CAVEAT- 2016

Computer Assisted Mass Appraisal
Income Module

For Educational Purposes Only:

The material within is intended to give the course participant a solid understanding of general principles in the subject area. As such, the material may not necessarily reflect the official procedures and policies of the Georgia Department of Revenue or the Department's official interpretation of the laws of the State of Georgia. The application of applicability to specific situations of the theories, techniques, and approaches discussed herein must be determined on a case-by-case basis.

Income Valuation

Why an emphasis on Income?

- SB346 & the revised definition of FMV
  - Code Section 48-5-2(3)

"Fair market value of property" means the amount a knowledgeable buyer would pay for the property and a willing seller would accept for the property at an arm's length, bona fide sale. **The income approach, if data is available, shall be considered in determining the fair market value of income-producing property.**

Does an Income module exist?

- Is there an income module in WinGAP, or your current Computer Assisted Mass Appraisal Sytem (CAMA) or are you using a developed Income Spreadsheet from EXCEL?

My Cousin Vinny - Austin Pendleton - YouTube.url

Magic Grits - YouTube.url

Implied Orders - YouTube.url

Income Valuation

- How will income values be generated?
  - Combination of income schedules & data in WinGAP, Other Computer Assisted Mass Appraisal System or EXCEL Spreadsheet Income Model
- Who is responsible for the values and gathering income information?
  - TAO appraisal staff
- When can I start generating an income value?
  - After Income Models are setup

Income Valuation

- Where does it all begin?

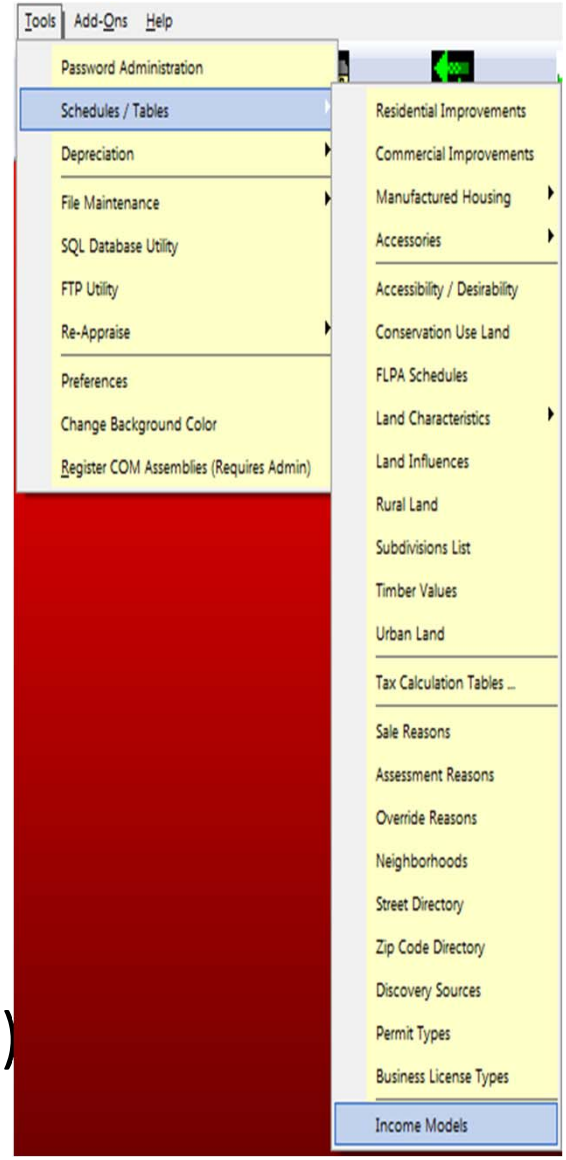
Barney Fife Scared Straight Lecture - YouTube.url

- The Income Model

  schedule screen

  – And then, on the Real Property

  Gen Info screen (the main parcel screen)

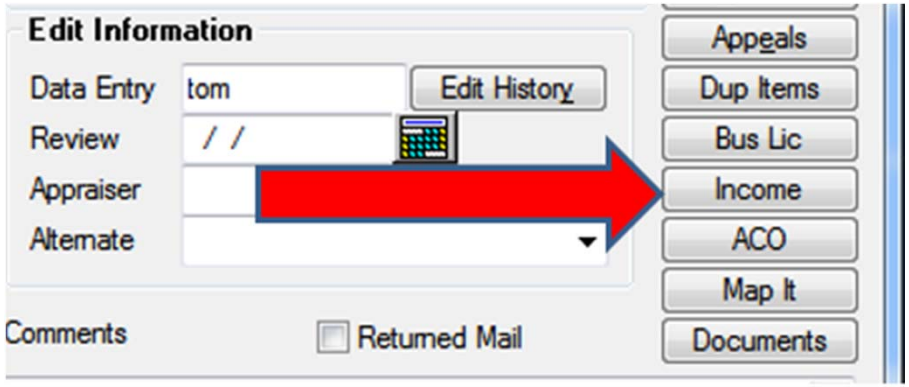


History of The WinGAP Income Module Beginning

- Income module added two years after initial WinGAP V3 Fox
- release
  - Version 1.13.2
  - November 4, 2003
- Module was accessed via an Income Details button on the Commercial Improvement screen
  - Value generated was for improvement only

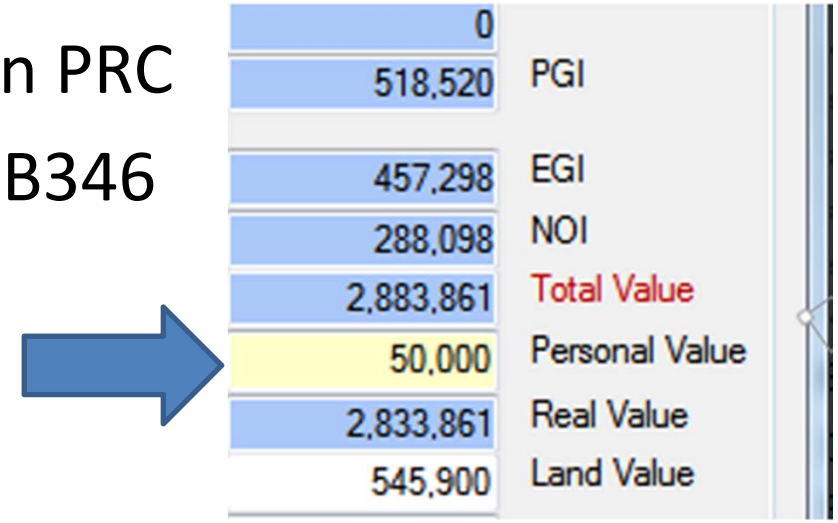
The “Big” Change

- Major modifications to Income were released less than a year later
  - Version 1.15.1 / June 25, 2004
  - Button for Income Approach access was moved to Real Property Gen Info screen
  - Screen was revamped to present design



Miscellaneous Changes

- Other modifications to Income were released through the years until present
  - Field added for personal property value deduction
  - Printing of Income info on PRC
  - Changes resulting from SB346



Current Usage as of Poll of 2014

- Per recent poll, 25 counties use Income module
- County size does not seem to be a determining factor
  - Large (4)
  - Medium (16)
  - Small (5)

DADE
CAT-OOSA
WHITFIELD
FANNIN
TOWNS
RABUN
UNION
WALKER
MURRAY
GILMER
WHITE
HABER-SHAM
STE-PHENS
CHAT-TOOGA
GORDON
LUMP-KIN
DAWSON
PICKENS
HALL
BANKS
FRANK-LIN
HART
FLOYD
BARTOW
CHEROKEE
FOR-SYTH
JACKSON
CLARKE
MADISON
ELBERT
POLK
COBB
BAR-ROW
OGLE-THORPE
PAUL-DING
GWINNETT
ROCK-DALE
OCONEE
LINCOLN
HARAL-SON
WALTON
WILKES
DOUGLAS
FUL-TON
DEKALB
GREENE
CARROLL
CLAYTON
NEWTON
MORGAN
TALIA-FERRO
COLUMBIA
McDUFFIE
FAY-ETTE
HENRY
WARREN
JASPER
PUTNAM
RICH-MOND
HEARD
COWETA
SPAL-DING
BUTTS
HANCOCK
TROUP
MERI-WETHER
PIKE
LAMAR
JONES
BALD-WIN
GLASCOCK
JEFFER-SON
BURKE
UPSON
MONROE
WASH-INGTON
JENKINS
BIBB
WILK-INSON
HARRIS
TALBOT
CRAW-FORD
TWIGGS
JOHNSON
SCREVEN
EMANUEL
MUSCO-GEE
TAYLOR
PEACH
HOUS-TON
BLECK-LEY
LAURENS
TREU-TLEN
CAND-LER
BULLOCH
EFFINGHAM
MARION
MACON
UPPER OCMULGEE
SCHLEY
PUL-ASKI
MONT-GOMERY
TOOMBS
EVANS
BRYAN
STEWART
WEB-STER
SUMTER
DOOLY
DODGE
WHEELER
TATTNALL
CHATHAM
CRISP
WILCOX
TELFAIR
LIBERTY
QUIT-MAN
TERRELL
LEE
BEN HILL
JEFF DAVIS
APPLING
LONG
RANDOLPH
TURNER
CLAY
DOUGHERTY
WORTH
IRWIN
COFFEE
BACON
WAYNE
McINTOSH
CALHOUN
TIFT
EARLY
BAKER
BERRIEN
ATKINSON
PIERCE
COLQUITT
MILLER
MITCHELL
COOK
WARE
BRANTLEY
GLYNN
SEMI-NOLE
THOMAS
LANIER
LOWNDES
CLINCH
CHARLTON
CAMDEN
GRADY
BROOKS
DECATUR
ECHOLS

List of Current Income Users Last Polled as of 2014

County		County		County		County
Baldwin		Hall		Murray		Thomas
Bryan		Houston		Oglethorpe		Tift
Bulloch		Johnson		Putnam		Walker
Clarke		Laurens		Richmond		Washington
Evans		Lee		Screven		Walton
Gilmer		Liberty		Stephens		Greene
Gordon		Morgan		Telfair		Bibb
Catoosa						

