

RESIDENTIAL SALES COMPARISON GRID (MODEL)

The McLennan County Appraisal District utilizes the 'Sales Comparison Approach' in our appraisal of 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 MCAD'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 1st 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 four primary components that MCAD 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. 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.
 - c. 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.
 - d. 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.
6. The grid also adjusts for differences in features.

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 MCAD's residential sales comparison grid

Comparable Sales Grid (Sample)

	Subject	Comp #1	Comp #2	Comp #3
Prop ID	600000	600001	600002	600003
Situs	100 MCAD AVE	101 MCAD AVE	102 MCAD AVE	103 MCAD AVE
Neighborhood	12345.0	12345.0	12345.0	12344.0
Sale Date		2/22/2019	11/10/2019	6/21/2019
Adi Sale Price		240688	258425	279900
Confidential Sale		Yes	Yes	Yes
Land Value Adi	42,150	42,150	42,210	-60 43,230
Actual Year Built	2012	2014	2017	2016
Living Area	1924	2052	1861	2111
Class Adi	11WV5	0 11WV5	0 11WV5	0 11WV5
% Good Adjustment	99.00%	99.00%	100.00%	-2.215 99.00%
Segments & Adi	MA1 1923.5	MA1 2052	-7504	MA1 1860.5
	041 576	041 444	6070	041 538
	011 42	011 15	600	011 98.5
	011 93.5	011 164	-1530	011 37
		452 588	-2510	
Features Value	MA1 17818	0 MA1 17818	0 MA1 17818	0 MA1 14182
	041 0	0 041 0	0 041 0	0 041 0
	011 0	0 011 0	0 011 0	0 011 0
	011 0	0 011 0	0 011 0	0 011 0
		452 0	0	
Net Adjustment		0	-4,934	2,134
				-11,430
Indicated Value			235,754	256,291
Indicated Value / SQFT			114.78	137.72
Median Value	256,291			268,470
Median Value / SQFT	137.72			127.18

LAND VALUE ADJUSTMENTS
Adjustments are made for Size and/or Locational differences.

CLASS ADJUSTMENTS
Adjustments are made for differences in quality and/or construction

PERCENT (%) GOOD ADJUSTMENT
Condition adjustments are made for differences in physical, functional or economical factors.

LIVING AREA ADJUSTMENTS
Living areas of comparables are compared to the subject at the segment level (MA1, MA2, MA3), with the differences in square footage adjusted using the comparables size adjustment factor.

SECONDARY IMPROVEMENTS
Non-living area segments are compared and any difference 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	
MA1=Living Area-1st Floor	449=Pool
MA2=Living Area-2nd Floor	442=Spa
041=Attached Garage	467= Poolhouse
031=Detached Garage	439=Deck
051=Attached Carport	452=Patio
061=Detached Carport	447=Storage Building
011=Covered Patio	402=Barn
021 = Enclosed Patio	460=Metal Building

INDICATED VALUES

The sum of positive and negative adjustments, for each comparable, is listed in the "Net Adjustment" row, and is added 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 living area of the subject property to arrive at an "Indicated Value per Square Foot" for the subject property.