How to Prepare for the 2015 Alabama Appraisal Manual Part 2

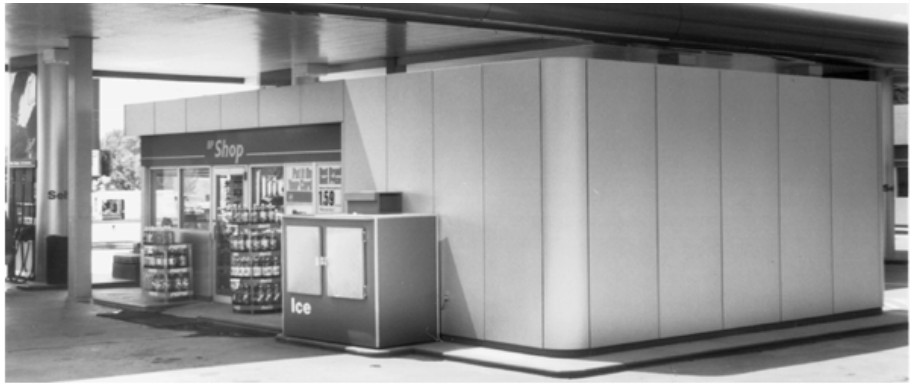
Commercial Classification

Inconsistency Across Property Types

CLASS B (BRICK/DRYVIT)

CLASS A

CLASS B (CLUBHOUSE)

