10.00
C15 Dormitory	\$9.00	\$10.00
C16 Fire Station	\$4.00	\$11.00
C17 Fellowship Hall	\$11.00	\$10.00
C18 Government Building	\$12.00	\$15.00
C19 Hospital	\$21.00	\$20.00
C20 Hotel/Motel	\$2.00	\$3.00
C21 Industrial/Manufacturing	\$3.00	\$10.00
C22 Laundromat	\$3.00	\$10.00
C23 Mortuary	\$9.00	\$5.00
C24 Office Medical	\$12.00	\$4.00
C25 Office Typical	\$12.00	\$4.00
C26 Prefabricated Commercial Building	\$6.00	\$5.00
C27 Rest/Nursing Home	\$12.00	\$4.00
C28 Restaurant Fast Food	\$6.00	\$22.00
C29 Restaurant/Lounge	\$6.00	\$22.00
C30 Retail Store	\$6.00	\$6.00
C31 Retail Rural	\$6.00	\$6.00
C32 School	\$12.00	\$9.00
C33 Service Garage	\$3.00	\$10.00
C34 Service Lube Center	\$3.00	\$10.00
C35 Shopping Center	\$6.00	\$6.00
C36 Supermarket	\$6.00	\$6.00
C37 Theater	\$9.00	\$9.00
C38 Warehouse	\$3.00	\$10.00
C39 Warehouse, Distribution	\$3.00	\$10.00
C40 Warehouse, Mini Storage	\$3.00	\$10.00
C41 Fitness Center	\$11.00	\$7.00
C42 College	\$19.00	\$22.00
C43 Student Housing	\$6.00	\$5.00

Building Use Codes and Descriptions	Size Adjustment Factor	Year Life Depreciation Table
C01 Apartment	600	50
C02 Auto Service Center	800	40
C03 Auto Dealership	800	40
C04 Bank	600	50
C05 Barber/Beauty Shop	300	40
C06 Bed and Breakfast	600	60
C07 Car Wash	280	30
C08 Church	600	50
C09 Clubhouse	600	40
C10 Commercial Building	400	40
C11 Convenience Store	600	40
C12 Country Club	1,800	50
C13 Daycare Center	600	40
C14 Department Store	1,000	50
C15 Dormitory	600	50
C16 Fire Station	600	40
C17 Fellowship Hall	600	40
C18 Government Building	6,000	50
C19 Hospital	16,000	40
C20 Hotel/Motel	800	50
C21 Industrial/Manufacturing	20,000	50
C22 Laundromat	300	40
C23 Mortuary	600	50
C24 Office Medical	400	40
C25 Office Typical	400	50
C26 Prefabricated Commercial Building	800	40
C27 Rest/Nursing Home	2,000	50
C28 Restaurant Fast Food	600	30
C29 Restaurant/Lounge	1,400	40
C30 Retail Store	500	50
C31 Retail Rural	300	40
C32 School	2,400	40
C33 Service Garage	560	40
C34 Service Lube Center	280	40
C35 Shopping Center	2,800	40
C36 Supermarket	16,000	40
C37 Theater	2,000	50
C38 Warehouse	6,000	40
C39 Warehouse, Distribution	20,000	40
C40 Warehouse, Mini Storage	600	40
C41 Fitness Center	600	40
C42 College	3,200	50
C43 Student Housing	600	50

Building Use Codes and Descriptions	Unfinished Basement Factor	Finished Basement Factor
C01 Apartment	0.30	0.90
C02 Auto Service Center	0.30	0.90
C03 Auto Dealership	0.30	0.90
C04 Bank	0.30	0.90
C05 Barber/Beauty Shop	0.30	0.90
C06 Bed and Breakfast	0.30	0.90
C07 Car Wash	0.00	0.00
C08 Church	0.30	0.90
C09 Clubhouse	0.30	0.90
C10 Commercial Building	0.30	0.90
C11 Convenience Store	0.30	0.90
C12 Country Club	0.30	0.90
C13 Daycare Center	0.30	0.90
C14 Department Store	0.30	0.90
C15 Dormitory	0.30	0.90
C16 Fire Station	0.30	0.90
C17 Fellowship Hall	0.30	0.90
C18 Government Building	0.30	0.90
C19 Hospital	0.30	0.90
C20 Hotel/Motel	0.30	0.90
C21 Industrial/Manufacturing	0.30	0.90
C22 Laundromat	0.30	0.90
C23 Mortuary	0.30	0.90
C24 Office Medical	0.30	0.90
C25 Office Typical	0.30	0.90
C26 Prefabricated Commercial Building	0.30	0.90
C27 Rest/Nursing Home	0.30	0.90
C28 Restaurant Fast Food	0.30	0.90
C29 Restaurant/Lounge	0.30	0.90
C30 Retail Store	0.30	0.90
C31 Retail Rural	0.30	0.90
C32 School	0.30	0.90
C33 Service Garage	0.30	0.90
C34 Service Lube Center	0.30	0.90
C35 Shopping Center	0.30	0.90
C36 Supermarket	0.30	0.90
C37 Theater	0.30	0.90
C38 Warehouse	0.70	0.90
C39 Warehouse, Distribution	0.70	0.90
C40 Warehouse, Mini Storage	0.50	0.90
C41 Fitness Center	0.30	0.90
C42 College	0.30	0.90
C43 Student Housing	0.30	0.90

