

TYLER CAD
RESIDENTIAL APPRAISAL

I. HOW RESIDENTIAL CHARACTERISTICS ARE GATHERED

A. Field Work; Data Collection

The Tyler County Appraisal District's residential field staff is engaged in various appraisal projects throughout the year. Each project has a basic goal of verifying property characteristics, external influences, and other data. This information is used in the appraisal of property as of January 1st of each year. Correct data is essential to developing accurate estimates of value; therefore, field inspections conducted by our appraisers are very important parts in the process.

Each TCAD appraiser works from his or her own personal vehicle. The residential appraiser carries an identification badge with his or her picture and name.

Appraisers are required to record changes in property characteristics. If there are no significant changes apparent, appraisers will make their notes while sitting in their vehicle. Their vehicle is essentially their mobile office. Below are the various field processes and detailed descriptions of the type of process we may be performing in your neighborhood.

In most processes, the appraiser will knock on the front door, identify themselves as a TCAD appraiser, and ask permission to measure and photograph the home and any other structures on the property. If access is denied, the appraiser will leave the property and estimate the size and characteristics from the street. If the owner/renter is not home, the appraiser will leave a business card or door hanger at the door and will measure and photograph the structures that are accessible.

To verify that the individual working in your neighborhood is actually a Tyler CAD appraiser, please feel free to contact our office at 409-283-3736.

B. New Construction:

Our appraisers inspect neighborhoods and individual properties to observe changes in neighborhood condition, trends and property characteristics. By law, we must continually update property characteristic data to reflect changes brought about by new construction, new parcels, remodeling, demolition, and other changes. We receive information on the location of building activity through building permits from the cities and county, fire reports, data mailers, and other sources. During a new construction inspection process, an appraiser will inspect only those with identified changes. Depending on the volume of construction activity, you might see one or more appraisers working in your area for the entire day or for just a short time.

C. Sales Verification:

The appraiser physically inspects properties that have sold, typically within the last 24 months. The purpose of the inspection is to verify the accuracy of our data about the sales transaction information and the characteristics of the property. The appraiser usually does not visit every home on the street, only those with recent sales activity. Depending on the volume of sales activity, an appraiser might be working in your area for the entire day or for just a short time.

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D. Periodic Re-inspection:

Whether or not it sells or has new construction, we try to inspect every residential property in Tyler County once every three years. The three methods below are related to this periodic inspection. During a re-inspection it is likely you will see an appraiser in your neighborhood for several days.

a. Field Re-inspection:

The appraiser will conduct an on-site inspection of properties in an area to verify characteristics and area condition. It is typical for the appraiser to visit most, if not all, of the properties assigned in a particular geographic portion of a market area (generally one or more school and/or city boundaries).

b. Driving Review:

A driving review is a general inspection of property to ensure that our property records are accurate. The appraiser's responsibility is to verify the accuracy of property data for every property within a neighborhood. The appraiser generally does so from the appraiser's vehicle. This type of review is carried out in conjunction with the field re-inspection described above. If the appraiser determines that a property needs a closer look during the driving review the appraiser will either perform an on-site inspection immediately or make a note to return to the property when performing other on-site inspections. The driving review is effective in looking for new construction and/or demolitions that may have occurred and not reflected in the appraisal records.

c. Aerial Imagery Review:

When recent aerial imagery is available, Texas law provides that this source of information is an accepted practice, if it will provide the characteristics necessary to perform an appraisal. From this source, the appraiser is often able to accomplish two functions.

- a.** First, in the appraisal of timber and agricultural property, aerial imagery is a very effective tool for establishing the land cover (pine, hardwood, pasture, crop). When joined with the TCAD geographic information system, the soil class can be determined as well.
- b.** Second, aerial imagery can be used effectively in identifying structures on the land. By comparing the recent imagery to previous imagery; or comparing recent imagery to sketches of building in the TCAD database, improvements can be detected that are no longer there or new improvements that are there now.

It is important to note that aerial imagery is often no substitute for on-site inspection because building measurements and characteristics have to be made and recorded.

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II. HOW RESIDENTIAL PROPERTY IS VALUED

Residential property is appraised based on one to three valuation methods, they are the: A) comparable sales approach; B) cost approach; C) income approach; and D) mass appraisal.

A. Market or Comparable Sales

This approach utilizes sales of similar properties and adjusts them to the subject property, with the results helping the appraiser to determine a value for the subject property.

B. Cost

This approach estimates the cost to replace, reproduce, or rebuild the subject property using current costs to build; then subtracts from that amount a sufficient amount of depreciation reflected in the subject property. The result is a valuation using the cost approach.

C. Income

This approach estimates the rent the subject property might get in the market; then subtracts certain expenses from the total rent; and then capitalizes the net income with a market capitalization rate. The result is a valuation utilizing an income approach.

D. Mass Appraisal

1. A professional fee appraiser would take the above information and specifically reconcile the three methods and make a determination of value for that property. There is not enough time or funding to individually appraise each property this way.
2. Mass Appraisal is the process used by property tax assessors/appraisers around the Country to achieve values for a "mass" of properties within a city, county, or district. Mass appraisal attempts to capture information from the sales, cost, and income approaches to value and formulate that information into a schedule that can be used to appraisal many properties.
 - a. The schedule can take into account all or part of the following characteristics: building size; quality of construction; foundation, structure material (wood or steel), wall exterior (brick or frame), roof type and material; type of heating and cooling; et al.
 - b. Different construction types can be assigned "classifications". For example, a Class 1 house may represent the lowest of construction quality and might have a base price per square foot of \$20.00 per square foot; but a Class 10 house might have the highest quality of construction and have a \$150.00 per square foot price.
 - c. Just as important is the proper amount of adjustment to distinguish one property from another because of its condition. This downward adjustment is called depreciation.
 - d. To the net value for the building, the land value is added, forming the total value for the property.