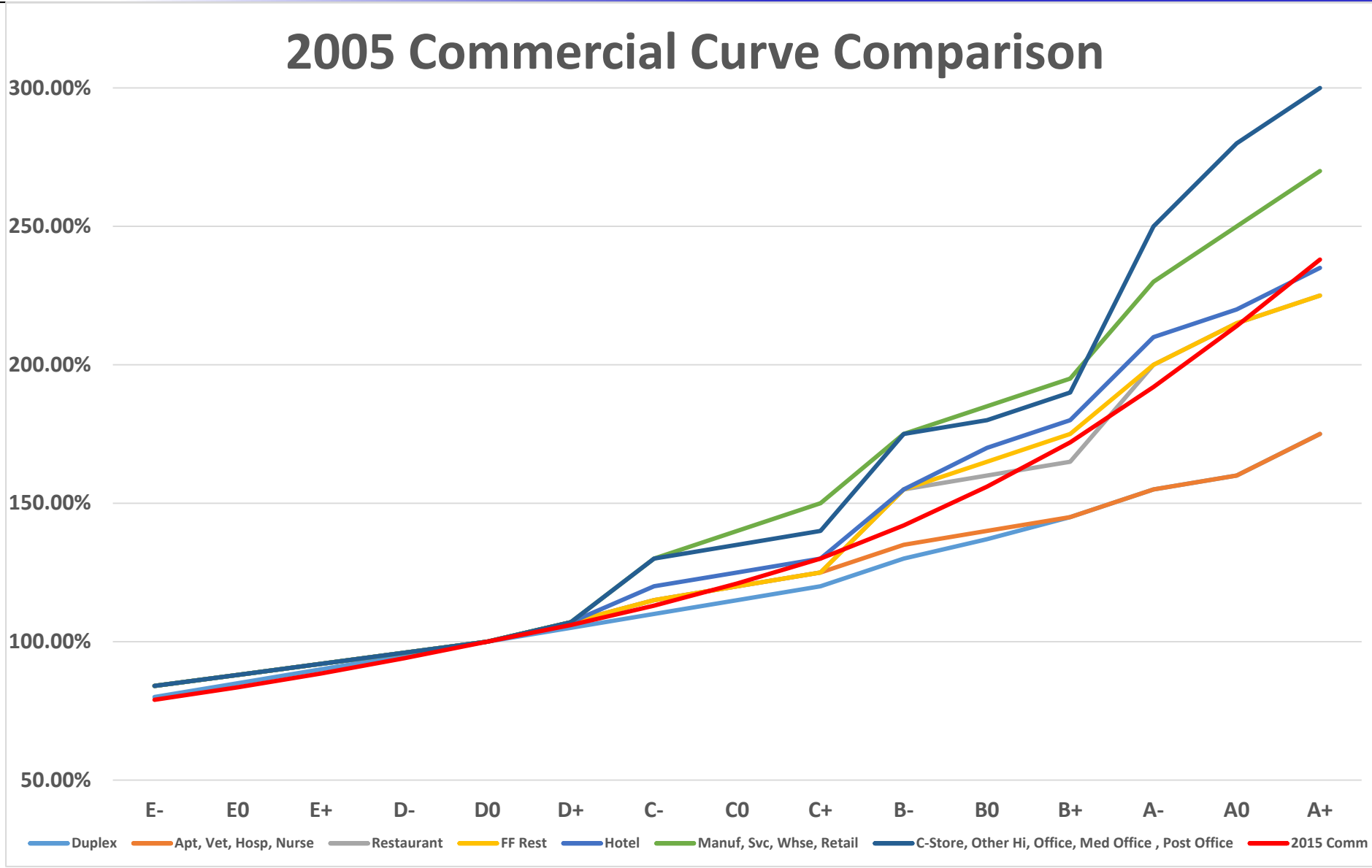


CLASS B

Consistency Across Property Types

- A goal of the 2015 Appraisal Manual was to equalize classing across property types
  - All similarly constructed improvements regardless of type should be classed similarly
  - Eliminate need to class differently from one type to another.
  - Example: A “C” class office building looks like a “C” class fast food restaurant or a “C” class retail store, etc.

A "C" is a "C"


2005 Commercial Curve Comparison
300.00%
250.00%
200.00%
150.00%
100.00%
50.00%
E-
E0
E+
D-
D0
D+
C-
C0
C+
B-
B0
B+
A-
A0
A+
Duplex
Apt, Vet, Hosp, Nurse
Restaurant
FF Rest
Hotel
Manuf, Svc, Whse, Retail
C-Store, Other Hi, Office, Med Office , Post Office
2015 Comm

Test County	
Improvements	85,067
Mean	104
Median	**102**
Minimum	88
Maximum	177
COD	3.7

