



Problem 3

- A structure has 2,500 square feet of area of which 1,500 square feet is general office and 1,000 square feet is utility storage area. The walls of the structure are Type 1. The building measures 100 feet by 25 feet.
- Figure the adjusted base rate for this structure using the GCM schedule.





Answer to Problem 3

- Step 1 – Figure the PAR
 - $100 + 100 + 25 + 25 = 250$
 - $100 \times 25 = 2,500$
 - $250 \text{ divided by } 2,500 = 0.10 \times 100 = 10$





Answer to Problem 3

- Step 2 – Percentage of each use
 - 1,500 divided by 2,500 = 60% (General Office)
 - 1,000 divided by 2,500 = 40% (Utility Storage)





Answer to Problem 3

- Step 3 – Go to appropriate Schedule in Appendix G and select the correct base rates
 - General office - \$115.11
 - Utility storage - \$ 68.53





Answer to Problem 3

- Step 4: Figure adjusted rates for each use
 - $\$115.11 \times .60 = \69.07
 - $\$ 68.53 \times .40 = \27.41





Answer to Problem 3

- Figure new adjusted base rate by adding the individual rates together
- $\$69.07 + \$27.41 = \$96.48$





Problem 4

- A fire resistant building with exterior walls of brick measures 100' x 180'. Twenty-five percent of the building is used as industrial office space, and the remainder of the building is used as light warehousing. The office space has a wall height of 12 feet and the warehouse space has a wall height of 18 feet.
 - What is the average wall height?
 - What is the adjusted base rate?





Answer to Problem 4

- Area: $100 \times 180 = 18,000$ sq. ft
- Perimeter: $100+100+180+180 = 560$ linear feet
- $560/18,000 = .03 \times 100 = \text{PAR } 3$

- $12' \times 25\% = 3'$
- $18' \times 75\% = 13.50'$





Answer to Problem 4

- $3' + 13.50' = 16.5'$ rounded to $17'$ so the average wall height is 17 feet.
- Since the office walls are 12 feet, we need to make a positive 5 foot adjustment on it.
- Since the warehouse walls are 18 feet, we need to make a negative 1 foot adjustment on it.





Answer to Problem 4

- Office: base rate is \$69.76, adjustment is 5' x \$1.39 for a total of \$76.71
- Warehouse: base rate is \$43.94, minus adjustment of 1' x \$.81 for a total of \$43.13





Answer to Problem 4

- $\$76.71 \times 25\% = \19.18
- $\$43.13 \times 75\% = \32.35

- $\$19.18 + \$32.35 =$ adjusted rate of $\$51.53$ for the building.





Answer to Problem 4

- When you are using an average wall height, you must take into consideration the original wall heights of each part of the building and make wall height adjustments as necessary to the base rate.





Guidelines Chapter 6

- If the framing material is not consistent throughout the structure (page 41)
 1. Determine the percentage of floor area that is not constructed of all fire resistant framing material.
 2. Determine the adjustment necessary as if the entire building were constructed of non-fire resistant material.
 3. Multiply the percentage from 1 by the adjustment from 2.





Problem 5

- A structure has 3,000 square feet of area, of which 1,800 square feet is fire resistant. The remainder of the building is constructed with fireproof steel. The PAR is 8. The exterior walls are Type 1. The building is used as a bank. What is the amount of adjustment, per square foot, necessary to account for the fireproof steel framing?





Answer to Problem 5

- $1,200 \text{ square feet} / 3,000 \text{ square feet} = 40\%$
- Fireproof steel frame adjustment: $\$8.15 \times 40\% = \3.26





Guidelines Chapter 6

- Schedule C – Unit Finish Adjustments (page 48)
 - Applied to the following use types:
 - Apartments
 - Motels and Hotels
 - Strip retail centers
 - Neighborhood shopping centers
 - Regional shopping centers





Guidelines Chapter 6

- Apartment Table: (page 48 – 49) & Appendix G, Page 20
 - The square foot cost of partitioning, built-ins, plumbing fixtures, and central air conditioning is directly related to the average size of the living unit.
 - Average unit size = Total square footage divided by number of rentable units





Guidelines Chapter 6

- Motels and Hotels Table (page 49 – 50) & Appendix G (page 20)
 - The square foot cost of built-ins, partitioning, and plumbing fixtures is directly related to the average size and arrangements of guest rooms.
 - Strip
 - Back-to-Back
 - Center Hall





Guidelines Chapter 6

- Strip Retail Table (page 50) & Appendix G (page 20)
 - Applicable when using the general retail model for strip centers, neighborhood shopping center model or the regional shopping center model.
 - Models do not include an amount for division walls (common wall between units).





