LAND VALUATION

All land parcels – both vacant and improved – must be valued each year for ad-valorem tax purposes. The Florida Administrative Code (Rule 12D-8.011(1)(h)) requires a separate land value on assessment rolls be submitted to the Department of Revenue.

Following are policies and procedures that should be followed in the valuation of land for the Brevard County Property Appraisers Office. The appraiser should use his/her knowledge that has been gained from classes, seminars, and work experience. These guidelines are provided so as to ensure uniformity and equity within the valuation process.

VACANT USE CODES

As part of our analysis the appraiser must classify land into one of the Use Codes developed for purposes of reporting to the Department of Revenue. Zoning is an important factor in determining land classification and can also help determine the Highest and Best Use, which must be done before land is valued. There are two areas for which the vacant use codes can be utilized. The overall property use code can be either a vacant use code or an improved use code if the property is vacant and different if the property is improved. Following is the list of vacant land use codes utilized by the Brevard County Property Appraiser with the exception of those codes utilized for agricultural classified use properties.

0007 – Vacant Residential Land-Mult-Family Platted
0008 – Vacant Multi-Family Unplatted Less Than Five Acres
0009 – Vacant Single Family Unplatted Less Than Five Acres
0010 – Vacant Residential Land – Single Family Platted
0020 – Vacant Mobile Home Site - Platted
0021 – Vacant Mobile Home Site - Unplatted
0033 – Vacant Residential Common Area
0040 – Condominium Unit – Vacant Land
0041 – Condominium Unit with Utilities
0050 – CO-OP Vacant Land
0051 – CO-OP with Utilities
1000 – Vacant Commercial Land
1033 – Vacant Commercial Common Area
4000 – Vacant Industrial Land
7000 – Vacant Land - Institutional
8100 – Military-Vacant Land
8310 – School-Public-Vacant Parcels
8600 – County Owned Land-Vacant (That does not qualify in another code)

8630 – Brevard County-Agencies Other Than Board of County Commissioners, Vacant
8650 – Housing Authority-vacant
8670 – Canaveral Port Authority-Vacant
8700 – State Owned Land (That does not apply in another code)
8800 – Federal Owned Land-Vacant (That does not apply in another code)
8900 – Municipal Owned Land-Vacant (That does not apply in another code)
8920 – Melbourne Airport Authority-Vacant
9000 – Leased County/City Property-Vacant
9110 – Utility-Gas Companies-Vacant
9130 – Utility-Electric Co's.-Vacant
9150 – Utility-Tel. & Tel.-Vacant
9190 – Canal
9300 – Subsurface Rights
9500 – Rivers and Lakes
9510 – Submerged Lands
9600 – Waste Land
9610 – Marsh
9620 – Sand Dune
9630 – Swamp
9700 – Recreational or Park Lands
9900 – All Acreage-Other Than Government Owned and Not Zoned Agricultural-Vacant and Not Covered by Another Code
9908 – Vacant Residential Land Multi-Family Unplatted 5 Acres and Greater
9909 – Vacant Residential Land Single Family Unplatted 5 Acres and Greater
9920 – Vacant Agricultural Zoned Land (Not in Use)

LAND CODES

The land codes are actually the method of valuation used. The following land codes are to be used.

1 = Acres
2 = Square Foot
3 = Front Foot
4 = Effective Front Foot
5 = Per Site

SITE CODE

The site code is utilized to describe a particular location of a property or in some case an unusual condition. This is a required field when updating a land parcel.
The approved site codes are:

001	**Other Code Applicable**
095	**Backs up to I-95**
110	**River Front**
111	**River View**
112	**River to River**
113	**River View (Limited)**
114	**River Access**
115	**River Access/Limited View**
116	**Banana River Front/South Merritt island**
117	**Banana River Access/South Merritt island**
118	**Newfound Harbor Riverfront**
119	**Newfound Harbor River Access**
120	**Ocean Front**
121	**Ocean View**
122	**Ocean to River**
123	**Ocean Access**
124	**Ocean Walkways**
125	**Shares Access to River**
126	**Shares Access to Ocean**
127	**Waterfront Dock Site**
128	**Ocean View Limited**
130	**Canal Front**
131	**Across from Canal**
132	**Canal with Limited Access**
138	**V.I.P. Canal Front**
139	**V.I.P. River Front**
140	**Lake Front**
141	**Lake View**
150	**Buffer-Easement-Conservation**
151	**Conservation 704.06**
152	**Storm/Drainage Retention Frontage**
160	**Eau Gallie River Front**
161	**Eau Gallie River Access**
162	**Eau Gallie Canal**
165	**Turkey Creek River Front**
166	**Turkey Creek River Access**
210	**Golf Course Frontage**
211	**Close to Golf Course**
300	**U.S. 1**
301	**Garden Street**
302	**Hopkins Street**
303	**Cheney Hwy. (St.Rd. 50)**
304	**State Road 46**
305	**U.S. 1 to River**
306	**Apollo**
309	**State Road 524**