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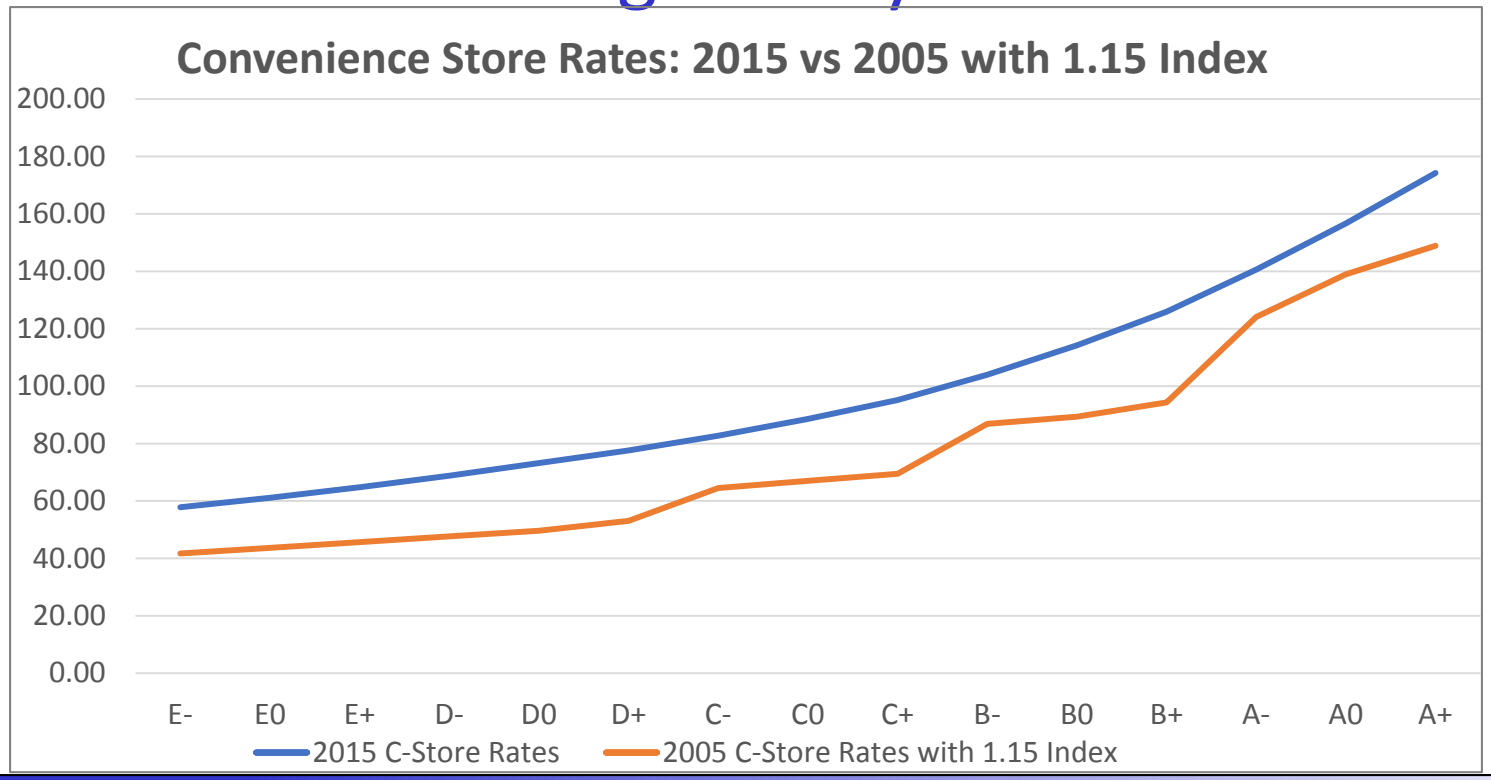
Improvement Type	Parcels	% Parcel Count	Median	MIN	MAX	COD
Apts	2,124	2.5%	109%	105%	126%	1.90%
Bank	89	0.1%	118%	108%	132%	3.80%
Conv. Store	56	0.1%	137%	127%	160%	5.20%
Duplex	1,224	1.4%	128%	96%	134%	1.40%
Factory, Hwy.	65	0.1%	111%	95%	126%	5.60%
Factory, Lt.	314	0.4%	114%	95%	127%	5.90%
Fast Food	149	0.2%	143%	119%	160%	5.20%
Hospital	7	0.0%	150%	123%	162%	8.00%
Med. Office	305	0.4%	107%	96%	136%	4.40%
Motel	168	0.2%	123%	97%	139%	5.90%
Nur. Home	33	0.0%	126%	108%	151%	5.60%
Office	1,783	2.1%	130%	104%	151%	6.50%
Other High	610	0.7%	156%	122%	177%	6.90%
Post Office	14	0.0%	109%	97%	116%	4.60%
Restaurant	216	0.3%	111%	88%	119%	3.40%
Retail	1,391	1.6%	112%	91%	129%	5.40%
Service	1,291	1.5%	122%	99%	140%	5.20%
Single Fam.	73,836	86.8%	102%	91%	110%	1.40%
Vet. Office	27	0.0%	111%	102%	125%	4.20%
Warehouse	1,365	1.6%	117%	95%	130%	5.00%
County Wide	**85,067**	100.0%	102%	88%	177%	3.70%

Convenience Store - 37% Median Increase

- Curve was intentionally shifted
- Increase will be mitigated by class correction



