



Property Valuation

Lesson 12

Site Analysis

45 Hour Louisiana Post-Licensing

INITIAL PROPERTY CLASSIFICATION

Property Classifications – Discussion of General Categories and Sub-Categories

What type of property do I **appear** to have?

- ◆ Vacant Site
- ◆ Improved Residential (single family detached, attached, condominium, cooperative, 2-4 family)
- ◆ Improved Commercial
 - ◆ Multi-family
 - ◆ Office (Professional/medical; single/multi-tenant; condominium)
 - ◆ Retail (free standing; multi-tenant; unit location)
- ◆ Improved Industrial (free standing/multi-unit)
 - ◆ Storage
 - ◆ Fabrication
 - ◆ Distribution
- ◆ Mixed Use Development
- ◆ Agricultural
- ◆ Improved Special Purpose

Expanded Categories

Vacant Site

The land component of real estate must always be considered whether the property is improved or vacant. Classification of a parcel as vacant, however, implies that no above ground improvements are evident, or that any evident improvements are nominal in size or value relative to the value of the site. A simple identification of a property as a vacant parcel is not specific in itself.

The term land encompasses the raw undeveloped earth's surface and anything that is attached to it. In other words, land could be classified as raw land or improved land, also called a site.

According to the Dictionary of Real Estate Appraisal, 5th Edition, published by the Appraisal Institute:

Raw Land is land on which no improvements have been made; land in its natural state before grading, construction, subdivision, or the installation of utilities. A **site** is land that is improved so that it is ready to be used for a specific purpose.

Site Improvements can either be off site or on-site. Both impact the ability of the site to be used for its intended use.

- ◆ Off-site: utility lines, road access, water, drainage, sewer
- ◆ On-site: degree of clearing, grading, drainage improvements, access drives, landscaping, paving, utility hook-ups and other improvements

Proper identification of the degree of improvement and the highest and best use of the property is essential in order adequately identify the subject, select good comparables and ultimately price the property.

Significant investigation of the physical attributes of the site, legal restrictions of the site, demand and ownership interest is necessary to undertake prior to pricing. Most of the pertinent points to consider will be addressed as part of this presentation.

Improved Residential

According to HUD, residential properties include any type of permanent residential dwelling unit, such as detached single family structures, townhouses, condominium units, multifamily rental apartments, manufactured homes where treated under state law as real estate (not personal property). Within the general categories of residential are many sub-categories and variances. Additionally, acceptable techniques for defining and measuring different residential structures vary.

Single family residential dwellings, or houses designed for one-family occupancy, can be either detached or attached. Ownership interest can vary from 100% interest in the land and improvements, to 100% interest in improvements, to 100% interest in the interior of the unit. Density of development can also vary, typically guided by the legal or zoning requirements. The single family dwelling may be part of a PUD (planned unit development), with requirements or actual interest in real estate beyond the identified single family lot/unit.

According to the National Association of Home Builders (NAHB) ANSI standards, a **detached single-family house**, is a house that has open space on all its sides. An **attached single-family house** is house that has its own roof and foundation, is separated from other houses by dividing walls that extend from roof to foundation, and does not share utility services with adjoining houses; may be known as a townhouse, rowhouse, or duplex, for example. In Louisiana, we typically refer to an attached single family house with a total of two units a duplex, attached three units a tri-plex and attached four units a fourplex. If the attached residence is part of a larger development, we typically refer to individual attached single-family house as a townhouse.

For financing purposes, a distinction is made between the various residential properties. Further, the format for appraisers valuing same varies. Fannie Mae has different appraisal forms for Single Family Residential appraisals, Manufactured Home Appraisals, Small Residential Income Property Appraisals (2-4 unit property as part of a PUD), Individual Condominium Unit Appraisals, Individual Cooperative Interest Appraisals.

A condominium is a form of ownership in which each owner possesses the exclusive right to use and occupy an allotted unit plus an undivided interest in common areas.

A cooperative ownership is a form of ownership in which each owner of stock in a cooperative apartment building or housing corporation received a proprietary lease on a specific apartment and is obligated to pay a monthly maintenance charge that represents the proportionate share of operating expenses and debt service on the underlying mortgage, which is paid by the corporation. This proportionate share is based on the proportion of the total stock owned.

Residential vs. Commercial

In real estate, there is a breakpoint between what is considered a residential property and what is considered a commercial property, even though residential occupancy is the intended use. This breakpoint occurs at greater than four units. This is further clarified in Louisiana Appraisal Certification, which distinguishes between the qualifications of a Certified Residential Appraiser and a Certified General Appraiser.

According to Louisiana Real Estate Appraisers Law:

General Certified Appraiser means a person who holds a current, valid license issued to him by the board for appraisal of all types of real estate regardless of complexity or transaction value.

Residential Certified Appraiser means any person who holds a current, valid license issued by the board to appraise one to four residential units, without regard to transaction value or complexity. This includes the appraisal of vacant or unimproved land that is utilized for one to four family residential units. Appraisal of other types of real is limited to a transaction value (market value) of \$250,000 or less.

Commercial Office

There are a variety of sub-categories to consider in the office classification.

Potential Use Classifications:

- Professional Office
- Medical
- Special Purpose (governmental – i.e. library or medical i.e. surgical center)
- Mixed Use / Combination

Density and Unit Access:

- Free standing
- Multi-tenant walk-up
- Multi-tenant with common area

Classification of Office Space

Quality Classification

Office Buildings are also classified based upon quality of finishes and size. This is the most often used comparison when classifying office structures and establishing lease rates. The most used building class definitions have been established by BOMA, Building Owners and Managers Association International.

Quality Rating	Description
Class A	Most prestigious buildings competing for premier office users with rents above average for the area. Buildings have high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence.
Class B	Buildings competing for a wide range of users with rents in the average range for the area. Building finishes are fair to good for the area. Building finishes are fair to good for the area and systems are adequate, but the building does not compete with Class A at the same price.
Class C	Buildings competing for tenants requiring functional space at rents below the average for the area.

Construction Class

Office buildings can be compared based upon Construction Classification. Such a classification is utilized in cost of construction estimation. Accepted cost classifications include categories Class A, B, C, D and S based upon construction components. A summary of construction classifications per Marshall Valuation Service, a cost manual often used by appraisers for construction cost estimation, is as follows:

Construction Classification Office	Construction Description	Quality Sub-Classifications
Class A	<p>Frame: Structural steel columns and beams fireproofed with masonry, concrete, plaster or other noncombustible material</p> <p>Floor: concrete or concrete on steel deck, fireproofed</p> <p>Roof: Formed concrete, precast slabs, concrete or gypsum on steel deck, fireproofed</p> <p>Walls: Nonbearing curtain walls, masonry, concrete, metal and glass panels, stone, steel studs and masonry, tile or stucco, etc.</p>	Excellent, Good, Average, Low Cost
Class B	<p>Frame: Reinforced concrete columns and beams, fire-resistant construction</p> <p>Floor: Concrete or concrete on steel deck, fireproofed</p> <p>Roof: Formed concrete precast slabs, concrete or gypsum on steel deck, fireproofed</p> <p>Walls: Nonbearing curtain walls, masonry, concrete, metal and glass panels, stone, steel studs and masonry, tile or stucco, etc.</p>	Excellent, Good, Average, Low Cost
Class C	<p>Frame: Masonry or concrete load-bearing walls with or without pilasters. Masonry, concrete or curtain walls with full or partial open steel, wood, or concrete frame</p> <p>Floor: Wood or concrete plank on wood or steel floor joists, or concrete slab on grade.</p> <p>Roof: Wood or steel joists with wood or steel deck. Concrete plank.</p> <p>Walls: Brick, concrete block, or tile masonry, tilt-up, formed concrete, nonbearing curtain walls.</p>	Excellent, Good, Average, Low Cost
Class D	<p>Frame: Wood or steel studs in bearing wall, full or partial open wood or steel frame, primarily combustible construction.</p> <p>Floor: Wood or steel floor joists or concrete slab on grade.</p> <p>Roof: Wood or steel joists with wood or steel deck.</p> <p>Walls: Almost any material except bearing or curtain walls of solid masonry or concrete. Generally combustible construction.</p>	Excellent, Good, Average, Low Cost
Class S	<p>Frame: Metal bents, columns, girders, purlins and girts without fireproofing, incombustible construction</p> <p>Floor: Wood or steel deck on steel floor joists, or concrete slab on grade.</p> <p>Roof: Steel or wood deck on steel joists.</p> <p>Walls: Metal skin or sandwich panels. Generally incombustible.</p>	Good, Average, Low Cost

Office Building Area

The market standard for office building structures is to compute and identify the space in accordance with the BOMA (Building Owners and managers Association) national standards – BOMA Z65.1. These Standards are approved and published through ANSI (American National Standards Institute). The following grid outlines BOMA office classification standards.

BOMA web site is www.boma.org.

Area	Definition	Use
Gross Building Area (GBA)/ Construction Area	The total floor area of a building measured from the outside finished surface of the permanent outer building walls. It is the sum of all enclosed floors of the building, including basement floors, garages, mechanical equipment floors, and penthouse floors.	Comparing single tenant building (sales/leases), determining construction costs of total structures.
Gross Measured Area	The building enclosed by dominant portion – excludes parking garages and areas outside of building line	Defined in multi-tenant buildings, but not used for leasing purposes.
Rentable Area	Measured to the inside finished surface of the dominant portion of the permanent outside wall (Gross Measured Area), less major vertical penetrations*.	Use to measure rentable area per floor and building – used for lease purposes
Usable Area	The finished surface of outside of corridor wall, to the mid-section of adjoining walls, and inside finish surface of the dominant portion of permanent outside wall.	Used to measure space tenant actually occupies and to allocate common area
Office Area	Individual unit usable area (inside surface of walls shared with common area)	Individual tenant space
Common Area	Usable area, excluding office areas of each tenant (includes walls shared with office area).	Area that provides common services to building tenants

*Vertical penetrations – stairs, elevator shafts, etc.

Proper identification of the subject office structure is necessary in order to gather comparables and accurately price the subject property.

Retail

Retail properties can be free standing single tenant structures or multi-tenant structure identified as shopping centers. Free standing structures vary in size. The term “Big Box” is applied to a large retail center, typically freestanding single story constructed as a “box” with minimal interior partitioning. Examples include Wal Mart, Barnes & Noble, etc. Big box retail centers are often part of a chain. The type of Big Box that specializes in a single type item is called a “Category Killer”.

Shopping center classifications are typically allocated based upon size and the trade areas they serve. The Appraisal of Real Estate provides the following classifications:

Characteristics of a Shopping Center
(excerpt from The Appraisal of Real Estate, 13th Ed.)

Shopping Center Classification	Typical Size and Leading Tenant	Typical Trade Area
Neighborhood Shopping Center	30,000 to 100,000 SF	Immediate neighborhood Population of 3,000 – 40,000 Radius of 3 miles
Community Shopping Center	Leading Tenant: Supermarket 100,000 to 450,000 SF	Driving time of 5-10 minutes Population of 40,000 – 150,000 Radius of 3-6 miles Driving time of 10-20 minutes
Regional Shopping Center	Leading Tenant: Junior department store, large variety, discount, or department store 300,000-900,000 SF	May include several neighborhood centers Minimum population of 150,000 Radius of 5-15 miles Driving time of 20 minutes
Super Regional Center	Leading Tenant: One or two full-line department stores 500,000 – 2 million SF or more	Minimum population of 300,000 Radius of 5-25 miles Driving time of 30 minutes or more

Other retail terms include:

Anchored Center – a store used to drive business to smaller occupants in retail center. Often an anchor tenant in a strip center is a grocery or drug store.

Unanchored Center – no “name” store to drive business to smaller occupants in a retail centers

Lifestyle Center – a center that combines retail functions of shopping with leisure amenities. These are typically upscale developments. Access is typically from a promenade area, not directly from a parking lot, and finishes are superior to the typical retail center.

Power Center – a large community shopping center

Outlet Center – a center housing factory outlet stores

The key element of retail is population. Appropriate classification of the subject retail property is necessary to properly choose comparables and price the subject property.

Measurement: retail is typically measured from the outside, or from center of joint partition to outside wall surface. The term used to identify retail space is gross leasable area.

Improved Industrial

Industrial properties are properties that are used for:

- ◆ Manufacturing/Fabrication
- ◆ Warehousing/Storage (free standing or multi-tenant)
- ◆ Distribution

Industrial properties vary in size in addition to use. Further, site size is a key component when understanding the actual use of the property and any potential future use. Considerations also include the need for dry storage and buffer area from adjacent properties.

Manufacturing

The location of industrial use is typically restricted by zoning classification for environmental reasons, in addition to creating value conforming features for other property types. Manufacturing may be considered heavy industrial or light industrial, dependent upon the size and type of product and operation. Manufacturing often includes special construction, underground fuel tanks and structures specific to the need of the use.

Warehouse/Storage

Warehouse storage buildings can be free standing or multi-tenant, and typically contain an office component. The percentage of finished office space is a key element when pricing an office/warehouse structure. Other key components to review include the insulation of the warehouse, eave height of the building, overhead door (# and eave height), floor load capacity, humidity and temperature controls, concrete paving, access to warehouse area.

Flex Space – this is industrial space designed to allow flexible conversion of warehouse or manufacturing space to a higher percentage of office space. It is typically a multi-tenant structure and is often located in good quality industrial parks.

Distribution

Distribution facilities may provide storage, but the primary purpose is to provide access for distribution. This is typically designed for truck access, however, may include rail, water or air transportation. A consideration in truck access is the number of overhead doors, convenience of access (i.e. dock-high or truck well), eave height, etc. Distribution centers may include automated equipment to move materials.

Measurement:

Gross Building Area – measured from the exterior, with the percentage of office area computed.

Mixed Use Development

According to the Appraisal of Real Estate, 13th Ed., A Mixed Use Development is defined as:

...a real estate project with planned integration of some combination of retail, office, residential, hotel, recreation, or other functions. A mixed-use development is pedestrian-oriented and contains elements of a live-work-play environment. It maximizes space usage, has amenities and architectural expression, and tends to mitigate traffic and sprawl.

The acronym for a Mixed Use Development is a MUD. Municipalities are creating designated zoning classifications to allow for such development.

Agricultural

Structures considered agricultural in use must be properly identified and the use investigated to determine if structures contribute to the value of the site.

Agricultural structures include:

- Barns
- Silos
- Animal Shelters
- Machine Sheds
- Shop buildings
- Dairy production facilities

Valuation and pricing of an agricultural property that is operating is considered a business valuation and involves determining a value based upon the going concern. Thus, the real estate is a component of the overall value. This type of analysis must be performed by a qualified and knowledgeable specialist. In appraisal, there is an organization that trains and designates appraisers that specialize in farm and land appraisal work. The American Society of Farm Managers & Rural Appraisers is a professional organization that provides an education path and awards achievement of their set standards with an ARA Designation, or “Accredited Rural Appraiser” designation.

Special Purpose Property

A Special Purpose Property is a property that has a limited market appeal, with a unique physical design, special construction materials, or a layout that restricts its utility to the use for which it was built. These properties have limited conversion potential. Examples include: Mini-storage facility, gas stations, hotels, nursing homes, churches, theaters, etc.

Valuation or pricing of such a property is contingent upon the determination of highest and best use and the functionality of the existing structure. Further, valuation may involve valuing more than the real estate. In other words, the value may be based upon the operation of the property. These properties also require an analysis by a qualified and knowledgeable specialist for the specific property type.

PROPERTY INVESTGATION

PROPERTY LOCATION

General Location

General Neighborhood: Area which includes complementary land uses. For example: a residential neighborhood, complimentary commercial uses, schools, worship centers, etc. together comprise the neighborhood.

Neighborhood Boundaries:

Neighborhood Boundaries are often defined by:

- Thoroughfares
- Waterways
- Railroad
- Development characteristics

The change in the neighborhood over time is often described as a neighborhood's life cycle. The length of each stage may vary and some neighborhoods may even skip a stage, however, most experience this cycle.

Neighborhood Life Cycle:

- Growth – a period during which the market area gains public favor and acceptance
- Stability – a period of equilibrium without market gains or losses
- Decline – a period of diminishing demand
- Revitalization – a period of renewal, redevelopment, modernization, and increasing demand

Pricing properties in the revitalization stage requires analysis of the highest and best use of the property and often results in either demolition or major structural change to redevelop the property. The new use may be totally different than previous uses. For example, a new residential district developed in a previous "warehouse district", utilizing some of the structural improvements, however, changing the highest and best use.