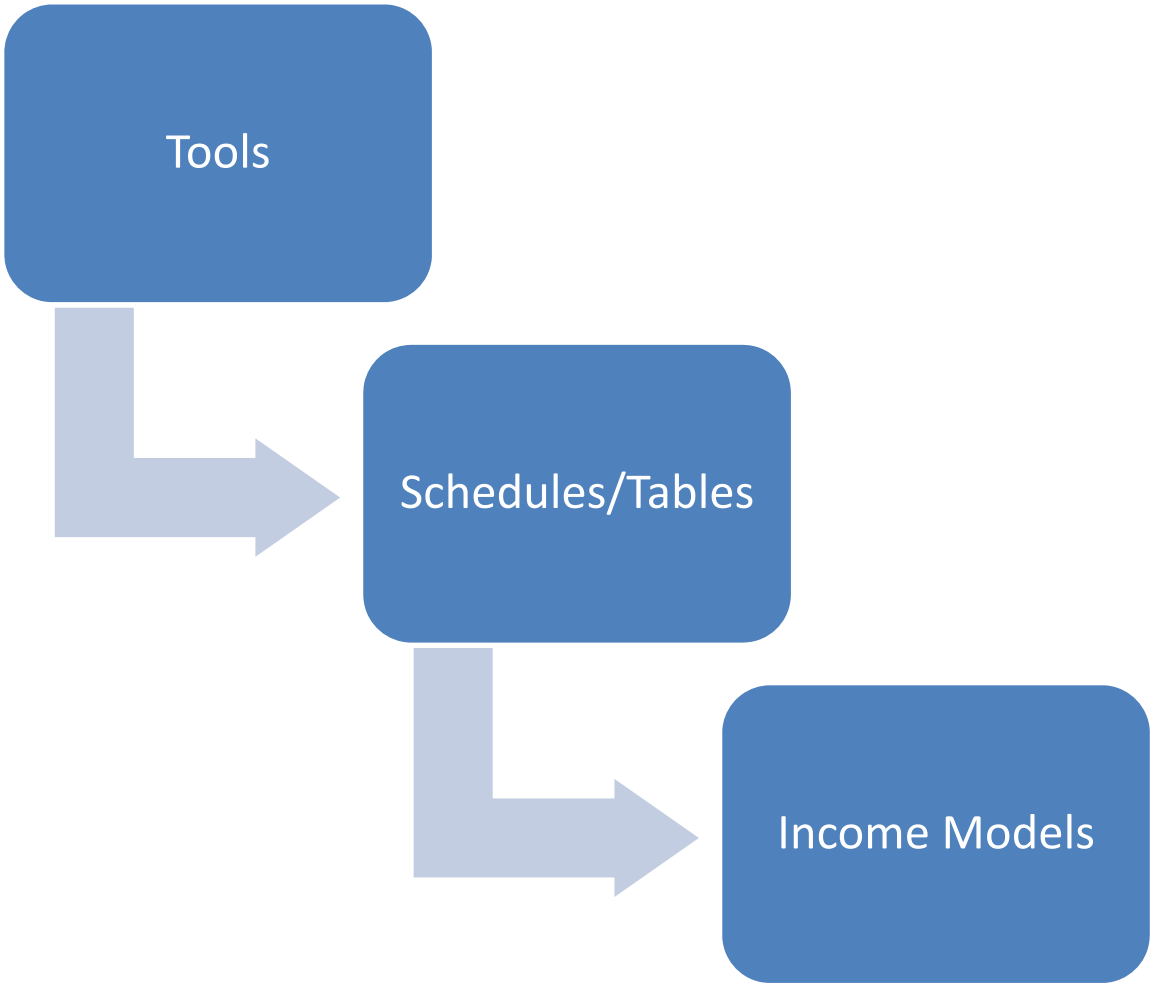
Type of Usage

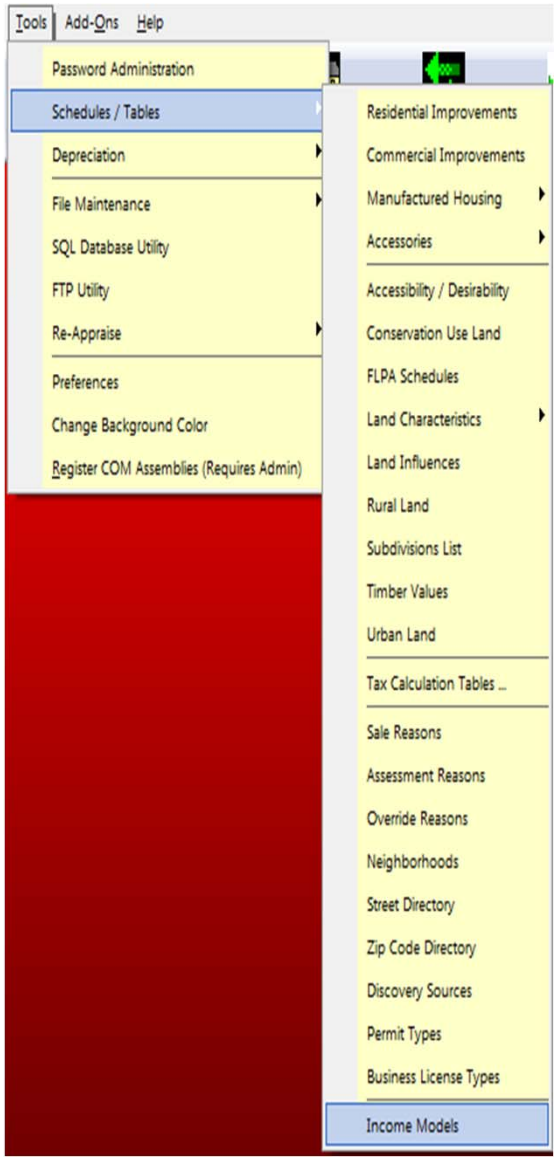
- Various extent of use
  - Some counties use it extensively
    - 400+ parcels
  - Others use it on a few parcels
    - Primarily appeals

Where do I start?

- Income models must be setup before valuation can begin
  - As with other schedules, Income Models are maintained by county
  - Should be reviewed on a regular (at least, annually) basis

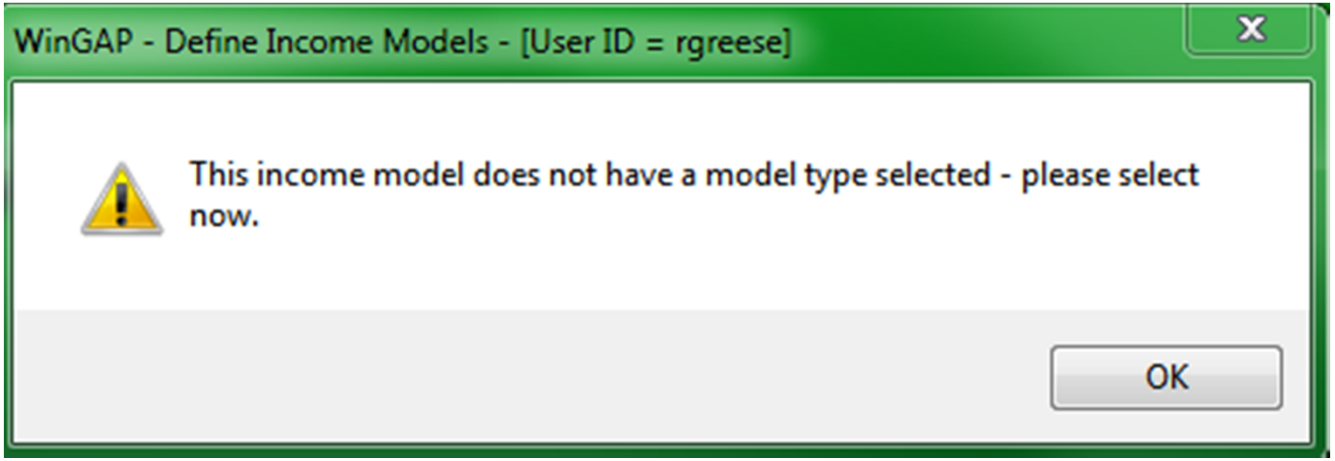
Income Models – Menu Access





Income Models

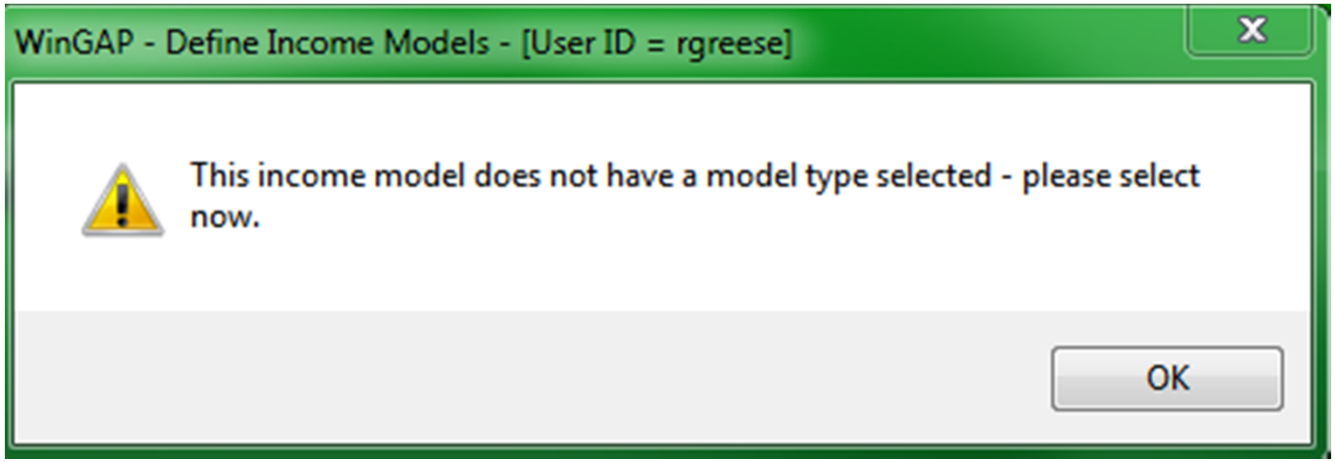
- You may see the following prompt



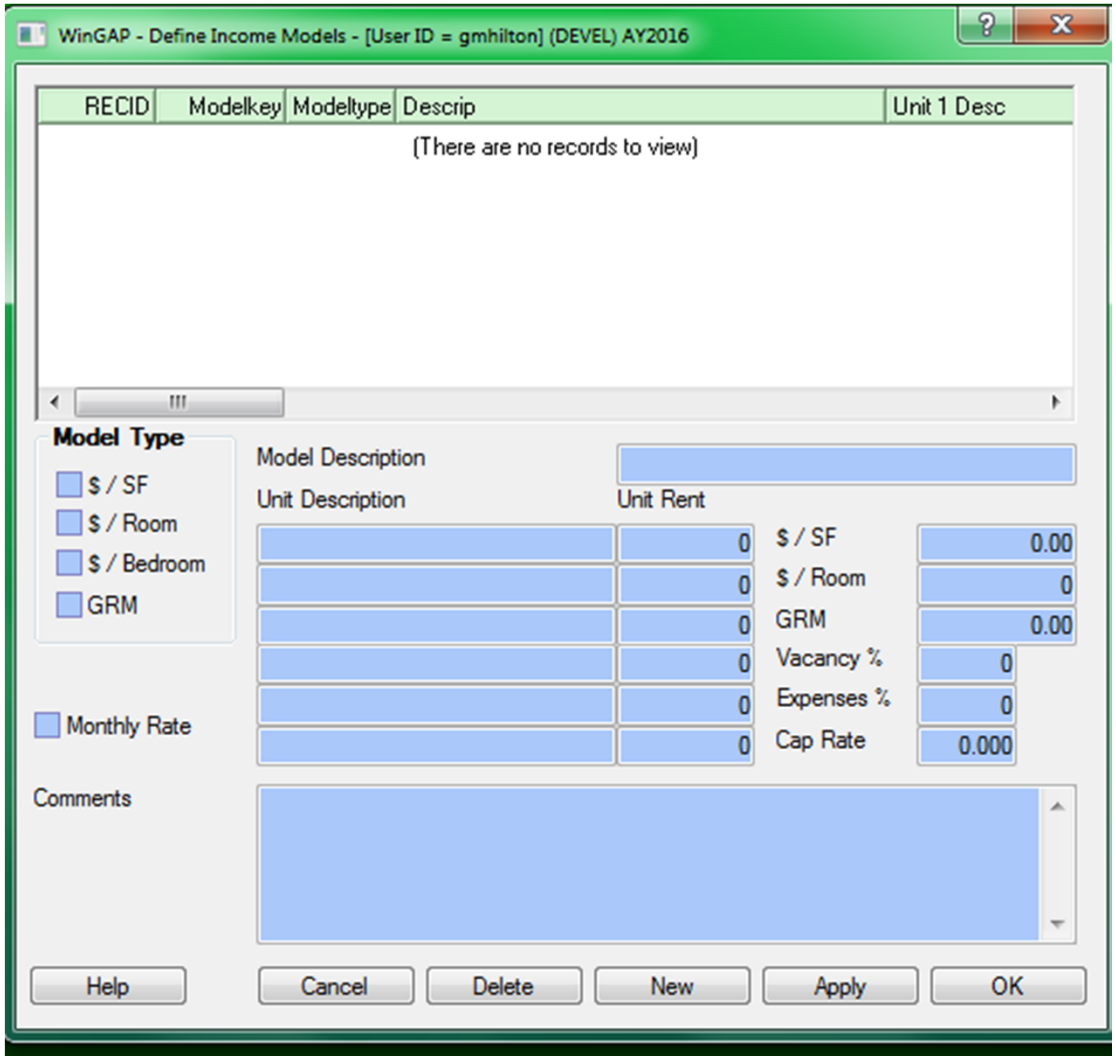
- Simple translation – *you got a lot of work to do, because you do not have anything*

Income Models

- Clicking OK button on the prompt below displays the Income Model screen on the following slide



Income Models



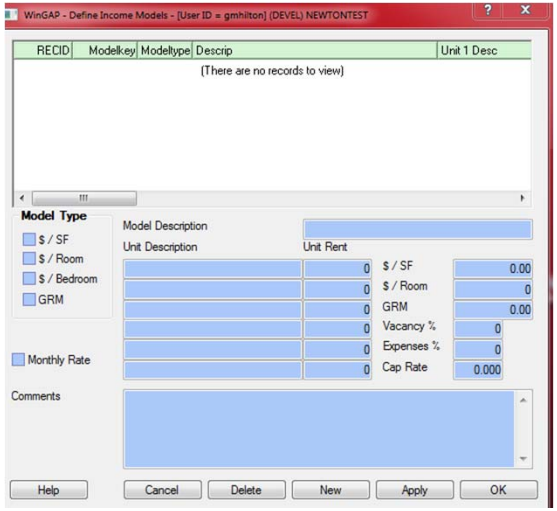
List box displaying models

Data Entry Area

Buttons

Income Models

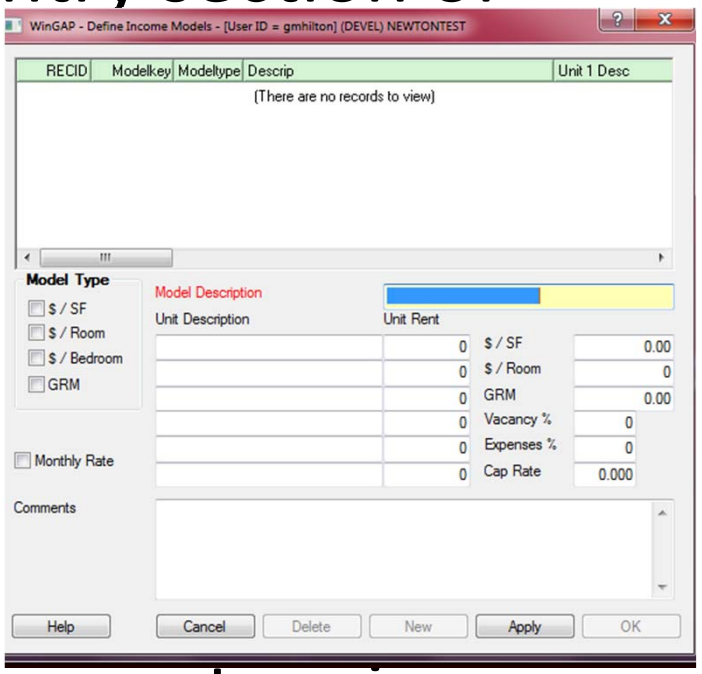
- The process of adding a model begins with clicking the **New** button



- Some gotcha's:
  - If no models exist & data entry begins before clicking **New**, information will not be saved
  - If models exist & data entry of a new model begins before clicking **New**, an existing model will be overwritten

