



DEPARTMENT  
*of* REVENUE

# IF THEY BUILD IT! YOU WILL COME!

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Local Government Services

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## CONSTRUCTION IN PROGRESS

**IF  
YOU WILL  
COME!!!  
BUILD  
THEY  
IT,**

# DREAM HOME



# TAX ASSESSORS ON THEIR WAY!



# HOW WE FEEL WE ARE PERCIEVED



# HOW WE ARE PERCIEVED





## 560-11-10-.09(4)(D)(2) CONSTRUCTION IN PROGRESS

- **Construction in progress shall be appraised in the same manner as other similar real property taking into account that there may be little or no physical deterioration on such property and that the fair market value may be diminished due to the incomplete state of construction.**

## 560-11-10-.09(4)(D)(2) CONSTRUCTION IN PROGRESS

- **The appraisal staff should attempt to value construction in progress by forecasting the future cash flow a project would generate and discounting at a rate that reflects the risk and uncertainty of that cash flow.**

# 560-11-10-.09(4)(D)(2) CONSTRUCTION IN PROGRESS



## 560-11-10-.09(4)(D)(2) CONSTRUCTION IN PROGRESS

- **If the construction in progress is being financed by a lending institution that has established an account from which funds may be drawn by the builder as construction progresses, the appraisal staff may consider the percentage of such funds expended as of January 1 as a possible indication of percentage completion of construction in progress.**

## 560-11-10-.09(4)(D)(2) CONSTRUCTION IN PROGRESS



## 560-11-10-.09(4)(D)(2) CONSTRUCTION IN PROGRESS

- In the absence of sufficient information to perform such an analysis, the appraisal staff should estimate the percentage of completion of ALL construction in progress as of January 1 of the tax year using the best information available.

AT WHAT PERCENT DO YOU ADD CIP????



**50% of  
ya'll!**

## 560-11-10-.09(4)(D)(2) CONSTRUCTION IN PROGRESS

- **The appraisal staff should then estimate the fair market value of the improvement upon completion. The appraisal staff should then estimate the fair market value as of January 1 as being the estimated fair market value upon completion multiplied by the percentage of completion on January 1.**



## 560-11-10-.09(4)(D)(2) CONSTRUCTION IN PROGRESS

$$\text{\$100,000} \times .25 = \text{\$25,000 (RCN)}$$

## 560-11-10-.09(4)(D)(2) CONSTRUCTION IN PROGRESS

**If comparable sales information of real property under construction is generally not available and there is no other specific evidence to measure the probable loss of value if the property is sold in an incomplete state of construction, the appraisal staff may multiply the identified total cost of construction by a uniform market risk factor of **.75**.**

## 560-11-10-.09(4)(D)(2) CONSTRUCTION IN PROGRESS

$$\$25,000 \times 0.75 =$$

**\$18,750 (FMV)**

## WHAT PERCENT COMPLETE IS IT?

20%	A residence is generally considered to be at this stage of completion once the foundation is complete and the walls and roof structure has been framed.
40%	A residence reaches this level of completion once the roof and building sheathing is completed and the sub-floor is in place. Also plumbing and electrical rough-in has begun.
60%	A residence may be considered to be at this level of completion once the rough-in is complete and insulation is installed. Also windows and exterior doors have been installed. The building may be considered weather tight at this point.
80%	A residence is well along at this point of the construction process. The drywall is hung and finished the walls and ceilings have been primed and painted. The plumbing and electrical fixtures may have been installed.
100%	The construction is complete all interior finishes have been applied and the building is ready to be occupied.