District: One predominant Land Use. For example: a residential area. A district is a subset of a neighborhood.

Market Area: Market area is the geographic or locational delineation of the market for a specific category of real estate. Market Area is the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users.

The market area of a property can encompass one district or several neighborhoods depending upon the reaction of buyers and sellers for the given property type. For example, the market area of a house in a subdivision may be just that subdivision or district. The market area of a hospital may consist of a much broader area that encompasses several neighborhoods and districts.

Purpose of Determining Market Area: Provides a search area for comparable data for the subject property.

This is the “Neighborhood” section of the FNMA residential appraisal form which is typically utilized by appraisers.

Note: Race and the racial composition of the neighborhood are not appraisal factors.													
NEIGHBORHOOD	Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Percent Land Use %		
	Location	<input type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	%	
	Built-Up	<input type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	%	
	Growth	<input type="checkbox"/> Rapid	<input type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths			Low	Multi-Family	%
	Neighborhood Boundaries										High	Commercial	%
											Pred.	Other	%
	Neighborhood Description												
	Market Conditions (including support for the above conclusions)												

Notice the questions regarding property values (increasing, stable, declining), demand/supply, and marketing time. The ability to answer these questions accurately required a significant amount of market analysis on the part of the appraiser.

TYPES OF DATA

Real estate analysts utilize vast amounts of data of different types which emanate from a variety of sources. Data is generally classified as general, specific, primary or secondary.

According to “The Appraisal of Real Estate”, Appraisal Institute, general data is defined as “items of information on value influences that derive from social, economic, governmental, and environmental forces and originate outside the property being appraised.” It includes “information about trends in the social, economic, governmental, and environmental forces which affect value in the defined market area. A trend is a momentum or tendency in a general direction brought about by a series of interrelated changes.”

Sources of general data are many, and include for example:

- The Economic Report of the President
- The Federal Reserve Bulletin
- Vital Statistics of the United States
- Census of Population
- Census of Housing
- Statistical Abstract of the United States
- Monthly Labor Review

Similar reports are prepared by state and municipal governments, trade associations, financial institutions, private research firms, etc.

Specific data includes “details about the property being appraised, comparable sale and rental properties, and relevant local market characteristics.” It relates to “the property being appraised and comparable properties. This data includes legal, physical, locational, cost and income and expense information about the properties and the details of comparable sales and other market data the appraiser has gathered. Financial arrangements that could affect selling prices are also considered.”

Primary data is defined in the Dictionary of Real Estate Appraisal, 5th Edition, as “information that is gathered in its original form by the analyst.” Alternatively, secondary data is defined as “information that is not gathered in its original form by the analyst.”

General data tends to be secondary data in that it is typically gathered and published. Specific data tends to be primary, in that much of it is observed and collected by the analyst. Some specific data, particularly on comparable sales, can be general in nature.

Examples of general data are included herein. On the following pages, US Census data processed by Site to Do Business, published as a subscription by the Commercial Institute, is included. These profiles are selected demographic data oriented to a property location, showing actual census data, and projections for the future.

The demographic and income profiles presented herein describe different locations in the state. What conclusions can be drawn from the respective profiles?

Remember, it is important to analyzed trends in population, income, and employment when attempting to determine the quality of the market area.

Exercise:

Review the documents on the following pages.

What general conclusions can be drawn?

Specifically, answer the following:

For the area in Example 1, what is the population trend in the 1, 3 and 5-mile circles? Is it a growth area?

For Example 2, what does the population trend suggest, i.e., does it appear to be “normal”, or if not, what might be responsible?

For Example 3, describe the income characteristics of the respective circles. How would you describe the income level?

Of the three areas, from a real estate investment perspective, which appears to be best, and why?

MARKET AREA ANALYSIS EXAMPLE 1



Demographic and Income Profile - Appraisal Version

MARKET AREA EXAMPLE 1

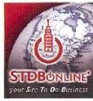
Ring: 1 mile radius

Latitude: 30.841624
Longitude: -93.321554

Summary	2000	2010	2015			
Population	1,559	1,563	1,561			
Households	597	621	626			
Families	426	433	433			
Average Household Size	2.54	2.45	2.43			
Owner Occupied Housing Units	418	429	433			
Renter Occupied Housing Units	179	192	193			
Median Age	39.9	43.1	43.1			
Trends: 2010 - 2015 Annual Rate	Area	State	National			
Population	-0.03%	0.72%	0.76%			
Households	0.16%	0.83%	0.78%			
Families	0.00%	0.64%	0.64%			
Owner HHs	0.19%	0.83%	0.82%			
Median Household Income	0.59%	1.59%	2.36%			
Households by Income	2000		2010		2015	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	106	17.1%	97	15.6%	91	14.6%
\$15,000 - \$24,999	86	13.8%	75	12.1%	71	11.4%
\$25,000 - \$34,999	80	12.9%	78	12.5%	72	11.5%
\$35,000 - \$49,999	110	17.7%	105	16.9%	124	19.8%
\$50,000 - \$74,999	111	17.9%	108	17.4%	107	17.1%
\$75,000 - \$99,999	66	10.6%	84	13.5%	84	13.4%
\$100,000 - \$149,999	40	6.4%	54	8.7%	55	8.8%
\$150,000 - \$199,999	16	2.6%	10	1.6%	10	1.6%
\$200,000+	6	1.0%	11	1.8%	11	1.8%
Median Household Income	\$40,678		\$43,108		\$44,392	
Average Household Income	\$50,556		\$55,897		\$56,618	
Per Capita Income	\$20,844		\$23,964		\$24,468	
Population by Age	2000		2010		2015	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	84	5.4%	87	5.6%	88	5.6%
5 - 9	114	7.3%	84	5.4%	87	5.5%
10 - 14	117	7.5%	88	5.6%	88	5.6%
15 - 19	108	6.9%	109	7.0%	84	5.4%
20 - 24	83	5.3%	90	5.7%	93	6.0%
25 - 34	155	10.0%	189	12.1%	191	12.2%
35 - 44	238	15.3%	168	10.7%	182	11.7%
45 - 54	232	14.9%	239	15.3%	202	12.9%
55 - 64	167	10.7%	227	14.5%	224	14.4%
65 - 74	122	7.8%	142	9.1%	178	11.4%
75 - 84	102	6.6%	94	6.0%	99	6.3%
85+	35	2.2%	49	3.1%	46	2.9%

Data Note: Income is expressed in current dollars

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.



Demographic and Income Profile - Appraisal Version

MARKET AREA EXAMPLE 1

Ring: 3 miles radius

Latitude: 30.841624
Longitude: -93.321554

Summary	2000	2010	2015
Population	8,992	8,976	8,954
Households	3,526	3,651	3,673
Families	2,437	2,459	2,453
Average Household Size	2.46	2.37	2.35
Owner Occupied Housing Units	2,338	2,378	2,386
Renter Occupied Housing Units	1,188	1,272	1,286
Median Age	37.4	40.0	40.5

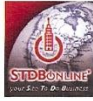
Trends: 2010 - 2015 Annual Rate	Area	State	National
Population	-0.05%	0.72%	0.76%
Households	0.12%	0.83%	0.78%
Families	-0.05%	0.64%	0.64%
Owner HHs	0.07%	0.83%	0.82%
Median Household Income	1.26%	1.59%	2.36%

Households by Income	2000		2010		2015	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	831	23.5%	765	21.0%	724	19.7%
\$15,000 - \$24,999	508	14.3%	484	13.3%	454	12.4%
\$25,000 - \$34,999	458	12.9%	481	13.2%	451	12.3%
\$35,000 - \$49,999	553	15.6%	550	15.1%	668	18.2%
\$50,000 - \$74,999	570	16.1%	597	16.4%	598	16.3%
\$75,000 - \$99,999	291	8.2%	356	9.8%	349	9.5%
\$100,000 - \$149,999	224	6.3%	298	8.2%	307	8.4%
\$150,000 - \$199,999	71	2.0%	68	1.9%	69	1.9%
\$200,000+	35	1.0%	52	1.4%	52	1.4%
Median Household Income	\$34,365		\$37,449		\$39,867	
Average Household Income	\$45,204		\$50,332		\$51,067	
Per Capita Income	\$17,657		\$20,954		\$21,489	

Population by Age	2000		2010		2015	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	608	6.8%	590	6.6%	576	6.4%
5 - 9	677	7.5%	579	6.5%	571	6.4%
10 - 14	679	7.6%	589	6.6%	588	6.6%
15 - 19	650	7.2%	620	6.9%	561	6.3%
20 - 24	510	5.7%	527	5.9%	540	6.0%
25 - 34	1,057	11.8%	1,068	11.9%	1,061	11.9%
35 - 44	1,336	14.9%	1,064	11.9%	1,035	11.6%
45 - 54	1,273	14.2%	1,271	14.2%	1,118	12.5%
55 - 64	838	9.3%	1,200	13.4%	1,241	13.9%
65 - 74	677	7.5%	742	8.3%	922	10.3%
75 - 84	491	5.5%	484	5.4%	501	5.6%
85+	195	2.2%	242	2.7%	240	2.7%

Data Note: Income is expressed in current dollars

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.



Demographic and Income Profile - Appraisal Version

MARKET AREA EXAMPLE 1

Ring: 5 miles radius

Latitude: 30.841624

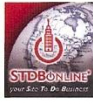
Longitude: -93.321554

Summary	2000	2010	2015			
Population	14,184	14,199	14,156			
Households	5,476	5,694	5,729			
Families	3,887	3,943	3,933			
Average Household Size	2.53	2.43	2.41			
Owner Occupied Housing Units	3,807	3,874	3,889			
Renter Occupied Housing Units	1,669	1,820	1,840			
Median Age	36.4	38.9	39.4			
Trends: 2010 - 2015 Annual Rate	Area	State	National			
Population	-0.06%	0.72%	0.76%			
Households	0.12%	0.83%	0.78%			
Families	-0.05%	0.64%	0.64%			
Owner HHs	0.08%	0.83%	0.82%			
Median Household Income	1.16%	1.59%	2.36%			
Households by Income	2000	2010	2015			
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	1,231	22.6%	1,123	19.7%	1,065	18.6%
\$15,000 - \$24,999	871	16.0%	829	14.6%	780	13.6%
\$25,000 - \$34,999	735	13.5%	768	13.5%	720	12.6%
\$35,000 - \$49,999	841	15.4%	881	15.5%	1,077	18.8%
\$50,000 - \$74,999	915	16.8%	1,014	17.8%	1,007	17.6%
\$75,000 - \$99,999	451	8.3%	525	9.2%	512	8.9%
\$100,000 - \$149,999	289	5.3%	408	7.2%	421	7.3%
\$150,000 - \$199,999	81	1.5%	82	1.4%	83	1.4%
\$200,000+	43	0.8%	63	1.1%	64	1.1%
Median Household Income	\$33,493		\$36,908		\$39,093	
Average Household Income	\$43,158		\$48,440		\$49,058	
Per Capita Income	\$16,775		\$19,733		\$20,210	
Population by Age	2000	2010	2015			
	Number	Percent	Number	Percent	Number	Percent
0 - 4	996	7.0%	971	6.8%	953	6.7%
5 - 9	1,135	8.0%	972	6.8%	943	6.7%
10 - 14	1,087	7.7%	979	6.9%	987	7.0%
15 - 19	1,046	7.4%	1,022	7.2%	925	6.5%
20 - 24	795	5.6%	807	5.7%	869	6.1%
25 - 34	1,728	12.2%	1,696	11.9%	1,654	11.7%
35 - 44	2,165	15.3%	1,749	12.3%	1,676	11.8%
45 - 54	1,944	13.7%	2,054	14.5%	1,816	12.8%
55 - 64	1,351	9.5%	1,815	12.8%	1,937	13.7%
65 - 74	1,040	7.3%	1,138	8.0%	1,366	9.7%
75 - 84	651	4.6%	697	4.9%	725	5.1%
85+	247	1.7%	301	2.1%	305	2.2%

Data Note: Income is expressed in current dollars

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

MARKET AREA ANALYSIS EXAMPLE 2



Demographic and Income Profile - Appraisal Version

Market Area Example 2

Ring: 1 mile radius

Latitude: 30.024487
Longitude: -89.964273

Summary	2000	2010	2015			
Population	11,626	7,366	9,337			
Households	4,017	2,377	3,023			
Families	3,110	1,861	2,337			
Average Household Size	2.84	3.08	3.08			
Owner Occupied Housing Units	3,267	1,909	2,399			
Renter Occupied Housing Units	750	468	624			
Median Age	36.0	39.6	40.0			
Trends: 2010 - 2015 Annual Rate	Area	State	National			
Population	4.86%	0.72%	0.76%			
Households	4.93%	0.83%	0.78%			
Families	4.66%	0.64%	0.64%			
Owner HHs	4.68%	0.83%	0.82%			
Median Household Income	-0.28%	1.59%	2.36%			
Households by Income	2000	2010	2015			
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	715	17.9%	325	13.7%	389	12.9%
\$15,000 - \$24,999	424	10.6%	212	8.9%	246	8.1%
\$25,000 - \$34,999	420	10.5%	207	8.7%	230	7.6%
\$35,000 - \$49,999	853	21.3%	380	16.0%	598	19.8%
\$50,000 - \$74,999	881	22.0%	685	28.8%	836	27.6%
\$75,000 - \$99,999	407	10.2%	368	15.5%	477	15.8%
\$100,000 - \$149,999	185	4.6%	153	6.4%	189	6.2%
\$150,000 - \$199,999	45	1.1%	18	0.8%	24	0.8%
\$200,000+	69	1.7%	30	1.3%	36	1.2%
Median Household Income	\$42,820		\$51,813		\$51,101	
Average Household Income	\$51,425		\$57,206		\$57,393	
Per Capita Income	\$17,468		\$18,330		\$18,464	
Population by Age	2000	2010	2015			
	Number	Percent	Number	Percent	Number	Percent
0 - 4	752	6.5%	439	6.0%	559	6.0%
5 - 9	882	7.6%	499	6.8%	629	6.7%
10 - 14	1,052	9.0%	551	7.5%	707	7.6%
15 - 19	1,048	9.0%	595	8.1%	689	7.4%
20 - 24	663	5.7%	432	5.9%	548	5.9%
25 - 34	1,254	10.8%	783	10.6%	996	10.7%
35 - 44	1,818	15.6%	869	11.8%	1,103	11.8%
45 - 54	1,905	16.4%	1,196	16.2%	1,273	13.6%
55 - 64	955	8.2%	1,104	15.0%	1,425	15.3%
65 - 74	680	5.9%	519	7.0%	929	10.0%
75 - 84	459	3.9%	262	3.6%	333	3.6%
85+	155	1.3%	118	1.6%	144	1.5%

Data Note: Income is expressed in current dollars

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.



Demographic and Income Profile - Appraisal Version

Market Area Example 2

Latitude: 30.024487

Ring: 3 miles radius

Longitude: -89.964273

Summary	2000	2010	2015			
Population	74,305	43,540	55,998			
Households	26,109	14,111	18,258			
Families	19,019	10,525	13,426			
Average Household Size	2.81	3.08	3.06			
Owner Occupied Housing Units	14,229	8,283	10,528			
Renter Occupied Housing Units	11,880	5,828	7,730			
Median Age	30.8	32.8	33.5			
Trends: 2010 - 2015 Annual Rate	Area	State	National			
Population	5.16%	0.72%	0.76%			
Households	5.29%	0.83%	0.78%			
Families	4.99%	0.64%	0.64%			
Owner HHs	4.91%	0.83%	0.82%			
Median Household Income	1.28%	1.59%	2.36%			
	2000	2010	2015			
Households by Income	Number	Percent	Number	Percent	Number	Percent
<\$15,000	5,831	22.3%	2,262	16.0%	2,719	14.9%
\$15,000 - \$24,999	3,948	15.1%	1,664	11.8%	1,910	10.5%
\$25,000 - \$34,999	3,758	14.4%	1,906	13.5%	2,172	11.9%
\$35,000 - \$49,999	4,785	18.3%	2,505	17.8%	4,103	22.5%
\$50,000 - \$74,999	4,163	16.0%	3,267	23.2%	4,188	22.9%
\$75,000 - \$99,999	1,987	7.6%	1,484	10.5%	1,830	10.0%
\$100,000 - \$149,999	1,234	4.7%	848	6.0%	1,114	6.1%
\$150,000 - \$199,999	172	0.7%	80	0.6%	104	0.6%
\$200,000+	214	0.8%	96	0.7%	116	0.6%
Median Household Income	\$33,553		\$42,524		\$45,323	
Average Household Income	\$42,513		\$49,250		\$49,807	
Per Capita Income	\$15,217		\$15,983		\$16,252	
	2000	2010	2015			
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	5,809	7.8%	3,288	7.6%	4,330	7.7%
5 - 9	6,550	8.8%	3,299	7.6%	4,306	7.7%
10 - 14	6,498	8.7%	3,120	7.2%	4,192	7.5%
15 - 19	6,429	8.7%	3,473	8.0%	3,830	6.8%
20 - 24	5,800	7.8%	3,320	7.6%	4,175	7.5%
25 - 34	10,302	13.9%	6,634	15.2%	8,476	15.1%
35 - 44	10,793	14.5%	5,174	11.9%	7,051	12.6%
45 - 54	10,515	14.2%	5,780	13.3%	6,444	11.5%
55 - 64	5,543	7.5%	5,416	12.4%	6,807	12.2%
65 - 74	3,376	4.5%	2,419	5.6%	4,244	7.6%
75 - 84	2,020	2.7%	1,161	2.7%	1,542	2.8%
85+	668	0.9%	457	1.1%	605	1.1%

Data Note: Income is expressed in current dollars

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.