Income Models

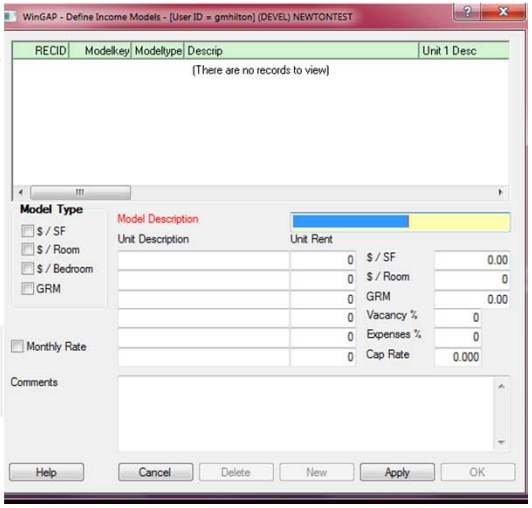
- After clicking **New**, the data entry section of the screen will accept input



- Edits are built into screen to prevent saving models with missing or invalid entries

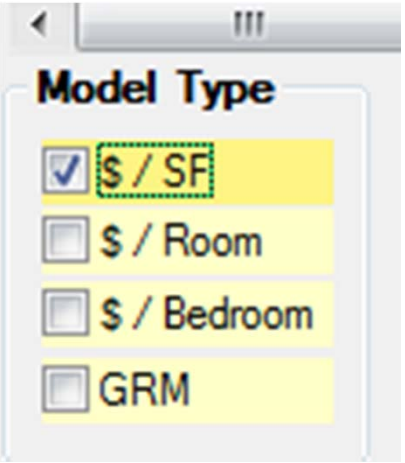
Income Models

- Data entry on a new screen should proceed as follows:
  - Define Model Type
  - Key Model Description
  - Enter applicable Unit Desc, Rent or Rates
  - Enter Vacancy%, Expenses% and Cap Rate
  - Define Rate term (Monthly/Annually
  - Enter Comments
  - Click appropriate “action” button



Model Type Field Entry

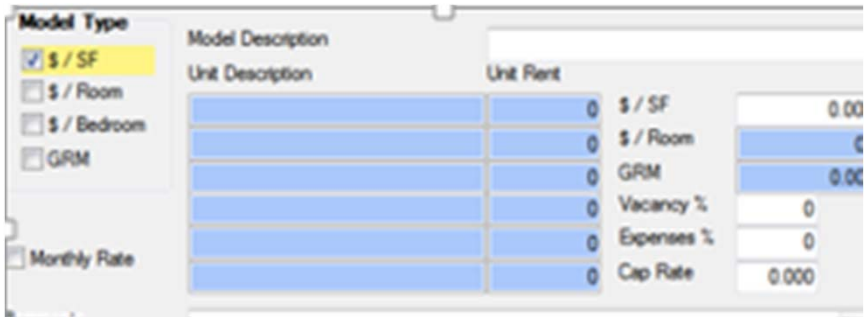
- Model Types – 4 types to select from
  - $/SF (i.e. Retail, Shopping Centers)
  - $/Room (i.e. Hotel, Motel)
  - $/Bedroom (i.e. Apts, Res Rentals)
  - GRM (Gross Rent Multiplier) (Res)

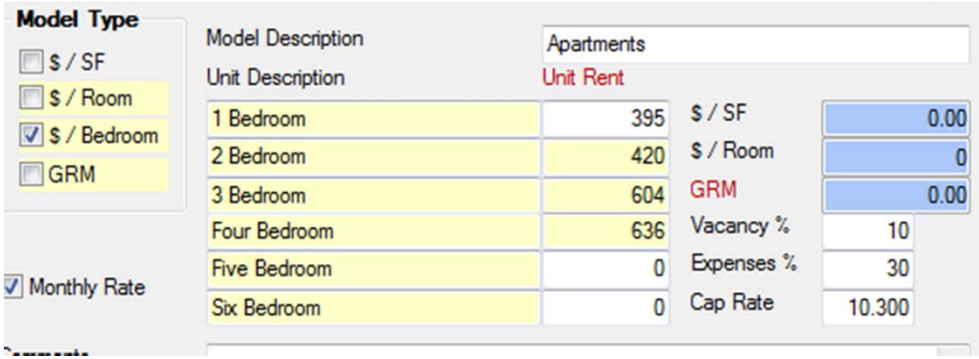


- Selection is made by placing a check to the right of desired Model Type

Model Type Field Entry

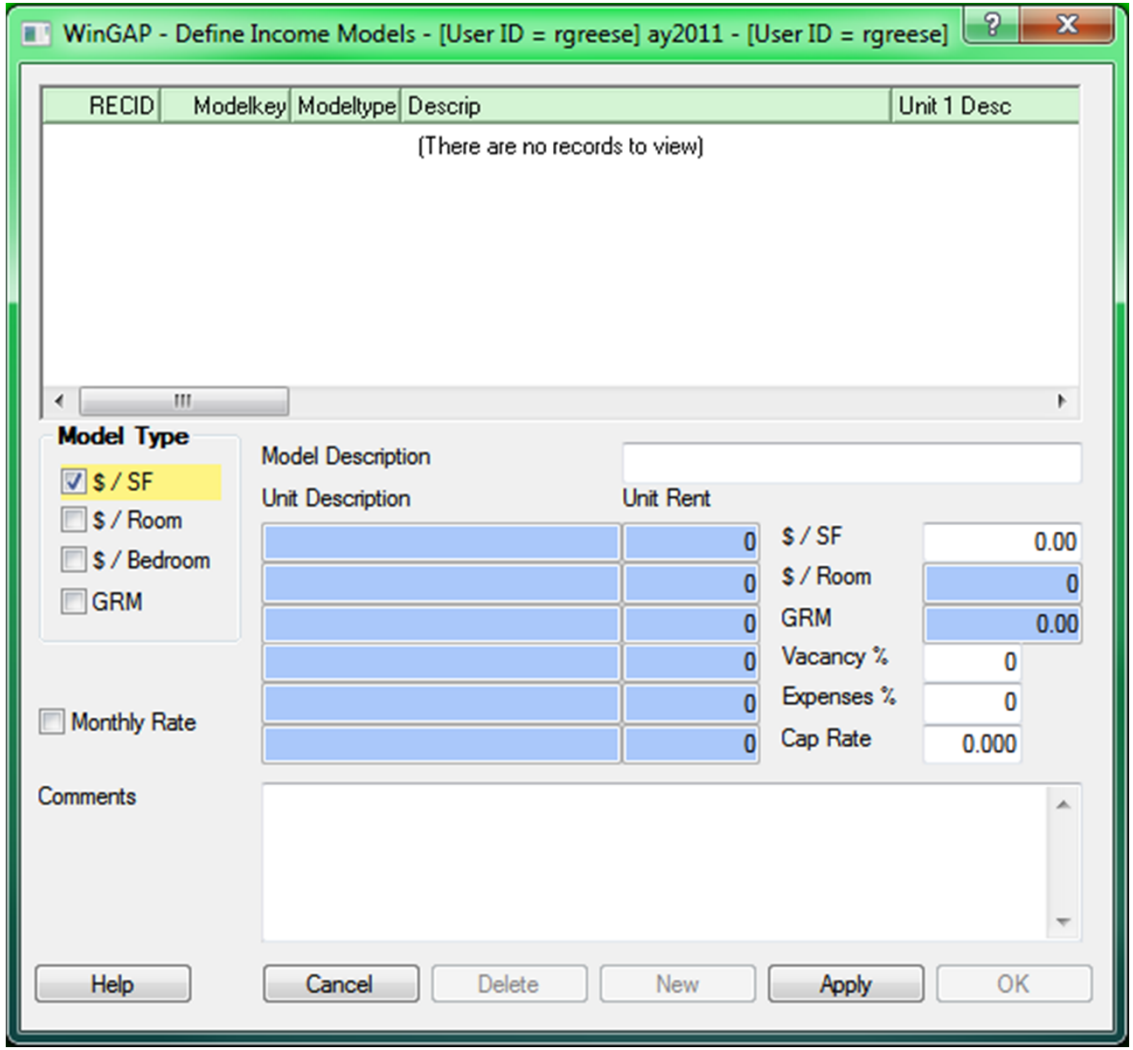
- Selection of Model Type dictates data entry process
- Certain fields may be “disabled”
  - Gray in WinGAP Version 3
  - Blue in WinGAPSQL Version 4
- “Enabled” fields are the only ones where data entry can be made
  - “Enabled” fields have no shading of Blue





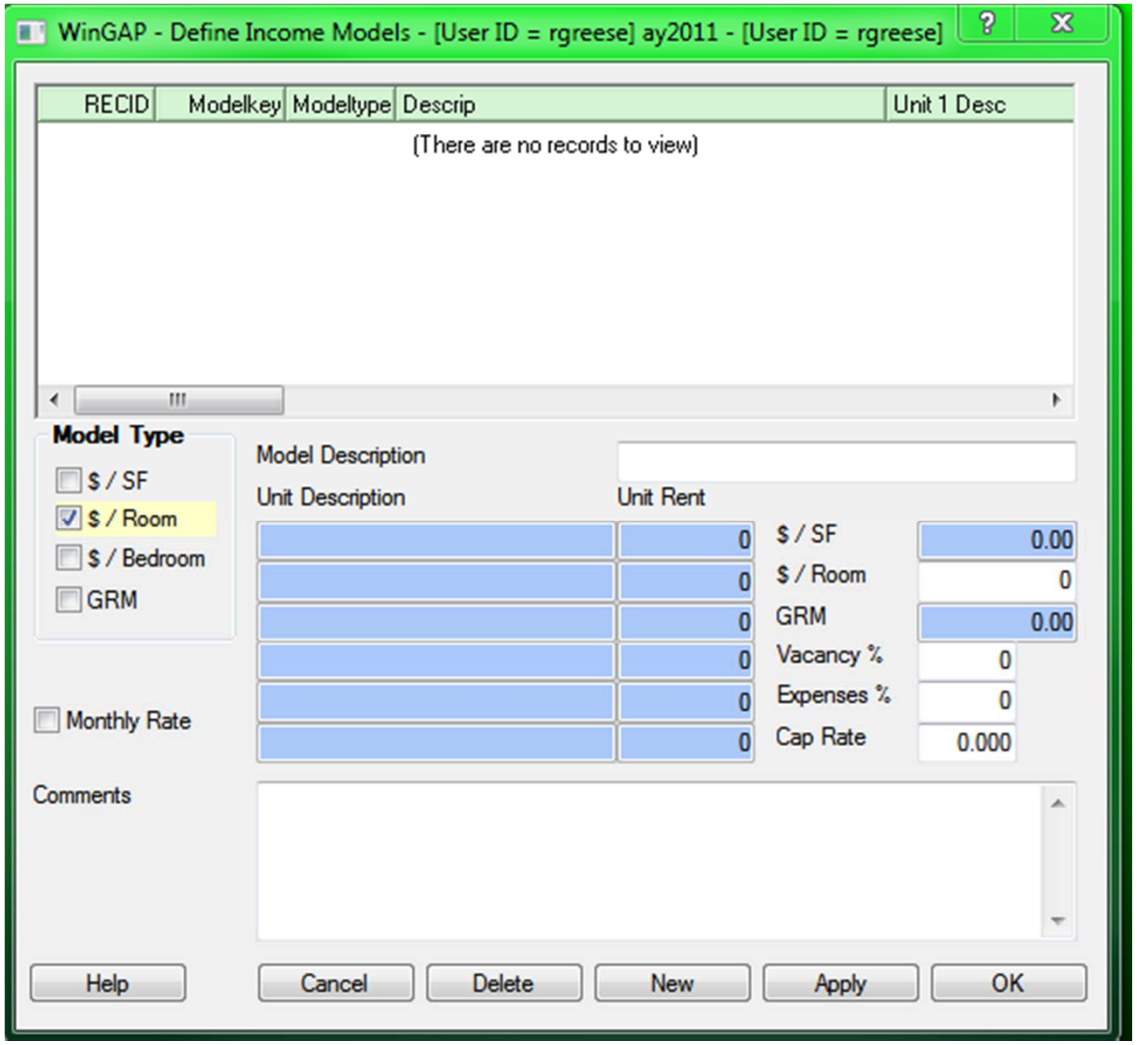
Model Type Field Entry

- $/SF:



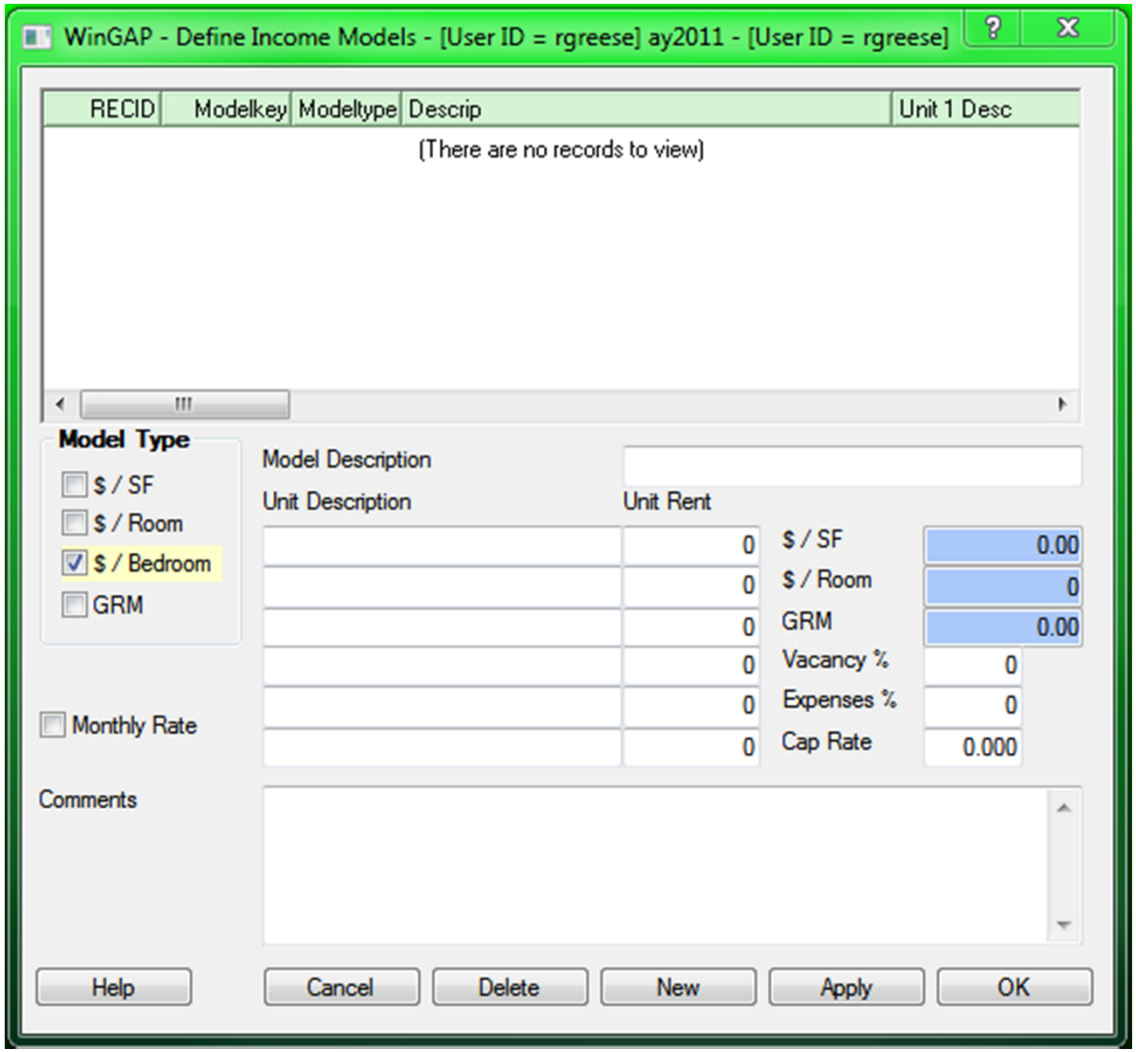
Model Type Field Entry

- $/Room:



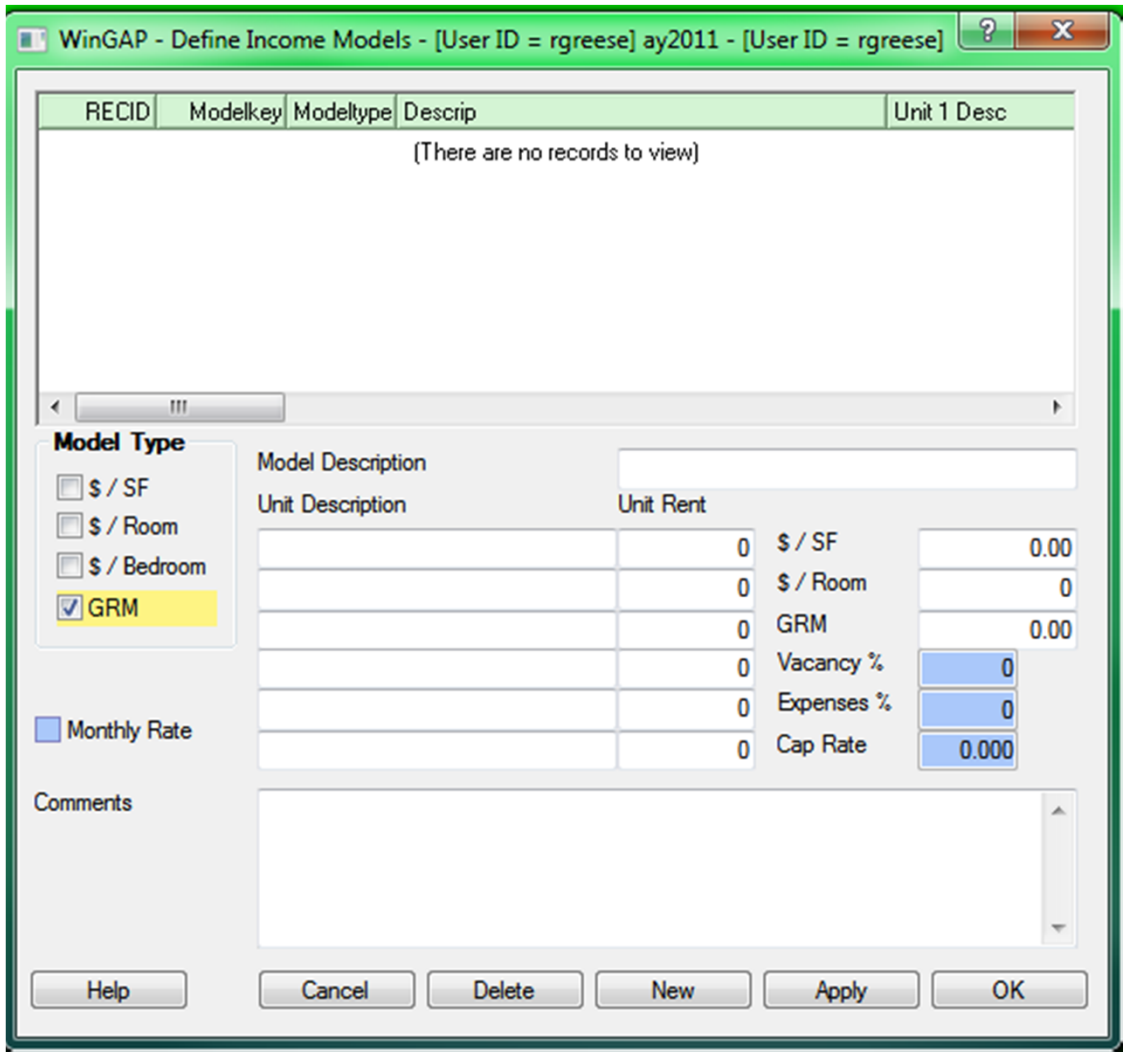
Model Type Field Entry

- $/Bedroom:



Model Type Field Entry

- GRM:



Model Type Field Entry

- Model Types saved in inc_model table under the field name of modeltype as follows

Model Type	ModelType Field Value
$/SF	**1**
$/Room	**2**
$/Bedroom	**3**
GRM	**4**

Model Description Field Entry

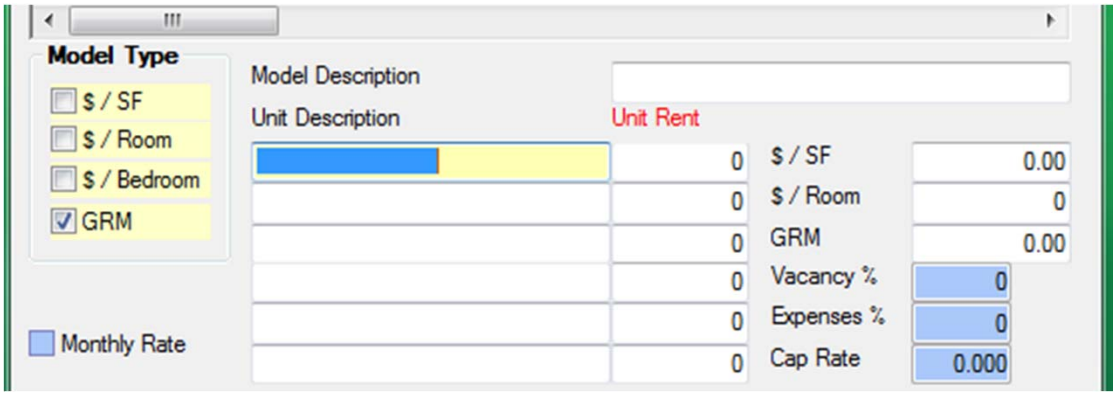
- Available for all Model Types
- Model Description is appraiser's terminology for model being added
  - 40 characters available for description
  - A description must be keyed for the purpose of identification

Model Description Field Entry

- Description is dependent on appraiser's approach to value
  - General
    - APARTMENTS – GENERAL
    - RETAIL – GROCERY – MAJOR/Super Center
  - Specific
    - HUNTER'S RUN (Apts)
    - VICTORIAN VILLAGE (Retail)

Unit Description Field Entry

- Unit Description available only for **$/Bedroom** & **GRM** Model Types
- Up to 6 different Units per model
  - If a Unit Description is not used, it should be removed



Unit Description Field Entry

- 40 character positions available for entry of appraiser's description of unit
  - 1 Bedroom Apartment
  - 2 Bedroom Apartment

RECID	Modelkey	Modeltype	Descrip
1	1	3	Apartments
2	2	2	Hotel/Motel
3	3	1	Medical Offices
4	4	1	Mixed Retail-Gross Lease
5	5	1	Mixed Retail-Net Lease
6	6	1	Nbhd Shopping Center
7	7	1	Office
8	8	3	Residential Houses

Model Type

- [ ] $ / SF
- [ ] $ / Room
- [x] $ / Bedroom
- [ ] GRM

Model Description: Apartments

Unit Description	Unit Rent
1 Bedroom	395
2 Bedroom	420
3 Bedroom	604
Four Bedroom	636
Five Bedroom	0
Six Bedroom	0

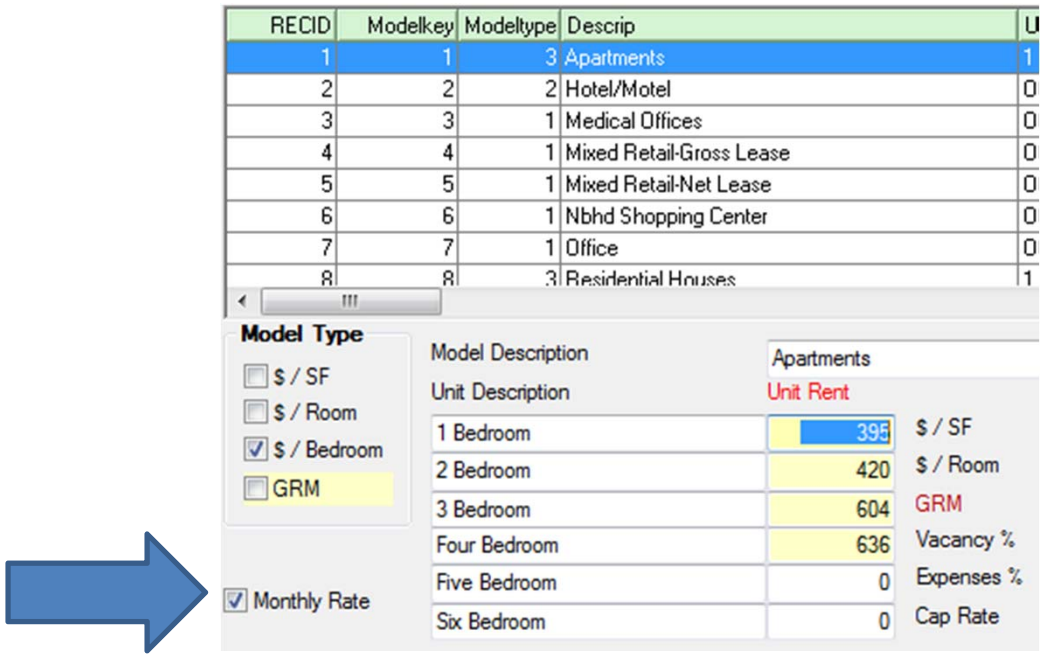
- [x] Monthly Rate

Data Entry Area

dbo.INC_MODEL
- Columns
  - RECID (int, not null)
  - MODELKEY (PK, int, not null)
  - MODELTYPE (smallint, null)
  - DESCRIP (char(40), null)
  - BED1_DESC (char(30), null)
  - BED1 (int, null)
  - BED2_DESC (char(30), null)
  - BED2 (int, null)
  - BED3_DESC (char(30), null)
  - BED3 (int, null)
  - BED4_DESC (char(30), null)
  - BED4 (int, null)
  - BED5_DESC (char(30), null)
  - BED5 (int, null)
  - BED6_DESC (char(30), null)
  - BED6 (int, null)
  - SF (numeric(7,2), null)
  - ROOM (int, null)
  - GRM (numeric(7,2), null)
  - VACANCY (numeric(4,2), null)
  - EXPENSE (numeric(4,2), null)
  - CAPRATE (numeric(10,6), null)
  - MONTHLY (bit, null)
  - COMMENTS (varchar(max), null)