310	**520**
311	**Fiske**
312	**Dixon**
313	**Clearlake**
314	**Barton**
315	**Lake Drive**
316	**Forrest Avenue**
317	**Murrel Road**
320	**Babcock**
321	**Wickham**
322	**Aurora**
323	**Sarno**
324	**New Haven (U.S. 192)**
325	**Eau Gallie Blvd.**
326	**Strawbridge Ave.**
327	**Apollo**
328	**Nasa Blvd.**
329	**Hibiscus**
331	**Palm Bay Road**
332	**Minton Road**
340	**A1A**
341	**Atlantic Avenue (Cape Canaveral)**
342	**Ridgewood**
343	**A1A to River**
344	**Orlando Avenue (Cocoa Beach)**
353	**Minuteman Cswy.**
360	**South Patrick**
361	**Pinetree Drive**
362	**Riverside Drive**
370	**North Courtenay**
371	**South Courtenay**
380	**Golf Course (Actual)**
400	**Grissom Parkway**
401	**Tulsa Blvd.**
405	**S.R. 405 – Columbia/South**
500	**Contamination**
502	**Barnes Blvd.**
514	**Malabar Rd. (S.R. 514)**
602	**Two Lots**
603	**Three Lots or More**
666	**Environmental Sensitive**
667	**Submerged Lands Leased**
700	**Tower Site**
800	**Billboard Site**
9998	**Scrub Jays-Wetlands**
9999	**Marginal Land**

LAND RATES

Land rates are developed after analysis of all factors that would affect the value of the property and are typically based on comparable land sales within an area. If no land sales are available for a direct sales comparison approach other techniques to set land values can be used such as allocation, abstraction, capitalization of ground rent, etc. or a combination of methods when necessary. To provide uniformity and equity the following guidelines should be used for developing the units of comparison for which the rates are to be applied. The most desired method is listed first.

Residential Subdivision Lots (Typical Street Frontage, Golf Course, Retention Pond, Some Canal): Per Lot
Residential Subdivision River Frontage: Per Front Foot, Per Lot, Per Effective Front Foot
Residential River Frontage: Per Front Foot, Per Effective Front Foot, Per Lot
Residential Canal Frontage: Per Front Foot, Per Lot
Residential Ocean Frontage: Per Front Foot, Per Effective Front Foot
Commercial Lot: Per Square Foot
Commercial Acreage: Per Acre, Per Square Foot
Industrial Lot: Per Square Foot
Industrial Acreage: Per Acre, Per Square Foot
Multi-Family Lot: Per Unit (Maximum Density), Per Lot
Multi-Family Acreage (Developed): Per Unit (Maximum Density)
Multi-Family Acreage (undeveloped): Per Unit (Maximum Density), Per Acre

Some unique rates that may need applied include:

Retention Ponds/Lakes:	**$100/Acre**
Conservation Acres:	**$500/Acre**
Homeowners Assoc.(Common Area)	**$10/Site**

PERCENTAGES

Percentages can be utilized; however, the appraiser is cautioned to use good sound judgement that is market supported and to well document the reasons for the use. A short comment must be provided in the comment field on the land panel and a more detailed comment can also be provided on the comment panel in the 800 series. The appraiser must describe the reason for the adjustment and the amount for each factor of the adjustment.

Typically it is desired to use consistent rates throughout a neighborhood. Sometimes some unusual conditions can apply to a particular site or group of sites. Some reasons to make percentage adjustments would include: size, condition, shape, utility, corner influence or external (economic) obsolescence. All adjustments should be market supported and applied equitably throughout a given area or neighborhood.

<u>EXCESS/SURPLUS LAND</u>

Excess land is that land on an improved site that has adequate ingress/egress and/or road frontage, is a buildable site that could be split out from the main parcel without having an adverse effect on the main parcel. Once the excess land portion is determined it is typically valued at the full rate of the main parcel.

Surplus land is land that does not have an independent highest and best use and does not support the existing improvements. Typically surplus land does not have road frontage or it is limited and it has limited ingress/egress. Typically it can only be used to expand the existing building. Surplus land is typically valued at a lower rate. Unless otherwise indicated a rate of 50% of the full rate of the main parcel is to be used.