Demographic and Income Profile - Appraisal Version

Market Area Example 2

Latitude: 30.024487

Ring: 5 miles radius

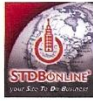
Longitude: -89.964273

Summary	2000	2010	2015			
Population	125,179	66,500	86,414			
Households	43,883	21,690	28,368			
Families	32,147	16,241	20,979			
Average Household Size	2.81	3.06	3.04			
Owner Occupied Housing Units	24,973	12,735	16,469			
Renter Occupied Housing Units	18,909	8,955	11,899			
Median Age	31.8	33.0	33.6			
Trends: 2010 - 2015 Annual Rate	Area	State	National			
Population	5.38%	0.72%	0.76%			
Households	5.52%	0.83%	0.78%			
Families	5.25%	0.64%	0.64%			
Owner HHs	5.28%	0.83%	0.82%			
Median Household Income	1.64%	1.59%	2.36%			
Households by Income	2000		2010		2015	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	10,192	23.2%	3,793	17.5%	4,569	16.1%
\$15,000 - \$24,999	7,016	16.0%	2,797	12.9%	3,235	11.4%
\$25,000 - \$34,999	6,555	14.9%	3,076	14.2%	3,718	13.1%
\$35,000 - \$49,999	7,756	17.7%	3,803	17.5%	6,322	22.3%
\$50,000 - \$74,999	6,931	15.8%	4,790	22.1%	6,190	21.8%
\$75,000 - \$99,999	3,138	7.2%	2,060	9.5%	2,557	9.0%
\$100,000 - \$149,999	1,732	3.9%	1,105	5.1%	1,446	5.1%
\$150,000 - \$199,999	257	0.6%	117	0.5%	153	0.5%
\$200,000+	296	0.7%	136	0.6%	166	0.6%
Median Household Income	\$31,895		\$39,570		\$42,928	
Average Household Income	\$40,838		\$46,918		\$47,444	
Per Capita Income	\$14,594		\$15,349		\$15,620	
Population by Age	2000		2010		2015	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	9,518	7.6%	5,078	7.6%	6,726	7.8%
5 - 9	10,775	8.6%	5,187	7.8%	6,835	7.9%
10 - 14	10,845	8.7%	4,855	7.3%	6,623	7.7%
15 - 19	10,568	8.4%	5,274	7.9%	5,986	6.9%
20 - 24	9,326	7.5%	4,934	7.4%	6,276	7.3%
25 - 34	16,796	13.4%	9,730	14.6%	12,557	14.5%
35 - 44	18,032	14.4%	7,859	11.8%	10,631	12.3%
45 - 54	17,070	13.6%	8,893	13.4%	10,079	11.7%
55 - 64	9,384	7.5%	7,889	11.9%	10,305	11.9%
65 - 74	7,087	5.7%	3,799	5.7%	6,581	7.6%
75 - 84	4,410	3.5%	2,164	3.3%	2,697	3.1%
85+	1,366	1.1%	839	1.3%	1,119	1.3%

Data Note: Income is expressed in current dollars

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

MARKET AREA ANALYSIS EXAMPLE 3



Demographic and Income Profile - Appraisal Version

Market Area Example 3

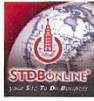
Ring: 1 mile radius

Latitude: 30.339601
Longitude: -91.03739

Summary	2000	2010	2015			
Population	2,098	2,379	2,454			
Households	709	817	850			
Families	646	738	765			
Average Household Size	2.96	2.91	2.89			
Owner Occupied Housing Units	689	767	798			
Renter Occupied Housing Units	20	51	53			
Median Age	41.2	45.5	46.7			
Trends: 2010 - 2015 Annual Rate	Area	State	National			
Population	0.62%	0.72%	0.76%			
Households	0.80%	0.83%	0.78%			
Families	0.72%	0.64%	0.64%			
Owner HHs	0.80%	0.83%	0.82%			
Median Household Income	0.43%	1.59%	2.36%			
Households by Income	2000	2010	2015			
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	46	6.5%	56	6.9%	56	6.6%
\$15,000 - \$24,999	0	0.0%	5	0.6%	5	0.6%
\$25,000 - \$34,999	19	2.7%	18	2.2%	14	1.6%
\$35,000 - \$49,999	48	6.7%	58	7.1%	64	7.5%
\$50,000 - \$74,999	82	11.5%	58	7.1%	68	8.0%
\$75,000 - \$99,999	76	10.7%	106	13.0%	113	13.3%
\$100,000 - \$149,999	170	23.8%	137	16.8%	125	14.7%
\$150,000 - \$199,999	107	15.0%	130	15.9%	143	16.8%
\$200,000+	165	23.1%	249	30.5%	262	30.8%
Median Household Income	\$127,783		\$137,921		\$140,892	
Average Household Income	\$164,575		\$185,576		\$184,542	
Per Capita Income	\$54,776		\$62,787		\$62,972	
Population by Age	2000	2010	2015			
	Number	Percent	Number	Percent	Number	Percent
0 - 4	138	6.6%	135	5.7%	132	5.4%
5 - 9	166	7.9%	171	7.2%	169	6.9%
10 - 14	189	9.0%	220	9.3%	200	8.2%
15 - 19	178	8.5%	181	7.6%	188	7.7%
20 - 24	61	2.9%	83	3.5%	87	3.6%
25 - 34	111	5.3%	148	6.2%	176	7.2%
35 - 44	365	17.4%	231	9.7%	216	8.8%
45 - 54	471	22.5%	459	19.3%	394	16.1%
55 - 64	283	13.5%	436	18.3%	447	18.2%
65 - 74	94	4.5%	224	9.4%	305	12.4%
75 - 84	35	1.7%	72	3.0%	108	4.4%
85+	6	0.3%	20	0.8%	28	1.1%

Data Note: Income is expressed in current dollars

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.



Demographic and Income Profile - Appraisal Version

Market Area Example 3

Latitude: 30.339601

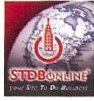
Longitude: -91.03739

Ring: 1 mile radius

Summary		2000	2010	2015			
Population		2,098	2,379	2,454			
Households		709	817	850			
Families		646	738	765			
Average Household Size		2.96	2.91	2.89			
Owner Occupied Housing Units		689	767	798			
Renter Occupied Housing Units		20	51	53			
Median Age		41.2	45.5	46.7			
Trends: 2010 - 2015 Annual Rate		Area	State	National			
Population		0.62%	0.72%	0.76%			
Households		0.80%	0.83%	0.78%			
Families		0.72%	0.64%	0.64%			
Owner HHs		0.80%	0.83%	0.82%			
Median Household Income		0.43%	1.59%	2.36%			
Households by Income		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
<\$15,000		46	6.5%	56	6.9%	56	6.6%
\$15,000 - \$24,999		0	0.0%	5	0.6%	5	0.6%
\$25,000 - \$34,999		19	2.7%	18	2.2%	14	1.6%
\$35,000 - \$49,999		48	6.7%	58	7.1%	64	7.5%
\$50,000 - \$74,999		82	11.5%	58	7.1%	68	8.0%
\$75,000 - \$99,999		76	10.7%	106	13.0%	113	13.3%
\$100,000 - \$149,999		170	23.8%	137	16.8%	125	14.7%
\$150,000 - \$199,999		107	15.0%	130	15.9%	143	16.8%
\$200,000+		165	23.1%	249	30.5%	262	30.8%
Median Household Income		\$127,783		\$137,921		\$140,892	
Average Household Income		\$164,575		\$185,576		\$184,542	
Per Capita Income		\$54,776		\$62,787		\$62,972	
Population by Age		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
0 - 4		138	6.6%	135	5.7%	132	5.4%
5 - 9		166	7.9%	171	7.2%	169	6.9%
10 - 14		189	9.0%	220	9.3%	200	8.2%
15 - 19		178	8.5%	181	7.6%	188	7.7%
20 - 24		61	2.9%	83	3.5%	87	3.6%
25 - 34		111	5.3%	148	6.2%	176	7.2%
35 - 44		365	17.4%	231	9.7%	216	8.8%
45 - 54		471	22.5%	459	19.3%	394	16.1%
55 - 64		283	13.5%	436	18.3%	447	18.2%
65 - 74		94	4.5%	224	9.4%	305	12.4%
75 - 84		35	1.7%	72	3.0%	108	4.4%
85+		6	0.3%	20	0.8%	28	1.1%

Data Note: Income is expressed in current dollars

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.



Demographic and Income Profile - Appraisal Version

Market Area Example 3

Ring: 5 miles radius

Latitude: 30.339601
Longitude: -91.03739

Summary		2000	2010	2015			
Population		62,204	78,284	84,073			
Households		23,453	30,316	32,744			
Families		17,368	21,957	23,553			
Average Household Size		2.65	2.58	2.57			
Owner Occupied Housing Units		17,612	22,134	23,987			
Renter Occupied Housing Units		5,841	8,182	8,757			
Median Age		33.4	34.9	35.1			
Trends: 2010 - 2015 Annual Rate		Area	State	National			
Population		1.44%	0.72%	0.76%			
Households		1.55%	0.83%	0.78%			
Families		1.41%	0.64%	0.64%			
Owner HHs		1.62%	0.83%	0.82%			
Median Household Income		-0.04%	1.59%	2.36%			
Households by Income		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
<\$15,000		1,818	7.7%	2,079	6.9%	2,098	6.4%
\$15,000 - \$24,999		2,033	8.6%	2,081	6.9%	2,043	6.2%
\$25,000 - \$34,999		2,497	10.6%	2,736	9.0%	2,646	8.1%
\$35,000 - \$49,999		3,279	13.9%	4,006	13.2%	4,645	14.2%
\$50,000 - \$74,999		5,388	22.9%	6,773	22.3%	7,722	23.6%
\$75,000 - \$99,999		3,492	14.8%	4,944	16.3%	5,128	15.7%
\$100,000 - \$149,999		3,339	14.2%	5,046	16.6%	5,632	17.2%
\$150,000 - \$199,999		849	3.6%	1,248	4.1%	1,344	4.1%
\$200,000+		825	3.5%	1,402	4.6%	1,484	4.5%
Median Household Income		\$59,335		\$65,146		\$65,015	
Average Household Income		\$73,118		\$82,233		\$82,496	
Per Capita Income		\$27,702		\$31,755		\$32,029	
Population by Age		2000		2010		2015	
		Number	Percent	Number	Percent	Number	Percent
0 - 4		4,966	8.0%	6,124	7.8%	6,503	7.7%
5 - 9		4,840	7.8%	5,962	7.6%	6,427	7.6%
10 - 14		4,691	7.5%	6,008	7.7%	6,479	7.7%
15 - 19		4,546	7.3%	5,253	6.7%	5,808	6.9%
20 - 24		4,197	6.7%	4,938	6.3%	5,375	6.4%
25 - 34		9,483	15.2%	11,007	14.1%	11,328	13.5%
35 - 44		11,085	17.8%	11,866	15.2%	12,406	14.8%
45 - 54		9,878	15.9%	11,923	15.2%	11,928	14.2%
55 - 64		4,847	7.8%	9,073	11.6%	9,593	11.4%
65 - 74		2,334	3.8%	4,038	5.2%	5,739	6.8%
75 - 84		1,096	1.8%	1,598	2.0%	1,916	2.3%
85+		237	0.4%	495	0.6%	573	0.7%

Data Note: Income is expressed in current dollars

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

Immediate Location

Street Frontage/Accessibility

Corner Location vs. Interior Location

Residential: An interior, or more specifically, a cul-de-sac location is typically more desirable than a corner location. Identification of the subject's location enables the realtor to understand the relationship of comparables to the subject and extract any variance in prices paid.

Commercial: A corner lot typically draws a premium due to the improved access and exposure. This is typically evident in price paid and lease rate charged. Understanding the influence of a corner location is necessary to appropriately price the subject.

Major Thoroughfare vs. Subdivision Street

Residential: A subdivision street is typically superior for a residential location than a major thoroughfare or more heavily travelled street in the subdivision. This, however, must be verified by analyzing sales.

Commercial: Location/frontage on a major thoroughfare typically draws a premium in commercial properties. This too provides superior exposure, which is typically reflected in a premium price/rent paid and is particularly important in retail properties. This is a locational element that must be considered in property pricing.

Property View: Identification and Rating

Fannie Mae and Freddie Mac detail the types of views that must be noted by appraisers. These include:

- Water View
- Pastoral View
- Woods View
- Park View
- Gold Course View
- City View Skyline View
- Mountain View
- Residential View
- City Street View
- Industrial View
- Power Lines
- Limited Sights
- Other – any other view of materially affects the value of the subject property.

View Rating describes the overall effect on value and marketability of the view factors associated with the subject relative to comparables.

- Neutral
- Beneficial
- Adverse

Understanding the impact of property view is important in order to price the subject property. It is also important to know that a view can change over time, and such a change may affect value.

For instance, a premium price is typically paid for a lot on a golf course. After purchase, the golf course closes, sells and is developed into an additional subdivision filing. Has the view of the lot changed? Has this affected the price/value of the lot?

Adjoining Property Uses: Discuss Environmental Site Assessment

A rating can also be applied to adjoining property uses.

- Neutral
- Beneficial
- Adverse

Neutral – similar property use as the subject

Beneficial – residential use next to a part may be considered beneficial, but such benefit must be supported by the market and not assumed.

Adverse – potential for environmental contamination

Sometimes adjoining uses can negatively impact your property due to potential environmental concerns. This can impact both residential and commercial properties.

Environmental Site Assessment: In the United States, an **environmental site assessment** is a report prepared for a real estate holding that identifies potential or existing environmental contamination liabilities. The analysis, often called an **ESA**, typically addresses both the underlying land as well as physical improvements to the property. Standards have been promulgated by the US EPA.

- Phase I – viewing of subject and research of subject history and adjoining property history
- Phase II – actual sampling of soil, air, groundwater and/or building materials
- Phase III – site remediation or clean up

LEGAL DESCRIPTION

Louisiana is a disclosure state, which means that pertinent items are legally recorded and disclosed to the public in a sales transaction. These items include:

Vendor – seller
Vendee – buyer
Sales Price
Date of Sale

Legal Description

Recordation Number – varies per parish. May be reported as original and bundle, page/record # and book, act number. Determine method in municipal location of the property.

Purpose of a Legal Description – adequately identify the location of the land on the ground to the exclusion of all other land, or furnish some means by which such location can be obtained from other sources.

Louisiana is a disclosure state: public information recorded in the courthouse identifies vendor (seller), vendee (buyer), legal description, date of sale, sale price, and recordation numbers. The improvements description, size of improvements and municipal address are not mandatory information in a conveyance, and are rarely included in a recorded sale document. Not all states are disclosure states like Louisiana; i.e. Mississippi and Texas. Access of sale details such as price is often acquired through purchase from private investigative companies in non-disclosure states.