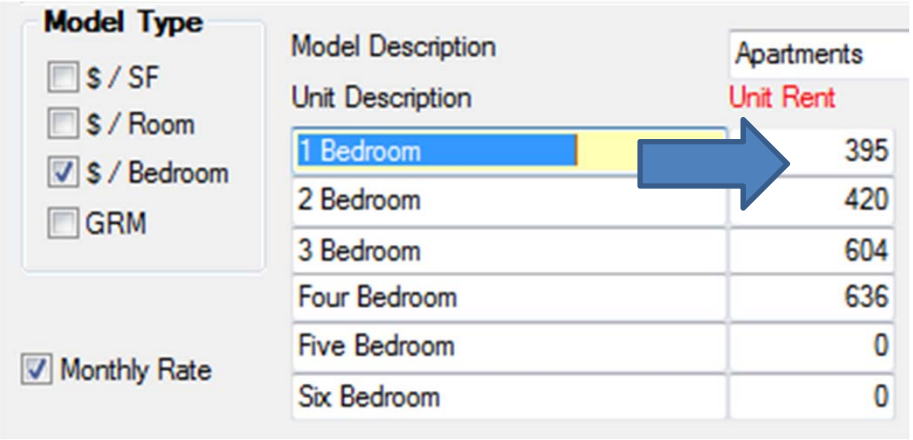
Unit Rent Field Entry

- Unit Rent is available for **$/Bedroom** & **GRM** Model Types
- If Model Type is **$/Bedroom**, Unit Rent entry is dependent upon "Monthly Rate" box
  - If checked, Unit Rent is monthly rent
  - Otherwise, Unit Rent is annual rent



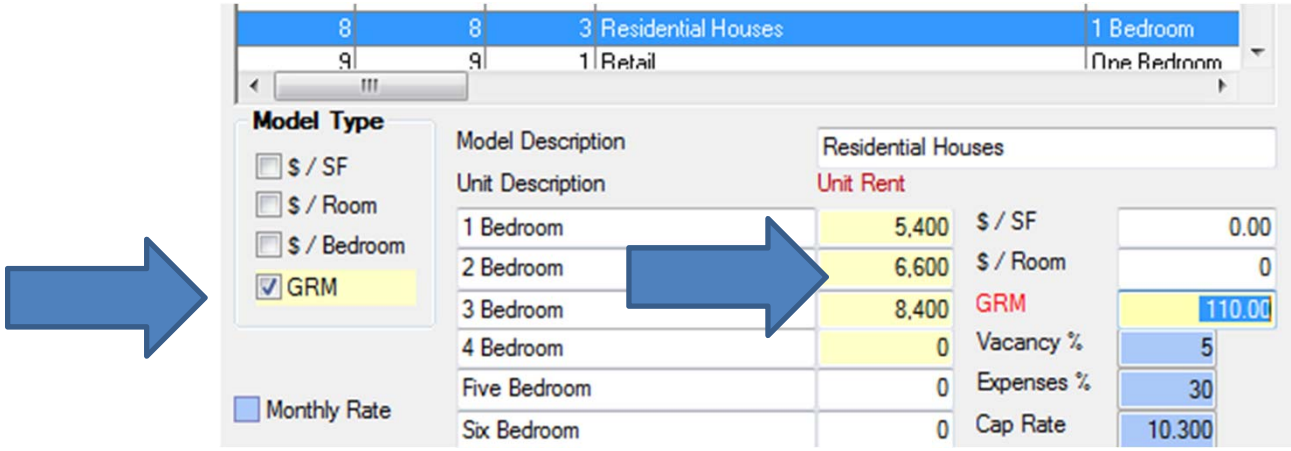
Unit Rent Field Entry

- Unit Rent is whole dollars
  - Maximum of 10 digits
- Within value calculations, Unit Rent will be converted to annual rent (UR * 12) if Monthly Rate is checked



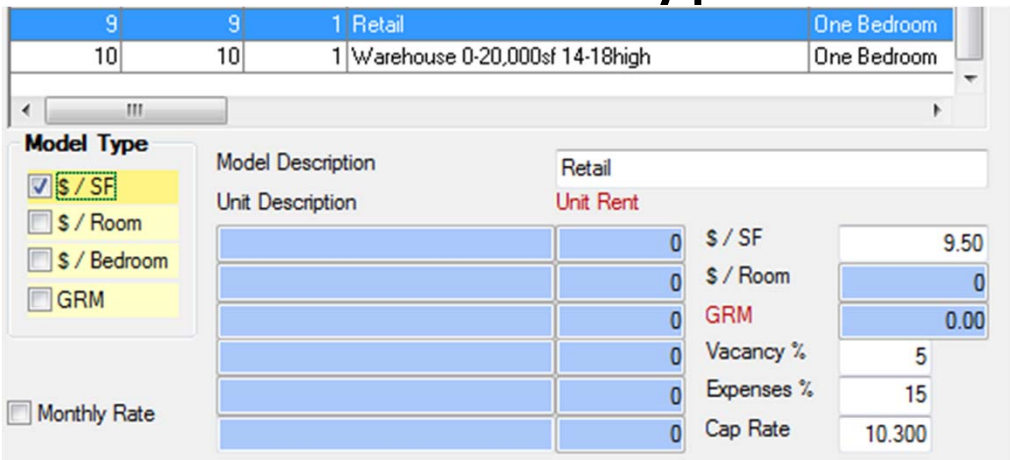
Unit Rent Field Entry

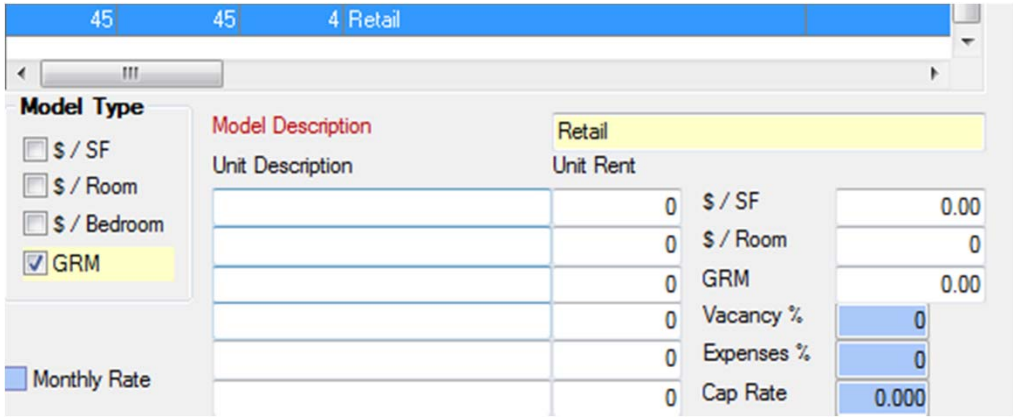
- If **GRM** is designated, Unit Rent must be annual



$/SF Field Entry

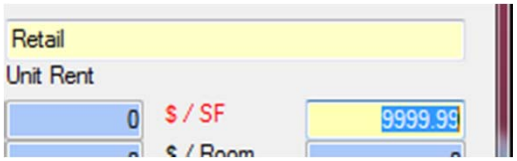
- $/SF data entry field is available only for **$/SF** & **GRM** Model Types





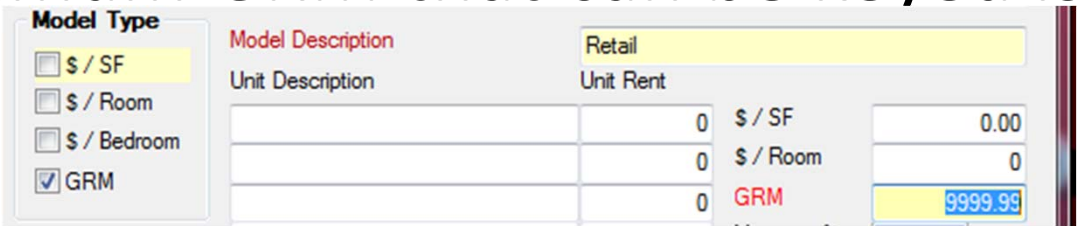
$/SF Field Entry

- Value entered is dependent upon the status of Monthly Rate (for **$/SF** type) or setup of **GRM**
  - If MR box is checked or GRM is based on monthly rate, enter monthly rent
    - Will be converted to annual rent during value calculation
  - Otherwise, enter annual rent
- Maximum $/SF amount is 9999.99



GRM Field Entry

- GRM data entry field is available only for **GRM** Model Type
- GRM (Gross Rent Multiplier) is developed by the appraiser using sales and rental information
- The rental term of the GRM (annual) determines the amount entered into the Unit Rent field
- Maximum GRM that can be keyed is 9999.99

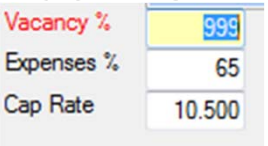


Vacancy % Field Entry

- Vacancy % is available for all Model Types except **GRM**
- The value entered should be a whole number (no decimals) that represents the typical vacancy % for the property type

  - Vacancy % will be saved in inc_model table as a decimal value (vacancy % / 100)
  - An entry of 15 will be seen as .15 in the raw data

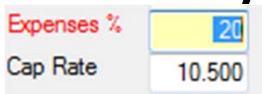
- Maximum entry is 999



  - Edit should be added to check for anything over 100

Expenses % Field Entry

- Expenses % is open for data entry for all Model Types with the exception of **GRM**
- The value entered should be a whole number (no decimals) that represents the typical expenses % for the property type



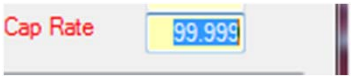
  - Expenses % will be saved in inc_model table as a decimal value (Expenses % / 100)
  - An entry of 20 will be seen as .20 in the raw data

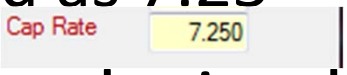
EXPENSE
0.20

- Maximum entry is 999

  - Edit should be present to check for anything over 100

Cap Rate Field Entry

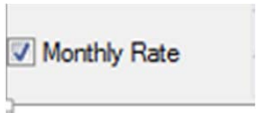
- Cap Rate is open for data entry for all Model Types with the exception of **GRM**
- The Cap Rate is developed by the appraiser and entered with a max value of 99.999 

  - A cap rate of .0725 would be entered as 7.25 

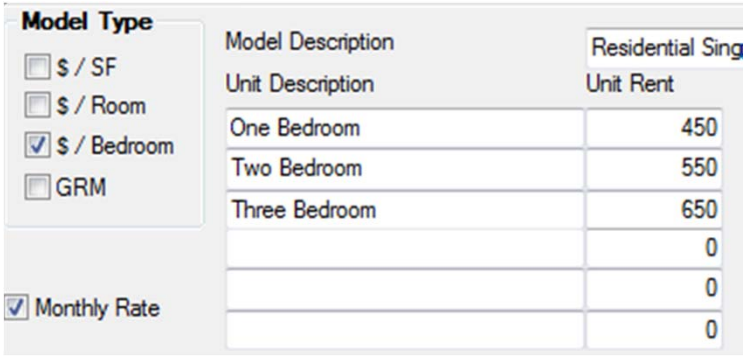
- The Cap Rate will be converted to a decimal equivalent (7.25 / 100) during income value calculations

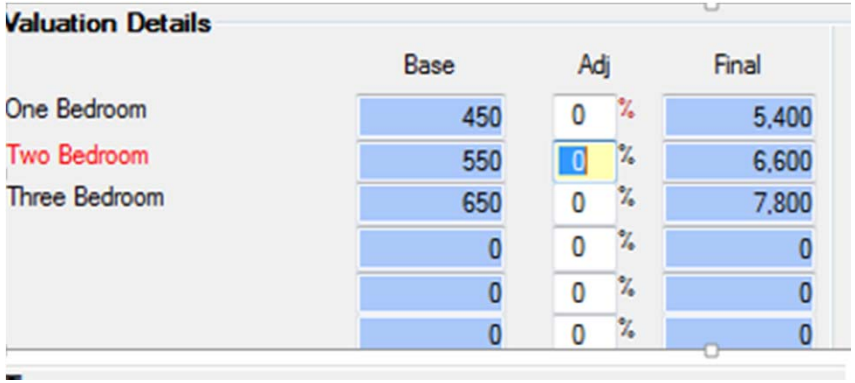
Monthly Rate Field Entry

- Monthly Rate check box is available for all Model Types with the exception of **GRM**



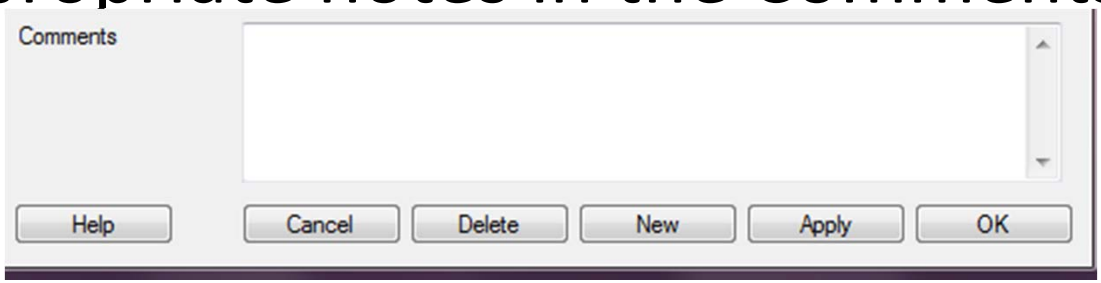
- Checking the Monthly Rate box will result in the rental rates being multiplied by 12 on the Income Details screen





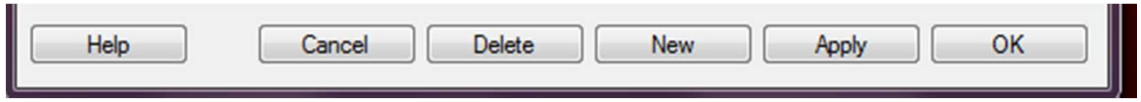
Comments Field Entry

- Enter all appropriate notes in the Comments field



- Examples of notes
  - Information source for income
  - Process for developing Cap Rate
- **Caution** – Do not enter any confidential information in the Comments field

