Neighborhood Delineation

Purpose

Neighborhood Delineation is a study of forces from outside which could be considered to have an effect on property value; and also conclusions on the typical housing, economic, social and demographic characteristics of the geographic area considered a homogeneous neighborhood. A "neighborhood" for analysis purposes is defined as the largest geographic grouping of properties where the significant economic forces of those properties are generally uniform.

The Neighborhood Data Form serves three (3) main functions:

1. To provide an opinion of the typical structure, economic factors and conditions within an area considered a neighborhood. Appraisers use this information to provide a benchmark to compare each property within the neighborhood with each other.

2. To provide a generally similar geographic area to use as a statistical base for sales comparison, both during the 2009 Reappraisal and years later to measure change and update values accordingly.

3. Provide a basis to allow development of computer assisted land price tables (CALP).

Significant Characteristics Considered:

1. Physical Boundaries

    a. Natural - as rivers, mountains, woods, streams, etc.

    b. Manmade - as roads, highways, railroads, streets, corporation boundaries, etc.

2. Housing Characteristics - such as type, quality, age and condition.

3. Occupancy - as % of homes owner-occupied or tenant-occupied, and % of vacant structures.

4. Predominant land use and anticipated changes.

5. Typical land size and land valuation.

6. Neighborhood life cycle.

7. Estimates of market value ranges.

INSTRUCTIONS FOR NEIGHBORHOOD DELINEATION FIELD ANALYSIS

Step 1 - Produce large scale maps for the county, which ideally show all streets, roads and significant physical features as rivers, lakes, railroads, etc.

Step 2 - Establish preliminary neighborhood boundaries on base maps using known physical and governmental features as boundaries. A general rule would be to consider all physical separation points as, rivers, arterial streets, corporation lines, lakes, commercial-industrial areas, highways, etc., as a definite neighborhood boundary.

Step 3 - Assemble and analyze supplementary material for the community as available and useful.

Examples would include:

Listing of established subdivisions
Zoning maps and zoning restrictions
Planning department maps - (master development plans)
Census Tract Statistics
School district maps
Redevelopment planning maps and studies
Current and planned utility maps (sewer, public water)
Soil maps, topographic maps, etc.
Real estate sales data from multiple listing service and internal sales verification letters.
Industrial plant listing, employment base summaries.

Step 4 - Begin the field inspection process by conducting a thorough, street by street visual inspection throughout the county. Based on physical observation and data collected and analyzed to date, establish individual neighborhood boundaries, recognizing the specific delineation points where the properties begin to represent significant physical and economic changes from adjacent areas.

Step 5 - After establishing boundaries of each neighborhood;

A - Fill out the neighborhood data form and assign an identification number.

B - Post the established neighborhood boundaries and identification numbers to a master map.

Step 6 - Establish final boundaries and permanent neighborhood numbers and post both to the Project Master Map and Individual Field Maps used for field appraisal.

Step 7 - Determine through manual or computerized analysis the comparability of all neighborhoods. The theory here is, even though various neighborhoods may be physically separated, if the predominant value analysis characteristics such as value range, housing characteristics, neighborhood type, etc., are similar, then it is desirable to group similar neighborhoods and thereby create a larger sales data base for comparable property value analysis.

SUMMARY - Keep in mind during the neighborhood analysis process, our primary purpose is to use the neighborhoods established to develop a statistical measuring base for pooling and analyzing sales data, and subsequently using this data to determine market value for individual properties via the comparable market data approach.

NEIGHBORHOOD DATA FORM INSTRUCTIONS

NEIGHBORHOOD ID: Enter four (4) numeric characters to the left of the vertical hash mark ranging from 0001 to 9999 to denote specific neighborhood number. A character position to the right of the vertical hash is provided to enter an alpha character (A to Z) to denote the creation of a sub-neighborhood.

IDENTIFICATION AND REFERENCE

11. AREA NAME: Space up to 30 characters is provided to enter a descriptive name that the neighborhood is commonly known as:

> Examples: Wiseman's Crossroads, Shallowford Crossing, and Yadkinville Central Business District.

12. TAXING DISTRICT: The municipal taxing district or township is entered.

14. SCHOOL DISTRICT: West Yadkin, Yadkinville, Forbush, Courtney, etc.

15. FIRE DISTRICT: The predominant fire district.

BOUNDARIES

21, 23, 25, 27 - NORTH, EAST, SOUTH, AND WEST-Space up to 27 characters on each line is provided to enter the boundaries of the neighborhood. Boundaries may be streets, roads, lakes, town lines, railroads, or in short, any natural or manmade boundaries.