Subarea/Type Codes and Descriptions		Factor	1 Story	2 Story	3 Story	4 Story
AOF	Average Office	1.25	1.00	1.90	2.80	3.70
CAN	Canopy	.10	-	-	-	-
CBC	Commercial Bank Canopy	.50	-	-	-	-
CLP	Covered Loading Platform	.40	-	-	-	-
FCP	Finished Carport	.30	-	-	-	-
FEP	Finished Enclosed Porch	.70	1.00	1.90	2.80	3.70
FGR	Finished Garage	.45	-	-	-	-
FOP	Finished Open Porch	.35	1.00	1.90	2.80	3.70
FSP	Finished Screened Porch	.40	1.00	1.90	2.80	3.70
FST	Finished Storage	.50	1.00	1.90	2.80	3.70
FUS	Finished Upper Story	.90	-	-	-	-
FUT	Finished Utility	.55	1.00	1.90	2.80	3.70
GOF	Good Office	1.50	-	-	-	-
LTO	Lean-to	.20	-	-	-	-
MEZ	Mezzanine	.80	-	-	-	-
PBS	Part of Base	1.00	1.00	1.90	2.80	3.70
PTO	Patio	.10	-	-	-	-
STP	Stoop	.20	-	-	-	-
UCP	Unfinished Carport	.20	-	-	-	-
UEP	Unfinished Enclosed Porch	.50	1.00	1.90	2.80	3.70
UGR	Unfinished Garage	.35	-	-	-	-
ULP	Uncovered Loading Platform	.25	-	-	-	-
UOP	Unfinished Open Porch	.20	1.00	1.90	2.80	3.70
USP	Unfinished Screened Porch	.40	1.00	1.90	2.80	3.70
UST	Unfinished Storage	.40	1.00	1.90	2.80	3.70
UUS	Unfinished Upper Story	.20	-	-	-	-
UUT	Unfinished Utility	.45	1.00	1.90	2.80	3.70
WDD	Wood Deck	.20	1.00	2.00	3.00	4.00

Additional Adjustments Not Included in Base Price:

Size Adjustment Factor

	Rate
Less Than Base Square Feet	+ .006
More Than Base Square Feet	- .006

Elevator	Each
	\$100,000

Sprinkler System	Price per Square Foot
Under 5,000 Square Feet	\$6.00
Over 5,000 Square Feet	\$5.00

Fireplace	Each
Stack/Chimney	\$4,000
Opening	\$2,500

Fireplace Type Codes	Each
MS	Massive \$15,000
PF	Pre-Fabricated \$0.00
SD	Standard \$0.00
SS	Stacked Stone \$10,000
ST	Stone \$5,000

Wall Height Adjustment Factors:

The table below will be used to adjust for wall height on the following buildings:

Building Use Codes and Descriptions

- C01 Apartment
- C06 Bed and Breakfast
- C09 Clubhouse
- C12 Country Club
- C15 Dormitory
- C23 Mortuary
- C43 Student Housing

Wall Height	Factor
7	.92
8	.95
9	.97
10	1.00
11	1.03
12	1.06
13	1.08
14	1.11
15	1.14
16	1.18
17	1.21
18	1.24
19	1.27
20+	1.31

The table below will be used to adjust for wall height on the following buildings:

Building Use Codes and Descriptions

C20 Hotel/Motel
C40 Warehouse, Mini Storage

Wall Height	Factor
7	.96
8	1.00
9	1.04
10	1.08
11	1.12
12	1.16
14	1.24
16+	1.32

The table below will be used to adjust for wall height on the following buildings:

Building Use Codes and Descriptions

Co7 Car Wash

Wall Height	Factor
> 8	1.00
8	1.00
8+	1.00

The table below will be used to adjust for wall height on the following buildings:

Building Use Codes and Descriptions

C05	Barber/Beauty Shop
C10	Commercial Building
C14	Department Store
C17	Fellowship Hall
C22	Laundromat
C28	Restaurant Fast Food
C29	Restaurant/Lounge
C30	Retail Store
C31	Retail Rural
C35	Shopping Center

Wall Height	Factor
8	.92
10	.96
11	.98
12	1.00
13	1.02
14	1.04
15	1.06
16	1.09
18	1.13
20	1.17
22	1.21
24	1.26
26	1.30
28+	1.34

The table below will be used to adjust for wall height on the following buildings:

Building Use Codes and Descriptions

C02	Auto Service Center
C03	Auto Dealership
C18	Government Building
C21	Industrial/Manufacturing
C26	Prefabricated Commercial Building
C34	Service Lube Center
C36	Supermarket
C38	Warehouse
C39	Warehouse, Distribution
C41	Fitness Center

Wall Height	Factor
8	.89
10	.92
12	.96
14	1.00
16	1.04
18	1.09
20	1.13
22	1.18
24	1.23
30	1.38
35	1.52
40	1.65
45	1.79
50	1.93
55	2.08
60	2.23
70	2.53
80+	2.85

The table below will be used to adjust for wall height on the following buildings:

Building Use Codes and Descriptions

C04	Bank
C11	Convenience Store
C16	Fire Station
C19	Hospital
C24	Office Medical
C25	Office Typical
C27	Rest/Nursing Home

Wall Height	Factor
8	.90
9	.93
10	.95
11	.98
12	1.00
13	1.02
14	1.05
15	1.07
16	1.09
18	1.14
20	1.18
24	1.28
28	1.37
32+	1.46

The table below will be used to adjust for wall height on the following buildings:

Building Use Codes and Descriptions

Co8 Church

C37 Theater

Wall Height	Factor
8	.78
10	.83
12	.89
14	.95
16	1.00
18	1.05
20	1.11
22	1.16
24	1.21
26	1.26
28	1.31
30	1.36
34	1.46
38	1.56
42	1.66
46	1.75
50	1.85
54	1.94
58	2.04
62	2.13
66	2.22
70	2.31
74	2.40
78	2.49
82	2.57
86	2.66
90+	2.74

The table below will be used to adjust for wall height on the following buildings:

Building Use Codes and Descriptions

- C13 Daycare Center
- C32 School
- C33 Service Garage
- C42 College

Wall Height	Factor
8	.96
9	.98
10	1.00
11	1.02
12	1.04
13	1.06
14	1.07
15	1.09
16	1.11
18	1.15
20	1.18
22	1.22
24	1.26
30	1.37
36+	1.48

A neighborhood adjustment will be applied to each neighborhood according to the market of that neighborhood. The appraiser will determine neighborhoods and numeric codes will be created to uniquely identify them. The commercial base rate adjustment for these neighborhoods could range from .75 – 2.50.

Building grades may be entered as just a letter grade or as a letter grade plus or minus. If a percentage is specified as a part of the grade, then that percentage is added to or subtracted from the letter grade in the following table. Grades of AA+ add an additional 10% to the AA factor. For example, a grade of AA+20 has a factor of 2.20 and a grade of AA+200 has a factor of 4.00.