Surveyor – person who surveys or measures land

BLM – Bureau of Land Management – oversees substantially all official surveys for the federal government

Three Primary Systems in Louisiana

1. **United States Public Land Survey System (USPLSS), a.k.a. “rectangular” or “quadrangular” survey system.** This system is a grid classification system that is unique to North America (US and Canada). It identifies a property to the exclusion of other land by stating the **section, township and range** numbers in relation to a specific Principal Meridian. **Townships** are numbered north or south of the base line. **Ranges**, or a "column" of townships are numbered east or west of the principal meridian. This system was implemented to locate and describe the first sales of public lands in the U.S. and substantially all federal disposals of the public domain since 1800.

Linear Measurement

1 mile = 80 chains = 320 rods

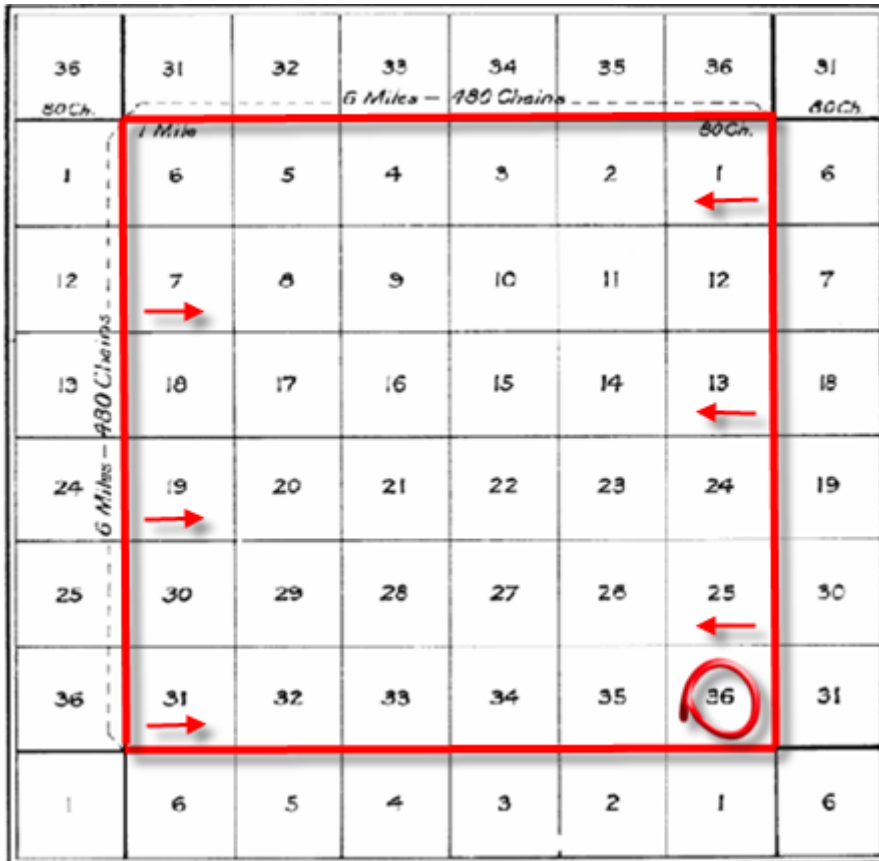
1 chain = 4 rods = 66 feet = 100 links

1 rod = 5 ½ yards = 16 ½ feet = 25 links

1 link = .66 feet = 7 7/8 inches

*THEORETICAL
TOWNSHIP DIAGRAM
SHOWING
METHOD OF NUMBERING SECTIONS
WITH ADJOINING SECTIONS*

Range (East/West)

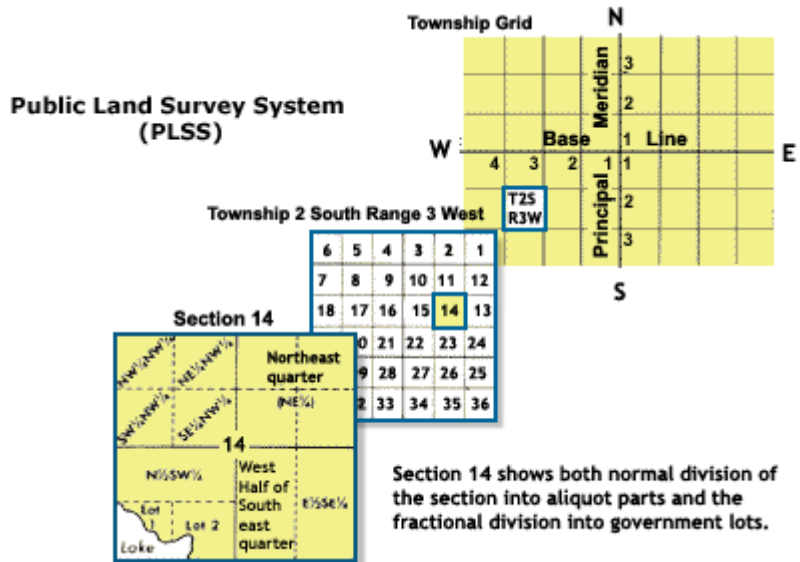


Township
(north/south)

Square Measures

- 1 Township = 36 square miles, or 36 sections
- 1 Square Mile = 640 acres
- 1 acre = 43,560 square feet
- 1 square rod = 30.25 square yards = 272.25 square feet

- Each section may be subdivided into smaller parcels. For example, a ten acre parcel could be described as:
 - SE 1/4 SE 1/4 SE 1/4 of Section 5, T7S, R2E, GLD, East Baton Rouge Parish, LA
 - Translated: the southeast quarter of the southeast quarter of the southeast quarter of section 5, Township 7 South, Range 2 East, Greensburg Land District, East Baton Rouge Parish, LA. With such a description, the 640 acre section is quartered to locate a 10 acre tract.
 - Each quadrant of section (NE, NW, SE, SW) can be subdivided in this method.
- 1/4, 1/4, 1/4 of a 640 acre section equates to a 10 acre site



Sample: SW ¼, SE ¼, SE ¼ of Section 10, T7S, R2E, EBR, LA
R2E

36 80Ch.	31	32	33	34	35	36	31 80Ch.
1 Mile		6 Miles - 180 Chains					
1	6	5	4	3	2	1	6
12	7	8	9	10	11	12	7
13	18	17	16	15	14	13	18
24	19	20	21	22	23	24	19
25	30	29	28	27	26	25	30
36	31	32	33	34	35	36	31
1	6	5	4	3	2	1	6

T7S

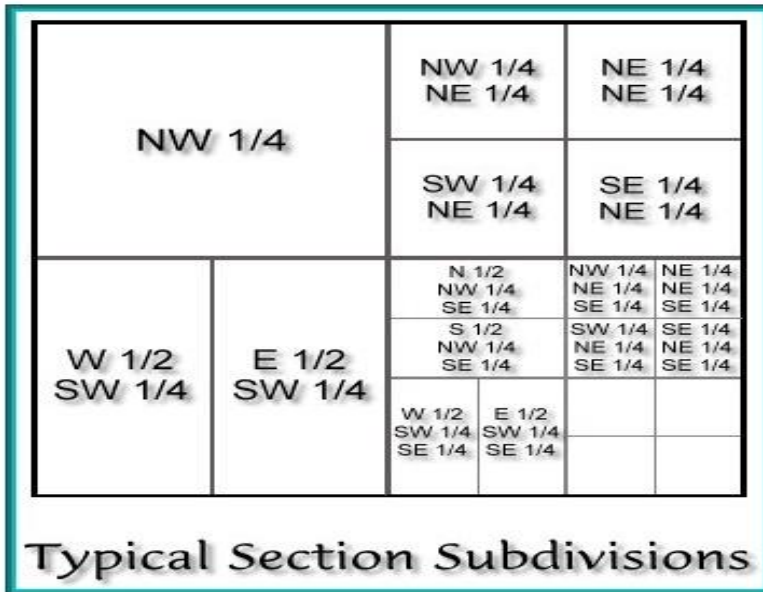
R2E

36 80Ch.	31	32	33	34	35	36	31 80Ch.
1 Mile		6 Miles - 180 Chains					
1	6	5	4	3	2	1	6
12	7	8	9	10	11	12	7
13	18	17	16	15	14	13	18
24	19	20	21	22	23	24	19
25	30	29	28	27	26	25	30
36	31	32	33	34	35	36	31
1	6	5	4	3	2	1	6

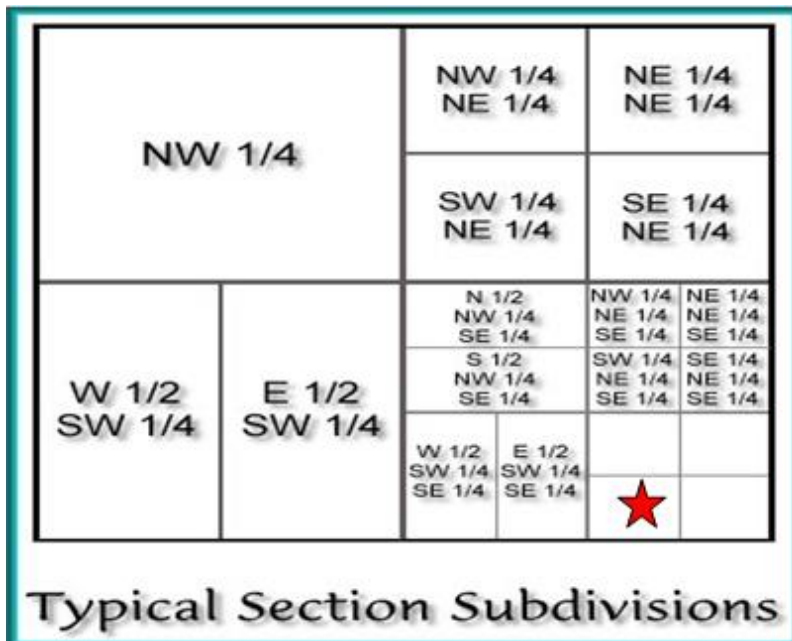
T7S

Close-up of Section 10

Find: SW 1/4, SE 1/4, SE 1/4 of Section 10, T7S, R2E, EBR, LA



Answer:

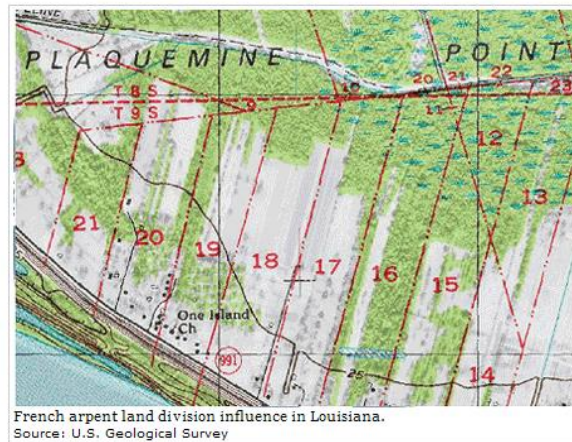


As we discussed, in theory townships are 36 square miles comprised of 36 one (1) square mile sections. A viewing of townships in Louisiana indicates that the theory did not perfectly fit due to ownership existence prior to application of the system.

The following example begins with Section 1 in the upper right-hand corner, however, contains irregular shaped sections that number far greater than 36 sections. This can be found throughout Louisiana.



In Louisiana, parcels of land known as arpent sections or French arpent land grants also pre-date the PLSS, but are treated as PLSS sections. An arpent is a French measurement of approximately 192 feet, and a square arpent (also referred to as an arpent) is about 0.84 acres. French arpent land divisions are long narrow parcels of land usually found along the navigable streams of southern Louisiana, and also found along major waterways in other areas. This system of land subdivision was begun by French settlers in the 1700s, according to typical French practice at the time and was continued by both the Spanish and by the American government after the acquisition of the Louisiana Purchase. A typical French arpent land division is 2 to 4 arpents wide along the river by 40 to 60 arpents deep, while the Spanish arpent land divisions tend to be 6 to 8 arpents wide by 40 arpents deep. This method of land division provided each land-owner with river frontage as well as land suitable for cultivation and habitation. These areas are given numbers just like standard sections, although the section numbers frequently exceed the normal upper limit of 36.



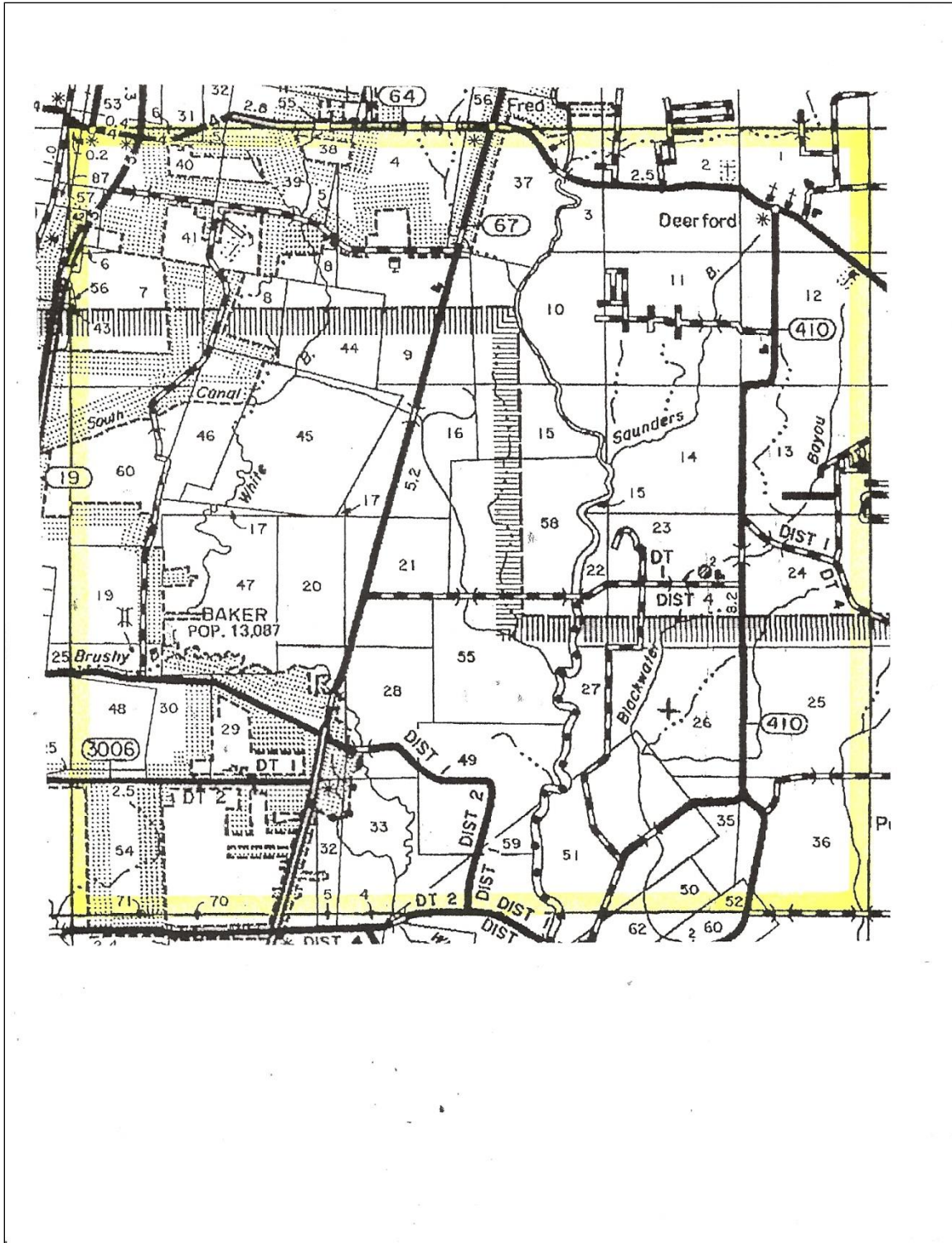
Actual rectangular survey examples – various locations in Louisiana

Copies of maps are included on the next three pages. The specific locations were arbitrarily selected. As noted, in theory the system was based on the establishment of townships divided into 36 one-mile squares called sections. The sections were further divided into half and quarter sections, and the area of tracts within the sections could often be calculated.