> Examples: County Line, New Highway 421, Deep Creek, etc.

22, 24, 26, 28 - Boundary Codes - Space up to 3 characters is provided to enter the reason WHY that boundary was selected as a delineation point.
Delineation Codes 1 through 5 are provided on the form.

> Examples: Field analysis has revealed that the north boundary should be South Deep Creek because it is a physical barrier to extension, development or influence from outside forces to this neighborhood. Enter "1". If South Deep Creek was considered both a physical and a land use change point, both code "1" and code "4" could be entered. A maximum of three (3) codes may be entered for each boundary.
> Codes 1 through 4 are used in a vast majority of the cases.

5. Other (Explained)

Most boundaries are for reasons that will be covered by codes 1-4. There are cases when the standard lot size makes a distinct change to the point that a new neighborhood or sub-neighborhood must be identified as such.

Important Note: The fact that an area is perceived to have a higher percentage of occupants of a single race, creed, color, religion or place of employment than the surrounding areas is not a legitimate reason to create a neighborhood boundary based on socioeconomic compatibility. This is both artificial in nature and discriminatory in fact.

CHARACTERISTICS

Characteristics generally refer to the residential development status of the neighborhood. One choice is required for each item, 31 through 38, entry is made by circling the appropriate code number for each item.

31. TYPE

1. Urban - neighborhood is a built-up area normally within the city limits of Yadkinville.

2. Suburban - normally a built-up area located outside the city limits but within normal driving and shopping distance to the urban areas. Could be incorporated or the extra-territorial jurisdiction of an urban area or unincorporated. Example: Shacktown.

3. Sub-Division - normally a sub-divided and platted area of modern dwellings having highly homogeneous housing characteristic (i.e. similar type, age group, style, quality, value range, etc.), located beyond normal daily commuting distance to the urban center for work or shopping. Normally is not incorporated. Example: Forbush Forest, River Point.

4. Rural - generally considered to be an area of relatively sparse population, open space normally devoted to farm and/or recreational land use. Always unincorporated. Example: Knobs Township

5. Rural Hamlet - normally a small village or town located within a rural area and relatively remote from the urbanized areas of the community. Normally it is an unincorporated district. Example: Hamptonville.

6. Transitional - an area that borders a developed area and provides a buffer zone between developed areas such as urban or suburban and a rural area. Example: Enon.

32. PREDOMINANT LAND USE - One choice is required. Circle the code that most accurately describes the CURRENT predominant land use. These choices are:

1. Residential
2. Agricultural
3. Commercial
4. Industrial
5. Other (recreational, governmental, educational, etc.)

33. RATE OF CHANGE IN LIFE CYCLE - a basic axiom of neighborhood analysis presumes that neighborhoods are subject to inevitable change, and change in the life cycle of a residential neighborhood is normal and to be expected. Circle the code that most accurately describes the speed or pace of the change taking place in the subject neighborhood. The choices are:

1. Slow - change almost imperceptible.

2. Steady - evidence of significant change taking place, but at a moderate rate.

Example: gradual development of a rural area to more intense residential development.

3. Rapid - pronounced and dramatic change taking place within a short time span (one year).

Example: old blighted residential area experiencing a rapid urban redevelopment.

34. NEIGHBORHHOD LIFE CYCLE - As mentioned above, neighborhood analysis presumes that all neighborhoods have a life cycle consisting of:

1. Inception and growth - usually rapid.

2. Relative equilibrium - Rather slow and almost imperceptible change cycle of the mature neighborhood.

3. Decline - The point of marked decay and disintegration normally associated with almost blighted neighborhoods.

Circle the code that accurately describes the current stage of neighborhood life cycle.

35. DEMAND/SUPPY - circle the code which most accurately describes the availability of properties for sale within the subject neighborhood. The choices are:

1. Shortage - more buyers available than there are properties for sale.

2. In Balance - availability approximately equal to buyer demand.

3. Over Supply - More properties available for sale than buyers, and representing a temporary or relatively permanent stagnant market condition.