Excess/surplus land comes into play typically on income producing properties. On properties where the income approach is applied the value of the excess/surplus land is inserted on Line 12 of the second panel of the income screens. This value is added to the estimate by the Income Approach and the Sales Comparison Approach. On properties where only the Sale Comparison Approach has been applied the value of the excess/surplus land must be divided by the number of units and then added to the typical price per unit already being applied in the Sales Comparison Approach.

Determining excess/surplus land can be done by three basic methods:

1. **Site Coverage Ratio**
2. **Actual Density compared to Maximum Density Allowed**
3. **Review of Aerial Maps and/or Site Inspection**

<u>Site Coverage Ratio</u>: is determined by dividing the first floor building square footage by the square footage of the land. For example: 10,000 sq.ft. office building/50,000 sq.ft. site = 20% SCR. Typical minimum site coverage ratios to be utilized for analysis are as follows.

Retail	**25%**
Offices	**20%**
Professional Offices	**18%**
Industrial	**25%**
Other	**20%**

If the site coverage ratio for a particular parcel is significantly lower than the above mentioned ratios, the property should be further reviewed by studying aerials and in some cases a site inspection may be needed. The aerials or inspection can determine if unusual circumstances are involved such as an unusual shape, location of a building on a parcel or possibly retention ponds and/or conservation areas.

<u>Site Coverage Ratio</u>: The excess/surplus land is then calculated by dividing the square footage of the building by the typical site coverage ratio, resulting in the square footage of land needed to support the particular use. The square footage of land needed is then subtracted from the total square footage of the land. This remaining square footage is your excess/surplus land and is then multiplied by the applicable rate to determine the value of the excess/surplus land.

<u>Density</u>: To determine a density ratio the actual number of units built on a site is divided by the maximum density of the site. For example: a 300 unit apartment complex has a 25 acre site with an R-3 zoning which allows 15 units per acre. The maximum density of the site is 375 units. The density ratio is 300 units/375 units = 80%.

The typical minimum density for multi-family properties is 85%. Anything less than an 85% density ratio needs to be reviewed for under utilization of the site and possibility of excess/surplus land. Consideration needs to be given to the layout of a project, common areas, retention ponds and conservation areas.

The value of the excess/surplus land area can be calculated by identifying the undeveloped land area and multiplying times the number of allowable units, rounding down to the nearest whole number then multiplying times the rate utilized on the subject parcel.

<u>Review of Aerial Maps and/or Site Inspections</u>: Sometimes the best method to determine if a site has excess/surplus land is by visual review of an aerial map and/or an actual inspection of the site taking into consideration the sites shape, access, utility, frontage, etc. Site coverage ratios need to be reviewed along with setback requirements and other factors to determine if there is in fact any excess or surplus land. Once the land area is calculated it can then be multiplied times the applicable rate to determine the excess/surplus land value.

Additional Comments: Comments concerning excess/surplus land value need to be keyed on-line. Calculations should be done on the work-notes panel of the income approach so as to be easily updated when land values change.

Anytime a land value is changed on an income producing property the appraiser should check to see if any excess/surplus land calculations have been done. If so they should be updated.

Once calculations are complete the indicated value should be rounded to the nearest $1000 before being keyed into panel 2 of the income approach.

Periodic edits will be run to calculate the site coverage ratio for all applicable uses.

Periodic edits will be run on all properties with excess/surplus land for review.

DELETING LAND SEGMENTS

To delete a land segment of the following procedure should be followed.

1. **From Main Menu "X"**
2. **Then "L"**
3. **Key in Parcel #**
4. **In Upper Left Corner Key "D"**
5. **Put "D" in Land Code**
6. **Erase Land Rate**
7. **Put all 9's in HT Line at the bottom**
8. **Hit Enter**

Keep in mind that you cannot delete a segment when there is only one land segment on the parcel. It is recommended when deleting a land segment that you make prints of all the land parcels prior to the deletion so as to correct any errors or to update the other land segments. Comments need to be provided in the 800 series when deleting land segments.

ZONING AND LAND USE

Zoning and land use regulations are important aspects to be considered in the valuation of any land parcel. Zoning and land use should be verified whenever updating a land segment. Knowledge and verification of zoning regulations for the areas that an appraiser is responsible is vital. The office maintains zoning information on line. This information can be found on the office Intranet Site. Complete zoning and land use information is available for the County and each of the cities. Information is available concerning density, allowable uses, and conditional uses, set back and height requirements along with many other details.

The main source of information concerning zoning and land use of a particular site can be found on our Intranet Mapper site maintained by GIS. The appraiser can also access the county and many of the cities web sites for information concerning zoning and land use. We are always cautioned in relying on our on-line maps as sometimes data from the County and Cities are not updated in a timely fashion.

