

## **RESIDENTIAL SALES COMPARISON GRID (MODEL)**

The Collin Central Appraisal District utilizes the 'Sales Comparison Approach' in our appraisal of single-family residential property. The example of the sales comparison grid on the following page is presented to assist property owners as they prepare for informal meetings with CCAD's appraisal staff and/or protest hearings before the Appraisal Review Board (ARB).

1. The sales comparison approach (sometimes referred to as market approach or direct sales approach) is typically formatted in a spreadsheet format, columns and rows.
2. The sales comparison grid (model) compares the subject property being appraised to similar properties that sold within a reasonable period leading up to or just after our January 1<sup>st</sup> appraisal date.
3. The sales comparison model always adjusts the sale price of the comparables to the subject property, to account for differences as described below. Adjustments will be positive or negative depending on whether a comparable is superior or inferior to the subject property.
4. There are five primary components that CCAD utilizes to adjust comparable sales to a subject property, as follows:
  - a. Land/Lot Value Adjustment: compares the appraised value of the comparable to the land value of the subject and makes an adjustment. Land/Lot values may vary within a residential neighborhood because of factors including location, view, shape and size.
  - b. Neighborhood Adjustment: compares the improvement modifier of the subject neighborhood to the improvement modifier of the comparable. Adjustments will be made if there is a difference in improvement modifier percentages for comparables outside the subject's neighborhood. Neighborhood improvement modifiers are based on the mass appraisal analysis of the sales trends affecting each neighborhood (market area).
  - c. Improvement Type & Quality Adjustment: The District utilizes a mass appraisal "classing" system to denote the construction type (brick or stone veneer, wood siding or stucco) and a quality of construction rating. Each comparable is adjusted to the subject for differences in construction and quality.
  - d. Percent Good Adjustment (condition): The subject property and each comparable will have a percent good based on the effective age and any additional obsolescence affecting the property; the comparables will be adjusted to the subject property based on differences in percent good. Effective age may vary from the actual year built due to maintenance, or the lack thereof, and remodeling.
  - e. Living area: Each comparable will be adjusted to the subject for differences in living area square footage.
5. The grid also adjusts for differences in what we refer to as secondary or non-living area attributes such as garages, porches, barns, pools or other secondary improvements.

The sales price of each comparable is adjusted to the subject and the sum of positive and negative adjustments is shown in the grid as "Net Adjustments". The net adjustment amount is then added to or subtracted from the sale price of that comparable, with the end result of this calculation being the "Subject's Indicated Value" via the sales comparison approach. Typically a sales comparison grid will include at least three comparable sales and after the adjustment process there will be an indicated range of value shown at the bottom of the grid. The indicated value is then divided by the living area of the subject property to derive an indicated value per square foot of the subject property. The indicated value range and/or indicated value per square foot range is compared to the current market value appraisal of the subject property to determine if the current appraisal is reasonable and supported by comparable sales.

See reverse side for a sample of CCAD's residential sales comparison grid.

Comparable Sales Grid (Sample)

	Subject	Comp #1	Comp #2	Comp #3			
Prop ID	123456	654321	456123	321456			
GEO ID	R-1234-00C-0050-1	R-1234-00D-0060-1	R-1234-00B-0260-1	R-1234-00E-0330-1			
State Code	A1	A1	A1	A1			
Sale ID		2222222	3333333	4444444			
Sale Price		241,000	246,000	269,000			
Sale Type - Conf Level		Q--	Q--	Q--			
Sale Price/ SQFT		84.44	84.62	108.03			
Adj Sale Price		241,000	244,000	269,000			
Sale Adj Reason			SLR PAID 2,000				
Market Value	240,088	241,358	243,666	266,715			
Market Price / SQFT	84.69	84.57	83.82	107.11			
Map ID							
Situs	111 CCAD RD	333 CCAD RD	625 CCAD RD	700 CCAD RD			
Sale Date		03/01/"Year"	09/04/"Year"	06/04/"Year"			
Land Value Adj	60,000	60,000	60,000	63,000	-3,000		
Neighborhood	N1234	N1234	N1234	N1234			
Neighborhood Mass Improv Adj	0.00%	0.00%	0.00%	0.00%			
Neighborhood Adj	N1234	0	N1234	0	0		
Class Adj	RV7	0	RV7	0	-2664		
Actual Year Built	1998	1999	1999	1998			
Effective Year Built	1998	1999	1999	2004			
% Good Adjustment	88.00%	89.00%	-1,810	89.00%	-1,860	94.00%	-11,421
Living Area	2835	2854	2907	2490			
Segments & Adj	MA 2016	MA 1974.3	1,514	MA 1823	7,008	MA 2490	-17,524
	MA2 818.5	MA2 880	-2,233	MA2 1084	-9,640	MA2 None	30,260
	AG 455.5	AG 468.5	-404	AG 420	676	AG 670	-6,011
	CP 34.5	CP 22	192	CP 37	-46	CP 103	-1,220
	CP 129	CP None	2,028	CP None	2,028	CP None	2,028
						PL 350	-15,642
Segement Adj Subtotal		0	1097		26		-8109
Secondary PID Imp Adj							
Net Adjustment		0	-713		-1,843		-25,194
Financing Code		D		C		D	
Indicated Value			240,287		242,166		243,806
Indicated Value / SQFT			84.76		85.42		86.00

LAND VALUE ADJUSTMENT- Adjustments are made for Lot and/or Locational differences as the comparable compares to the subject.

NEIGHBORHOOD ADJUSTMENT- Adjustments are made for differences in Neighborhood Improvement modifiers when a comparable is used from a neighborhood that is different than the subjects neighborhood.

CLASS ADJUSTMENT- Adjustments are made for differences in quality and/or construction. These adjustments are made as the comparable compares to the subject.

PERCENT GOOD ADJUSTMENT- Condition adjustments are made for differences in percent good as the comparable compares to the subject.

LIVING AREA SEGMENTS & ADJUSTMENT- Air conditioned living areas of comparable are compared to the subject at the segment level (MA, MA2, MA3), with differences in square footage adjusted using the comparables size adjustment factor.

SECONDARY IMPROVEMENTS- Non-living area segments are compared and any differece in contributory value is adjusted for in a line adjustment. These segments typically consist of garages, covered patio/porches, pools, barns/accessory structures, etc.

LEGEND	
MA=Living Area-1st Floor	EG=Enclosed Garage
MA2=Living Area-2nd Floor	EP=Enclosed Patio
AG=Attached Garage	DETG=Detached Garage
CP=Covered Porch/Patio	PL=Pool

INDICATED VALUES- The sum of positive and negative adjustments, for each comparable, is listed in the "Net Adjustment" row, and is added to or subtracted from the comparable's adjusted sale price. The end result of this calculation is the "Indicated Value" of the subject property. The indicated value is divided by the living area of the subject property to arrive at an "Indicated Value per Square Foot" for the subject property.