Grade	Factor
AA	2.00
A+40	1.90
A+30	1.80
A+25	1.75
A+20	1.70
A+	1.60
A	1.50
A-	1.40
B+	1.35
B	1.25
B-	1.15
C+	1.10
C	1.00
C-	.90
D+	.85
D	.75
D-	.65
E+	.60
E	.50
E-	.40

Physical Depreciation Tables – 60 Year Life

Age	Good	Average	Fair	Poor	Unsound
1	1.00	1.00	.99	.98	.10
2	1.00	.99	.99	.97	.10
3	1.00	.99	.99	.97	.10
4	.99	.99	.98	.96	.10
5	.99	.99	.97	.95	.10
6	.99	.98	.97	.94	.10
7	.99	.98	.96	.93	.10
8	.99	.98	.95	.92	.10
9	.98	.97	.95	.90	.10
10	.98	.97	.94	.89	.05
12	.98	.96	.92	.86	.05
14	.97	.95	.90	.82	.05
16	.97	.93	.88	.78	.05
18	.96	.92	.86	.74	.05
20	.95	.91	.83	.70	.01
22	.94	.89	.80	.65	.01
24	.93	.87	.77	.60	.01
26	.92	.85	.73	.54	.01
28	.91	.83	.70	.48	.01
30	.89	.80	.66	.43	.01
32	.87	.78	.62	.38	.01
34	.85	.75	.57	.32	.01
36	.83	.72	.52	.27	.01
38	.81	.68	.47	.23	.01
40	.79	.65	.41	.21	.01
42	.75	.61	.35	.20	.01
44	.72	.57	.30	.18	.01
46	.69	.52	.26	.16	.01
48	.66	.47	.23	.14	.01
50	.62	.42	.21	.12	.01
55	.52	.33	.20	.10	.01
60	.43	.26	.18	.10	.01
65	.35	.22	.16	.10	.01
70+	.29	.20	.15	.10	.01

Physical Depreciation Tables – 50 Year Life

Age	Good	Average	Fair	Poor	Unsound
1	1.00	1.00	.99	.98	.10
2	.99	.99	.98	.97	.10
3	.99	.99	.97	.95	.10
4	.99	.98	.96	.93	.10
5	.99	.97	.95	.91	.10
6	.98	.97	.94	.89	.10
7	.98	.96	.93	.86	.10
8	.98	.95	.92	.84	.10
9	.97	.95	.90	.82	.10
10	.97	.94	.89	.79	.05
12	.96	.92	.86	.74	.05
14	.95	.90	.82	.68	.05
16	.93	.88	.78	.61	.05
18	.92	.86	.74	.54	.05
20	.91	.83	.70	.47	.01
22	.89	.80	.65	.40	.01
24	.87	.77	.60	.34	.01
26	.85	.73	.54	.28	.01
28	.83	.70	.48	.23	.01
30	.80	.66	.43	.21	.01
32	.78	.62	.38	.19	.01
34	.75	.57	.32	.18	.01
36	.72	.52	.27	.17	.01
38	.68	.47	.23	.16	.01
40	.65	.41	.21	.15	.01
42	.61	.35	.19	.14	.01
44	.57	.30	.18	.13	.01
46	.52	.26	.17	.12	.01
48	.47	.23	.16	.11	.01
50+	.42	.21	.15	.10	.01

Physical Depreciation Tables – 40 Year Life

Age	Good	Average	Fair	Poor	Unsound
1	1.00	.99	.98	.97	.10
2	.99	.98	.97	.93	.10
3	.99	.97	.95	.90	.10
4	.98	.96	.93	.86	.10
5	.97	.95	.91	.82	.10
6	.97	.94	.89	.78	.10
7	.96	.93	.86	.74	.10
8	.95	.92	.84	.70	.10
9	.95	.90	.82	.65	.10
10	.94	.89	.79	.60	.05
12	.92	.86	.74	.50	.05
14	.90	.82	.68	.40	.05
16	.88	.78	.61	.31	.05
18	.86	.74	.54	.24	.05
20	.83	.70	.47	.21	.01
22	.80	.65	.40	.20	.01
24	.77	.60	.34	.19	.01
26	.73	.54	.28	.18	.01
28	.70	.48	.23	.17	.01
30	.66	.43	.21	.16	.01
32	.62	.38	.19	.14	.01
34	.57	.32	.18	.13	.01
36	.52	.27	.17	.12	.01
38	.47	.23	.16	.11	.01
40+	.41	.21	.15	.10	.01

Physical Depreciation Tables – 30 Year Life

Age	Good	Average	Fair	Poor	Unsound
1	1.00	.99	.98	.97	.10
2	.98	.97	.95	.93	.10
3	.96	.95	.93	.90	.10
4	.95	.93	.90	.86	.10
5	.94	.91	.87	.82	.10
6	.92	.89	.84	.78	.10
7	.90	.86	.81	.74	.10
8	.89	.84	.78	.70	.10
9	.87	.82	.75	.65	.10
10	.85	.79	.71	.60	.05
12	.81	.74	.64	.50	.05
14	.76	.68	.56	.40	.05
16	.72	.61	.48	.31	.05
18	.66	.54	.40	.23	.05
20	.61	.47	.32	.21	.01
22	.55	.40	.27	.18	.01
24	.48	.34	.23	.14	.01
26	.42	.28	.20	.10	.01
28	.36	.23	.20	.10	.01
30+	.28	.21	.20	.10	.01

Commercial/Industrial Valuation Example:

This is just for illustration purposes, showing how to calculate an estimated value for a commercial structure.

Subject Property:

Age	3
Condition	Average
Grade	C
Square Footage	2,000
Use Code	Office Typical
Basement	N/A
Heat Type	Heat Pump
Air	100%
Plumbing	2 full baths
Fireplace	N/A
Elevator	0

Subarea 1 – Base	
Square Footage	2,000
Base Rate	150.00
Area Factor	1.00
Base Price	\$300,000 (2,000 X 150.00 X 1.00)
Fireplace Stack	+\$0
Fireplace Opening	+\$0
Fireplace Type	+\$0
Sprinkler System	+\$0
Heat Type Factor	+\$24,000 (2,000 x \$12.00)
Air	<u>+\$8,000</u> (2,000 x \$4.00)
Adjusted Base Price	\$332,000
Wall Height Factor	1.00
Adjusted Base Price	\$332,000
Grade Factor	1.00
Adjusted Base Price	\$332,000 (\$332,000 X 1.00)
Depreciation	.99
Total Base Value	\$328,680 (\$332,000 X .99)

Outbuilding Valuation

Outbuildings are detached from the structure. For example, a garage can be attached to a home or detached from a home. The following items are all detached. If attached to the structure, please refer to the appropriate building valuation section of this schedule.

