



2023

MASS APPRAISAL REPORT

June 28, 2023



Collin Central Appraisal District

2023 MASS APPRAISAL SUMMARY REPORT

Identification of Subject: The property subject to this report is all real property and tangible personal property, unless specifically exempted, located within the boundaries of the Collin Central Appraisal District, hereinafter referred to as "CCAD" or "District".

Effective Date of Appraisal: The effective date of this mass appraisal is January 1, 2023, unless otherwise specified as in the case of some inventories, which may qualify for appraisal as of September 1 in accordance with Section 23.12, Texas Property Tax Code. The date of this appraisal report is June 28, 2023.

Purpose and Intended Use of Appraisal: The purpose of this mass appraisal is to estimate the market value of all taxable property in an equitable and efficient manner for ad valorem tax purposes in accordance with the laws of the State of Texas.

Legal Requirements: This mass appraisal is made within the provisions of the Texas Property Tax Code.

Administrative Requirements: This mass appraisal is conducted in accordance with the 2023-24 Reappraisal Plan of CCAD and the methods and procedures described in the District's appraisal manuals. Furthermore, the District subscribes to the standards of The Appraisal Foundation known as the *Uniform Standards of Professional Appraisal Practices*.

Definition of Market Value: Market value for purposes of this mass appraisal is defined by the Texas Property Tax Code, §1.04(7), and is as follows:

"Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- (A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- (B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
- (C) both the seller and purchaser seek to maximize their gains, and neither is in a position to take advantage of the exigencies of the other.

Regarding inventory held as part of a business, §23.12(a) of the Texas Property Tax Code further provides, in part; "the market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business".

Identification of Properties: The descriptions of the properties included in this appraisal are included in detail within the appraisal records of CCAD. These descriptions include, but are not limited to the PID number, Geo number, legal description, situs location, ownership, and detailed listing of the characteristics of the properties.

Property Rights to be Valued: Properties are appraised in fee simple interest. However, restrictions, easements, encumbrances, etc., are considered on an individual basis. Fractional interests or partial holdings are appraised in fee simple for the total property and divided proportionately based on the pro-rated interests.

Assumptions and Limiting Conditions: The District has taken reasonable steps to secure adequate funding; however, fiscal restraints do impact the mass appraisal process. Budgeted resources and personnel are available to perform the appraisals; therefore, it is not possible to physically inspect every property included on the appraisal roll every year. When physical inspections were conducted on real property, they were generally performed by exterior or desktop review. It is assumed that the interior conditions are consistent with the exterior condition. When physical inspections were made for the valuation of personal property, inspections were made of the entire facility if allowed by the owner or management of the business.

This mass appraisal has been made under the following additional assumptions and limiting conditions.

- It is assumed that the titles to the properties are good and merchantable.
- No liability is assumed for matters of a legal nature.
- Assumptions made in the report are based on the best knowledge and judgment of the appraiser and are believed to be typical of the market.
- All properties are appraised as if free and clear of any or all liens or encumbrances, unless otherwise stated.
- Existence of hazardous materials or other adverse environmental conditions are not considered, unless otherwise indicated.
- Any drawings, photographs, plans, or plats are assumed to be correct and are included solely to assist in visualizing the property.
- It is assumed that there is full compliance with all applicable federal, state, and local regulations and laws, unless otherwise noted.
- No responsibility is assumed for hidden or unapparent conditions in the property that may affect its value.
- It is assumed that all required licenses, certificates of occupancy, consents, or other administrative authority from local, state, or federal governments can be obtained or renewed for any use on which the value estimate contained in this report is based.
- A specific survey and analysis of properties to determine compliance with the provisions of the Americans with Disabilities Act has not been performed and possible non-compliance has not been considered in valuing these properties.
- While it is believed all information included in the appraisal is correct and accurate, the appraiser does not guarantee such.

This report may not be used for any purpose or by any person other than the party to which it is addressed without the written permission of the Collin Central Appraisal District.

Scope of Appraisal: The scope of the appraisal relates to the nature of the appraisal assignment and the extent of collecting, confirming, and reporting the data, which provides the basis for the estimate of value. This report is applicable to the following property types: single family and multifamily residential, vacant lots and acreage, farm and ranch properties, commercial and industrial properties, mineral, utility, business personal property and mobile homes. In the event a property was unavailable for inspection and the owner has not supplied any information, the appraiser has estimated the measurements and condition of the improvements or a lump sum value for the property.

