

HALE COUNTY APPRAISAL DISTRICT

Appraisal of Residential Properties

In order for the Appraisal District to appraise all properties in the county, a mass appraisal system is used. This system provides for the appraisal of approximately 20,700 properties of which approximately 9,900 are residential properties. All improved residential property is individually classified as low, fair, average, good or excellent quality. Architectural design and building attributes are factored into the classification of each quality of residential property.

The local real estate market dictates established boundaries of over 93 defined neighborhoods within Hale County. The term “neighborhood” is a mass appraisal concept meaning a market area of similar properties which are appraised using the appraisal/sale ratio of these properties. A “neighborhood” can be as small as a portion of an addition/subdivision or as large as numerous additions/subdivisions.

Residences are mass adjusted primarily based on what similar properties within their neighborhood have sold for in comparison to what they are currently appraised for. This is an annual study done by the Hale County Appraisal District consisting of sales that have occurred within 24 months prior to the date of the study and is commonly referred to as a sales ratio study. Sales ratio studies generally include sales that have occurred between January 1st two years prior and December 31st of the prior year. For example the 2015 sales ratio study will include all qualified sales that occurred between January 1st of 2013 and December 31st of 2014. The weighted mean of each individual neighborhood is used to calculate a neighborhood adjustment. The neighborhood adjustment is then used to mass adjust all similar properties equally within that neighborhood. After neighborhoods have been adjusted, the new median ratio determines the level of appraisal for that neighborhood. The formula to calculate an individual residence is:

Square Footage X Unit Price X Condition Percentage X Neighborhood Adjustment = Appraised Value

This formula is repeated for each improvement segment (main living area, garage, second story, basement, etc.) and for each secondary improvement (storage building, shop, swimming pool, etc.) The land value is then added to the home value to determine the total appraised value of the individual residential property.