Guidelines Chapter 6

- Calculating the Replacement Cost (pages 50 - 51)
 - Follow the pricing ladder down to the Sprinkler Cell—the values you are adding are all per square foot.
 - Enter this total square foot price in the S.F. Area cell.
 - Multiply this total square foot price by the area and round to the nearest \$10.00 and enter it on the Sub-total line.





Guidelines Chapter 6

- Calculating the Replacement Cost (cont.)
 - Add for plumbing from Schedule D – Appendix G.
 - Add for any special features from Schedule E in Appendix G.
 - Add for any exterior features from Schedule G in Appendix G.
 - Total these amounts on the Total Base line.
 - Multiply the Total Base line by the Location Multiplier for the County location (Appendix G (page 45)).





Guidelines Chapter 6

- Calculating the Replacement Cost (cont.)
 - Multiply this total by the Quality and Grade Factor.
 - You now have the Replacement Cost New of the structure.





Guidelines Chapter 6

- When you have a feature such as a canopy or a loading dock that is built as a part of the initial construction of the building, it is not figured separately as an improvement, but is figured as an exterior feature and a total is included on the “Exterior Features” line of the pricing ladder.





Guidelines Chapter 6

- Special Features – Schedule E of Appendix G:
 - This schedule provides whole dollar or square foot unit values used to calculate the whole dollar replacement cost of special features not included in the Schedule A base rates.
 - To apply this schedule, identify the special feature and select the most representative rate based on the description of the special feature. All replacement costs are rounded to the nearest \$10.





Guidelines Chapter 6

- Some examples of items in Schedule E are:
 - Banking features (pages 22)
 - Elevators (pages 23 and 24)
 - Health/Recreational Club Facilities (page 23)
 - Boilers (page 25)
 - Cold Storage Facilities (page 25)
 - Dock Facilities (page 26)
 - Canopies (Page 26)





Guidelines Chapter 6

- To complete the property record card you must now determine the correct depreciation for the structure and apply it.
- Next apply and subtract any obsolescence.
- You now have the True Tax Value of the structure which is rounded to the nearest \$100.



Commercial and Industrial Yard Structures

Guidelines Chapter 7





Guidelines Chapter 7

- Pricing cost schedules for commercial and industrial yard structures are in Appendix G and depreciation tables are in Appendix F.





Guidelines Chapter 7

- Examples of Commercial and Industrial Yard Structures include the following (page 2)
 - Fencing
 - Greenhouses
 - Golf Courses
 - Grain Elevators and supporting structures
 - Paving





Guidelines Chapter 7

- The valuation of Commercial and Industrial yard structures involves the application of various models that represent typical types of construction. Each model assumes that there are certain elements of construction that can be defined as specifications. These specifications create the use of the average or “C” quality and grade factor.





Guidelines Chapter 7

- The steps for completing the Property Record Card for Commercial and Industrial Yard Structures are as follows:
- Task 1—Record information about the item (page 6)
- Task 2—Determine the base rate for the item (page 12)
- Task 3—Determine the adjusted base rate (page 21)
- Task 4—Calculate the remainder value (page 24)
- Task 5—Calculate the True Tax Value (page 27)
- Task 6—Calculate the total for the total property (page 29)





Guidelines Chapter 7

- Task 1—Record information about the item (page 6)
 - In this task you provide descriptive information about the characteristics of the yard structure.





Guidelines Chapter 7

- Task 2—Determine the base rate for the item
 - Two distinct types of structures that use the square foot base rate cost schedules:
 - Type 1 – Flat square foot rate dependent on construction material (page 14).
 - Type 2 – Variable square foot rate dependent on size of structure and type of construction materials (page 14).





Guidelines Chapter 7

- Four distinct types of structures that use whole dollar amount cost schedules: (page 15)
 - Type 1 – Amount is dependent on the storage capacity of the yard structure
 - Oil storage tanks, fuel oil tanks, etc.





Guidelines Chapter 7

- Type 2 – Amount is dependent on the diameter and height of the yard structure
 - Dry storage bins, brick, and concrete stacks, etc.
- Type 3 – Amount is dependent on the capacity and height of the yard structure
 - Elevated steel tanks, towers





Guidelines Chapter 7

- Type 4 – Amount is dependent on specific attributes other than those named in the other types
 - Incinerators, do-it-yourself car wash buildings, shuffleboard courts, etc.