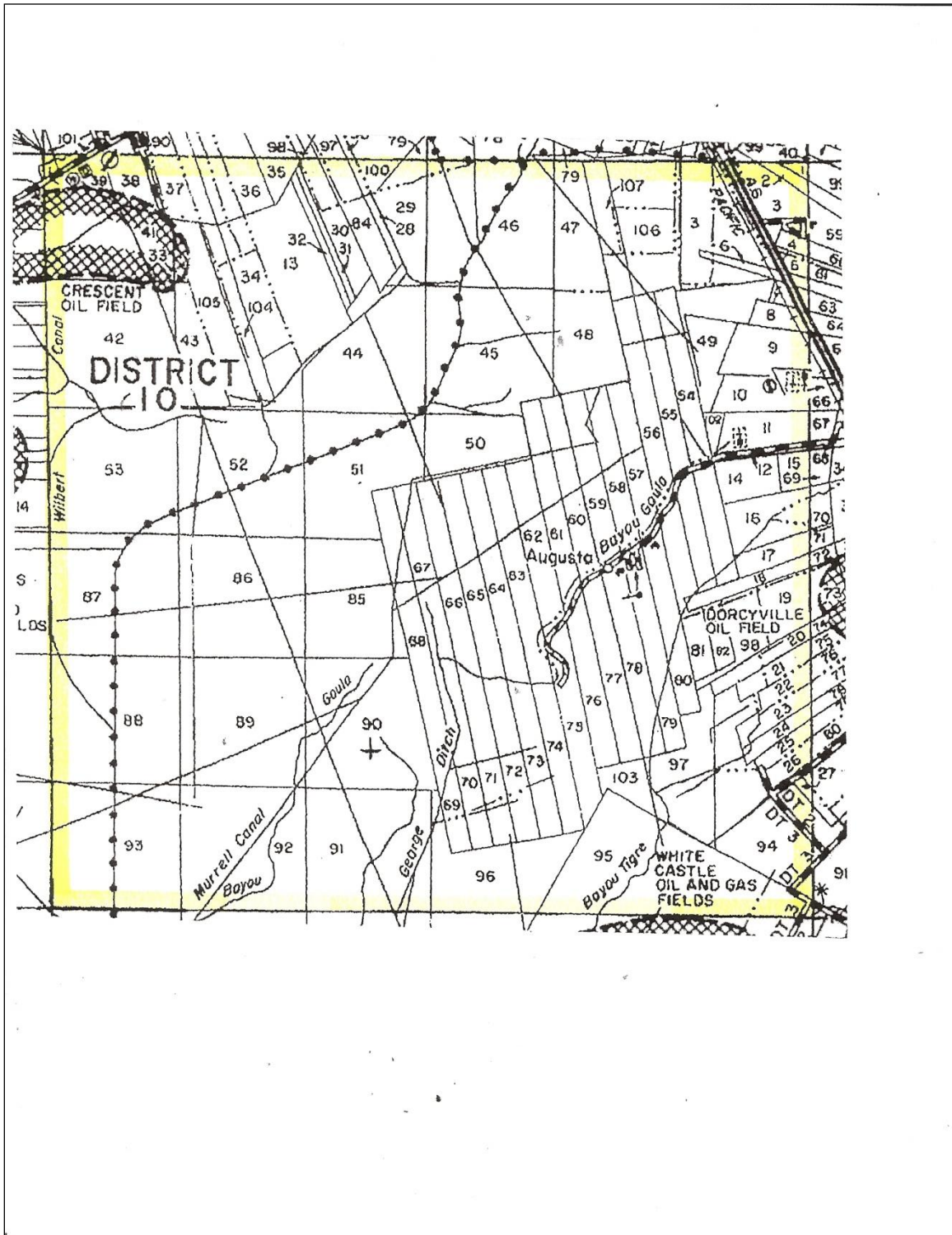
However, in actuality, in Louisiana, sections can be of various sizes and the number of sections in a township can vary. Note in the examples that in some areas the one-mile sections prevail, however, in others sections can be highly irregular in shape.

Find Section 10 in each of the examples. How do they compare to one another, and how do they compare with the theoretical presentation. Also, note that each of the examples has more than 36 sections.

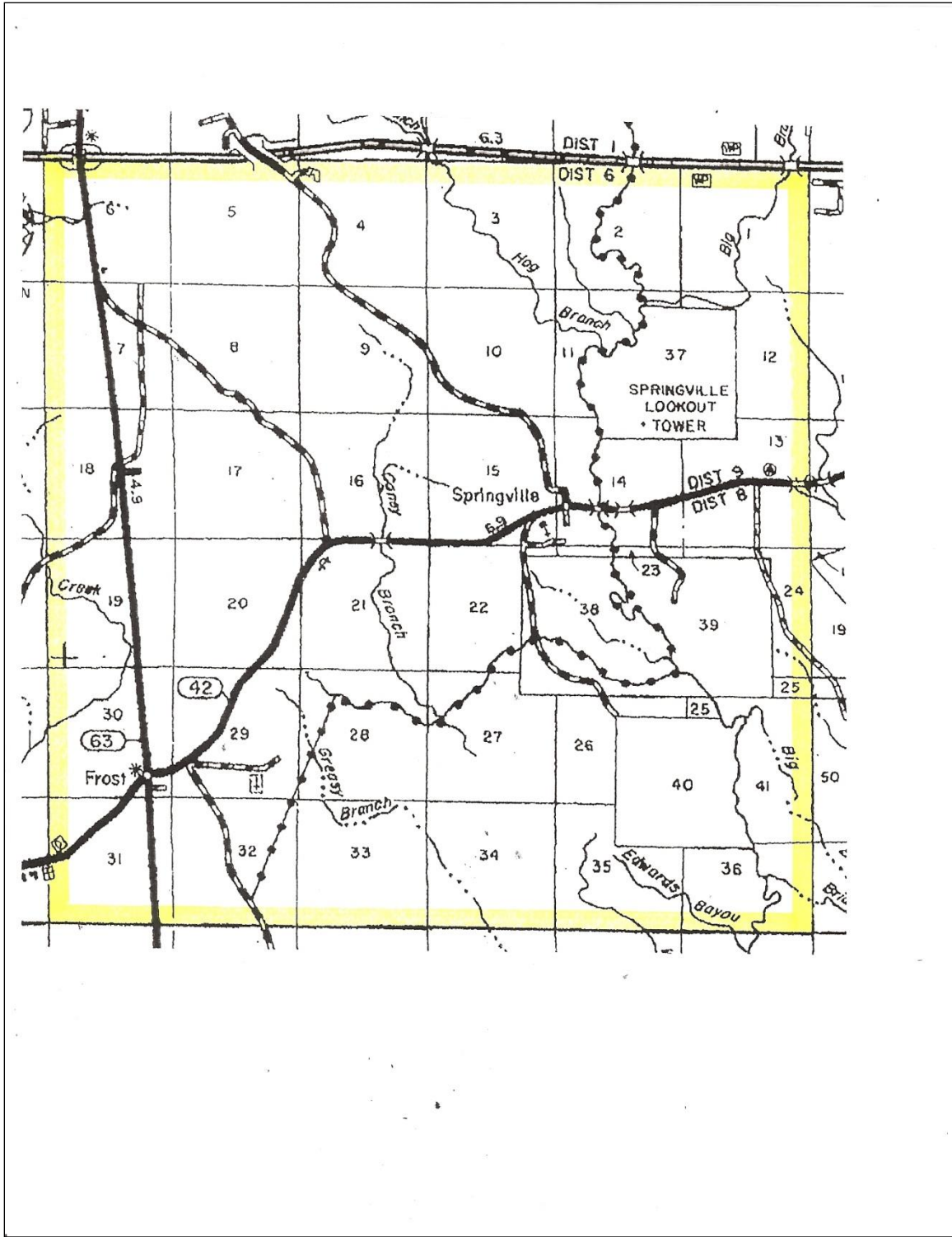
RECTANGULAR SURVEY SYSTEM EXAMPLE 1



RECTANGULAR SURVEY SYSTEM EXAMPLE 2

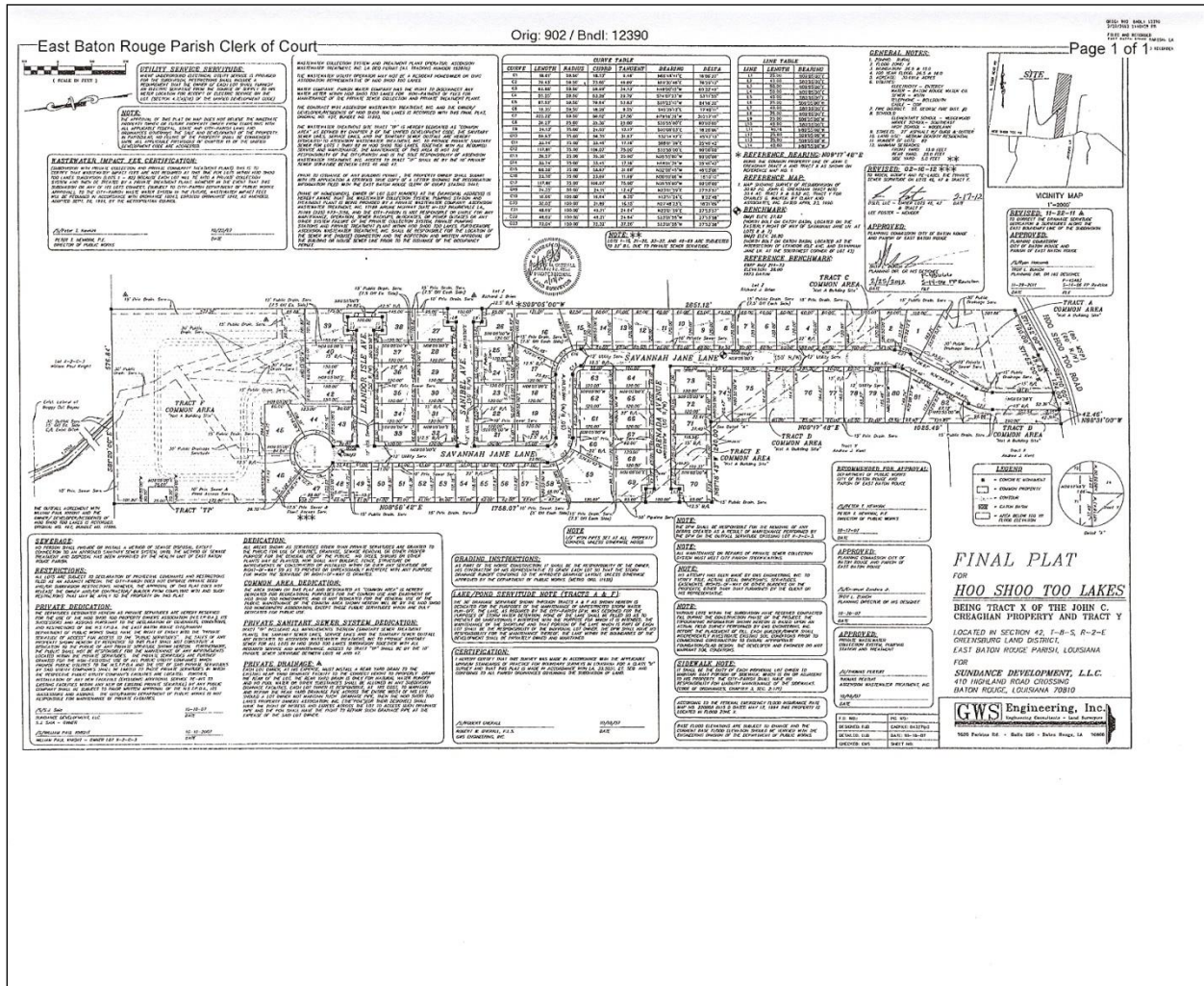


RECTANGULAR SURVEY SYSTEM EXAMPLE 3



On the following pages are copies of actual subdivision plats, and written legal descriptions which illustrate the prevailing methods of legally describing properties. It should be noted that all of the methods discussed here actually exist, often in combination with one another.

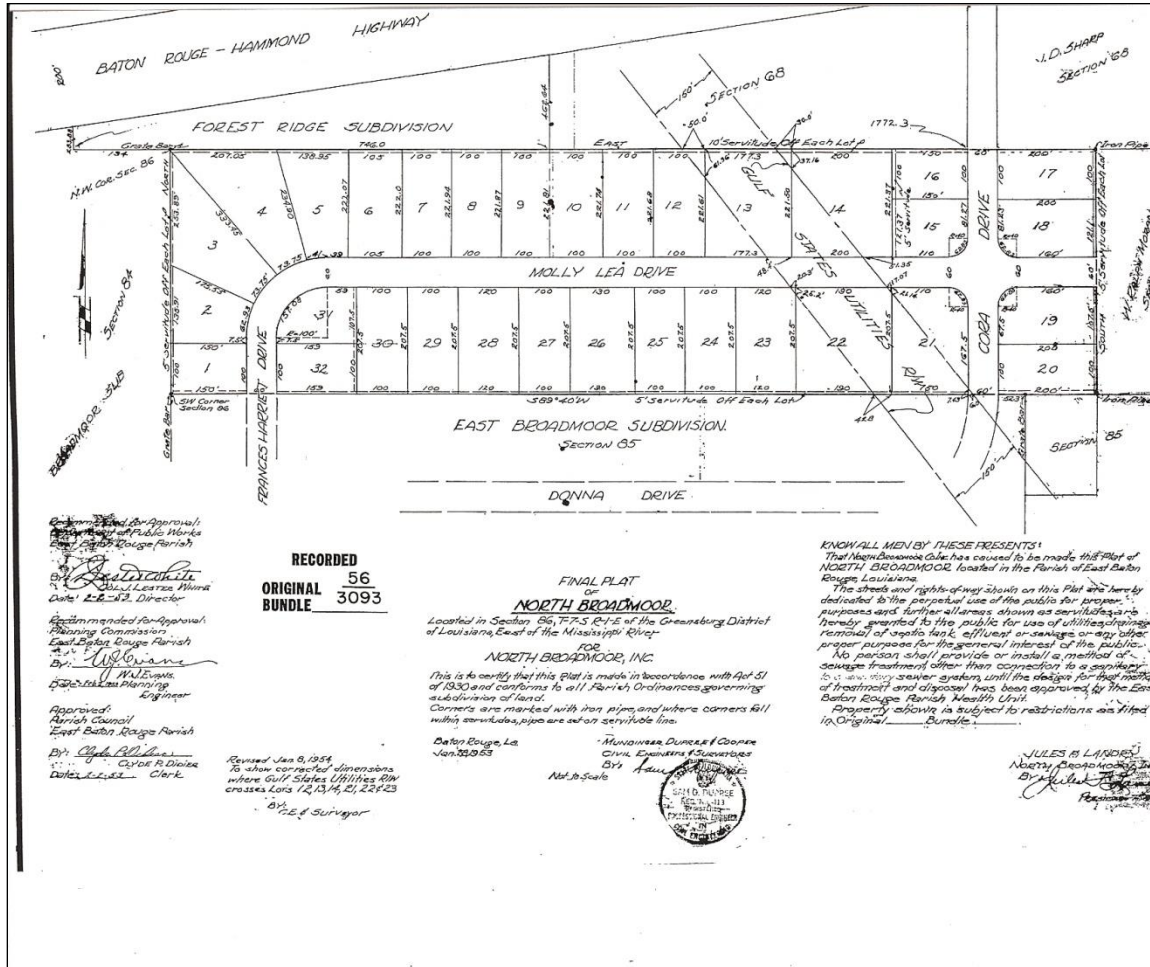
RESIDENTIAL SUBDIVISION PLAT – EXAMPLE 1



What is the size of Lot 12, and what servitudes affect it?