The three generally accepted approaches to value were considered in estimating the market value for each property, with the most appropriate method given the greatest emphasis. A market-based cost approach, utilizing sold properties to establish market modifiers, is considered the most appropriate for single family residential, most owner occupied commercial, and mobile homes since this method reflects the actions of buyers and sellers in the market, with some exceptions. This approach is based on the principal that a buyer will not pay more for a property than the cost of acquiring a vacant site and constructing a substitute structure of comparable utility, assuming no costly delays in construction. The sales comparison method is used for vacant lots and land because it reflects the actions of the marketplace. Where there are no vacant lot sales, an allocation by abstraction was used to value land. Since these properties typically do not produce any income, the income approach to value is given minimal emphasis. Commercial and multi-family properties are generally valued using all three approaches to value with the income approach given the greatest emphasis in most cases. The ability to perform a commercial and/or multi-family appraisal using the Sales Comparison approach can be limited by the number of confirmed sales available to use as comparables. Personal property is appraised utilizing the cost approach to value; however, the market approach was also relied upon for some categories of personal property when available. All appraisal estimates are made in compliance with requirements as provided in the Texas Property Tax Code.

Personnel Resources: The office of the chief appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and the controlling of district operations. The Administration Department's function is to plan, organize, direct, and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities, and postal services. The Appraisal Department is responsible for the valuation of all real and personal property accounts. The District's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and §1151.151(a) of the Texas Occupation Code and must be duly registered with the Texas Department of Licensing and Regulation. Customer support, including information and assistance to property owners and homestead exemption administration, is the responsibility of the Customer Service Department.

The appraisal district staff consists of 158 employees providing the following services:

- 8 - Administration: chief appraiser, business, and appraisal operations
- 11 - ARB and Agent Services
- 24 - Customer Service: customer support & residential exemptions
- 69 - Appraisal: appraisal related functions and appraisal litigation
- 15 - GIS/Mapping: GIS, imagery, deed/land records, maps, & records management officer
- 9 - Information Services and Technology: technology related functions
- 22 - Support Services: ARB support, arbitration support, appraisal support staff including total exemptions and abatements

District's Boundaries: The District's boundaries are aligned with the boundaries of Collin County. The entities within the CAD boundaries for which appraisal rolls are annually developed are as follows: Collin County, Collin College, 21 independent school districts, 30 cities/towns and 22 special districts.

Data: The District is responsible for establishing, maintaining, and valuing approximately 387,000 real and personal property accounts covering 889 square miles within its territorial boundaries. This data includes property characteristic, ownership, and exemption information. Property characteristic data on new construction is updated through an annual field effort. Existing property data is maintained through field and office review.

The District maintains a geographic information system (GIS) that contains maps and various layers of data, including aerial photography. The District's website provides a broad range of information available for public access, including detailed information on the appraisal process, property characteristic data, certified values, protests and appeal procedures, list of taxing entities, links to other government agencies and property maps. Downloadable files of related tax information and District forms, including exemption applications and business personal property renditions are also available.

Property characteristic data were recorded for each property to be appraised. Resources for the discovery, describing, and listing of property include, but are not limited to the following: field inspections by appraisal staff, renditions, deed records, plat records, assumed name certificates filed for record with the Collin County Clerk's office, city building permits, real estate publications and services, local fee appraisers, builders and realtors, newspaper publications, maps, and other appraisal records of the District.

Construction costs were gathered from available sources including, but not limited to the Marshall and Swift Valuation Service and local builders and developers for use in the cost approach to value.

Sales were validated, when possible, during office review and a separate field effort when applicable; as well as being validated as part of the building permit process and annual reappraisal effort. General trends in interest rates, new construction trends, and cost and market data were acquired through various sources, including internally generated questionnaires to buyers, real estate publications and services, and market data centers and vendors. A sales file for the storage of sales data for vacant and improved properties at the time of sale is maintained for residential real property. This data is used for ratio analysis and neighborhood (market area) value adjustments and is available to owners on those sales used in the valuation of the owner's property. Residential improved and vacant sales were collected from a variety of sources, including, but not limited to:

- District survey letters sent to buyers & sellers
- Field discovery
- Protest hearings
- Board of Realtor's MLS
- Builders
- Realtors
- Fee appraisals
- Closing statements
- Placing "Green Tags" directly on properties with current deed activity where sales information has not been received.