Duplex - 28% Median Increase

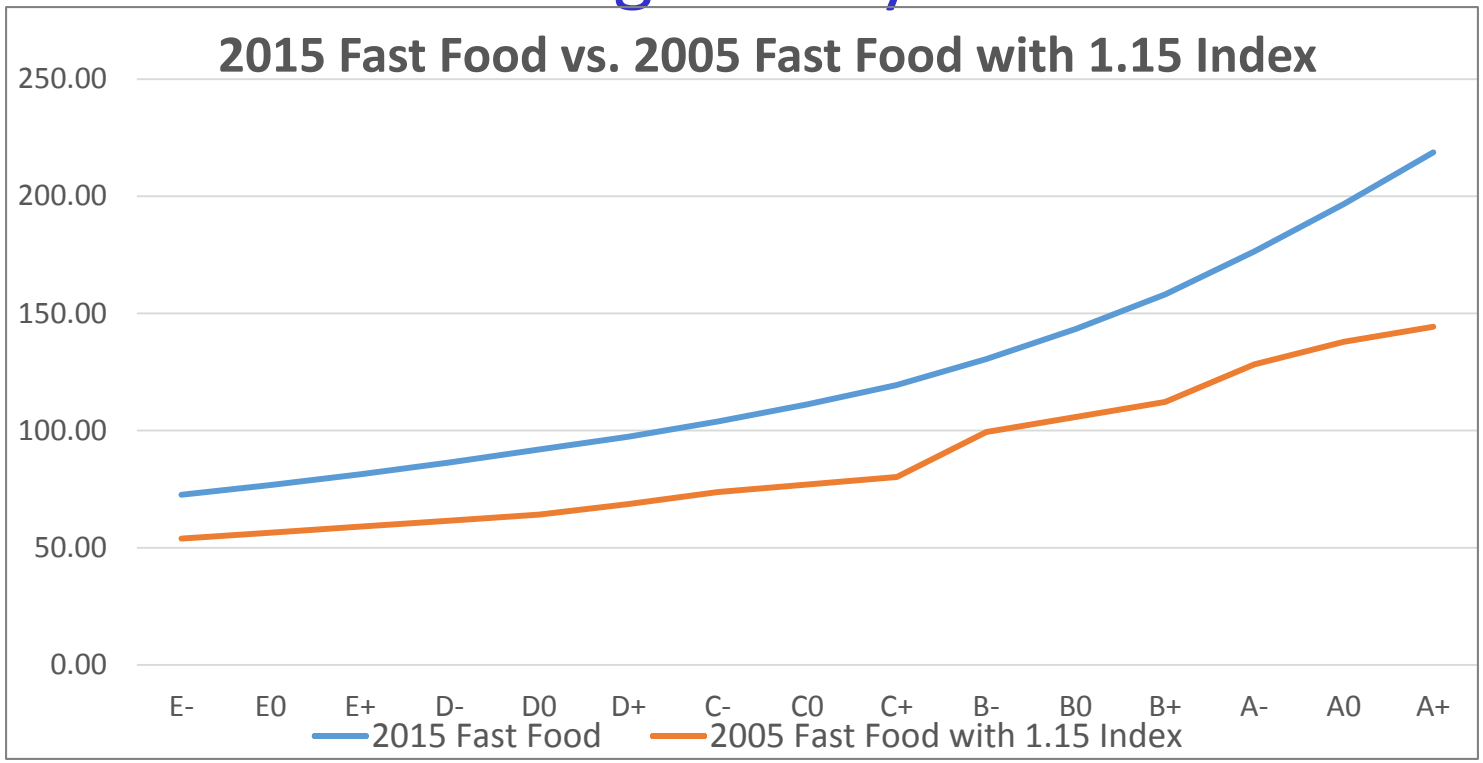
- Base rate was lower than comparable size single family
- Despite:
  - Additional Kitchen
  - Additional 3-Fix
  - Firewall

2005 Manual	
111 - D0 at 2,000 Sq. Ft.	$48.33
112 - D0 at 2,000 Sq. Ft.	$42.54

2015 Manual	
111 - D0 at 2,000 Sq. Ft.	$55.54
112 - D0 at 2,000 Sq. Ft.	$61.96

Fast Food Rest. 43% Median Increase

- Curve was intentionally shifted
- Increase will be mitigated by class correction



Office 30% Median Increase

- Base rate was lower than comparable size single family for class E, class D, and class C

County Data: "Class D0" Office Buildings	
Count	220
Median Area	2,575
Median TAA	3,009
Base Rate	$39.82
Adj Rate	$36.93

2005 Manual - Single Family Base Rates	
D0 111 @ 2,600	$47.54
E0 111 @ 2,600	$40.41

Median D0 Office Building Calculation
3,009 x $39.82 = $119,818
FHA/AC @ $7.30 x 2,575 = $18,797
$119,818 + $18,797 = $138,615
$138,615 / 2,575 sq. ft. = $53.83

2015 Manual D0 Office Bldg Calc
3,009 x $65.80 = $197,992
FHA/AC @12.60 x 2,575 = $32,445
$197,992 + $32,445 = $230,437
$230,437 / 2,575 sq. ft. = $89.49

Other Comm. Hi Part. - 56% Median Increase

- 2005 manual base rate was lower than comparable size retail building (low partition)
- Partitions add cost

2005 Manual Rates	
D0 class 5,000 square foot retail building base rate:	$39.73
D0 class 5,000 square foot other commercial high partition building base rate:	$36.33
2015 Manual Rates	
D0 class 5,000 square foot retail building base rate:	$55.83
D0 class 5,000 square foot other commercial high partition building base rate:	$62.06