LAND 3 PANEL

The Land 3 Panel is utilized to update a parcel for the next tax roll year. The appraiser is cautioned when utilizing this function as any change that is made on the current tax roll will be overridden when the tax roll is rolled over to the next year.

Land 3 is created by:

1. **Placing a 3 in the upper left-hand corner of the main land panel.**
2. **Hit Enter**
3. **A prompt asks, "Do You Want to Create Land 3 Segments".**
4. **Answer "Y" to continue**
5. **Place a "U" in the upper left-hand corner to update.**
6. **Update land segments as necessary**
7. **Press enter when complete.**

Once created a prompt is located on the current land panel across the top that says "CHECK LAND 3". This indicates that a Land 3 Panel exists on this parcel.

DOUBLE AND TRIPLE LOTS

In some areas of the county we have found property owners combining sites for the purpose of construction of a home in the middle of two or more sites. If a single family home is constructed in a manner that the two or more sites cannot be utilized as individual sites any longer then the additional land should be considered as surplus land. The method for valuing this property can be either to value the overall property at 75% of its total rate, or value the first lot at 100% and each additional lot at 50% of the typical rate.

In cases that lots have been combined and no construction has been done each individual lot should be valued at 100% of the typical rate for its highest and best use.

MASS LAND UPDATES

Mass land updates and reports can be done utilizing procedures found within this section of the manual. Whenever mass updates are done the appraiser should then run the report to check that the updates were completed and is satisfied with the results. Verification of updates should also be done using QC-View.

NEW SUBDIVISIONS

New subdivisions are created in mapping and forwarded to the Valuation Department for data entry and development of land rates.

All subdivisions that are pending final plat approval will be inspected on or about January 1st each year to determine if they are complete or not. All subdivisions that have had final plat approval within the calendar year and will be going on the tax roll for the following year will be inspected. Photographs will be taken and maintained in the subdivision file.

Subdivisions completed and having final plat approval prior to January 1 will be placed on the following tax roll at full market value. Those subdivisions not complete until after January 1st that will be going onto the following tax roll should be valued at a pro-rated share of the parent tract.

In some cases new subdivisions will be placed on the tax roll prior to mapping completing the acreage calculations for each site. In these cases the subdivision lots will have an acreage of .01 placed on the land panel. As soon as mapping provided the updated size calculations for each lot they are to be keyed.

FACTORING LAND RATES

In many cases in acres where there is a variety of land sizes in frontage or acreage it may be necessary to value sites using a factoring methodology.

In these cases the typical lot size should be determined and the typical rate applied at 100% up to that size. Above the typical size in increments as determined by analysis of market data the typical rate should then be factored to account for the larger land size.

Example: 250 foot ocean front lot. Typical ocean front sites are 100 feet. Typical market rate is $10,000 per front foot. The first 100 foot will be valued at $10,000 per front foot. The next 100 feet would be valued at $10,000 per front foot at 75%. The next 50 feet and above would be valued at $10,000 per front foot at 50%.

Example: 10 acre parcel in an area that has a mixture of land sizes from 1 acre and above. The typical one acre site sells for $50,000 per acre. The first acre would be valued at $50,000 per acre at 100%. The next four acres may be valued at $50,000 per acre at 75%. The next five acres may be valued at $50,000 per acre at 50%.

By using this methodology we are valuing the typical lot size at a minimum value and treating the remaining portion of the site as excess or surplus land.

SPLITS/COMBINES

Procedures can be found later in this manual concerning splits and combines. However some land valuation issues need to be kept in mind when doing slits and combines.

Combines: The land parcel that is being combined to the other parcel needs to be taken to zero value by using the land code 5, Land Rate of $1 and a Lot of 1. The parcel will be activated at a later time. Properties being combined should have the same owner, the current taxes need to be paid and the sites have to be contiguous.

Splits: Land rates on all splits need to be reviewed as does the overall land panel. Verification of proper use code, market area, site codes, rates, etc. should be done. In many cases land rates will need to be changed to account for the change in the site characteristics. At the point when cutoff for TRIM notices have occurred and before roll over to the following year values on splits must balance. If for some reason they do not balance then new TRIM notices must be mailed to the parties affected. Land Panel "3" can be created to value the sites for the following year in these cases.

DP's: When splits are being done after the current year tax bills have been generated by the Tax Collector and the taxes for the current year have not been paid a DP has to be done and forwarded through the routing process with the Split. All values on the DP are for prior year's assessment and must always balance.