Data collected and used by the commercial department includes verified sales and pertinent data of improved properties obtained from each type (sale prices, capitalization rates, income multipliers, equity dividend rates, marketing periods, etc.). Other data considered by the commercial appraisers include actual income and expense data, leasing information (commissions, tenant finish out, length of terms, etc.), and actual construction cost data. In addition to the actual data obtained from specific properties, market data publications and informational data bases were reviewed to provide additional support for market trends.

Information relating to business personal property was collected during the normal inspection process and through owner filed renditions and property reports. Costs were also researched for personal property using NADA Guides and other sources.

General trends in new construction techniques, construction costs, interest rates and other pertinent data were gathered from various sources such as trade journals, Marshall and Swift Valuation Service, university real estate research centers, and any other sources deemed appropriate and reliable.

Preliminary Analysis: Ratio analyses were performed for all types of property to determine the accuracy of schedules and properties that need visual inspection or reappraisal.

Neighborhood Analysis: Neighborhood analysis examines how economic, social, physical, and governmental forces affect property values. The effects of these factors are used to identify neighborhoods. Properties whose values are influenced by the same economic, social, physical, and governmental forces are grouped as neighborhoods. Included in the neighborhood analysis is the consideration of patterns of development and property use. Neighborhoods typically experience a three-stage cycle: development, stability, and decline.

Highest and Best Use: Highest and best use is the reasonably probable and legal use of vacant land or improved property, which when physically possible, financially feasible, and appropriately supported, results in the highest value for the property. For improved properties, the highest and best use determination of a site is made both as if the site is vacant and as improved. The highest and best use for residential property is normally its current use. This is due in part to the fact that residential development, in many areas, through use of deed restrictions and zoning, precludes other land uses.

Data Collection/Validation: Data collection of real property involves maintaining data characteristics of the property in PACS (Property Appraisal & Collections System). The information contained in PACS includes site characteristics, such as acreage amount or commercial square footage, and improvement data, such as square foot of living area, year built, quality of construction, and condition. Field appraisers use appraisal manuals that establish uniform procedures for the correct listing of real property. All properties are coded according to these manuals and the approaches to value are structured and calibrated based on this coding system. Field appraisers use these manuals during their initial training and as a guide in the field inspection of properties. Data collection for personal property involves gathering information from renditions and site inspections. The information contained in PACS for personal property includes business inventory, furniture and fixtures, machinery and equipment, historical cost, if known, and location. The field appraisers conducting on-site inspections use a personal property manual during their initial training and as a guide to correctly list all taxable personal property.

Sources of data collection used include new construction field inspections, reappraisal, formal and informal hearings, sales processing, newspapers and publications, property owner correspondence and inquiries. A principal source of data is obtained from building permits received from taxing jurisdictions. Where available, permits are received electronically and processed. Otherwise, paper permits are matched manually with the property's primary identification number by support staff.

Recently sold properties with high variances from typical sales ratios are site inspected to ensure proper classification and accurate characteristic descriptions prior to being used in ratio studies or to develop market value adjustment factors.

Depreciation: Depreciation is the loss in value from replacement cost new of an improvement or personal property item due to physical deterioration, functional obsolescence and/or economic obsolescence. Each property is assigned a depreciation factor based on the observed physical condition of the property. Additional adjustments

may be made to the property for functional or economic obsolescence if conditions so warrant. Personal property is depreciated using the age-life method based on a typical economic life for each personal property component type.

Valuation: Residential parcels were valued from building class pricing schedules. Residential improvement values were calibrated at the neighborhood level to arrive at equitable market value. Emphasis was placed on the market approach as the most viable and accurate indicator of value. Commercial properties were valued with emphasis on the income approach (capitalization analysis) and sales comparison approach. Business personal property parcels were primarily valued according to the cost approach. Special appraisal provisions as set out by the Texas Property Tax Code were used in the valuation of agricultural property and special inventory.

Testing: Appraised values to sale price ratio studies were conducted to determine the accuracy of values in the District. All areas were tested based on the availability of sales information. Ratio tests were performed first to see if global or general adjustments should be made to the cost and/or depreciation schedules or if certain geographic areas or improvement subclasses required reappraisal. The final ratios were performed by school district and/or state code, where sales information was available. Stratification was performed to help in determining if certain valued properties needed to be reappraised.

Certification: I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the properties that are the subject of this report, except for those properties that are personally owned, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have not made a personal inspection of the properties that are the subject of this report.

June 28, 2023



Marty Wright, Chief Appraiser
Collin Central Appraisal District