9-41 Duplex

Class C

Class C

Class D

Class D

9-42 Apartment

Class B

Class B

Class C

Class D

9-44 Hotel / Motel

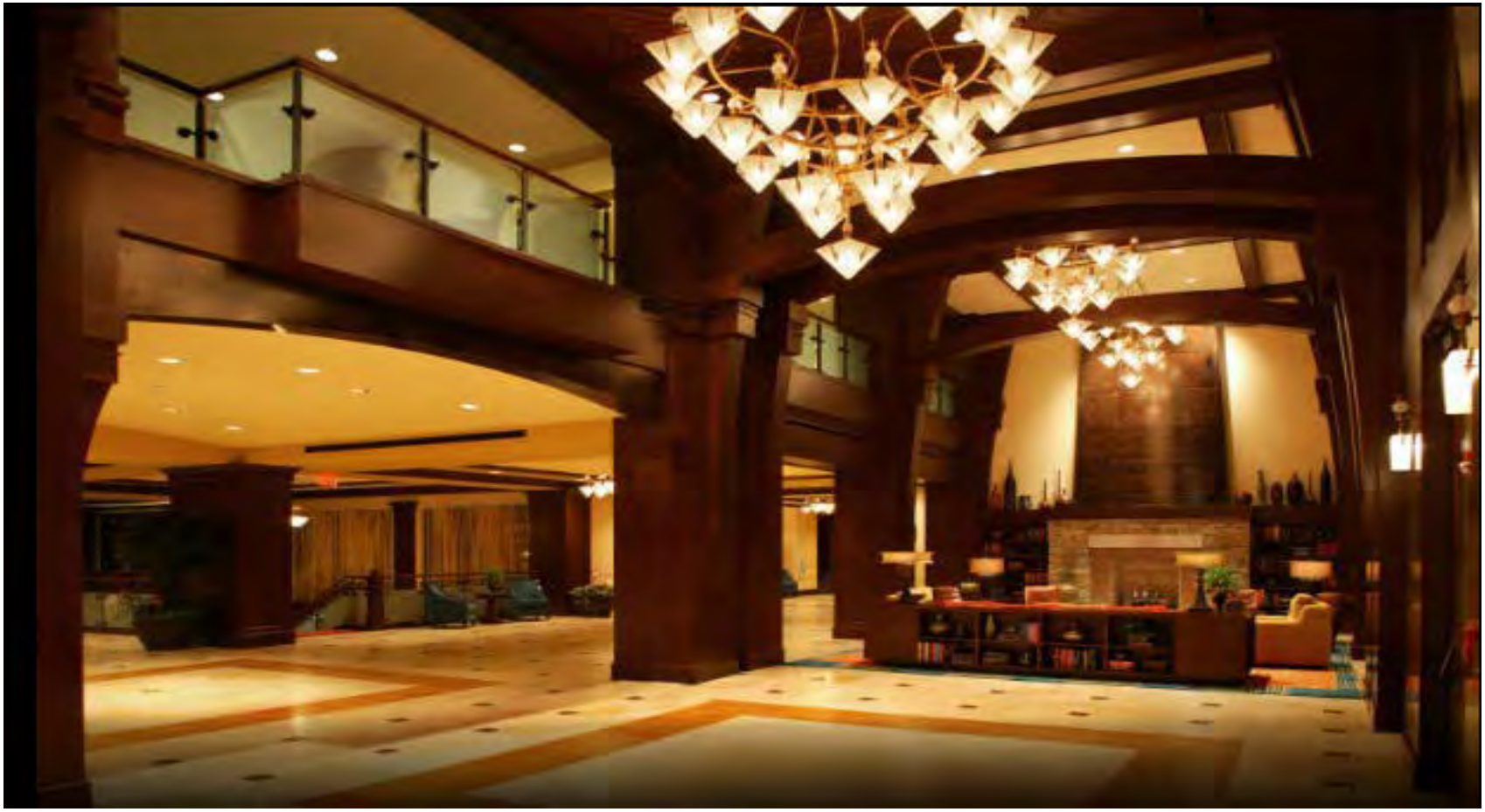
Class A

Class B

Class C

Class D

Hotel Class "A"



Hotel Class "A"

Hotel Class "A"

