

Market Value is the price at which a property would sell for cash or its equivalent under prevailing market conditions if:

- 1) Exposed for a reasonable time in the open market
- 2) Both the buyer and the seller are well informed of all the property uses, purposes, and restrictions.
- 3) Both parties seek to maximize their gains
- 4) Neither party is in a position to take advantage of the other.

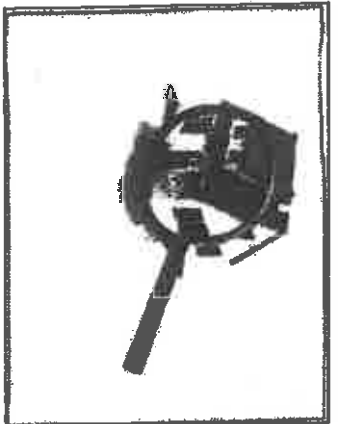
There are Three

Approaches to Value:
**MARKET, COST, and
INCOME**

The value of real property subject to local property taxation is determined by the use of Mass Appraisal techniques. Within the Mass appraisal system, there are three widely recognized approaches to determining the value.

The Sales Comparison or Market approach, the Cost approach and the Income approach are all considered in the value determination.

The type of property being appraised will determine how much weight will be given to the values derived for a property under each approach.



Duval County Appraisal

District

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Please feel free to contact our office if you have questions or comments concerning the information in this brochure.

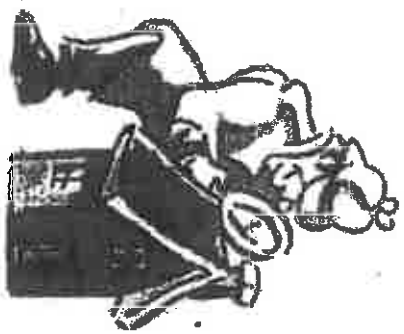
DUVAL COUNTY

APPRAISAL

DISTRICT

Local Property Taxation

Appraisal Information

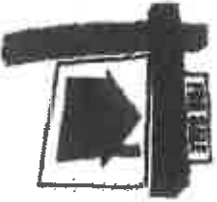


LOCAL PROPERTY TAX SYSTEM

Approaches to Value - Mass Appraisal Process

Texas laws require appraisal districts to appraise all property at its current market value. Tector County Appraisal District utilizes all three recognized approaches to value to determine local market values.

Market or
Sales
Comparison
Approach



The market approach to value develops an estimate of value by comparing the subject to similar properties that have recently sold. The focus is on sales prices of similar properties. It is the most reliable approach to value in an active sales market. This approach is best suited for residential properties.

Cost Approach

The cost approach to



value estimates value by calculating what it would cost to develop a new property with the characteristics of the property being appraised then adjusting the cost to reflect the actual condition and circumstances. The calculated value of the structures is then added to the land value for an overall property value. Very accurate for new properties. Best approach for unique properties where there are no sales and there is no income being derived from the property.

Income

Approach The

Income

approach to

value relies

on the concept that

income over a period

of years can be

capitalized or

converted to a lump

sum that represents

what someone would

pay to purchase the

right to receive the

income. This lump sum

is also called present

worth. It is the most

meaningful value

indicator for

properties that

produce income

(offices, apartments,

hotels/motels).