North Carolina General Statute 105-317(a)(2) states in determining the true value of a building or other improvement, to consider at least its location; type of construction; age; replacement cost; cost; adaptability for residence, commercial, industrial, or other uses; past income; probable future income; and any other factors that may affect its value.

Base values have been established for each building type based on market analysis. Base square footage for each building use code can be found in the table below. Adjustments will be made to the base rate according to the size factor.

Outbuilding Codes and Descriptions and Base Rates

01	Barn	\$40.00	41	Miscellaneous Building	\$25.00
02	Barn, Horse/Arena	\$100.00	42	Patio	\$6.00
03	Barn, Low Cost	\$20.00	43	Patio, Covered	\$20.00
04	Bath House	\$60.00	44	Pavilion	\$80.00
05	Boat Dock	\$50.00	45	Paving, Asphalt	\$5.00
06	Boat Slip	\$250,000	46	Paving, Concrete	\$6.00
08	Boat Storage Commercial	\$60.00	47	Pool, Concrete	\$125.00
09	Cabin, Average Quality	\$80.00	48	Pool, Vinyl	\$100.00
10	Cabin, Good Quality	\$100.00	49	Porch, Enclosed	\$55.00
11	Cabin, Low Quality	\$60.00	50	Porch, Open	\$40.00
12	Carport with Living Quarters	\$125.00	51	Porch, Screened	\$45.00
13	Canopy, Average Quality	\$30.00	53	Pump House	\$50.00
14	Canopy, Commercial	\$80.00	54	Railroad Spur	\$150.00
15	Carport, Metal	\$10.00	55	Residential Finished Upper Story/Living Quarters	\$75.00
16	Carport, Average Quality	\$50.00	56	Shed, Equipment with Sides	\$18.00
17	Carport, Good Quality	\$75.00	57	Shed, Open Pole	\$15.00
18	Commercial Lumber Storage	\$25.00	58	Shop, Frame	\$45.00
19	Commercial Office	\$80.00	59	Shop, Steel Prefabricated	\$40.00
20	Commercial Office, Low Quality	\$60.00	61	Stable	\$50.00
21	Dwelling Sound Value	N/A	62	Storage, Brick	\$65.00
22	Fellowship/Recreation Hall	\$125.00	63	Storage, Concrete Block/Frame	\$55.00
23	Fence, Commercial	\$25.00	64	Storage, Metal Utility	\$30.00
24	Garage, Metal	\$40.00	65	Storage, Quonset	\$40.00
25	Garage, Finished	\$100.00	66	Storage, Steel Prefabricated	\$50.00
26	Garage, Unfinished	\$75.00	67	Studio	\$200.00
27	Garage with Living Quarters	\$150.00	69	Tennis/Pickleball Court	\$12.00
28	Gazebo	\$40.00	70	Utility Room	\$45.00
29	Golf Course	\$75,000	71	Water Tank	\$1.50
32	Golf Course, Par 3	\$50,000	72	Wood Deck	\$15.00
33	Greenhouse	\$12.00	73	Yurt	\$40.00
34	Hangar, Airplane	\$50.00	74	Fireplace	\$15,000
35	Kennel Building	\$100.00	75	Outdoor Kitchen	\$15,000
39	Manufactured Home Sound Value	N/A			

Outbuilding Codes and Descriptions and Year Life Depreciation Table

01	Barn	50	41	Miscellaneous Building	20
02	Barn, Horse/Arena	50	42	Patio	40
03	Barn, Low Cost	40	43	Patio, Covered	40
04	Bath House	40	44	Pavilion	40
05	Boat Dock	20	45	Paving, Asphalt	15
06	Boat Slip	N/A	46	Paving, Concrete	15
08	Boat Storage Commercial	20	47	Pool, Concrete	20
09	Cabin, Average Quality	50	48	Pool, Vinyl	15
10	Cabin, Good Quality	50	49	Porch, Enclosed	40
11	Cabin, Low Quality	40	50	Porch, Open	40
12	Carport with Living Quarters	50	51	Porch, Screened	40
13	Canopy, Average Quality	20	53	Pump House	15
14	Canopy, Commercial	40	54	Railroad Spur	50
15	Carport, Metal	20	55	Residential Finished Upper Story/Living Quarters	40
16	Carport, Average Quality	40	56	Shed, Equipment with Sides	20
17	Carport, Good Quality	50	57	Shed, Open Pole	20
18	Commercial Lumber Storage	20	58	Shop, Frame	40
19	Commercial Office	50	59	Shop, Steel Prefabricated	40
20	Commercial Office, Low Quality	40	61	Stable	40
21	Dwelling Sound Value	N/A	62	Storage, Brick	30
22	Fellowship/Recreation Hall	50	63	Storage, Concrete Block/Frame	30
23	Fence, Commercial	20	64	Storage, Metal Utility	20
24	Garage, Metal	30	65	Storage, Quonset	20
25	Garage, Finished	50	66	Storage, Steel Prefabricated	40
26	Garage, Unfinished	50	67	Studio	50
27	Garage with Living Quarters	50	69	Tennis/Pickleball Court	30
28	Gazebo	20	70	Utility Room	30
29	Golf Course	N/A	71	Water Tank	30
32	Golf Course, Par 3	N/A	72	Wood Deck	20
33	Greenhouse	20	73	Yurt	20
34	Hangar, Airplane	20	74	Fireplace	50
35	Kennel Building	40	75	Outdoor Kitchen	50
39	Manufactured Home Sound Value	N/A			