Hotel Class "A"

Hotel Class "B"

Hotel Class "B"

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Hotel Class "B"

Hotel Class "C"

Hotel Class "C"

Hotel Class "C"

Hotel Class "C"

Hotel Class "C"

Hotel Class "D" Inside

Hotel Class "D" Inside

Hotel Class "D" Inside

Hotel Class "D" Inside

9-46 Factory, Light Manufacturing

Class D

Class D

Class D

Class D

9-48 Factory, Heavy Manufacturing

Class B

Class B

9-49 Factory, Heavy Manufacturing

Class C

Class C

9-50 Factory, Heavy Manufacturing

Class D

Class D

9-52 Small Freestanding Retail

Class B

Class C

Class D

Class D

9-53 Mid-Box Freestanding Retail

Class C

Class C

Class D

Class D

9-54 Big Box Freestanding Retail

Class B

Class C

Class D

Class D

9-55 Department Stores

Class B

Class C

Class C

Class D

9-56 Food Stores

Class C

Class C

Class D

9-57 Strip Shopping Center

Class C

Class C

Class D

Class D

9-58 Neighborhood Center

Class B

Class B

Class C

Class C

9-60 Power Center

Class C

Class C

Class C

9-62 Lifestyle Center

Class B

Class B

Class B

Class B

9-64 Miscellaneous Retail

Bowling Alley
Class D

Skating Rink
Class D

9-66 Restaurant

Class A

Class A

Class B

9-67 Restaurant

Class B

Class C

Class C

9-68 Restaurant

Class D

Class D

Class E

9-70 Fast Food Restaurant

Class C

Class C

Class C

9-71 Fast Food Restaurant

Class C

Class C

Class D

9-72 Fast Food Restaurant

Class D

Class D

Class D

Fast Food Restaurants have a high ratio of kitchen area to total building area and usually provide only counter and window service.

9-74 Convenience Store

Class C

Class C

Class D

Class E

9-76 Other Commercial (High Partition)

Funeral Home
Class B

Clubhouse
Class C

Theater
Class C

Fitness Center
Class D

9-78 Service (Low Partition)

Auto Dealership
Class A

Auto Dealership
Class B

Auto Dealership
Class B

Auto Dealership
Class C

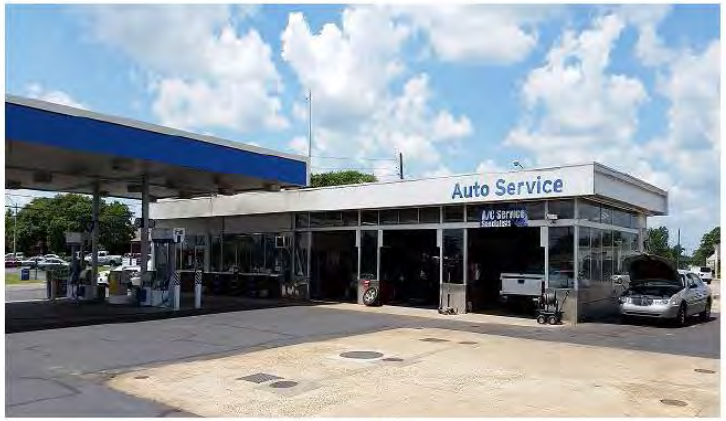
9-79 Service (Low Partition)

Auto Service
Class C

Auto Service
Class D

Auto Service
Class D

9-80 Service (Low Partition)



Service
Class D

Service
Class D

Service
Class D

Automotive dealerships that are built as a single building should be valued using the 600 Service rate. Add sq ft for office and display areas (Table 19). Separate sales showrooms should be priced from the 610 Office chart.

Add Lube Pits at $24.20 *per square foot* .

9-82 Office

Class A

Class A

Class B

9-83 Office

Class B

Class C

Class C

9-84 Office

Class C

Class D

Class D

9-86 Bank

Class B

Class C

Class C

Class D

9-88 Warehouse

Class C

Class D

Class D

Class E

9-90 Medical Office

Class A

Class B

Class C

Class D

9-92 Veterinary Office

Class B

Class C

Class C

Class D

9-94 Hospital

Class A

Class B

Class C

Class D

9-96 Nursing Home

Class B

Class C

Class C

Class D

9-98 Post Office

Class B

Class C

Class D

9-102 Table 65

Table 65

Automatic Car Wash

Description	Cost
Car wash, Low Cost - Minimum finishes, no waiting area	$67.80
Car wash, Average - Small office, storage, no waiting area	92.00
Car wash, Good - Good office and retail space	125.40
Car wash, Excellent - Good finish, built-in features, waiting area	165.70

Carwash, Automatic

Conveyer belt pulls car through each washing station

11-6 Car Wash Canopies

Car Wash Canopies

Cost is ***per square foot***.