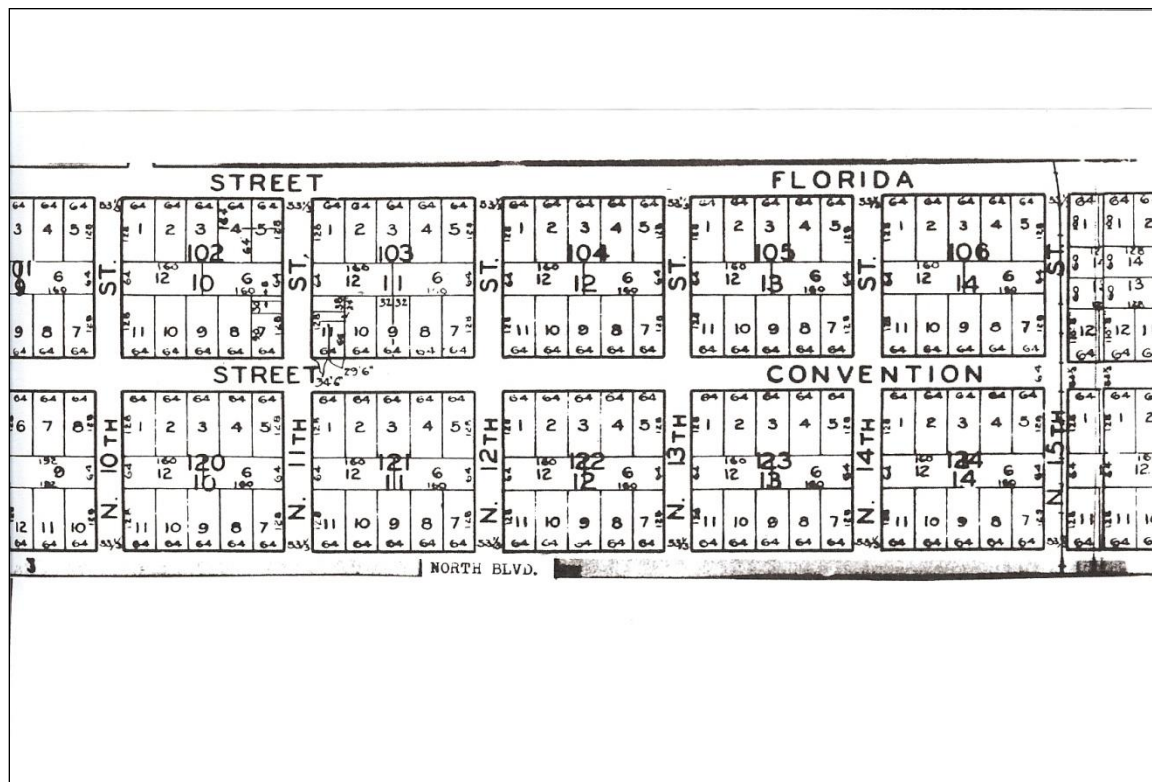
What is the zoning and flood zone for the development?

RESIDENTIAL SUBDIVISION PLAT - EXAMPLE 3



It Lot 24 just sold for \$40,000, what can be said about the value of Lot 22?

RESIDENTIAL SUBDIVISION PLAT – EXAMPLE 4



The residential subdivision plats included herein were randomly selected. Plats 1 and 2 are relatively new subdivisions. Example 3 is an older subdivision, and Example 4 is a very old plat showing the Lot and Block method.

Of particular note is that the subdivision plats have become more sophisticated over time. Present day plats show the respective dimensions of lots, as the original ones did, however, they often include other information, such as zoning, flood zone, utility service, etc.

Descriptions described by Lot and Block.

This is a subset of the rectangular survey system and includes identifying parcels, further subdivided into lots. This is the system that is used to identify a lot in a subdivision, or a defined lot in a city block. The exact location of the site can only be determined by viewing the plat recorded in public records.

For example: Lot 435, Broadmoor Place Subdivision, 11th Filing, St. Bernard Parish, State of Louisiana.

Once a plat is recorded in the parish records, the legal description is typically considered sufficient.

However, obtaining the actual site size is not always easy. Sometimes the legal recordation information of the subdivision plat on file and of record is referenced and sometimes the actual site dimensions are provided as part of the legal. The only way to obtain the actual site information is to obtain the subdivision plat, or a specific site survey of the subject property.

Descriptions described by Metes and Bounds.

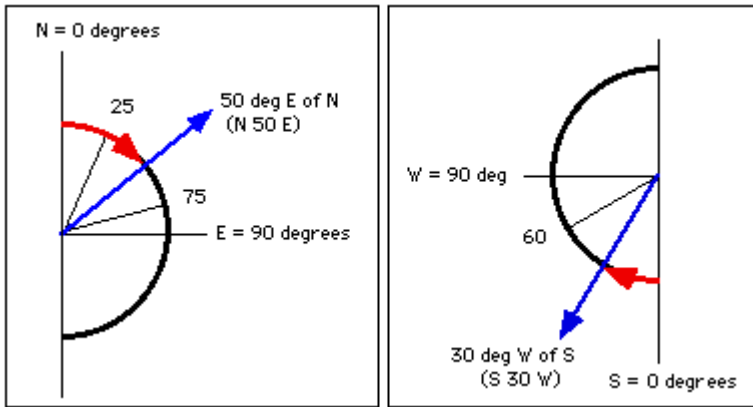
This is a system that defines parcel boundaries.

Metes: Measures of length

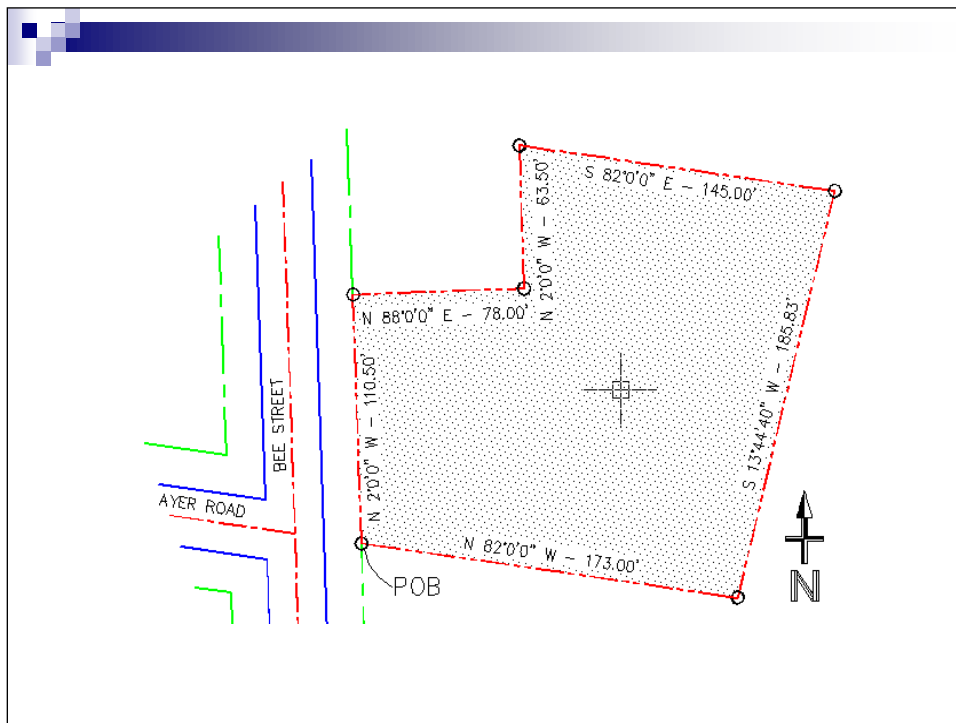
Bounds: Boundaries.

This system is used throughout the world to define property boundaries. In Louisiana it is typically used when a property is not located in a subdivision, particularly to define irregularly shaped parcels. The description begins at a known boundary (possibly a physical feature), takes you to the point of beginning and then defines the bearing (direction of the line – angle) and distance of each boundary in a clockwise direction until the site closes.

Directions are always described in degrees from the cardinal directions of North or South; never from the cardinal directions of East or West.



By using a protractor, it is possible to determine the general shape of this site from the information provided.



Many legal descriptions are a combination of methods to truly define the location of the site.

For Example:

Commencing at the Northeast corner of Section 23, T7S, R2E, GLD, East Baton Rouge Parish, Louisiana, thence north 89 degrees 53'45" west, along the north line of said Section 23, a distance of 1326' to a point of beginning; thence south 0 degrees 6'15" west, a distance of 300 feet, thence south 89 degrees 53'45" east a distance of 250.98'...

And

Tract A-2-A and Tract A-2-B, being a resubdivision of a Certain tract of land being the original Alice Browning, et al property located in Section 42, T4S, R3E, GLD, East Baton Rouge Parish Louisiana

LEGAL DESCRIPTION EXAMPLES:

The following are actual legal descriptions selected at random from publicly recorded documents. Note the differences in the wording and amount of detail.

They exhibit the respective legal descriptions methods.

LEGAL DESCRIPTION EXAMPLE 1

One (1) certain irregular shaped tract or parcel of land situated in the Parish of East Baton Rouge, State of Louisiana, located in Sections 7 and 70, T-6-S, R-2-E, and being more particularly described as follows:

Commencing at the southwest corner of Lot A on a map made by P. W. Huey, dated January 20, 1957, thence proceed S 3 degrees, 3 feet east along the east right-of-way line of Joor Road a distance of 115 feet and corner; thence proceed south 83 degrees 41 feet east a distance of 285 feet and corner; thence proceed north 9 degrees 12 feet east a distance of 208.61 feet and corner; thence proceed north 79 degrees 15 feet west a distance of 54.15 feet and corner; thence proceed south 18 degrees 38 feet west a distance of 101.4 feet and corner; thence proceed north 83 degrees 41 feet west a distance of 238.6 feet to the point of beginning, said tract containing 0.914 acres, all of which is more particularly shown on a plat made by the Department of Public Works, City of Baton Rouge, Parish of East Baton Rouge, signed by W. W. Addison, Engineer, dated December 1, 1965.

LESS AND EXCEPT: That portion of the property sold to the Department of Transportation and Development of the State of Louisiana designated as Parcel No. 5-3 and more fully described in that act of sale recorded as Original 324, Bundle 10448 of the official records of the Clerk of Court for the Parish of East Baton Rouge, State of Louisiana; AND SUBJECT TO:

A drainage servitude, designated as Parcel No. 4-2-D-1, and more fully described in that act of sale recorded as Original 324, Bundle 10448 of the official records of the Clerk of Court for the Parish of East Baton Rouge, State of Louisiana.

Municipal: 10880 Joor Road, Baton Rouge, LA 70818

This describes a tract of land originally containing 0.914 acres, located in Sections 7 and 70, T6S, R2E. The description cites a map, but does not cite the recordation, or where the map may be located in the public records. It has dimensions (metes and bounds) however, the respective dimensions are difficult to visualize without a map.

This description also includes a Less and Except clause, which is property which was originally part of the described property, but which has been removed, and a Subject To clause. The specific descriptions can be found in the public record, utilizing the citations provided. Without these citations and reference to the recorded acts, the size and configuration of the described property cannot be determined.

This description also has a municipal address for the described property, which is not always included, and is not part of the formal legal description.

LEGAL DESCRIPTION EXAMPLE 2

One certain tract or parcel of land situated in the Parish of East Baton Rouge, State of Louisiana, in Section 52, T-8-S, R-2-E, containing 8.96 acres, more or less, designated as **Tract A-1-B-3** and being more particularly described as follows:

Beginning at the intersection of the southernmost right-of-way line of Jefferson Highway and the easternmost right-of-way line of Baringer Foreman Road, proceed in a southeasterly direction, along said southernmost right-of-way line of Jefferson Highway, a distance of 470'± to a point on the southernmost right-of-way line of Jefferson Highway, said point being the POINT OF BEGINNING; Thence, continuing in a southeasterly direction, along the southernmost right-of-way line of Jefferson Highway, Tract A-1-B-3 having a frontage of 958' ± by a depth of 425' ± line of Jefferson Highway, Tract A-1-B-3 having a frontage of 958' ± by a depth of 425' ± (the "Property").

This is a less sophisticated metes and bounds description. The size of the site and its location (section, township and range) are provided, but no reference to a map is made. The location of the property, Jefferson Highway frontage can be determined. The site appears to measure 425± feet by 928± feet. Do the dimensions calculate to the same area as that cited in the description?

LEGAL DESCRIPTION EXAMPLE 3

One certain lot or parcel of ground, together with all the buildings and improvements thereon and all appurtenances thereto, located in Section 37, Township 6 South, Range 1 West, Greensburg Land District, known as Tract X, being approximately 16.329 acres, as more particularly described on the "Map Showing Resubdivision of a 20.329 Acre Tract Riverview Farms into Lots X & Y" prepared by G. Wayne Sledge of GWS Engineering, Inc. dated October 10, 2001 and recorded October 24, 2001 as Original 201, Bundle 11282 of the official records of East Baton Rouge Parish, Louisiana.

The above-described tract of land is also described as:

A certain tract of land, together with all improvements, containing 16.33 acres located in Section 37, Township 6 South, Range 1 East, Greensburg Land District, East Baton Rouge Parish, Louisiana, as shown on a plat by David B. Fazekas, P.L.S. dated August 31, 2007 and more fully described as follows:

Commencing at the intersection of the south right-of-way line of Mengel Road and the west right-of-way line of the Kansas City Southern Railroad, being the POINT OF BEGINNING;

Thence along the west right-of-way line of the Kansas City Southern Railroad along a curve concaving to the west having a Length of 752.59 feet, a Radius of 2814.93 feet, a Chord Bearing of South 12 degrees 49 minutes 45 seconds East and a Chord of 750.35 feet;

Thence leaving the Kansas City Southern Railroad right-of-way, South 12 degrees 21 minutes 00 seconds West, 15.92 feet;

Thence along a curve concaving to the north having a Length of 448.46 feet, a Radius of 348.80 feet, a Chord Bearing of 51 degrees 06 minutes 00 seconds West and a Chord of 418.20 feet;

Thence South 87 degrees 56 minutes 00 seconds West, 563.50 feet;

Thence along a curve concaving to the north having a Length of 147.92 feet, a Radius of 311.94 feet, a Chord Bearing of North 78 degrees 28 minutes 00 seconds West and a chord of 146.53 feet;

Thence North 09 degrees 48 minutes 00 seconds East, 540.80 feet;

Thence North 87 degrees 59 minutes 00 seconds East, 442.05 feet;

Thence North 01 degrees 57 minutes 20 seconds West, 440.14 feet to the south right-of-way line of Mengel Road;

Thence along the south right-of-way line of Mengel Road North 87 degrees 57 minutes 45 seconds East, 350.38 feet to the POINT OF BEGINNING.

LEGAL DESCRIPTION EXAMPLE 4

A CERTAIN LOT OR PARCEL OF GROUND, together with all the buildings and improvements thereon, situated in that subdivision of the City of Baton Rouge, Louisiana, known as CAPITAL HEIGHTS, and being designated on a map of survey made by Toxie Craft, C.E. and Surveyor, dated April 15, 1952, showing a resubdivision of Lots Twenty-Two 22, Twenty-Three (23) and Twenty-Four (24), Square Nine (9), Capital Heights Subdivision, which said map is recorded as Original 36, Bundle 2963, in the official records of the Parish of East Baton Rouge, State of Louisiana, as LOT "A", said subdivision, said lot measuring sixty (60') feet front on the west side of Mouton Street by a depth of one hundred twenty (120') feet between parallel lines.

The Improvements thereon bear the Municipal Address: 620 Mouton Street, Baton Rouge, LA.

LEGAL DESCRIPTION EXAMPLE 5

ONE (1) CERTAIN LOT OR PARCEL OF GROUND, together with all the buildings and improvements thereon, situated in that subdivision of the Parish of East Baton Rouge, State of Louisiana, known as JEFFERSON PLACE, and designated on the official map of said subdivision made by Mundinger, Dupree and Cooper, C.E. and Surveyors, revised February 14, 1955, on file in the office of the Clerk and Recorder of the Parish of East Baton Rouge, Louisiana, as LOT NUMBER SIXTY-SEVEN (67), said Jefferson Place, said lot measuring one hundred (100) feet front on McCarroll Drive by a depth of two hundred (200) feet between parallel lines, subject to a five (5) foot servitude across the rear thereof for public utility purposes.

LEGAL DESCRIPTION EXAMPLE 6

A certain condominium unit, together with all privileges and appurtenances thereunto, in the condominium regime known as CARRIAGE PLACE CONDOMINIUM, located in Section 62 and 88, Township 7 South, Range 1 East, Greensburg Land District, Parish of East Baton Rouge, State of Louisiana, formerly a 10.437acre tract as shown on the map prepared by J. Mark Williams, P.L.S., dated May 27, 2004, entitled "PLAT SHOWING BOUNDARY AND TOPOGRAPHIC SURVEY OF A 10.045 ACRE TRACT LOCATED IN SECTIONS 62,85 AND 88, T7N-R1E, GREENSBURG LAND DISTRICT, EAST BATON ROUGE PARISH, STATE OF LOUISIANA FOR NSH CORP.", said tract having such measurements and dimension as shown on said plat and designated as UNIT 46, BUILDING 9, OF CARRIAGE PLACE CONDOMINIUM, having such measurements and dimensions as more particularly described in the condominium declaration entitled Declaration Creating and Establishing A Condominium Regime For Carriage Place Condominium By NSH Corp., filed for record in the official records of East Baton Rouge Parish, Louisiana as Original 929, Bundle 11585, as amended by acts recorded as Original 390, Bundle 11631 and as Original 367, Bundle 11645; said unit and the owner of same being subject to all the provision of said declaration as its exists, or may from time to time be amended, together with all rights and obligations as pertaining to the owner of same, particularly, but not exclusively, the undivided share of the common and/or limited common elements, the use of the limited common elements reserved for said unit, membership in the CARRIAGE PLACE CONDOMINIUM ASSOCIATION, INC., and the obligation to pay a share of the common expenses all as set forth in said declaration and as specified in the Louisiana Condominium Act. Also conveyed into PURCHASER(S) are all currently installed and built-in appliances and fixtures, including air conditioning and heating units.