36. DENSITY - Circle the code which most accurately describes the degree of present population and improvement density. Select from:

1. Low - as in rural, recreational, open space land use.

2. Medium - as in areas of single family development in the range of 50% to 75% peak development.

3. High - as in highly urbanized, virtually 100% developed neighborhoods.

37. RATE OF TURNOVER - Refers to the number of properties currently bought and sold within the subject neighborhood. Circle one of the following:

1. Low - Usually less than 5% annually of the residential properties in the neighborhood.

2. Medium- Approximately 5% annually of the residential propitious in the neighborhood.

3. High - Significantly more than 10% annually of the residential properties in the neighborhood.

38. TYPICAL LOT SIZE - Refers to the typical lot size for properties located in the neighborhood, expressed as SF (square feet) or AC (acres).

03. BASE CALP INDEX - Indicates a percentage that will be applied to the base CALP table to generate correct land values obtained from the Land Pricing Analysis form. Enter the correct index.

04. BASE CDU TABLE - Indicated the CDU table that will be applied to all improved properties in the neighborhood before pre-review. Refer to the percent good schedule section of this or clarification. Circle the most appropriate code.

05. NEIGHBORHOOD GROUP - Indicates a number that contains neighborhoods which are similar to the subject neighborhood, due to type of housing, range of values or other related characteristics.

06. TYPICAL C.D.U. - Indicates the combined condition, desirability and utility factor of a majority of residences in the neighborhood or the normalized neighborhood CDU factor. Circle the most appropriate normalized neighborhood entry.

07. TYPICAL GRADE - Indicates the construction quality of the majority of the residences in the neighborhood, or the normalized quality grade of the neighborhood. Circle the most appropriate entry.

08. TYPE GRADE ADJUSTMENT - Indicates a factor, either plus or minus, that should be applied to the grade selected in 07 to further classify the majority of residences in the neighborhood. 0 indicates that no grade adjustment is necessary. Circle the most appropriate entry.

09. TYPICAL AGE GROUP - Indicates the average age expressed in years of the majority of residences in the neighborhood. Circle the most appropriate code.

10. TYPE - Indicates the most typical residential use in the neighborhood.

Circle the most appropriate code.

PREDOMINANT OCCUPANCY

This section deals with an estimate of the current utilization of the typical structures within the neighborhood.

51. OWNER - Enter (from 000% to 100%) the estimate of the current utilization of the typical structures within the neighborhood.

52. TENANT - Enter (from 000% to 100%) the estimated number of tenant occupied homes in the neighborhood.

53. VACANCY - Enter (from 000% to 100%) the estimated number of currently unoccupied homes in the neighborhood.

NOTE: Seasonal residences normally occupied at some time during the year should not be considered vacant.

54. CHANGE IN USE - Circle the most accurate choice describing the current likelihood of a change in significant land use in the neighborhood. Select from:

1. Not Likely
2. Likely
3. Taking Place

55. PROBABLE NEW USE - Circle the most accurate choice describing the likely anticipated future land use in the neighborhood. Select from:

1. None
2. Residential
3. Agricultural
4. Commercial
5. Industrial
6. Other

61. UTILITIES - Used to indicate what utilities are available to the majority of properties in the neighborhood. Circle the appropriate code(s).

62. STREET OR ROAD - Indicates the predominant road type in the neighborhood.

Circle the appropriate code.

ESTIMATED MARKET VALUE FOR RESIDENTIAL IMPROVED PROPERTY

(This activity is to be performed during Phase 2 by Appraisers)

This section represents an estimate by the field analyst of the current market value of the typical residential property within the neighborhood. Generally, it can be said that an area can be considered highly homogeneous if at least 75% of the residential property in the neighborhood falls within the minimum - maximum value range and the value range does not exceed a 25% range from the median value.

Example: Minimum - 25000
Maximum - 35000
Median - 32000

71. MINIMUM - Enter, right justified, in $100 multiples, the estimated minimum residential market value for the typical residential property in the neighborhood, after adjusting utilized valid market sales with a time index.

72. MAXIMUM - Enter, right justified, in $100 multiples, the estimated maximum residential market value for the typical residential property in the neighborhood, after adjusting utilized market sales with a time index.

73. MEDIAN - Enter, right justified, in $100 multiples, the estimated median residential market value for the typical residential property in the neighborhood, after adjusting utilized valid market sales with a time index. The median is defined as a measure of central tendency equal to that point in a distribution above which 50% of the values fall and below which 50% of the values fall.

74. NOTES

Thirty character positions are provided to enter any data that is considered significant enough to possibly alter future neighborhood groupings or market value ranges.

Example: Corridor of planned highway dissects neighborhood.