## PAGE 66 IN COURSE V MANUAL - IAAO

Item	Percent of total	Cumulative percent	Cumulative percent complete
Excavation	2	2	
Forms set	2	4	
Foundation and/or blocks	8	12	
Basement floor	2.5	14.5	
Joists set	2	16.5	
Subfloor	2	18.5	
Framed	7	25.5	
Sheathed	5	30.5	
Roof shingled	4	34.5	
Windows set	4	38.5	
Siding on	5	43.5	
Heating installed	6	49.5	
Plumbing roughed in	6	55.5	
Wiring roughed in	3	58.5	

## PAGE 66 IN COURSE V MANUAL - IAAO

Insulated	2.5	61	
Walls roughed in	2	63	
Walls finished	5	68	
Interior trim & cabinets	6	74	
Door hung	2	76	
Wiring finished	3	79	
Plumbing fixtures in	3	82	
Floors finished	5	87	
Finished hardware	1	88	
Interior decorating	4	92	
Outside painting	3	95	
Water and sewer connected	2	97	
Exterior concrete work	3	100	
Total percent complete			

COME WITH ME IF YOU WANT TO BUILD!!!!



## 2% EXCAVATION – 2% COMPLETE





## 2% FORMS SET – 4%



## 8 % POURED WALL FOUNDATION – 12%



## 8% CONCRETE BLOCK FOUNDATION – 12%



## 8% SLAB FOUNDATION – 12%



## 2.5% BASEMENT FLOOR SET – 14.5%



## 2% JOIST SET – FIRST FLOOR - 16.5%



## 2% JOIST SET – FIRST FLOOR - 16.5%



## 2% SUB FLOOR SET – FIRST FLOOR - 18.5%





## 2% SUB FLOOR SET – FIRST FLOOR - 18.5%



7% FRAMED – 25.5%



7% FRAMED – 25.5%



5% SHEATHED – 30.5%



5% SHEATHED – 30.5%



## 5% SECOND FLOOR JOIST AND SUB FLOOR – 30.5%



## 4% ROOF SHINGLED – 34.5%



4% ROOF SHINGLED – 34.5%





4% WINDOWS SET – 38.5%



4% WINDOWS SET – 38.5%



5% SIDING ON – 43.5%



5% SIDING ON – 43.5%



## 6% HEATING INSTALLED – 49.5%



## 6% HEATING INSTALLED – 49.5%



## 6% HEATING INSTALLED – 49.5%



50% COMPLETE





## 6% PLUMBING ROUGHED IN – 55.5%



## 6% PLUMBING ROUGHED IN – 55.5%



# ROUGH IN – ADDS VALUE!!!!



## 3% WIRING ROUGHED IN – 58.5%



3% WIRING ROUGHED IN – 58.5%



## 2.5% INSULATION – 61%



## 2.5% INSULATION – 61%



2% WALLS ROUGHED IN – 63%





## 2% WALLS ROUGHED IN – 63%



## 5% WALLS FINISHED – 68%



## 5% WALLS FINISHED – 68%



## 6% INTERIOR TRIM AND CABINETS – 74%



## 6% INTERIOR TRIM AND CABINETS – 74%



## 2% DOORS INSTALLED – 76%



2% DOORS INSTALLED – 76%



3% ELECTRICAL FINISHED – 79%





3% ELECTRICAL FINISHED – 79%



## 3% PLUMBING FIXTURES IN – 82%



## 3% PLUMBING FIXTURES IN – 82%



5% FLOORS FINISHED – 87%



5% FLOORS FINISHED – 87%



# 1% FINISHED HARDWARE – 88%



# 1% FINISHED HARDWARE – 88%



## 4% INTERIOR DECORATING – 92%





## 4% INTERIOR DECORATING – 92%



## 3% OUTSIDE PAINTING – 95%



## 3% OUTSIDE PAINTING – 95%



2% WATER AND SEWER CONNECTED – 97%



## 2% WATER AND SEWER CONNECTED – 97%



## 3% EXTERIOR CONCRETE WORK – 100%



## 3% EXTERIOR CONCRETE WORK – 100%



100% COMPLETE





100% COMPLETE



# BROTHER LOVE



# BROTHER LOVE!!!!



ANY QUESTIONS?????