Municipal address: 9124 Old Hammond Highway Unit 46, Baton Rouge, LA 70809

LEGAL DESCRIPTION EXAMPLE 7

ONE (1) CERTAIN LOT OR PARCEL OF GROUND, together with all the buildings and improvements thereon, situated in the Parish of East Baton Rouge, State of Louisiana, in that subdivision known as **HOO SHOO TOO LAKES SUBDIVISION** and being designated on the official plan of said subdivision, on file and of record in the office of the Clerk and Recorder of said Parish and State, as **LOT NUMBER SIXTEEN (16)**, said subdivision, said lot having such size, shape and dimensions and being subject to such servitudes as are shown on said map.

Municipal Address: 10101 Savannah Jane Lane, Baton Rouge, LA 70817

Examples 4-7 are residential descriptions. It is noted that they vary somewhat in type and detail.

Example 4 is a lot and block description. It describes the property by lot number and square, provides the citation for the map and gives the dimensions of the lot.

Example 5 is a description of a lot in a subdivision and provides the lot number and dimensions. It cites a map, but does not provide the recordation information where the map is located.

Example 6 is a residential condominium. It provides significant detail and also cites the Condominium Declaration where the condominium entity is described.

Example 7 is a residential lot in a relatively new subdivision. It provides the lot number and refers to the subdivision plat for dimensions, servitudes, etc. There is not citation as to where the subdivision plat is recorded.

These are randomly selected descriptions which are included herein to demonstrate the theory involved in site description. The legally recorded description is a source of information necessary for proper site description, but as noted, all of the information is seldom included in the description. Usually, the legal description serves as the beginning point in site description.

Site details, such as dimensions, size, shape, flood zone, zoning, etc., usually require further investigation.

SITE DETAILS

Site Size – Units of Measure:

Determine the appropriate unit of measure to report the subject property: Acres vs. SF

Important Points:

- One acre = 43,560 square feet
- Square Feet area is typically used to report the size of developed parcels and small lots.
- Reporting the parcel size in acreage is the method typically used to report large rural or undeveloped tracts.
- Front feet, or the linear measurement of the site's frontage is typically computed for sites that front on water, golf course, railroad, or major thoroughfare if such reflects the driving force that motivates a buyer to pay more for the site.
- The reporting of size should reflect the way buyers and sellers react to the size of the parcel.

- Square Feet is a more precise method of breaking down sales information than acreage for comparison purposes.
- All other features being equal, as size increases unit value generally decreases. Conversely, as size decreases, unit value generally increases provided the utility of the site is not diminished for the intended use.

Class conversion examples:

148,104 square feet = ? acres
 148,104 square feet = 3.40 acres

6.25 acres = ? square feet
 6.25 acres = 272,250 square feet

Site Shape:

General Shape Description: Rectangular, Irregular, L-Shaped, Pie-shaped, etc.

Shape is one feature that may affect the functional utility of the site, limiting its potential highest and best use. The shape of a residential site may not be as important as the shape of a retail site, where road frontage is more important.

Important Points:

Useful ratio: Frontage to Depth – the measured linear front feet along the street, relative to the linear depth measurement of the site. This ratio can be computed as a fraction of front feet/side feet, or as a relationship of the frontage: depth of rear land. For example a site that measures 100’ of frontage relative to 200’ of depth could be reported as having 50% frontage relative to depth, or 1:2 relationship, indicating the depth is twice the linear measurement of the frontage.

Shape requirements vary based upon intended use of the site. Shape is one feature that may affect the functional utility of the site, limiting its potential highest and best use. The shape of a residential site may not be as important as the shape of a retail site, where road frontage is more important.

Example:

A site measures 300’ X 150’

Compute and answer:

Frontage/depth

Frontage: depth

What type of use would benefit from such a shape?

Answer:

Frontage/depth = 200% of frontage relative to depth

Frontage: depth = 1:0.50 indicating the depth extends ½ the distance as the frontage

A retail use would benefit from significant frontage relative to depth, providing good visibility and access.

Site Utility – Extra Site Area

- Proper identification of the extra site area
- Pricing of the extra site area

What is the extra site area called and how do you price same if the improvements or planned improvements do not utilize the entire site.

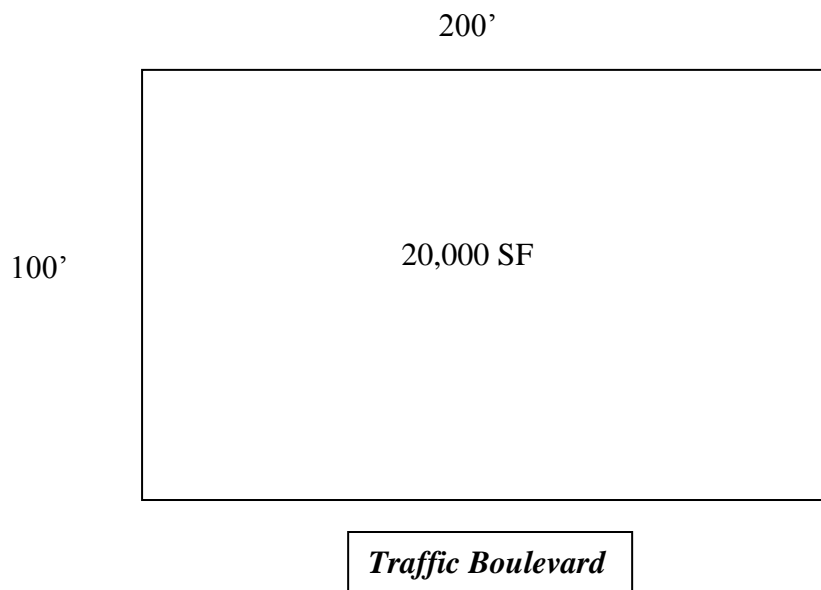
Excess vs. Surplus

Excess Land: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately.

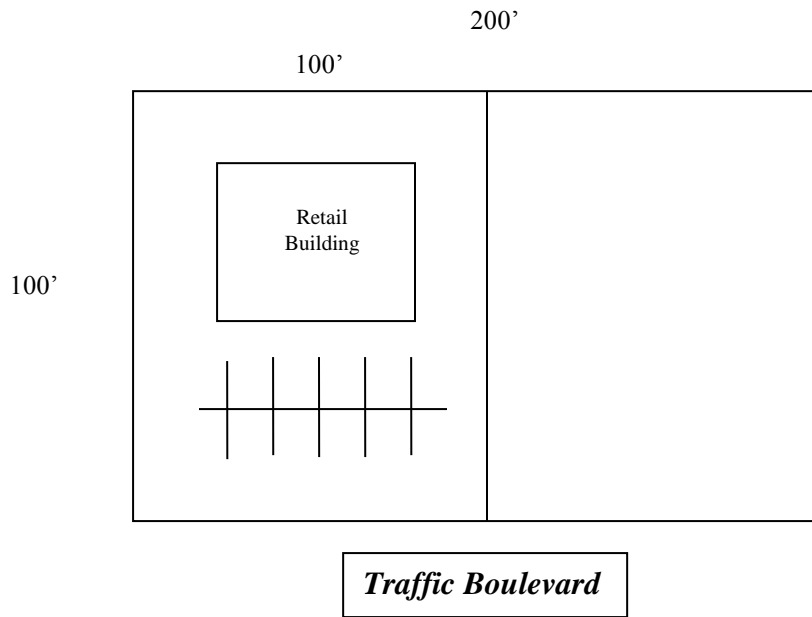
Surplus Land: Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Example – Scenario 1:

A rectangular site that fronts on a major thoroughfare contains 20,000 square feet. The site fronts 200' on a major thoroughfare and extends a depth of 100'.



The developer builds a retail shop, utilizing only 100'X100' of the total site area.



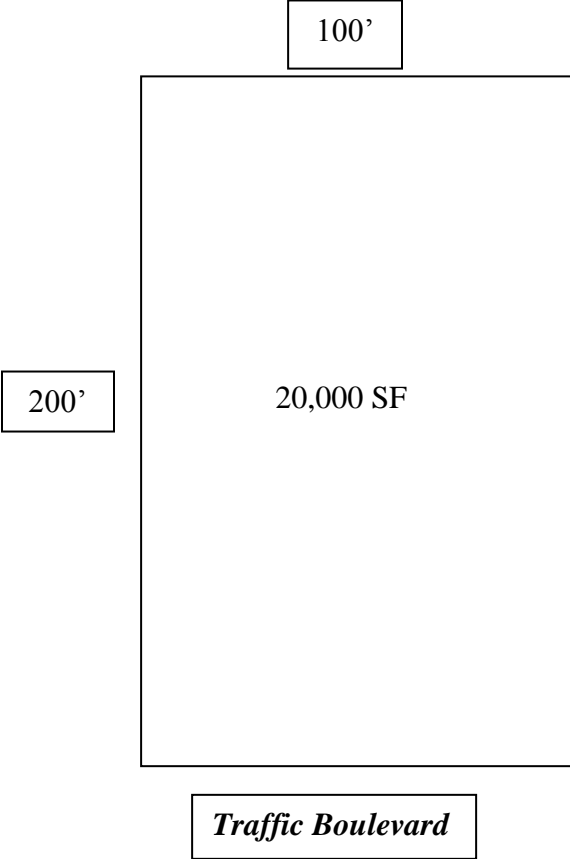
- *How many listings do you have?*
- *What do you call this extra land?*

Answer:

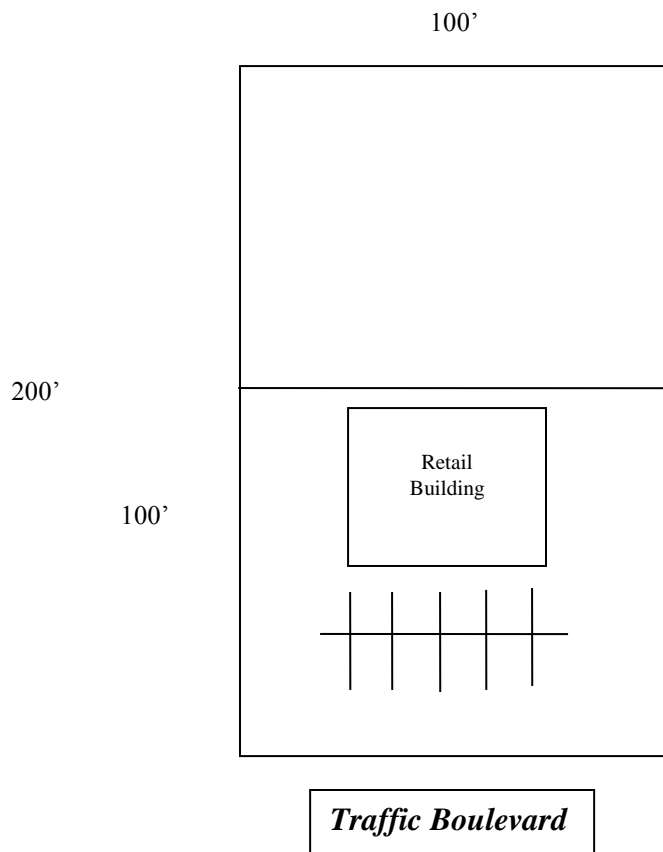
In this scenario you actually have two independent properties; a retail improved site and a 100'X100' "extra land" area that is considered Excess Land area. An agent should consider having the sites subdivided and marketing same as two independent parcels.

Example: Scenario 2

A rectangular site that fronts on a major thoroughfare contains 20,000 square feet. The site fronts 100' on a major thoroughfare and extends 200' back.



The developer builds a retail shop, utilizing only 100'X100' of the total site area.



- How many listings do you have?
- What do you call this extra land?

Answer:

In this scenario you actually have a single retail property with 100'X100' of extra rear land. This extra land is considered Surplus Land, dependent upon the primary site for access and achievement of highest and best use. The likely use of such a parcel is as extra land to the primary parcel, possibly for future expansion or to create a buffer area between adjoining sites.

Topography

Topography includes:

- Lay of the Land
- Extends beyond surface - surface soil and subsoil quality, grade, drainage and bearing capacity of soil
- Topographic maps prepared under the direction of the U.S. Geological Survey are referred to as quadrangles or quads - www.mapping.usgs.gov/mac/findmaps.html

Soil data – soil surveys conducted by the U.S. Department of Agriculture, along with state agricultural experiment stations and other federal and state agencies, are used to create soil maps for farmers and ranchers. See <http://soils.usda.gov/>

Flood Zone

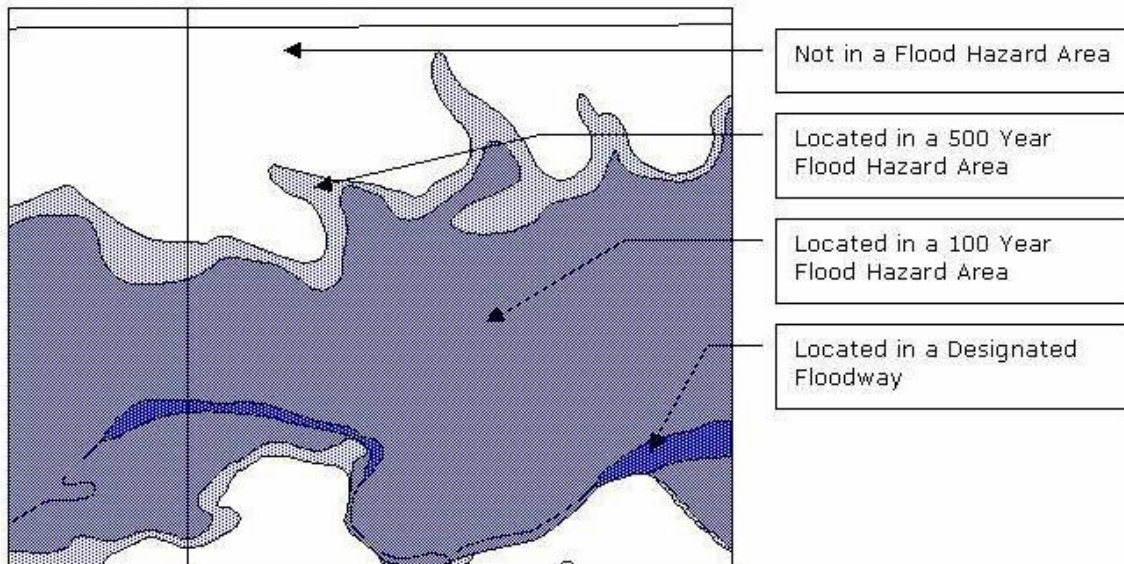
What is a flood plain?

