

Residential Field Review Guidelines
Norfolk Land Valuation
Fiscal Year 2010
Valuation Date: January 1st, 2009

Land Analysis Procedures

Residential land values were developed through the analysis of vacant land sales in Norfolk and in similar and/or surrounding towns and through the use of a land residual technique on lots in Norfolk improved with a single-family residence.

Two vacant land sales in Norfolk between January 1, 2007 and December 31, 2008 were considered arms-length transactions and were utilized in the analysis. Eleven land sales in Franklin in 2007 and 2008, one land sale in Medfield in 2007 and one land sale in Wrentham in 2008 were also considered. Non-arms length land sales and current land offerings in Norfolk were also reviewed.

In addition to the vacant land sales, a land residual technique was used. In this procedure, the depreciated value of the residence is calculated using the appropriate cost figures from the Marshall and Swift Residential Cost Manual and discussions with local contractors. The depreciated building values are then subtracted from the sale price to determine the value attributable to the land. A prime site in Norfolk as determined by zoning is considered to be 55,000 square feet of land area.

The lots are arranged by parcel size and desirability through the use of a site index. A distinct correlation between lot size and the value per square foot becomes apparent through this array. The most frequently occurring similarities in sales prices relating to parcel size are plotted on a land curve to note shape. When a desired curve is achieved, land values are set for specific land size parameters and a land schedule is finalized. The following chart illustrates the **base** land parameters used for various size improved building lots.

Residential Land Curve

<u>Parameter</u>	<u>Land Area</u>	<u>Price Per Square Foot</u>	<u>Base Value</u>
1	2,500 square feet	\$25.00	\$62,500.00
2	5,000 square feet	\$17.85	\$89,250.00
3	10,000 square feet	\$14.70	\$147,000.00
4	20,000 square feet	\$7.75	\$155,000.00
5	30,000 square feet	\$5.65	\$169,500.00
6	43,560 square feet	\$4.20	\$182,952.00
7	55,000 square feet	\$3.65	\$200,750.00

Neighborhoods are delineated by a different neighborhood index. The neighborhood index is determined by a combination of land sales as well as improved sales. If there are

no land sales in a given neighborhood, the land residual technique is utilized to determine what neighborhood index adjustment will be assigned. Again, once the building values are determined, they are subtracted from the sale price and what is left over is attributed to the land value.

Land residuals were analyzed for 80± improved property sales in the residential class of 101. The sales were from January of 2008 through December of 2008. The analysis considered the following factors:

- Overall Analysis
- Neighborhood
- Lots with a size greater than 55,000 square feet
- Adjustments that are specific to the site such as conservation restriction, deed restriction, detention/retention basin, ledge, topography, waterfront or wetlands

Excess land is valued at \$15,000 per acre. This was supported by the attached residual analysis of 6 oversized parcels that sold in 2008. Indicated excess land value was determined by the extraction of the 55,000 square foot standard lot value from the residual land value.

Sample Town of Norfolk Land Pricing Instructions

Land Line 1: This is the prime building site up to 55,000 square feet (1.26 acres) of land area in Residence 1, Residence 2 and Residence 3. This figure will be listed on the first land line and priced according to the land schedule. Any applicable condition factors, special calculations or site index/neighborhood code adjustments for the particular site can be found here.

Land Line 2: Any excess acreage over 55,000 square feet (1.26 acres) in Residence 1, Residence 2 and Residence 3 will be priced at \$15,000 per acre. The site index for this land line for every residential property is 5 (that is at a factor of 1) and there is no adjustment on this land line for neighborhood location, but adjustments for condition factors might still be applicable on this land line.

Site Index/Neighborhood Descriptions/Adjustments

The following site index and neighborhood pricing chart provides an illustration of the adjusted price in each neighborhood for the 55,000 square foot (1.26 acres) building lot:

<u>Site Index/Neighborhood</u>	<u>Adjustment Factor</u>	<u>55,000 square feet (1.26 acres)</u>
4	0.87	\$174,652.50
5	1.00	\$200,750.00
6	1.13	\$226,847.50
7	1.35	\$271,012.50
8	2.35	\$471,762.50

Site Improvements

Improvements to the site for various utilities such as a well system and/or a septic system are included in the building rate pricing schedule. All of the building lots are valued based upon unimproved residential lot sales and residual sales analysis.

Condition Factors

The condition factor field in the land line section of the property record card is used to adjust the lot values for negative features such as topographical issues of ledge and wetlands, as well as positive features such a waterfront location. Condition factor adjustments show as a percentage figure in the condition factor field and do not fluctuate from the listed condition and percentage. The following is a guideline to the adjustments that have been made using the condition factor field. The land line notes and the building notes may provide a further explanation of the condition factor adjustments.

<u>Condition</u>	<u>Adjustment</u>
Topography - location below street level	Minus 10%
Deed Restriction - right of way or access by shared driveway	Minus 10%
Detention/Retention Basin in front yard or side yard	Minus 20%
Detention/Retention Basin in rear yard	No adjustment
Front Foot	No adjustment
Topography - buildable lot but 30% or more of the total land area is ledge or wetlands	Minus 20%
Vacant land on a paved street with town water and town sewer	No adjustment
Vacant land on a paved street that requires a private septic system and/or a private well	Discounted at an appropriate percentage by the cost to install a private septic system and/or a private well as documented by contractor estimates
Vacant land with an approved subdivision plan but on a paper street	Minus 50%
Land that is located in both Norfolk and an adjacent town	Minus 50%
Unbuildable vacant land that is landlocked with no access or because of a permanent conservation restriction or because of topographical problems	Minus 90%
Excess acreage with permanent conservation restriction or wetlands	Minus 90%
Waterview	No adjustment
Waterfront	Plus 35%

Land calculations are based on a 55,000 square foot (1.26 acres) prime building lot. The amount of land area up to 55,000 square feet will appear on Land Line 1 with any excess land area over 55,000 square feet on Land Line 2 as a figure in acres. The price per acre for excess land is \$15,000 per acre.