Income Models - Buttons



- **Cancel** – Discards any changes that have not been saved
- **Delete** – Removes the selected Model Type from the schedule.
  - **Caution:** Double check to make sure that correct model is selected
  - **Caution:** No validation is in place to insure that Model Type is not in use. Do not delete if Model Type is assigned to a parcel.
  - (see next slide for verification procedures)

Income Models - Buttons

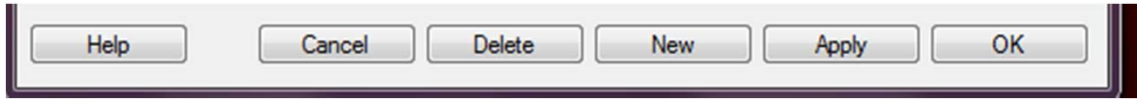
- Fox/SQL procedure for verifying that an income model is not in use before deleting
  - Obtain modelkey from Income Model screen
  - Cd 2015
  - Set dele on

WinGAP - Define Income Models - [User ID = rgreese] bulloch

RECID	Modelkey	Modeltype	Descrip
1	1	3	APARTMENTS - GENERAL
2	2	3	APARTMENT - PER ROOM
3	3	3	APARTMENT - CONDO
4	4	4	RESIDENCE
5	5	3	ASSISTED LIVING
6	6	3	NURSING HOMES
7	7	1	DAY CARE CENTER
8	8	1	CAR WASH

  - Select * from inc_detail where modelkey = [modelkey from schedule]
    - Select * from inc_detail where modelkey = 1
    - If any records appear, deletion should not take place

Income Models - Buttons



- **Apply** – Saves changes and keeps screen open
  - Validation of Cap Rate
  - User is warned when
    - Cap Rate = 0.000
    - Cap Rate is only a decimal value: 0.100
- **OK** – Saves changes and closes screen
  - Validation of Cap Rate
  - User is warned when
    - Cap Rate = 0.000
    - Cap Rate is only a decimal value: 0.100

Income Models

- Updates to schedule are not passed to properties when schedule entry is complete
  - Income parcels must be edited to reflect schedule update
  - Values are updated upon opening of Income Detail screen after schedule update
  - No “income” reappraise [at this time]
  - SQL Statement to locate changed model:
    - Select * from inc_detail where modelkey = nkey
    - Nkey comes from modelkey column on Model screen

Before Schedule Update

Model Type

- [ ] $ / SF
- [ ] $ / Room
- [x] $ / Bedroom
- [ ] GRM

Model Description: Apartments

Unit Description	Unit Rent
1 bed 1 bath	2,400
Two Bedroom	0
Three Bedroom	0
Four Bedroom	0
Five Bedroom	0
Six Bedroom	0

$ / SF	0.00
$ / Room	0
GRM	8.00
Vacancy %	0
Expenses %	0
Cap Rate	10.000

- [ ] Monthly Rate

Valuation Details

	Base	Adj		Final	Units	Income	
1 bed 1 bath	2,400	0	%	2,400	10	24,000	**Dig Class**
GRM	8.00	0	%	8.00	0	24,000	PGI
Misc. Income	0				Reset		
						24,000	EGI
Vacancy %	0	0	%	0		24,000	NOI
Expenses %	0	0	%	0		240,000	Total Value
Cap Rate	10.000	0	%	10.000		0	Personal Value
		Reset				240,000	Real Value
Comments						3,660	Land Value
						236,340	Imp Value

After Schedule Update

Model Type

- [ ] $ / SF
- [ ] $ / Room
- [x] $ / Bedroom
- [ ] GRM

Model Description: Apartments

Unit Description	Unit Rent
1 bed 1 bath	3,000
Two Bedroom	0
Three Bedroom	0
Four Bedroom	0
Five Bedroom	0
Six Bedroom	0

$ / SF	0.00
$ / Room	0
GRM	8.00
Vacancy %	0
Expenses %	0
Cap Rate	10.000

- [ ] Monthly Rate

Valuation Details

	Base	Adj		Final	Units	Income	
1 bed 1 bath	3,000	0	%	3,000	10	30,000	**Dig Class**
GRM	8.00	0	%	8.00	0	30,000	PGI
Misc. Income	0				Reset		
						30,000	EGI
Vacancy %	0	0	%	0		30,000	NOI
Expenses %	0	0	%	0		300,000	Total Value
Cap Rate	10.000	0	%	10.000		0	Personal Value
		Reset				300,000	Real Value
Comments						3,660	Land Value
						296,340	Imp Value

Income Model Reports

- Currently, none are available on menus
- Fox/SQL Commands:
  - Set dele on
  - Set safe off
  - Set excl off
  - Select * from inc_model order by modeltype, descrip
  - Copy to inc_model xls

Income Model Reports

- Fox/SQL Commands (more selective):
  - Set dele on
  - Set safe off
  - Set excl off
  - Select * from inc_model where modeltype = <type code> order by descrip
    - Select * from inc_model where modeltype = 1 order by descrip
  - Copy to inc_model xls

General Income Models

WinGAP - Define Income Models - [User ID = rgreese] bulloch2011 - [User ID = rg...

RECID	Modelkey	Modeltype	Descrip	Unit 1 Desc
1	1	3	APARTMENTS - GENERAL	EFFECIENCY
2	2	3	APARTMENT - PER ROOM	3 BED ROOM U
3	3	3	APARTMENT - CONDO	1 BED ROOM
4	4	4	RESIDENCE	SINGLE FAMIL
5	5	3	ASSISTED LIVING	SINGLE LIVING
6	6	3	NURSING HOMES	SINGLE UNITS
7	7	1	DAY CARE CENTER	FUTURE ITEM
8	8	1	CAR WASH	FUTURE ITEM

Model Type

- [ ] $ / SF
- [ ] $ / Room
- [x] $ / Bedroom
- [ ] GRM

Model Description: APARTMENTS - GENERAL

Unit Description	Unit Rent
EFFECIENCY	300
1 BED ROOM	400
2 BED ROOM	600
3 BED ROOM	800
4 BED ROOM	1,000
Six Bedroom	0

$ / SF	0.00
$ / Room	0
GRM	0.00
Vacancy %	10
Expenses %	25
Cap Rate	9.000

- [x] Monthly Rate

Comments

Help | Cancel | Delete | New | Apply | OK

Specific Income Models

WinGAP - Define Income Models

MODELKEY	MODELTYPE	DESCRIP	Unit 1 Desc
2	4	Fair Oaks/Park Oaks/Timberline/Old Creek	3 Bedroom
3	3	Stonecrest	3 Bed / 3 Bath Flat
4	3	Whistlebury Walk	2 Bed TH
5	4	Woodsong	3 Bed / 3 Bath
6	4	Creekstone	2 Bed / 2 Bath
7	4	Deer Creek	2 Bed / 1 Bath
8	3	Campus Lodge	2 Bed / 2 Bath
9	3	Oak Ridge	2 Bed / 2 Bath Flat

Model Type

- [ ] $ / SF
- [ ] $ / Room
- [ ] $ / Bedroom
- [x] GRM

Monthly Rate

Model Description: Fair Oaks/Park Oaks/Timberline/Old Creek

Unit Description	Unit Rent
3 Bedroom	750
2 Bedroom	650
Three Bedroom	0
Four Bedroom	0
Five Bedroom	0
Six Bedroom	0

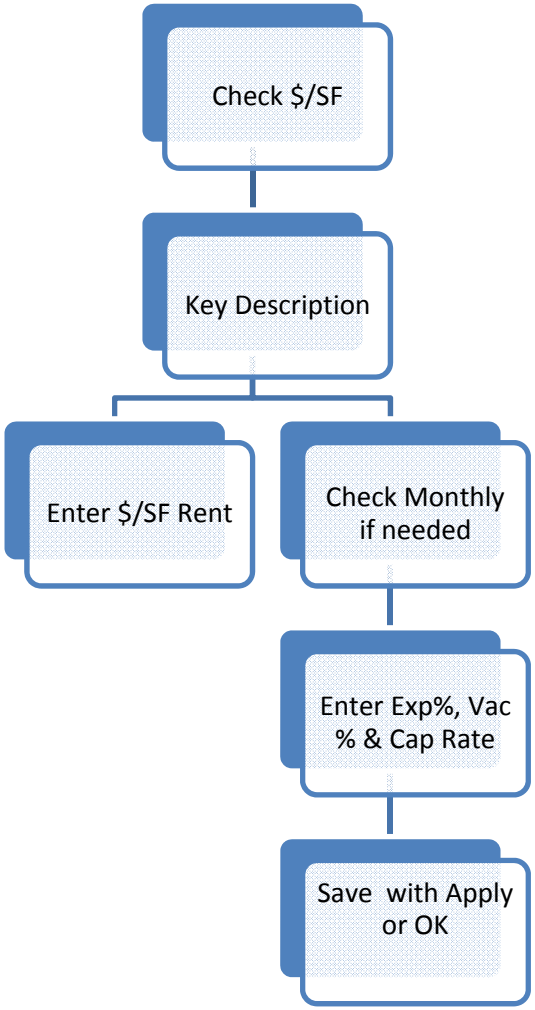
$ / SF	0.00
$ / Room	0
GRM	80.00
Vacancy %	0
Expenses %	0
Cap Rate	0.000

Comments

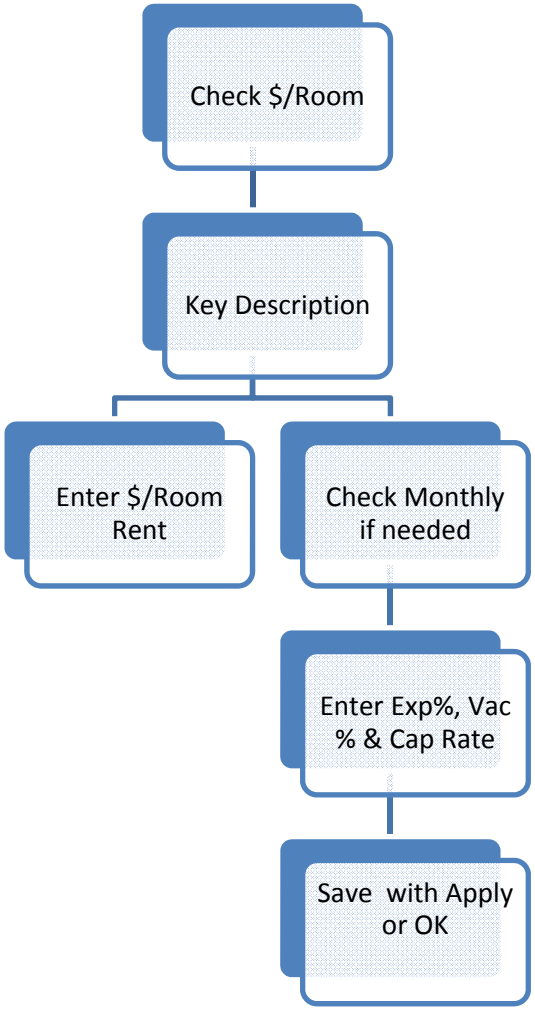
18 duplexes at Timberline sold $142,000 each; 8 at Old Creek sold $139,375 each (2004).
15 Duplexes at Fair Oaks sold in 2003 for $134,000 each.

Help | Cancel | Delete | New | Apply | OK

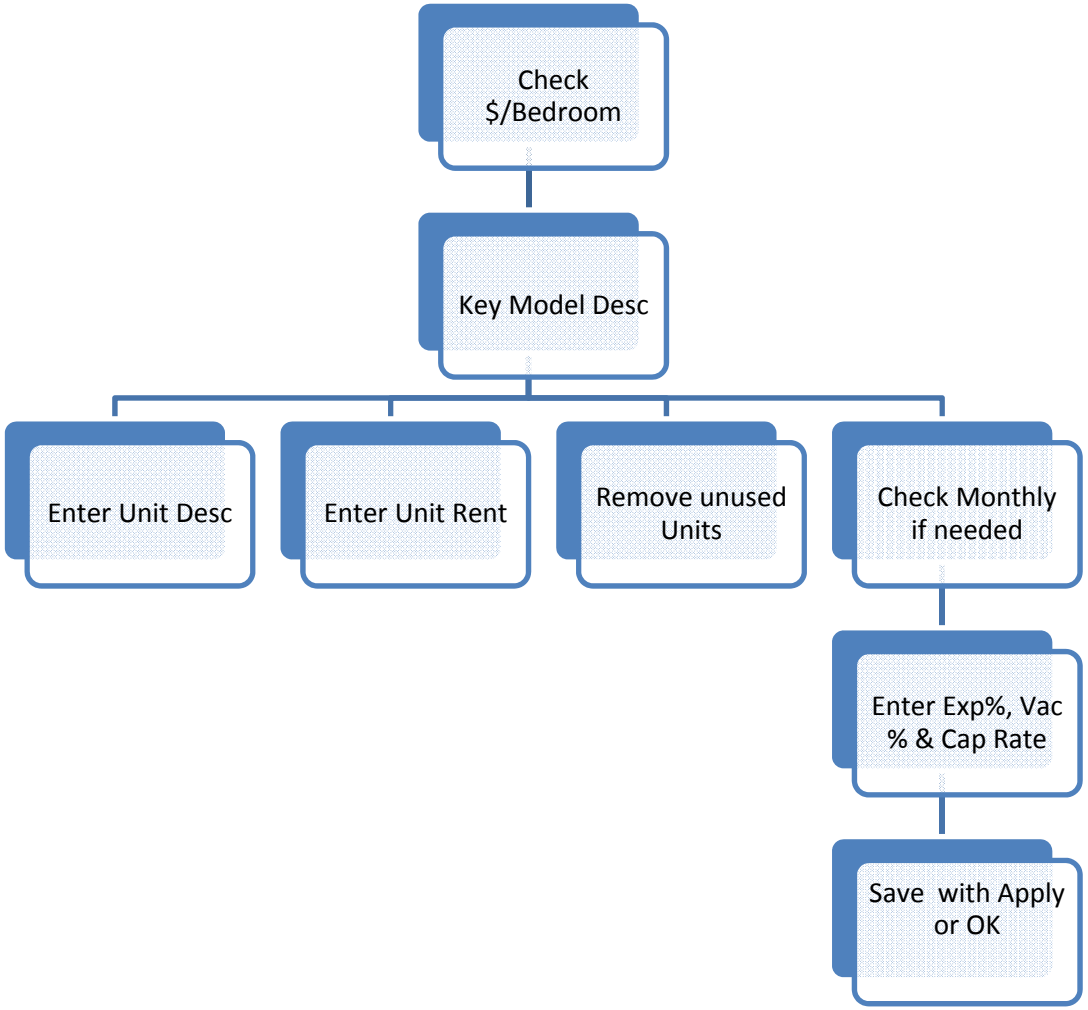
$/SF Summary


Check $/SF
Key Description
Enter $/SF Rent
Check Monthly if needed
Enter Exp%, Vac % & Cap Rate
Save with Apply or OK