Outbuilding Codes and Descriptions and Size Table

01	Barn	S3	41	Miscellaneous Building	S3
02	Barn, Horse/Arena	S3	42	Patio	S3
03	Barn, Low Cost	S3	43	Patio, Covered	S2
04	Bath House	S2	44	Pavilion	S3
05	Boat Dock	S2	45	Paving, Asphalt	S9
06	Boat Slip	S1	46	Paving, Concrete	S9
08	Boat Storage Commercial	S3	47	Pool, Concrete	S8
09	Cabin, Average Quality	S2	48	Pool, Vinyl	S7
10	Cabin, Good Quality	S2	49	Porch, Enclosed	S2
11	Cabin, Low Quality	S2	50	Porch, Open	S2
12	Carport with Living Quarters	S2	51	Porch, Screened	S2
13	Canopy, Average Quality	S2	53	Pump House	S2
14	Canopy, Commercial	S3	54	Railroad Spur	S3
15	Carport, Metal	S2	55	Residential Finished Upper Story/Living Quarters	S3
16	Carport, Average Quality	S2	56	Shed, Equipment with Sides	S3
17	Carport, Good Quality	S2	57	Shed, Open Pole	S3
18	Commercial Lumber Storage	S4	58	Shop, Frame	S3
19	Commercial Office	S2	59	Shop, Steel Prefabricated	S4
20	Commercial Office, Low Quality	S2	61	Stable	S4
21	Dwelling Sound Value	N/A	62	Storage, Brick	S2
22	Fellowship/Recreation Hall	S3	63	Storage, Concrete Block/Frame	S2
23	Fence, Commercial	S1	64	Storage, Metal Utility	S2
24	Garage, Metal	S3	65	Storage, Quonset	S3
25	Garage, Finished	S3	66	Storage, Steel Prefabricated	S3
26	Garage, Unfinished	S3	67	Studio	S2
27	Garage with Living Quarters	S3	69	Tennis/Pickleball Court	S1
28	Gazebo	S2	70	Utility Room	S2
29	Golf Course	S1	71	Water Tank	S6
32	Golf Course, Par 3	S1	72	Wood Deck	S2
33	Greenhouse	S2	73	Yurt	S10
34	Hangar, Airplane	S3	74	Fireplace	S1
35	Kennel Building	S3	75	Outdoor Kitchen	S1
39	Manufactured Home Sound Value	N/A			

Outbuilding Codes and Descriptions and 1.50 Story Factor

01	Barn	1.65	41	Miscellaneous Building	-
02	Barn, Horse/Arena	1.65	42	Patio	-
03	Barn, Low Cost	1.65	43	Patio, Covered	-
04	Bath House	-	44	Pavilion	-
05	Boat Dock	-	45	Paving, Asphalt	-
06	Boat Slip	-	46	Paving, Concrete	-
08	Boat Storage Commercial	-	47	Pool, Concrete	-
09	Cabin, Average Quality	1.65	48	Pool, Vinyl	-
10	Cabin, Good Quality	1.65	49	Porch, Enclosed	-
11	Cabin, Low Quality	1.65	50	Porch, Open	-
12	Carport with Living Quarters	1.65	51	Porch, Screened	-
13	Canopy, Average Quality	-	53	Pump House	-
14	Canopy, Commercial	-	54	Railroad Spur	-
15	Carport, Metal	-	55	Residential Finished Upper Story/Living Quarters	-
16	Carport, Average Quality	-	56	Shed, Equipment with Sides	-
17	Carport, Good Quality	-	57	Shed, Open Pole	-
18	Commercial Lumber Storage	-	58	Shop, Frame	1.65
19	Commercial Office	1.65	59	Shop, Steel Prefabricated	-
20	Commercial Office, Low Quality	1.65	61	Stable	1.65
21	Dwelling Sound Value	-	62	Storage, Brick	1.65
22	Fellowship/Recreation Hall	-	63	Storage, Concrete Block/Frame	1.65
23	Fence, Commercial	-	64	Storage, Metal Utility	-
24	Garage, Metal	1.65	65	Storage, Quonset	-
25	Garage, Finished	1.65	66	Storage, Steel Prefabricated	-
26	Garage, Unfinished	1.65	67	Studio	1.65
27	Garage with Living Quarters	1.65	69	Tennis/Pickleball Court	-
28	Gazebo	-	70	Utility Room	1.65
29	Golf Course	-	71	Water Tank	-
32	Golf Course, Par 3	-	72	Wood Deck	-
33	Greenhouse	-	73	Yurt	-
34	Hangar, Airplane	-	74	Fireplace	-
35	Kennel Building	-	75	Outdoor Kitchen	-
39	Manufactured Home Sound Value	-			

Outbuilding Codes and Descriptions and 2.00 Story Factor

01	Barn	1.92	41	Miscellaneous Building	-
02	Barn, Horse/Arena	1.92	42	Patio	-
03	Barn, Low Cost	1.92	43	Patio, Covered	-
04	Bath House	-	44	Pavilion	-
05	Boat Dock	-	45	Paving, Asphalt	-
06	Boat Slip	-	46	Paving, Concrete	-
08	Boat Storage Commercial	-	47	Pool, Concrete	-
09	Cabin, Average Quality	1.92	48	Pool, Vinyl	-
10	Cabin, Good Quality	1.92	49	Porch, Enclosed	1.90
11	Cabin, Low Quality	1.92	50	Porch, Open	1.90
12	Carport with Living Quarters	1.92	51	Porch, Screened	1.90
13	Canopy, Average Quality	-	53	Pump House	-
14	Canopy, Commercial	-	54	Railroad Spur	-
15	Carport, Metal	-	55	Residential Finished Upper Story/Living Quarters	-
16	Carport, Average Quality	-	56	Shed, Equipment with Sides	-
17	Carport, Good Quality	-	57	Shed, Open Pole	-
18	Commercial Lumber Storage	-	58	Shop, Frame	1.92
19	Commercial Office	1.92	59	Shop, Steel Prefabricated	-
20	Commercial Office, Low Quality	1.92	61	Stable	1.92
21	Dwelling Sound Value	-	62	Storage, Brick	1.92
22	Fellowship/Recreation Hall	-	63	Storage, Concrete Block/Frame	1.92
23	Fence, Commercial	-	64	Storage, Metal Utility	-
24	Garage, Metal	1.92	65	Storage, Quonset	-
25	Garage, Finished	1.92	66	Storage, Steel Prefabricated	-
26	Garage, Unfinished	1.92	67	Studio	1.92
27	Garage with Living Quarters	1.92	69	Tennis/Pickleball Court	-
28	Gazebo	-	70	Utility Room	1.92
29	Golf Course	-	71	Water Tank	-
32	Golf Course, Par 3	-	72	Wood Deck	2.00
33	Greenhouse	-	73	Yurt	-
34	Hangar, Airplane	-	74	Fireplace	-
35	Kennel Building	-	75	Outdoor Kitchen	-
39	Manufactured Home Sound Value	-			

Size Adjustment Factor – S1 (0 Base)

1.00

Size Adjustment Factor – S2 (400 Base)

0	-	200	1.04
201	-	300	1.02
301	-	400	1.00
401	-	500	.98
501	-	600	.96
601	-	700	.94
701	-	800	.92
801	-	900	.90
901	-	1,000+	.88

Size Adjustment Factor – S3 (1,000 Base)

0	-	250	1.10
251	-	400	1.08
401	-	600	1.06
601	-	800	1.04
801	-	999	1.02
1,000	-	1,200	1.00
1,201	-	1,400	.98
1,401	-	1,600	.96
1,601	-	1,800	.94
1,801	-	2,000	.92
2,001	-	2,400	.90
2,401	-	2,800	.88
2,801	-	3,200	.86
3,201	-	3,202+	.84

Size Adjustment Factor – S4 (2,500 Base)

0	-	500	1.08
501	-	1,000	1.06
1,001	-	1,500	1.04
1,501	-	2,000	1.02
2,001	-	2,500	1.00
2,501	-	3,000	.98
3,001	-	4,000	.96
4,001	-	5,000	.94
5,001	-	7,500	.92
7,501	-	10,000	.90
10,001	-	10,002+	.88

Size Adjustment Factor – S5 (5,000 Base)

0	-	1,000	1.08
1,001	-	2,000	1.06
2,001	-	3,000	1.04
3,001	-	4,000	1.02
4,001	-	5,000	1.00
5,001	-	7,500	.98
7,501	-	10,000	.96
10,001	-	12,500	.94
12,501	-	15,000	.92
15,001	-	20,000	.90
20,001	-	20,002+	.88

Size Adjustment Factor – S6 (Water Tank)

0	-	50,000	2.30
50,001	-	100,000	1.80
100,001	-	150,000	1.30
150,001	-	200,000	1.20
200,001	-	250,000	1.09
250,001	-	300,000	1.00
300,001	-	400,000	.94
400,001	-	500,000	.88
500,001	-	750,000	.75
750,001	-	1,000,000	.65
1,000,001	-	1,500,000	.61
1,500,001	-	2,000,000	.56
2,000,001	-	2,000,002+	.50

Size Adjustment Factor – S7 (Vinyl Pool)

0	-	300	1.33
301	-	450	1.19
451	-	525	1.03
526	-	650	1.00
651	-	800	.89
801	-	1,000	.84
1,001	-	1,002+	.80

Size Adjustment Factor – S8 (Concrete Pool)

0	-	2,000	1.10
2,001	-	4,000	1.04
4,001	-	6,000	1.00
6,001	-	8,000	.98
8,001	-	8,002+	.96

Size Adjustment Factor – S9 (Paving)

0	-	500	1.25
501	-	1,000	1.20
1,001	-	2,000	1.15
2,001	-	5,000	1.10
5,001	-	10,000	1.05
10,001	-	15,000	1.00
15,001	-	20,000	.95
20,001	-	25,000	.90
25,001	-	30,000	.85
30,001	-	50,000	.80
50,001	-	50,002+	.75

Size Adjustment Factor – S10 (Yurt)

0	-	115	1.87
116	-	150	1.78
151	-	200	1.61
201	-	250	1.50
251	-	325	1.35
326	-	450	1.25
451	-	575	1.10
576	-	700	1.00
701	-	1,256	.95
1,257	-	1,964	.90
1,965	-	1,966+	.80

A neighborhood adjustment will be applied to each neighborhood according to the market of that neighborhood. The appraiser will determine neighborhoods and numeric codes will be created to uniquely identify them. The outbuilding base rate adjustment for these neighborhoods could range from .50 – 4.00.

Building grades may be entered as just a letter grade or as a letter grade plus or minus. If a percentage is specified as a part of the grade, then that percentage is added to or subtracted from the letter grade in the following table.

Grade	Factor
AA	2.00
A+40	1.90
A+30	1.80
A+20	1.70
A+	1.60
A	1.50
A-	1.40
B+	1.35
B	1.25
B-	1.15
C+	1.10
C	1.00
C-	.90
D+	.85
D	.75
D-	.65
E+	.60
E	.50
E-	.40

Outbuilding Code 23, Commercial Fence, has a separate set of grade factors. The factors can be found below and only apply to this outbuilding code.

Grade	Factor
A	3.80
B	2.59
C	2.12
D	1.62
E	1.11

Physical Depreciation Tables – 50 Year Life

Age	Good	Average	Fair	Poor	Unsound
1	1.00	.99	.99	.98	.10
2	.99	.98	.97	.96	.10
3	.98	.97	.96	.94	.10
4	.97	.96	.95	.91	.10
5	.96	.95	.93	.88	.10
6	.96	.94	.91	.86	.10
7	.95	.93	.90	.83	.10
8	.94	.92	.88	.81	.10
9	.93	.90	.86	.78	.10
10	.92	.89	.84	.75	.05
12	.90	.87	.80	.69	.05
14	.88	.84	.76	.63	.05
16	.87	.81	.72	.57	.05
18	.84	.78	.68	.50	.05
20	.82	.75	.63	.44	.01
22	.80	.72	.58	.38	.01
24	.77	.69	.53	.32	.01
26	.75	.65	.48	.26	.01
28	.72	.61	.43	.23	.01
30	.69	.56	.38	.21	.01
32	.66	.53	.33	.20	.01
34	.63	.49	.29	.19	.01
36	.60	.45	.26	.17	.01
38	.57	.41	.23	.15	.01
40	.53	.37	.21	.13	.01
42	.49	.34	.20	.11	.01
44	.46	.31	.18	.10	.01
46	.43	.28	.16	.10	.01
48	.39	.25	.14	.10	.01
50+	.36	.23	.10	.10	.01

