

Iredell County – 2019 Reappraisal Uniform Schedule of Values, Standards, and Rules Market Value Schedule

SALES UTILIZATION AND FAIR MARKET VALUE

PREFACE

Sales collection and verification is one of the single most important activities in the Assessor's Office. Ultimately, all valuation approaches rely upon the analyses of valid, qualified sales in order to properly value a subject property.

MEETING LEGISLATIVE REQUIREMENTS

North Carolina General Statutes mandate the assessment of real property at 100% of the "fair market value". This criterion has made it imperative for the property appraiser to have an accurate and supportable sales file from which the sales comparison approach can be properly implemented.

Regardless of how well or how accurate the data about a property may be the data is useless without sales data against which the data may be compared.

The entire premise of the Computer Assisted Mass Appraisal (CAMA) system is that regardless of the appraisal approach used, the analysis of sales is necessary in order to:

- A. Develop regression equations
- B. Set cost/market base rates
- C. Determine depreciation schedules
- D. Determine income capitalization or discount rates

Basic sales information is obtained from the Iredell County Register of Deeds. Sales must be analyzed to verify that an "arm's length" transaction has taken place, if all rights and benefits of property ownership were transferred, and if any personal property was included in the sale. This procedure is known as SALES QUALIFICATION.

SALES QUALIFICATION

Sales of some residential, but primarily agricultural, industrial and commercial properties often include personal property. There are also a number of intra-company or intra-family transfers, "distress" sales, etc., many of which have limiting terms and conditions which affect the sales price. For these reasons and others, further qualification of sales of this type through communication with one or more of the parties involved may be necessary to determine if the sales price should be adjusted for terms, personal property, etc., or disqualified entirely.

For this purpose, we have designed the following SALES QUESTIONNAIRE which helps to standardize the procedure and to build a database of useful sales data. The Sales Questionnaire is a record of sales research performed to establish the quality of a specific sale. Qualified sales are of inestimable value in establishing unit land values, base rates, depreciation schedules, and for checking the quality and degree of equalization of all work performed. Since recent sales are the best indication of market value and because of their effect on the entire mass appraisal process, careful handling and qualification cannot be overemphasized.

Iredell County – 2019 Reappraisal Uniform Schedule of Values, Standards, and Rules Market Value Schedule



SALES QUESTIONNAIRE OFFICE OF THE IREDELL COUNTY TAX ADMINISTRATION

Official County records indicate that you purchased the property as identified below:

Parcel Number : «PARCEL»
 Property Address : «PROPERTY_ADDRESS» «PROPERTY_STRT_TYPE»
 Neighborhood Number : «NBH»
 Property Description : «PROPERTY_DESCRIPTION»
 Acreage/Lot/Unit :
 Deed Reference : Book: «DEED_BK» Page: «DEED_PG»
 : Date: «DEED_DATE» Price: \$«DEED_STAMPS»

In order to maintain a continuing analysis of current sales data, it is our procedure to request information on real estate transfers in IREDELL County. We, therefore, ask your cooperation in completing and returning this form within ten (10) days.

1. Total Purchase Price \$ _____
2. Type of financing: Conventional ___ FHA ___ VA ___ Loan Assumption ___
 Owner Financing ___ Cash ___ Other _____
3. Was a trade involved? Yes ___ No ___ Value \$ _____ Details: _____
4. Was this an auction sale? Yes ___ No ___
5. Was this sale: A forced sale, etc.? ___ A "Short Sale"? ___ Other? _____
6. Did the sale include a community boat slip? Yes ___ No ___ If yes, what is the value? \$ _____
7. If any furnishings, machinery, livestock, timber, a single-wide mobile home or other personal property was included in the sale price, please circle and state the value of such items. \$ _____
8. Were there special financial considerations which affected the total sale price such as concessions? Yes ___ No ___
 \$ _____ Details: _____
9. Was this sale a transfer between relatives? ___ Between known affiliated companies or corporations? ___
 A transfer of convenience (i.e., to correct defects in title, create a joint tenancy, etc.)? _____
10. Do you consider the total sales price to be the fair market value of the real estate on the date of sale?
 Yes ___ No ___ Explain: _____
11. Have improvements been made to the property since the date of the sale other than regular maintenance?
 Yes ___ No ___ If yes, explain _____
12. List other information pertaining to the sale of this property, which may be pertinent to this transaction:

If you have any questions, please contact:

Iredell County Tax Office
 Real Property Department
 Attn: Terri Baker ♦ terica.baker@co.iredell.nc.us
 Ph: 704.928.2043 Fax: 704.878.3003

«SALES_RATIO_YEAR» Deed APPR#: «APPR»

«OWNER»

«2ND_OWNER_NAME»

«NAME_ADDR_2»

«CITY» «STATE» «ZIP»

Signature

Date

Area Code

Phone Number

Iredell County – 2019 Reappraisal Uniform Schedule of Values, Standards, and Rules Market Value Schedule

STEP 1 SALES DISQUALIFICATION

This step entails examining deeds for any conditions or statements which might indicate the sale was not an "arm's length" transaction. Those deeds having the following conditions should be entered on the maintenance document as an unqualified sale using the disqualification codes found in this chapter:

1. Quit claim, corrective or tax deeds
2. State documentary stamps, \$.50
3. Same family name as to grantee and grantor
4. Deeds from or to banks or loan companies
5. Deeds indicating a trade or exchange or conveying less than whole interest, i.e. life estates, etc.
6. Deeds including live stock or personal property, i.e. trucks, equipment, cattle, etc.
7. Multi-parcel sales unless the amount paid for each parcel is specified
8. Deeds including exchanges of real or personal property
9. Deeds to or from any of the following
 - Administrators
 - Executors
 - Guardians
 - Receivers
 - Sheriffs
 - Masters
 - Churches
 - Lodges
 - Fraternal Institutions
 - Benevolent Institutions
 - Clerks of Court
 - County Commissioners
 - Counties
 - Trustees of Internal Imp. Fund
 - Cities and/or municipalities
 - United States of America or Federal Agencies
 - Utility Companies
 - Educational Institutions
10. Foreclosures and Short Sales

STEP 2 SALES RESEARCH

Sales Qualification Procedures

Support staff qualify sales by reviewing the sales questionnaires, realtor information, and information provided by the property owners. A "U" code for an unqualified sale, or a "Q" code for a qualified sale is added to the sales information on the Property Record Card. Appraisers also review sales using the same data plus any additional information to make the final qualifying decision. Each returned sales questionnaire is scanned and attached to the Property Record Card (PRC) in the CAMA system. The Sales Questionnaire and Sales Qualification Forms should be reviewed by the appraiser most familiar with the type of property or area being researched; i.e. income producing properties by the commercial/industrial appraiser and residential properties by the residential appraisers.

Adjustments to sales prices should be made to compensate for personal property included in sales. Once appropriate adjustments have been made a sale can be treated as qualified and used as a guide for establishing values for similar properties.

During sales analyses market or economic factors may indicate adjustments to the sales price are necessary. For example, if a property has to remain on the market for an excessive period of time prior to selling, an adjustment may be appropriate.

**Iredell County – 2019 Reappraisal
Uniform Schedule of Values, Standards, and Rules
Market Value Schedule**

TYPE OF FINANCING

AR	-	Adjustable Rate
CA	-	Cash
CV	-	Conventional
DS	-	Deed Stamps
FH	-	FHA (Federal Housing Administration)
FM	-	Farmers Home Association
LA	-	Loan Assumption
OF	-	Owner Financing
OT	-	Other
VA	-	VA (Veterans Administration)

TYPE INSTRUMENT

CD	-	Catch-all Deed/Document
DC	-	Corrective Deed/Deed of Correction
NW	-	Non-Warranty
QC	-	Quit Claim
ST	-	Substitute Trustee Deed
TD	-	Trustee's Deed
WB	-	Will Book
WD	-	Warranty Deed

If a sale is to be unqualified use the following disqualification codes:

DEED EDIT SHEET

CODE REASONS FOR REJECTION:

- A. The transaction includes the conveyance of two (2) or more parcels.
- B. Sales for which the improvements sold are not included in the tax assessment or the assessment included improvements built after the sale.
- C. Deed shows \$6.00* or less in excise (revenue) stamps. *Transaction is for \$3,000 or less.
- D. The deed date was made, entered or notarized outside the dates of the study period. (Jan 1 to Dec 31.)
- E. The transaction is between relatives or related businesses.
- F. The grantor is only conveying an undivided or fractional interest to the grantee.
- G. The deed reserves unto the grantor a life estate or some other interest.
- H. The deed reserves unto the grantor the possession of, or lease of, the property for a specified period following the sale.
- I. One or both of the parties involved in the transaction is governmental, a public utility, lending institution, or a relocation firm.
 - IB – Bank Sale
 - IF – Foreclosure Sale.
 - IS – Short Sale.
- J. The deed conveys a cemetery lot or other tax exempt property.

**Iredell County – 2019 Reappraisal
Uniform Schedule of Values, Standards, and Rules
Market Value Schedule**

- K. One or both of the parties involved in the transaction is a church, school, lodge, or some other educational organization.
- M. The deed indicates that the property conveyed is situated in more than one county.
- N. The transaction is for minerals, timber, etc. or the rights to mine or cut same.
- O. The transaction includes the conveyance of personal property, and the value of such is not specified separate from the real property value in the deed.
- P. The transaction is the result of a forced sale or auction.
PE – Estate or Auction Sale
PF – Foreclosure Sale.
PS – Short Sale.
- Q. Transaction made by the use of a Contract for Deed, the agreement for which is executed and sale actually made prior to the study.
- R. The transaction involves the trade or exchange of real property.
- S. The transaction is for real property, which cannot be clearly identified on the county tax records.
- T. Corrective Deeds.
- U. Zoning changes not yet valued.
- W. Single lot sold to builder by developer.
- X. Other (An explanation must be provided when this code is used.)
- Z. Use for when the Assessed Value is unknown (Such as a split or new construction).

USE OF SALES ANALYSIS REPORTS IN THE APPRAISAL PROCESS:

Reports can be generated based on location, improvement type, model number, etc. The sales with extreme ratios can be subjected to the sales qualification procedure. The parameters for those to be analyzed can be set by the property appraiser (i.e. all ratios greater than 100 and less than 75, etc.) based on his requirements, available staff, etc.