Description	Cost
Canopy, Low Cost - No walls, fiberglass or shade netting roof, metal or wood frame	$11.90
Canopy, Average - No walls, average service canopy, metal or wood frame	27.00
Canopy, Good - Good walls and roof structure, open ends	54.00
Canopy, Excellent - Good walls and doors, built-up or steel roof	73.00

11-6 Car Wash Canopies

Chapter 11 Cost Section

11-16 Residential Piers & Boathouses

Residential Piers and Boathouses

Cost is ***per square foot.***

Description	Low Cost	Average	Good
Pier	$12.20	$16.00	$23.20
Covered Pier	24.00	33.10	45.20
Boathouse (single covered slip)	21.40	30.50	40.40
Boathouse (double covered slip)	17.50	24.90	33.00
Enclosed Boathouse	28.20	43.60	53.70
Boathouse storage room add-on	22.10	31.50	37.80

Covered boat docks and boat houses may contain living area.
Apply the proper decimal area and add square foot cost to the finished floor area using the Miscellaneous Structure, Living Area from Table 16.

For structures with finished upper floor area; price building with total adjusted area.

+1.5 L: full finish, few partitions	0.3
+2 full finish, normal living area	0.7

Pier – Low Cost

Pier – Good

Boathouse - Average

Boathouse - Average

Boathouse Good

Enclosed Boathouse Low Cost

Enclosed Boathouse Good

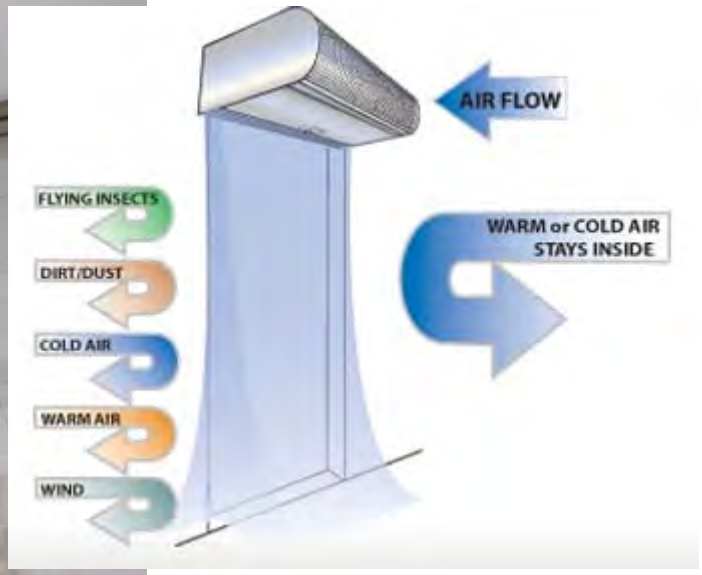
Doors: Air Curtains

Air Curtains

Cost is ***per square foot*** of entrance opening.

Type/Description	Cost
In Place	$40
Particulate Filtered Units	80
Heated Units	80

Doors: Air Curtains



11-54 Climate Controlled Mini-Warehouse

Climate Controlled Mini-Warehouses

Lighting, Plumbing, and Mechanical are all electrical service.

Cost is ***per square foot.***

Type	Exterior Walls	Interior Finish	Cost
Above Average	Brick, Block, or tilt-up	Cubicles, slab, security partitions	$47.80
Average	Brick, Block, or tilt-up light construction	Cubicles, slab	37.30
Above Average	Stucco or siding	Cubicles, slab, security partitions	45.00
Average	Wood frame and stucco or wood	Cubicles, slab, unfinished slab	35.20
Above Average	Pre-engineered steel frame insulated	Cubicles, slab, security partitions	43.90
Average	Light steel frame and metal siding	Cubicles, light slab	34.40
Above Average	Wood frame, metal siding, doors	Cubicles, slab, security partitions	32.10
Average	Wood frame and truss, metal siding	Cubicles, light slab	25.50

Mini-Warehouses: Climate Controlled

11-62 Bulkheads

Bulkheads

Average equipment set up cost can vary according to job location, set up in wet conditions, river front, over water, etc. Under the above mentioned condition cost should be increased from 20 to 50%.