Physical Depreciation Tables – 40 Year Life

Age	Good	Average	Fair	Poor	Unsound
1	.99	.99	.98	.97	.10
2	.98	.97	.96	.93	.10
3	.97	.96	.94	.89	.10
4	.96	.95	.91	.85	.10
5	.95	.93	.88	.80	.10
6	.94	.91	.86	.76	.10
7	.93	.90	.83	.72	.10
8	.92	.88	.81	.67	.10
9	.90	.86	.78	.62	.10
10	.89	.84	.75	.57	.05
12	.87	.80	.69	.47	.05
14	.84	.76	.63	.39	.05
16	.81	.72	.57	.30	.05
18	.78	.68	.50	.24	.05
20	.75	.63	.44	.21	.01
22	.72	.58	.38	.20	.01
24	.69	.53	.32	.18	.01
26	.65	.48	.26	.16	.01
28	.61	.43	.23	.14	.01
30	.56	.38	.21	.12	.01
32	.53	.33	.20	.10	.01
34	.49	.29	.18	.10	.01
36	.45	.26	.16	.10	.01
38	.41	.23	.14	.10	.01
40+	.37	.21	.12	.10	.01

Physical Depreciation Tables – 30 Year Life

Age	Good	Average	Fair	Poor	Unsound
1	.99	.98	.97	.97	.10
2	.97	.96	.94	.93	.10
3	.96	.94	.91	.89	.10
4	.95	.91	.88	.85	.10
5	.93	.88	.85	.80	.10
6	.91	.86	.82	.76	.10
7	.90	.83	.78	.72	.10
8	.88	.81	.75	.67	.10
9	.86	.78	.71	.62	.10
10	.84	.75	.68	.57	.05
12	.80	.69	.60	.47	.05
14	.76	.63	.52	.39	.05
16	.72	.57	.45	.30	.05
18	.68	.50	.37	.24	.05
20	.63	.44	.29	.21	.01
22	.58	.38	.24	.20	.01
24	.53	.32	.21	.18	.01
26	.48	.26	.17	.15	.01
28	.43	.23	.14	.12	.01
30+	.38	.21	.12	.10	.01

Physical Depreciation Tables – 20 Year Life

Age	Good	Average	Fair	Poor	Unsound
1	.98	.97	.94	.91	.10
2	.96	.93	.90	.87	.10
3	.94	.89	.86	.83	.10
4	.91	.85	.82	.79	.10
5	.88	.80	.77	.74	.05
6	.86	.76	.73	.70	.05
7	.83	.72	.69	.66	.05
8	.81	.67	.64	.61	.05
9	.78	.62	.59	.56	.05
10	.75	.57	.54	.51	.01
12	.69	.47	.44	.41	.01
14	.63	.39	.36	.33	.01
16	.57	.30	.27	.24	.01
18	.50	.24	.21	.18	.01
20+	.44	.20	.17	.14	.01

Physical Depreciation Tables – 15 Year Life

Age	Good	Average	Fair	Poor	Unsound
1	.90	.89	.84	.74	.10
2	.87	.85	.82	.72	.10
3	.83	.81	.78	.68	.10
4	.80	.78	.75	.65	.10
5	.77	.75	.71	.61	.10
6	.73	.71	.65	.55	.05
7	.70	.65	.62	.52	.05
8	.67	.62	.57	.47	.05
9	.63	.58	.53	.43	.05
10	.60	.55	.50	.40	.01
11	.57	.52	.47	.37	.01
12	.53	.48	.43	.33	.01
13	.50	.45	.40	.30	.01
14	.45	.40	.35	.28	.01
15+	.40	.35	.30	.25	.01

Outbuilding Valuation Example:

This is just for illustration purposes, showing how to calculate an estimated value for an outbuilding.

Subject Property:

Age	5
Condition	Average
Grade	C
Square Footage	100
Use Code	Storage, Concrete Block/Frame

Outbuilding Code 63

Square Footage	100
Base Rate	55.00
Base Price	\$5,500 (100 X 55.00)
Grade Factor	1.00
Adjusted Base Price	\$5,500 (\$5,500 X 1.00)
Size Factor	1.04
Adjusted Base Price	\$5,720 (\$5,500 X 1.04)
Depreciation	.88
Total Value Rounded	\$5,000 (\$5,720 X .88)

Classification of Real and Personal Property

In general, machinery and equipment used primarily as part of the manufacturing process should be listed as personal property. Machinery and equipment that is part of the land or building improvement is considered real property. Real property is defined as land, buildings, structures, improvements or permanent fixtures on land. Business personal property is property used in connection with the production of income that has not been classified as real property. A good rule-of-thumb is to classify all property and investments necessary for the operation of the machinery and equipment as personal property.

One frequent conflict related to the real versus personal property arises when a lessee installs property in a leased space. For example, a barber installs their barbershop in a strip mall; the improvements that make the leased space a barbershop is typically called leasehold improvements and are assessed as personal property. The barber chairs, partitions between the chairs, mirrors, dropped ceiling and other additions to the real property that were needed to create a barbershop from the leased space would all be considered leasehold improvements. These improvements would be appraised as personal property since they are not appraised as part of the real property and the owner of the real property does not own the improvements.

The following is a list of examples and may not include all personal property types.

<u>Item</u>	<u>Real</u>	<u>Personal</u>
Acoustical fire-resistant drapes and curtains		XX
Air conditioning (building, for comfort of occupants)	XX	
Air conditioning (used in data and manufacturing process)		XX
Airplanes		XX
Alarm Systems (security or fire and wiring)		XX
Amusement and recreation equipment		XX
Appliances		XX
Asphalt paving	XX	
Asphalt plants (moveable)		XX
ATM (booth and all equipment)		XX
Auto exhaust system (built-in floor or ceiling)	XX	
Auto exhaust system (flexible tube system, for equipment)		XX
Balers (paper, cardboard, etc.)		XX
Bank teller counters		XX
Bank teller lockers		XX
Bar and bar equipment		XX
Barber/beauty shop equipment		XX
Billboards		XX
Boat docks	XX	
Boats and motors		XX
Boiler (for service of building)	XX	
Boiler (for process)		XX