Guidelines Chapter 7

- Linear Feet (page 19)
- The cost schedules that use linear feet are:
 - Fencing
 - Masonry walls
 - Guardrails
 - Railroad siding
 - Retaining walls
 - Bulkhead piling





Guidelines Chapter 7

- There are cost schedules that use other methods of determining the base rate. Grain elevators, for example, use bushels.
- Golf courses are no longer assessed under the Cost Approach. Golf courses are priced using the income approach to value.





Guidelines Chapter 7

- Task 3—Determine the adjusted base rate (page 21), also see step 4 on page 23
- The adjusted base rate for the yard structure is the base rate adjusted to take into account any relevant features identified for the structure, an adjustment for location (LCM), and the grade factor percentage.
- If the structure uses a cost schedule based on whole dollar amounts, the replacement cost is the same as the adjusted base rate, rounded to the nearest \$10.





Guidelines Chapter 7

- If the structure uses a schedule based on a unit of measurement other than a whole dollar amount, the replacement cost will be the adjusted base rate multiplied by the unit of measurement (area, linear feet, bushels, etc.).
- Base Rate
- **Base rate = Base rate from Schedule G multiplied by the applicable grade factor adjustment.**





Guidelines Chapter 7

- Task 4—Calculate the remainder value (page 24)
- The remainder value is the replacement cost of the yard structure adjusted for normal depreciation. (Rounded to nearest \$10.)





Guidelines Chapter 7

- Task 5—Calculate the True Tax Value (page 27)
- The yard structure's True Tax Value is its remainder value adjusted for obsolescence depreciation, if necessary.
(round to nearest \$100)

- Task 6—Calculate the total for the total property (page 29)
- Calculate the True Tax Value for each structure by performing Task 1 through Task 5 for each yard structure.
(round to nearest \$100)



Special Use Commercial Properties

Guidelines Chapter 8





Guidelines Chapter 8

- Special Use Commercial Properties (page 2)
 - Fast food restaurants
 - Gasoline service stations, with and without service bays
 - Self-service cashier booths
 - Public restroom buildings
 - Detached canopies





Guidelines Chapter 8

- Pricing schedules for special use commercial properties consist of square foot unit values based on C quality grade construction.
- Basic layout for fast food restaurant may include the following:
 - Small office
 - Two restrooms
 - Areas for employee dressing, storage, food preparation, serving, and dining





Guidelines Chapter 8

- Basic layout for gasoline service station may include the following:
 - Sales and office area
 - Utility area
 - Two restrooms
 - One or more service bays





Guidelines Chapter 8

- Fast food restaurant (page 3)
 - Pre-designed
 - Normally built with different variations of the same plans with periodic updates of design
 - Solariums are included in the square footage calculation of the structure and are not valued as an exterior feature.





Guidelines Chapter 8

- Fast food restaurant:
 - Concerning air conditioning: The value of air conditioning is not an add on for the fast food restaurants. It is taken into account in the grade of the structure. Please see pages 63 & 64 of Appendix E. Look at the row titled Climate Control System. For grades A, B, and C, air conditioning is reflected in the grade. For grades D and E it is not. Most likely the D and E grades will either have no air or window units of some type.





Guidelines Chapter 8

- Gasoline service stations:
 - Assessor must determine whether converted stations with mini-grocery stores more resemble the service station without bay model or the convenience market model.





Guidelines Chapter 8

- Self-Service Cashier Booths: (page 5)
 - May or may not include restroom facilities
 - Divided into three quality ratings
- Public Restroom buildings: (page 5)
 - Rated by the area in square feet
- Detached Canopies: (pages 6-7)
 - Rated on quality and square footage





Guidelines Chapter 8

- Pricing Special Use Properties
 - Replacement Cost New = Total base value x grade multiplier x location multiplier.
 - Remainder Cost = (Replacement Cost New times Depreciation Multiplier with resulting amount subtracted from Replacement Cost New.)
 - Both the Replacement Cost New & Remainder Cost are rounded to the nearest \$10.





Guidelines Chapter 8

- True tax value is the remainder value rounded to the nearest \$100.
- Don't forget to include items such as paving or other items not included in the construction features in the “Summary of Improvements” on the PRC.