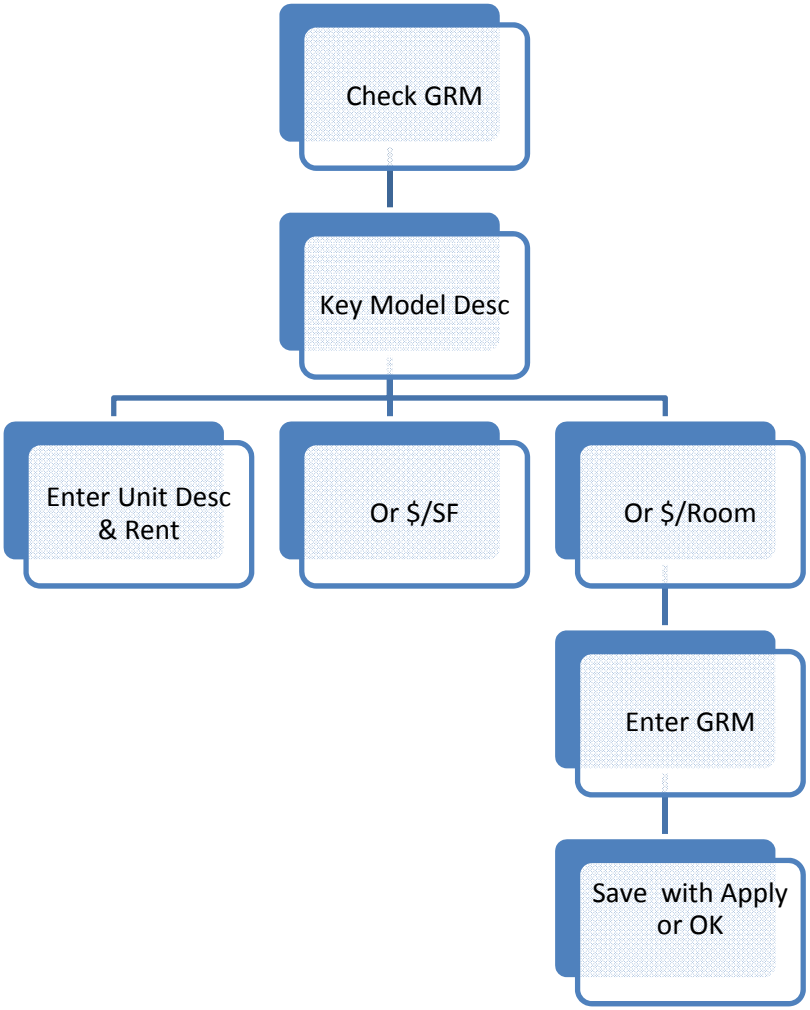
$/Room Summary



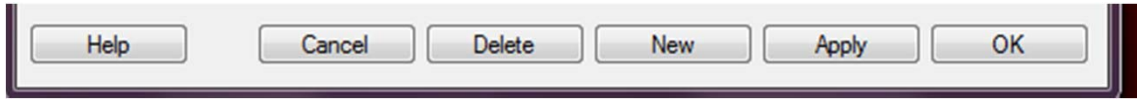
$/Bedroom Summary



GRM Summary


Check GRM
Key Model Desc
Enter Unit Desc & Rent
Or $/SF
Or $/Room
Enter GRM
Save with Apply or OK

Income Model Issue



- When saving model
  - Click **Apply or OK**

Income & Parcels

- How do I begin after income models are setup?

  - Open a parcel where an income value is desired
  - Click the **Income** button

Income & Parcels
(No Income Value)

WinGAP - Real Property General Information - FIRST BULLOCH BANK & TRUST CO : S28 000003 000 - [User ID ...

<< Top | < Prev | Next > | End >> | Account Number 24753 | Duplicate | Notice | Special District

PIN (1) S28 000003 000 | Tax District 01 - Statesboro

Alt PIN 7879-41-5663 | Asmt Reason Commercial Update - Land And Buildings

Street Information

House #	Ext	Dir	Units	Street Name
0				NORTH MAIN

Type	Quad	Latitude	Longitude	Zip Code
ST				-

Values

Previous	306,800	Edit
Current	231,384	
Return	0	
Curr-MAV	231,384	
Prev-MAV	306,800	Edit

History

0	0
0	0
0	0

PIN History

Property Information

LL | LD | GMD 1209 | Zoning UNK

Legal : N MAIN/PARKING LOT

Neighborhood 000043

Lendor | Total Acres 0.76

Subdivision

Lot | Blk | Sec | Phse

Estimated Tax	FMV	MAV
Land (1)	188,000	188,000
Res Imp	0	0
Com Imp (1)	8,538	8,538
Acc Imp (2)	34,846	34,846

Exemption Information

Homestead S0 | HS App Date / /

Covenant

Float Base1	0
Float Curr1	0
Float Base2	0
Float Curr2	0

Edit Information

Data Entry tom | Edit History

Review / /

Appraiser

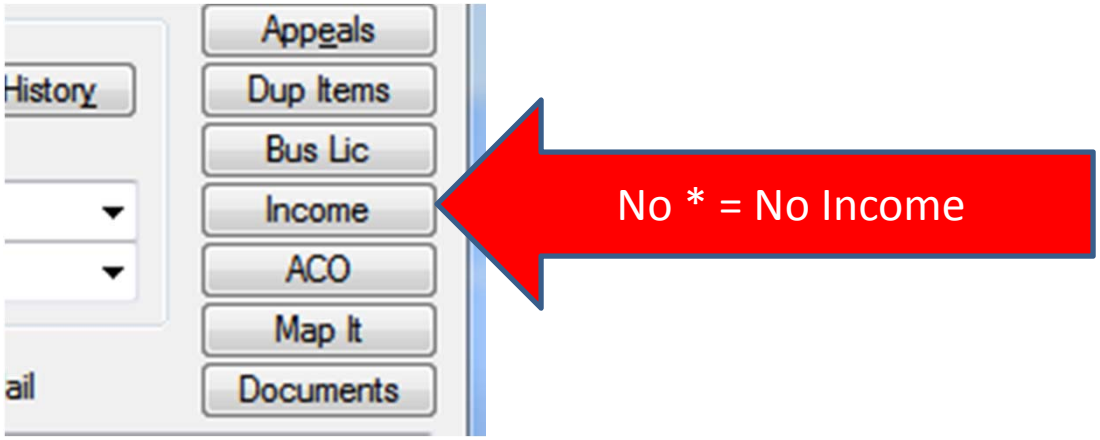
Alternate

Comments | Returned Mail

Future | New Owner | Transfer Items | Transfer | Sales (1) | Permits | Appeals | Dup Items | Bus Lic | Income | ACO | Map It | Documents

Income & Parcels

- No "*" on **Income** button indicates no income data



Income & Parcels
(Income as Parcel Value)

WinGAP - Real Property General Information - FARMERS & MERCHANTS BANK : B05 000152 000 - [User ID = r...

<< Top | < Prev | Next > | End >> | Account Number 24744 | Duplicate | Notice | Special District

PIN (11) B05 000152 000 | Tax District 02 - Brooklet

Alt PIN 8816-16-6236 | Asmt Reason Commercial Update - Land And Buildings

Street Information

House # 129 | Ext | Dir | Units | Street Name PARKER

Type AVE | Quad | Latitude | Longitude | Zip Code -

Values

Previous 643,300 Edit

Current 635,100 Income

Return 0

Curr-MAV 635,100

Prev-MAV 643,300 Edit

History

0 | 0

PIN History

Property Information

LL | LD | GMD 1523 | Zoning UNK

Legal : PARKER-LANE ST

Neighborhood 000023

Lendor | Total Acres 0.18

Subdivision

Lot | Blk | Sec | Phse

Estimated Tax	FMV	MAV
Land (1)	10,200	10,200
Res Imp	0	0
Com Imp (2)	596,664	596,664
Acc Imp (3)	5,600	5,600

Edit Information

Data Entry Nologin | Edit History

Review / /

Appraiser

Alternate

Future | New Owner | Transfer Items | Transfer | Sales (1) | Permits (1) | Appeals | Dup Items | Bus Lic | Income * | ACO | Map It | Documents

Exemption Information

Homestead S0 | HS App Date / /

Covenant

Float Base1 0

Float Curr1 0

Float Base2 0

Float Curr2 0

State HS Val 0

299(c) Value 0

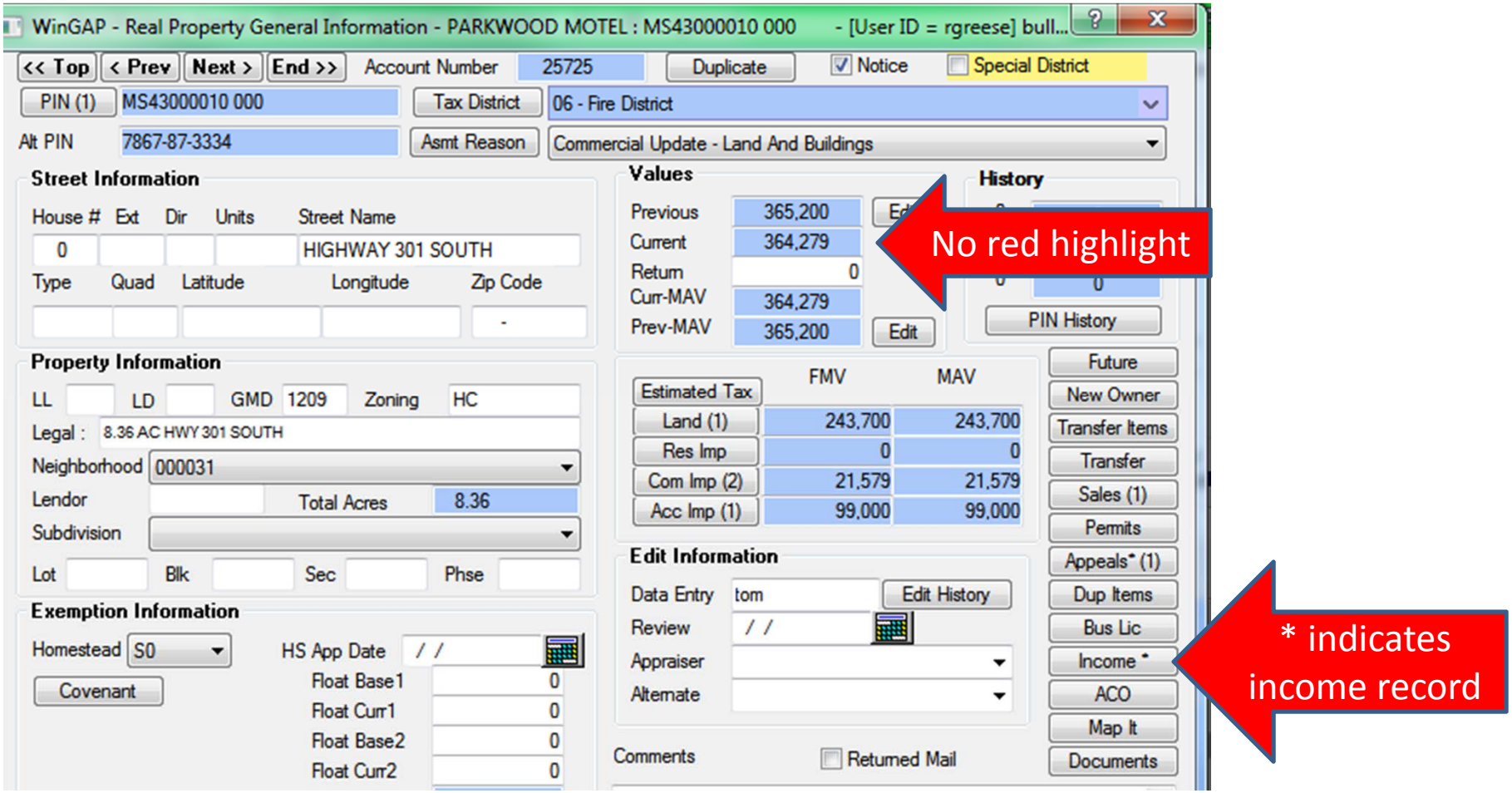
Comments | Returned Mail

ACCT: R000050
1523

Red highlighted Income Text

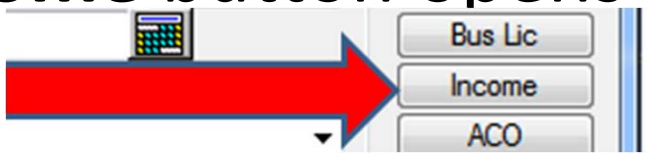
* on button

Income & Parcels
(Income is not Parcel Value)

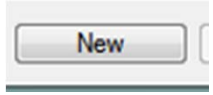


Income Detail Screen

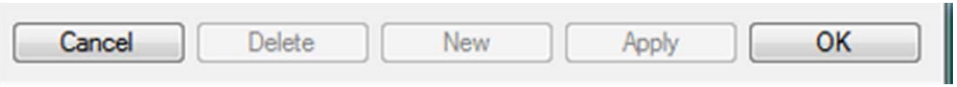
- Clicking the **Income** button opens the Income Detail screen



- The **New** button must be clicked to add an Income Detail record to the parcel



  – At this time, only 1 income record can be added per parcel
  – **New** button is disabled after addition of income record is complete



Before New

WinGAP - Income Details - [User ID = rgreese] [S28 000003 000] - [User ID = rgreese] bulloch2011 - [User...