<u>Item</u>	<u>Real</u>	<u>Personal</u>
Bottling plant equipment		XX
Bowling alley lanes		XX
Broadcasting equipment		XX
Cable TV (systems, equipment, wiring)		XX
Camera equipment		XX
Car wash (equipment, filters, tanks)		XX
Cat walks (for machinery and equipment)		XX
Chairs		XX
Closed circuit TV		XX
Cold storage (equipment, rooms, partitions)		XX
Compressed air/gas systems		XX
Computer (equipment, data lines)		XX
Computer room (a/c, raised flooring)		XX
Concrete plant (electronic mixing, conveyors, tanks, etc.)		XX
Construction and grading equipment		XX
Control systems		XX
Conveyor and material handling systems		XX
Cooking equipment (restaurant)		XX
Coolers (walk-in, free standing)		XX
Cooling towers (building, for comfort of occupants)	XX	
Cooling towers (used in data and manufacturing process)		XX
Counters/reception desks		XX
Dairy processing plants (process items, bins, tanks, etc.)		XX
Dance floors		XX
Data processing equipment		XX
Deli equipment		XX
Desk (office, computer, etc.)		XX
Diagnostic center equipment		XX
Display cases		XX
Dock levels		XX
Drapes, curtains, blinds		XX
Drinking fountains		XX
Drive-thru windows		XX
Drying systems		XX
Dumpsters		XX
Dust catchers, control systems, etc.		XX
Electronic control systems		XX
Elevators	XX	
Escalators	XX	
Farm equipment		XX
Fans (freestanding)		XX
Fencing (exterior)	XX	
Fencing (interior)		XX
Flagpole		XX
Foundation for machinery and equipment		XX
Freight charges		XX
Fuels (not for sale)		XX
Furnaces (steel mill, foundry, etc.)		XX

<u>Item</u>	<u>Real</u>	<u>Personal</u>
Furniture and fixtures		XX
Gazebos	XX	
Generator – Residential Home	XX	
Generator – Commercial Building		XX
Golf carts		XX
Golf course (drainage, irrigation, etc.)	XX	
Grain bins		XX
Greenhouse (permanently affixed)	XX	
Greenhouse (movable, benches, fans, heating systems, etc.)		XX
Heating systems (building, for comfort of occupants)	XX	
Heating systems (used in data and manufacturing process)		XX
Hoppers		XX
Hospital systems (oxygen, emergency electric, call system, etc.)		XX
Hot air balloons		XX
Hotel/motel equipment		XX
Humidifiers (used in data and manufacturing process)		XX
Incinerators		XX
Industrial piping		XX
Installation costs		XX
Irrigation equipment		XX
Kiln		XX
Laboratory equipment		XX
Lagoon/settling ponds	XX	
Laundry bins		XX
Law and professional libraries		XX
Leased equipment		XX
Leasehold improvements		XX
Lifts (other than elevator)		XX
Lighting (portable, movable, special, yard)		XX
Machinery and equipment		XX
Medical equipment		XX
Milk handling (milking, cooling, piping, storage, etc.)		XX
Mirrors (other than bathroom)		XX
Mineral rights	XX	
Monitoring systems		XX
Newspaper stands		XX
Night depository		XX
Office equipment		XX
Office supplies		XX
Oil company equipment (pumps, supplies, etc.)		XX
Ovens (processing, manufacturing)		XX
Overhead conveyor system		XX
Package and labeling equipment		XX
Paging systems		XX
Paint spray booths		XX
Partitions		XX
Paving	XX	
Piping systems (process piping)		XX

<u>Item</u>	<u>Real</u>	<u>Personal</u>
Playground equipment		XX
Pneumatic tube system		XX
Portable buildings/structures		XX
Power generator systems (auxiliary, emergency, etc.)		XX
Power transformers		XX
Public address systems (intercom, music, etc.)		XX
Railroad sidings (other than railroad owned)		XX
Refrigeration systems (compressors, etc.)		XX
Rental equipment		XX
Repairs (building)	XX	
Repairs (equipment)		XX
Restaurant furniture		XX
Restaurant/kitchen equipment (vent hoods, sinks, etc.)		XX
Returnable containers		XX
Rock crusher		XX
Roll-up doors (exterior walls)	XX	
Roll-up doors (interior walls)		XX
Roofing	XX	
Room dividers/partitions		XX
Rooms self-contained or special purpose		XX
Safes (wall, self-standing)		XX
Sales and use tax		XX
Satellite dishes (wiring, installation, etc.)		XX
Scale houses (permanently affixed)	XX	
Scale houses (portable)		XX
Scales		XX
Screens (theater)		XX
Security systems		XX
Service station equipment (pumps, tanks, lifts, etc.)		XX
Seats (theater)		XX
Shelving		XX
Signs		XX
Sinks (commercial)		XX
Software (capitalized)		XX
Sound systems and projection equipment		XX
Spare parts		XX
Speakers		XX
Spray booths		XX
Sprinkler systems (fire protection)	XX	
Sprinkler systems (for process)		XX
Supplies		XX
Swimming pools	XX	
Switchboard		XX
Tanks (permanently affixed, bulk plant)	XX	
Tanks (manufacturing, gasoline, etc.)		XX
Telephone systems and wiring		XX
Teller window		XX
Theater screens		XX

<u>Item</u>	<u>Real</u>	<u>Personal</u>
Theater seats		XX
Tooling, dies, molds, jigs		XX
Towers (TV, radio, CATV, cellular, two-way radio, wiring, FDN)		XX
Towers (microwave equipment, wiring, foundation)		XX
Transformer banks		XX
Transportation costs		XX
Transformer banks		XX
Tunnels (unless part of process system)	XX	
Upgrades to equipment		XX
Utilities (power, water, sewer)	XX	
Vacuum system		XX
Vault	XX	
Vault (door, inner gates, vents, equipment)		XX
Vending machines		XX
Vent fans		XX
Ventilation systems (building, for comfort of occupants)	XX	
Ventilation systems (used in data and manufacturing process)		XX
Video tapes/movies/reel movies		XX
Wallcoverings	XX	
Walls (partitions, room dividers, portable)		XX
Water coolers		XX
Water lines (for process)		XX
Water tanks (for process)		XX
Wells (pumps, motor, equipment)		XX
Whirlpool/Jacuzzi/hot tub		XX
Wiring (power wiring for machinery and equipment)		XX