Cost is ***per square foot.***

Type	Cost
Sheeting, bulkheads, left in place	
concrete, poured in place	$38.30
metal, aluminum panels	**36.70**
steel, 27# average	57.40
vinyl	**21.00**
wood, untreated	21.00
treated	24.10

11-70 Solar Photovoltaic Systems

Solar Photovoltaic Systems

Cost is ***per square foot*** of collector panel area.

Description	Cost
Solar Photovoltaic System	**$33.70**

Chapter 12 Manufactured Homes

12-8 Table 69

Table 69
Manufactured Homes Base Rate Chart
Rates are based on ***Total Adjusted Area***.

Square Feet	Class E	Class D	Class C	Class B
200 & below	$23.70	$29.60	$34.40	$45.00
300	23.50	29.30	34.00	44.60
400	23.20	29.10	33.70	44.20
500	23.00	28.80	33.40	43.80
600	22.80	28.50	33.10	43.40
700	22.60	28.20	32.80	42.90
800	22.40	28.00	32.40	42.50
900	22.20	27.70	32.10	42.10
1000	21.90	27.40	31.80	41.70
1100	21.70	27.20	31.50	41.30
1200	21.50	26.90	31.20	40.90
1300	21.30	26.70	30.90	40.50
1400	21.10	26.40	30.60	40.20
1500	20.90	26.10	30.40	39.80
1600	20.70	25.90	30.00	39.40
1700	20.30	25.30	29.40	38.50
1800	19.80	24.70	28.70	37.60
1900	19.40	24.20	28.10	36.80
2000	18.90	23.60	27.40	35.90
2100	18.50	23.10	26.80	35.10
2200	18.10	22.60	26.20	34.40
2300	17.70	22.10	25.60	33.60
2400	17.30	21.60	25.00	32.80
2500	16.90	21.10	24.50	32.10
2600	16.50	20.60	23.90	31.30
2700	16.10	20.20	23.40	30.60
2800	15.80	19.70	22.80	29.90
2900	15.40	19.30	22.30	29.30
3000 & up	15.10	18.80	21.90	28.60

Manufactured home index calculation

How to Prepare for the 2015 Alabama Appraisal Manual

General Observations

- This manual will tell on you if:
  - You have been over classing
  - You have not been depreciating

Was listed as class AA

Queries are Essential

- We must be able to identify problem areas
  - Query and review all:
    - Convenience Stores
      - Correct classing
    - Fast Food Restaurants
      - Correct classing
    - Other Commercial High Partition
      - Verify the building type
      - Exempt properties are not a high priority

Queries are Essential

- Water improvements (piers, boathouses)
- Garage apartments
- Clean up data in general
  - No base area
  - Unusual condition estimates
  - Construction units
  - Etc.

Advanced Preparations

- Convenience stores and fast food restaurants should be reviewed:
  - Class changes may be held for keying until the implementation year or
  - A valuation zone may be created for those property types, and a market factor applied to maintain proper value until implementation
- Converted miscellaneous improvements identified
  - Water improvements

Incremental Review

- Correct any classing issues
  - Over classing
  - Inconsistent classing
- Ensure that condition estimates are accurate and consistent
- Value changes can be managed with trend factors
  - Critical to review by valuation zone
- This is a new day

Listing New Properties

- Begin making a list of properties that have new items. Include details for future listing.
  - Hard to see items are a priority
    - Safety structures
    - X-ray rooms
    - Screen pool enclosures
    - Rockscape grottos & waterfalls
    - Entertainment pavilions
    - Outdoor kitchens
    - Etc.

CAMA

- Work with your CAMA vendor
  - Set up a test database if possible
  - Identify conversion issues
    - State codes
  - Learn the query function
- Consult with ADOR

Presentation Online

www.revenue.alabama.gov

- Hover over “Divisions”
- Click on “Property Tax”
- Click on “Taxes Administered by this Section”
- Click on “Real Property”
- Click on “Presentations”