- Surfaces along the courses of rivers, streams and other bodies of water that are subject to overflow and flooding.
- FEMA (Federal Emergency Management Agency) publishes flood plain maps. Each map shows properties within the 100-year flood plain.
- Flood Plain Search Sites
- Flood panel maps: <http://gis1.msc.fema.gov/Website/newstore/Viewer.htm>
- FEMA Information Site: www.fema.gov
- State of Louisiana Flood overlay (street or aerial views) - http://www.lsuagcenter.com/en/family_home/home/design_construction/Laws+Licenses+Permits/Getting+a+Permit/Your+Flood+Zone/flood_maps/
- Local MLS system – many have useful mapping applications

General Categories

- X – not in 100 year flood zone
- Shaded X – 500 year flood (former B zone) No Elevation Certificate
- AE – 100 year Flood – base flood elevation determined
- A – 100 year Flood – base flood elevation not determined

How to Read the Flood Layer



Expanded and New Categories:

- **Zone V:** SFHAs along coasts subject to inundation by the 100-year flood with the additional hazards associated with storm waves. (Zone VE is used on new and some revised maps in place of Zones V1-30.)
- **Zone A:** SFHAs subject to inundation by the 100-year flood. Because detailed hydraulic analyses have not been performed, no base flood elevations or depths are shown. Mandatory flood insurance purchase requirements apply.
- **Zones AE and A1-30:** SFHAs subject to inundation by the 100-year flood determined in a Flood Insurance Study by detailed methods. Base flood elevations are shown within these zones. Mandatory flood insurance purchase requirements apply. (Zone AE is used on new and some revised maps in place of Zone A1-30.)
- **Zone AH:** SFHAs subject to inundation by the 100-year shallow flooding (usually areas of ponding) where average depths are between one and three feet. Base flood elevations derived from detailed hydraulic analyses are shown in this zone. Mandatory flood insurance purchase requirements apply.
- **Zone AO:** SFHAs subject to inundation by types of 100-year shallow flooding (usually sheet flow on sloping terrain) where average depths are between one and three feet. Average flood depths derived from detailed hydraulic analyses requirements apply.
- **Zone A99:** SFHAs subject to inundation by the 100-year flood which will be protected by a federal flood protection system when construction has reached specified statutory progress toward completion. No base flood elevations or depths are shown. Mandatory flood insurance purchase requirements apply.
- **Zones B, C, and X:** These areas have been identified in the community flood insurance study as areas of moderate or minimal hazard from the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local storm water drainage systems are not normally considered in the community's Flood Insurance Study. The failure of a local drainage system creates areas of high flood risk within these rate zones. Flood insurance is available in participating communities but is not required by regulation in these zones. (Zone X is used on new and some revised maps in place of Zones B and C.)
- **Zone D:** Unstudied areas where flood hazards are undetermined but flooding is possible. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

Wetland Determination

Definition: For regulatory purposes under the Clean Water Act as used by the U.S. Corps of Engineers (Corps) and the U.S. Environmental Protection Agency (EPA) since the 1970s, the term wetlands means "those areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs and similar areas."

[taken from the EPA Regulations listed at 40 CFR 230.3(t)]

Wetlands vary widely because of regional and local differences in soils, topography, climate, hydrology, water chemistry, vegetation, and other factors, including human disturbance. Indeed, wetlands are found from the tundra to the tropics and on every continent except Antarctica.

Origin:

Section 404 of the Clean Water Act (CWA) established a program to regulate the discharge of dredged or fill material into waters of the United States, including wetlands.

Activities in waters of the US regulated under this program include:

- Fill for development
- Water resource projects (i.e. dams and levees)
- Infrastructure development (i.e. highways and airports)
- Mining projects

Governing Authority:

US Corps of Engineers administers the day-to-day program including permit decisions. EPA develops and interprets policy, guidance and environmental criteria used in evaluation permit applications and determines scope of geographic jurisdiction and applicability of exemptions.

Wetland Determination

Contact US Army Corps of Engineers and complete “Wetland Determination Request Form”. The Corp requests photographs, accurate map, legal description. Identify proposed activity. The “Team New Orleans” website is: http://www.mvn.usace.army.mil/ops/regulatory/reg_wetland_request_deter.asp

Per Corp. – 2-3 months is normally required to process a routing application involving public notice.

Corp. may allow individual to hire private consultant to provide field data to expedite the determination process.

Manual for Defining Wetlands

The EPA and the Corps use the Corps of Engineers Wetlands Delineation Manual to define wetlands for the Clean Water Act Section 404 permit program. Section 404 requires a permit from the Corps or authorized State for the discharge of dredged or fill material into the waters of the United States, including wetlands. The manual organizes environmental characteristics of a potential wetland into three categories: soils, vegetation, and hydrology. The manual contains criteria for each category. With this approach, an area that meets all three criteria is considered a wetland.

404 Permit

Section 404 permit from the U.S. Corps of Engineers is required by the Clean Water Act.

Application: Must show that you have:

- Taken steps to avoid wetland impacts
- Minimized potential impacts on wetlands
- Provided compensation for any remaining unavoidable impacts

Types of Permits:

Individual Permit – required for potentially significant impacts. These applications are reviewed by the US Corp of Engineers, which evaluates each permit under public interest review, as well as CWA compliance.

General Permit –These permits are obtained when impact is minor in scope. Such permits do not undergo individual review and allows activities to proceed with little or no delay subject to specific conditions. Such permits are used for road activities, boat launches, utility backfill, etc.

Typical Processing Procedure for a Standard Individual Permit

1. Pre-application consultation (optional)
2. Applicant submits ENG Form 4345 to district regulatory office*
3. Application received and assigned identification number
4. Public notice issued (within 15 days of receiving all information)
5. 30 day comment period depending upon nature of activity
6. Proposal is reviewed** by Corps and:
 - Public
 - Federally Recognized Tribes
 - Special interest groups
 - Local agencies
 - State agencies
 - Federal agencies
7. Corps considers all comments
8. Other Federal agencies consulted, if appropriate
9. District engineer may ask applicant to provide additional information

10. Public hearing held, if needed

11. District engineer makes decision

12. Permit issued or Permit denied and applicant advised of reason

Interesting question/answers from the Corp of Engineers website:

Q. What will happen if I do work without getting a permit from the Corps?

A. Performing unauthorized work in waters of the United States or failure to comply with the terms of a valid permit can have serious consequences. You would be in violation of Federal law and could face stiff penalties, including fines and/or requirements to restore the area.

Enforcement is an important part of the Corps regulatory program. Corps surveillance and monitoring activities are often aided by various agencies, groups, and individuals, who report suspected violations. When in doubt as to whether a planned activity needs a permit, contact the nearest district regulatory office. It could save a lot of unnecessary trouble later.

Q. Why should I waste my time and yours by applying for a permit when you probably won't let me do the work anyway?

A. Nationwide, only three percent of all requests for permits are denied. Those few applicants who have been denied permits usually have refused to change the design, timing, or location of the proposed activity. When a permit is denied, an applicant may redesign the project and submit a new application. To avoid unnecessary delays pre-application conferences, particularly for applications for major activities, are recommended. The Corps will endeavor to give you helpful information, including factors which will be considered during the public interest review, and alternatives to consider that may prove to be useful in designing a project.

Wetland Mitigation - Mitigation is all actions taken to avoid, minimize, restore, and compensate for loss of ecological values due to an activity. The Rules and Regulations for Permits and Mitigation promulgated as part of the Louisiana Coastal Resources Program require compensatory mitigation for impacts to vegetated wetlands in the Louisiana Coastal Zone. These requirements state that the secretary shall not grant a Coastal Use Permit for an individual activity unless authorization is conditioned to include a requirement for compensatory mitigation to offset any net loss of wetland ecological value that is anticipated to occur.

Mitigation Priorities

- Mitigation must have a positive impact on ecological value of the Louisiana Coastal Zone
- Should be on-site if possible
- Located on affected landowner's property*
- Located within the same hydrologic basin

Wetland mitigation banks are permanently protected lands that contain natural resource values (wetlands and associated uplands). These lands have been restored and managed for wildlife habitat, water quality, flood amelioration, and ecological diversity.

Wetland mitigation banks are used to compensate for adverse impacts generally occurring within a specified service area, or designated watershed. The US Army Corps of Engineers (USACE), along with other state and federal agencies, approves a specified number of wetland/stream credits available to be sold by the bank sponsor.

The permits require detailed project description.

Use Zoning

Definition

Zoning: Public regulation of the use of private land through application of policy power; accomplished by establishing districts.

Use by Right – ordinances identify and define the uses to which a property may be put without reservation or recourse to legal intervention

In addition to a general use category, restrictions also identify:

- Height restrictions
- Density – maximum/minimum improvement size requirement for given site dependent upon use
- Landscaping – formula for the amount of green space and/or specific tree requirement given the improvements and use of site
- Parking – minimum required density given a type of use (i.e. 1 space per every 250 square feet of building area for medical office use)

- Signage – required or limitations on type and/or size of sign
- Required setbacks from street and adjacent properties – minimum servitudes and setbacks based upon actual site zoning and adjacent site use
- Other factors

General Zoning Categories

- Residential
- Commercial
- Industrial
- Rural

Points to Consider

- General categories are usually identified by a letter/letters
- Identification varies in different regulatory areas. i.e. – Residential may be identified as “R”.
- Sub-classifications: Each general category is further broken down into sub-classifications further defining the use restrictions and density restrictions. i.e. – R1, R2, R3, with housing density increasing as you proceed, from detached single family to high rise apartments.
- Most zoning ordinances include a process to request a zoning change. Zoning authorities indicate key requirements to be compliance with development plan and approval from neighbors.
- Many small towns in Louisiana and outlying rural communities do not have zoning codes in place. A use is allowed as long as it complies with other legal requirements in place.
- Planning and zoning descriptions and maps are often available on the local MLS system
- Zoning is one verification of legal permissibility.

Unique Zoning Terms.

Legal non-conforming Use – Use that does not conform to zoning, but is legally allowed to continue, possibly due to existence prior to enactment of zoning or zoning change. For example, a restaurant located on a residential zoned site. The improvements were developed before zoning was enacted, thus the use is allowed to continue. The property, however, can sell and the use is allowed to continue if there is no stoppage in the business. Note that there is a risk of the use converting to the required zoning should the business stop for a period of time. The length of stoppage in use varies.

Mixed Use Development - According to the Appraisal of Real Estate, 13th Ed., A Mixed Use Development (MUD) is defined as:

...a real estate project with planned integration of some combination of retail, office, residential, hotel, recreation, or other functions. A mixed-use development is pedestrian-oriented and contains elements of a live-work-play environment. It maximizes space usage, has amenities and architectural expression, and tends to mitigate traffic and sprawl.

Planned Unit Development (PUD) may be an attached or detached single family dwelling within a project or subdivision that typically involves a cluster of attached or detached homes with common shared spaces such as walkways, cul-de-sacs, walking trails, parks, playgrounds, club houses, recreation centers or other types of mixed property use.

The secondary market (HUD, GSEs, etc.) defines a "PUD" development as a development where membership in a HOA/POA is mandatory and where there is a mandatory fee paid by the property owner to that association. Contrary

to popular belief, the zoning district of the property is actually irrelevant. In the context of the secondary market definition, a "PUD" could exist in any zoning district. Although properties are often referred to as PUDs in error, the only true way to determine whether or not the property is a PUD is by reviewing the Covenants and Restrictions which will disclose mandatory membership in the Homeowners Association. In these cases, monthly or annual HOA fees may or may not be involved.

Both Fannie Mae and Freddie Mac consider property as a planned unit development (PUD) if the development that has all of the following characteristics:

1. The individual unit owners own or have a leasehold interest in a parcel of land improved with a dwelling.
This ownership is not in common with other unit owners.
2. The development is administered by a homeowners' association that owns or has a leasehold interest in and is obligated to maintain property and improvements within the development (i.e. greenbelts, recreation facilities, and parking areas) for the common use and benefit of the unit owners.
3. The unit owners have an automatic, non-severable interest in the homeowners association and pay mandatory dues or assessments.
4. Zoning itself is not a basis for classifying a project or subdivision as a PUD. The following documents should be reviewed thoroughly as indicated in order to make a final determination of whether or not the subject property meets the definition required of a PUD: **The Purchase/Sales Contract and Addendums**

Watch for mention of PUD, Planned Unit Development, Homeowners Association, HOA dues, subdivision covenants, requirements, and restrictions within the contract and seller's disclosure. If any of these items are mentioned, it will be important for you to clarify up front whether or not the property is a true PUD by verifying whether or not the association is mandatory or voluntary. ***Remember, the property is only a true PUD if the HOA is mandatory.***

Land use and development patterns are regulated by city and/or parish government. Verification of zoning restrictions is necessary for every property.

Assessment and Tax Considerations

Authority: Taxing authority is the Louisiana Tax Commission

According to the Louisiana Tax Commission rules, assessed valuation is a percentage of the property's fair market value segregated into FMV for the site and FMV for the improvements. Each assessor shall determine the fair market value of all property subject to taxation within his/her respective parish or district, except public service properties, which shall be valued by the Louisiana Tax Commission. All property subject to taxation shall be reappraised and valued at intervals of not more than four years.

The classifications of property subject to ad valorem taxation and the percentage of fair market value applicable to each classification for the purpose of determining assessed valuation are as follows:

Land*	10%
Improvements for Residential purposes	10%
Other property (such as commercial properties)	15%
Electric cooperative properties, excluding land	15%
Public service properties; excluding land	25%

Use Value Exception

Bona fide agricultural, horticultural, marsh, and timber lands, as defined by general law, shall be assessed for tax purposes at ten percent of use value rather than fair market value. The legislature may provide by law similarly for buildings of historic architectural importance

Louisiana Website: Perform property search to obtain current and past year assessments and taxes:

www.latax.state.la.us

Search: Parish Tax Rolls

Identify Parish

Identify Search Year

Search by either:

- Property Address
- Assessment Number (Tax Bill No.)
- Subdivision Name
- Legal Description

When found, click on “generate report”

Site will allow you to view or save report

Homestead Exemption:

The Louisiana Constitution exempts to the extent of \$7,500 of assessed value for residences. Details on exemptions can be found on the Louisiana tax authority website.

An example of application of the homeowner’s exemption is as follows:

HOMESTEAD: YES			HISTORICAL TAX ABATEMENT:	
DESCRIPTION	UNIT	TOTAL	HOMESTEAD	TAXABLE
SINGLE FAMILY RESIDENCE	1.00.0	24400	→ 7500	16900
RESIDENTIAL SUBDIVISION LOT	2.00.0	7000	0	7000
TOTALS		31400	→ 7500	23900

Tax Expense:

The actual tax expense is computed based upon the taxable amount, or assessment net of the homeowner’s exemption deduction.

Tax Expense is a computation of voter approved millage multiplied by the taxable total. Millage, or the amount of tax per thousand units of property value, is applied for each applicable tax category such as school, fire protection, law enforcement, emergency services, etc. for the subject property.

For example, in the scenario above, if the voted millage for Law Enforcement is 3.7M (0.0037), application of this rate to the taxable amount of \$23,900 results in a tax expense of \$88.43. The total property tax expense is a summation of all applicable millage rates multiplied by the taxable amount.

Utility Service

Type - Major utilities to consider include:

Water
Sewer
Natural Gas
Electricity
Phone service
Cable

Location – are utilities available on-site or offsite

Provider – Identify provider of subject utility services relative to comparables.

Costs – This includes considering the costs to bring utilities to the site and the actual costs of service for the subject relative to comparable properties.

Adequacy – Consideration of the adequacy of the current access/service for the improvements must be considered.

Easements/Encroachments

- Easements - legally restricts development of all or portion of site (eg - pipeline easement, drainage easement, etc.). *Typically require a review of the survey or subdivision plat to determine location. Not necessarily visible on site inspection.*
- Encroachment - limits property because intruded on by another property. Physical intrusion on adjacent property or within set-back servitudes. *May be evident upon physical inspection, but should have a survey to determine exact degree.*

Other Restrictions

Subdivision Restrictions

Deed Restrictions

Both are written agreements that restrict, or limit, the use or activity that may take place on a specified property. The restrictions can allow/disallow any activity (such as a home based business, commercial activities, mobile homes, RVs, etc.); regulate various aspects of construction and fencing; and may even regulate the condition that a home must be kept.

Subdivision Restrictions are restrictions that can be filed in the appropriate parish courthouse that are legally binding upon a current and future property owner in that subdivision. Construction quality enforcement is often done by a subdivision elected or appointed quality control committee.

Deed Restrictions are restrictions typically written in the actual deed/conveyance of the subject. The life of a deed restriction can be forever if the restriction is legal, or can end subject to the details written in the deed. Deed restrictions are often written to restrict property development for donated property.

This is the "Site" description portion of the FNMA appraisal form.

	Dimensions	Area	Shape	View					
	Specific Zoning Classification								
	Zoning Description								
	Zoning Compliance	<input type="checkbox"/> Legal	<input type="checkbox"/> Legal Nonconforming (Grandfathered Use)	<input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)					
	Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe								
S I T E	Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements--Type	Public	Private	
	Electricity	<input type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/>	<input type="checkbox"/>	Street	<input type="checkbox"/>	<input type="checkbox"/>
	Gas	<input type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>
	FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes	<input type="checkbox"/> No	FEMA Flood Zone	FEMA Map No.		FEMA Map Date		
	Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No. If No, describe								
	Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe								