

Appraisal district, why did my land value go up so much in one year?

Good Question, let us explain...

- First, we are not playing games, we understand you deserve honesty and transparency and that is exactly what we want to give you. We are here to serve YOU!
- But, appraisal districts are required by law to appraise property at **100% of Market Value**. This means your TOTAL property (land + improvements) value must reflect a current market value as of January 1 each year. The comptroller's office tests these values to verify appraisal districts are complying with the law.
- The law requires land be valued as if vacant and it must be listed separately in the appraisal record. A part of the appraisal process is to determine highest and best use. To do this, an appraiser must estimate its highest and best use as if the land were vacant.

Please see the 2020 Mass Appraisal Report for more details at www.elliscad.com

- Land value is typically derived from the market or sales comparison approach. In other words, what people are currently paying for similar property. Below is an example where the vacant land in market area A is \$30,000, in B it is \$40,000, in C it is \$50,000 and so on. But the improved sales in these areas indicate a TOTAL market value of \$250,000 for similar properties.
- This is all market driven information.

If the market indicates a property is worth a TOTAL of \$250,000 the result will be the same.					
Market Area	A	B	C	D	E
Land Value	\$ 30,000	\$ 40,000	\$ 50,000	\$ 35,000	\$ 55,000
Improvement Value	\$ 220,000	\$ 210,000	\$ 200,000	\$ 215,000	\$ 195,000
TOTAL Value	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000

Let's get to the heart of the matter...

- Ellis County is changing and people are paying top dollar for land like never before. **The market is driving the current and likely future escalations in land values.**
- The appraisal district saw land values slowly changing, but in the absence of adequate sales information, had previously only adjusted the improvement value to reflect each year's market value.
- **This year** the appraisal district had enough sales information to support a change in land values derived directly from the buyers and sellers in the current market.

No shell game folks...

- We are property owners just like you and we understand the sticker shock of increasing values. We are proud to advocate for equal and uniform accurate market value appraisals for you and your neighbors.
- We are not motivated or directed by taxing units in any way, in fact that is against the law.
- We don't always get it right, so we want you to let us know during the protest season if you believe your TOTAL market value is not in line with the current market.

We are here to serve YOU!



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