RECID	Modelkey	Modeltype	Descrip	Bed1_Desc	E
1	1	3	APARTMENTS - GENERAL	EFFECIENCY	
2	2	3	APARTMENT - PER ROOM	3 BED ROOM UNIT	
3	3	3	APARTMENT - CONDO	1 BED ROOM	
4	4	4	RESIDENCE	SINGLE FAMILY	
5	5	3	ASSISTED LIVING	SINGLE LIVING UNIT	

Valuation Details

	Base	Adj	Final	Units	Income
One Bed	0	0 %	0	0	0
Two Bed	0	0 %	0	0	0
Three Bed	0	0 %	0	0	0
Four Bed	0	0 %	0	0	0
Five Bed	0	0 %	0	0	0
Six Bed	0	0 %	0	0	0
$ / SF	0.00	0 %	0.00	0	0
$ / Room	0	0 %	0	0	0
GRM	0.00	0 %	0.00	0	0
Misc. Income	0				
Vacancy %	0	0 %	0		
Expenses %	0	0 %	0		
Cap Rate	0.000	0 %	0.000		

Reset

Reset

Comments

Dig Class

- RES
- AGR
- COM
- IND
- EX

PGI	0
EGI	0
NOI	0
Total Value	0
Personal Value	0
Real Value	0
Land Value	0
Imp Value	0

Income as Parcel Current Value

Model Term *Annual*

Cancel Delete New Apply OK

After New

WinGAP - Income Details - [User ID = rgreese] [S28 000003 000] - [User ID = rgreese] bulloch2011 - [User...

RECID	Modelkey	Modeltype	Descrip	Bed1_Desc
1	1	3	APARTMENTS - GENERAL	EFFECIENCY
2	2	3	APARTMENT - PER ROOM	3 BED ROOM UNIT
3	3	3	APARTMENT - CONDO	1 BED ROOM
4	4	4	RESIDENCE	SINGLE FAMILY
5	5	3	ASSISTED LIVING	SINGLE LIVING UNIT

Valuation Details

	Base	Adj	Final	Units	Income
EFFECIENCY	300	0 %	0	0	0
1 BED ROOM	400	0 %	0	0	0
2 BED ROOM	600	0 %	0	0	0
3 BED ROOM	800	0 %	0	0	0
4 BED ROOM	1,000	0 %	0	0	0
Six Bedroom	0	0 %	0	0	0
$ / SF	0.00	0 %	0.00	0	0
$ / Room	0	0 %	0	0	0
GRM	0.00	0 %	0.00	0	0
Misc. Income	0				
Vacancy %	10	0 %	0		
Expenses %	25	0 %	0		
Cap Rate	9.000	0 %	0.000		

Reset

Reset

Comments

Dig Class

- RES
- AGR
- COM
- IND
- EX

PGI	0
EGI	0
NOI	0
Total Value	0
Personal Value	0
Real Value	0
Land Value	188,000
Imp Value	0

Income as Parcel Current Value

Model Term *Monthly*

Cancel Delete New Apply OK

After New Button?

- Data entry begins
- Income Model list is enabled

Modelkey	Modeltype	Descrip
1	3	APARTMENTS - GENERAL
2	3	APARTMENT - PER ROOM
3	3	APARTMENT - CONDO
4	4	RESIDENCE
5	3	ASSISTED LIVING

- Base, Final & Income columns are disabled

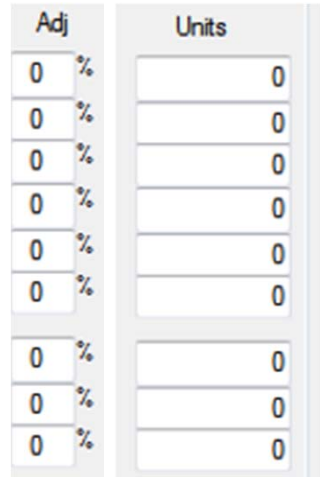
Valuation Details

	Base	Adj	Final	Units	Income
EFFECIENCY	300	0 %	0	0	0
1 BED ROOM	400	0 %	0	0	0

  - Data placed in fields based on Inc Model selection
  - Field values cannot be changed except in schedule

After New Button?

- Values can be keyed in
  - Adj %
  - Units
  - Misc Income
  - Personal Property Value
  - Comments

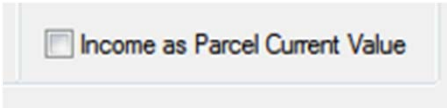


- Land Value (pulled from Real Gen Info screen)

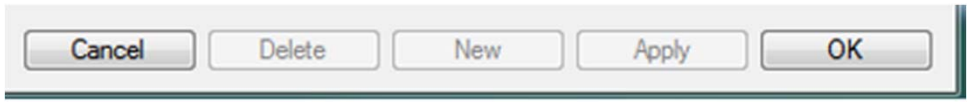
After New Button?

- Check Boxes present for
  - Digest Class

  - Designation of Income as Parcel Current Value



- Buttons available at bottom of screen for various “actions”



Basic Data Entry Steps

1. Select Income Model from list at top of screen
2. % adj to base rates are keyed
3. Units are entered
4. Misc Income is entered
5. Adj % for Vacancy, Expenses & Cap Rate are keyed
6. Personal Prop value is entered
7. Digest class is assigned
8. Comments entered
9. Decision made to check Income as Parcel Current Value
10. Click Apply or OK to save

Basic Data Entry Steps

- Data entry should be performed only on rows where Base is not zero

Valuation Details

	Base	Adj	Final	Units	Income
EFFECIENCY	300	-10 %	3,240	0	0
1 BED ROOM	400	0 %	4,800		0
2 BED ROOM	600	0 %	7,200		0
3 BED ROOM	800	0 %	9,600		0
4 BED ROOM	1,000	0 %	12,000	0	0
Six Bedroom	0	0 %	0	0	0
$ / SF	0.00	0 %	0.00	0	0
$ / Room	0	0 %	0	0	0
GRM	0.00	0 %	0.00	0	0

Data Entry on these Rows

Income Model Selection

- Upper portion of screen occupied with list box containing Income Models in schedule

RECID	Modelkey	Modeltype	Descrip	Bed1_Desc	E
1	1	3	APARTMENTS - GENERAL	EFFECIENCY	
2	2	3	APARTMENT - PER ROOM	3 BED ROOM UNIT	
3	3	3	APARTMENT - CONDO	1 BED ROOM	
4	4	4	RESIDENCE	SINGLE FAMILY	
5	5	3	ASSISTED LIVING	SINGLE LIVING UNIT	

- List box composition
  - Vertical scroll on right to move up & down list
  - Horizontal scroll on bottom to view additional columns
  - Columns reflecting data content

Income Model Selection

- Initial view of Income Model List box

WinGAP - Income Details - [User ID = rgreese] [S28 000003 000] - [User ID = rgreese] bulloch2011 - [User...

RECID	Modelkey	Modeltype	Descrip	Bed1_Desc	E
1	1	3	APARTMENTS - GENERAL	EFFECIENCY	
2	2	3	APARTMENT - PER ROOM	3 BED ROOM UNIT	
3	3	3	APARTMENT - CONDO	1 BED ROOM	
4	4	4	RESIDENCE	SINGLE FAMILY	
5	5	3	ASSISTED LIVING	SINGLE LIVING UNIT	

- View showing other columns

WinGAP - Income Details - [User ID = rgreese] [S28 000003 000] - [User ID = rgreese] bulloch2011 - [User...

Bed5	Bed6_Desc	Bed6	Sf	Room	Grm	Vacancy	Expense	Caprate	Mo
1000	Six Bedroom	0	0.00	0	0.00	0.10	0.25	9.000000	Y
0	Six Bedroom	0	0.00	0	0.00	0.10	0.25	9.000000	Y
0	Six Bedroom	0	0.00	0	10.00	0.05	0.25	9.000000	Y
0	Six Bedroom	0	0.00	0	10.00	0.00	0.00	0.000000	N
0	Six Bedroom	0	0.00	0	0.00	0.05	0.50	9.000000	Y

Adj %

- % entered when Base value requires adj

Base	Adj	Final
300	-10 %	3,240

- % must be a whole number
  - No decimals
- % can be negative
  - -10 is permitted

Adj %

- Adj % saved as decimal value
  - Adj % / 100

ROOM_ADJ
1.00
0.00
0.00
0.00
-0.10

- After clicking in Adj % field, Final values filled
  - Final values reflect Adj % (0 = 1.00)
  - Final values are annual rent
    - If schedule is setup as monthly, Base x 12 is Final
- Final value formula
  - Base x (1.00 + (Adj% / 100))

Adj %
(Monthly Rate)

- Adj % = 0
  - 300 x 12

Valuation Details

	Base	Adj	Final
EFFECIENCY	300	0 %	3,600

- Adj % = 10
  - 300 x 12 x 1.10

Valuation Details

	Base	Adj	Final
EFFECIENCY	300	10 %	3,960

- Adj % = -10
  - 300 x 12 x .90

Valuation Details

	Base	Adj	Final
EFFECIENCY	300	-10 %	3,240

Units

- Number of units are keyed in the field
- Type of units is dependent upon Income Model
  - Square Feet
  - # of rooms
  - # of rental units (1 bedroom apt, 2 bedroom apt, etc

One Bedroom	450	0	%	5,400	10	54,000
Two Bedroom	550	0	%	6,600	20	132,000
Three Bedroom	650	0	%	7,800	0	0

Units

- Units should be entered only on rows where Base value is not equal to zero
- GRM row, even though greater than zero, should never have units

Income

- Income column contains a calculated value
- Formula for filling Income column:
  - Base x (1.00 – (Adj% / 100)) x Units
- PGI contains income used for GRM and all other methods

PGI

- **PGI** – **P**otential **G**ross **I**ncome
  - Income before Misc Income added
  - No Vacancy % or Expenses % applied
  - Simply, sum of 7 Income fields above

PGI

Valuation Details

	Base	Adj	Final	Units	Income
EFFECIENCY	300	-10 %	3,240	43	139,320
1 BED ROOM	400	-30 %	3,360	64	215,040
2 BED ROOM	600	-40 %	4,320	38	164,160
3 BED ROOM	800	0 %	9,600	0	0
4 BED ROOM	1,000	0 %	12,000	0	0
Six Bedroom	0	0 %	0	0	0
$ / SF	0.00	0 %	0.00	0	0
$ / Room	0	0 %	0	0	0
GRM	0.00	0 %	0.00	0	518,520

Dig

PGI

EGI

- **EGI** – **E**ffective **G**ross **I**ncome
  - PGI adjusted by Final Vacancy %
    - Final Vacancy % is applied directly to PGI & then subtracted from PGI
    - PGI – (PGI x (Final Vac % / 100))
  - Misc Income added after Vacancy % adj

EGI

GRM	0.00	0 %	0.00	0	518,520	PGI
Misc. Income	1,000			Reset	457,298	EGI
Vacancy %	10	20 %	12		288,098	NOI

PGI Vac % Vac Adj

- 518,520 x .12 = 62,222

PGI Vac Adj Misc Inc EGI

- (518,520 – 62,222) + 1,000 = 457,298

NOI

- **NOI** – **N**et **O**perating **I**ncome
- **NOI** is EGI adjusted for Expenses %
  - Final Expenses % is applied to EGI & then subtracted from EGI
  - EGI – (EGI x (Final Exp % / 100))

NOI

EGI | Exp % | Exp Adj

- 457,298 x .37 = 169,200

EGI | Exp Adj | NOI

- 457,298 – 169,200 = 288,098

Total Value

- Non-GRM Models
  - NOI capitalized using Final Cap Rate
- GRM Models
  - PGI is multiplied by Final GRM
- Total Value includes value of
  - Land
  - Improvements
  - Possibly, personal property

Total Value

GRM	0.00	0 %	0.00	0	518,520	PGI
Misc. Income	1,000			Reset	457,298	EGI
Vacancy %	10	20 %	12		288,098	NOI
Expenses %	25	48 %	37		2,883,861	Total Value
Cap Rate	9.000	11 %	9.990		0	Personal Value

NOI | Cap Rate | Total Value

- 288,098 ÷ .0999 = 2,883,861
- **Note:** NOI is not rounded in actual calculation
  - 288,098 ÷ .0999 = 2,883,064
  - 288,097.74 ÷ .0999 = 2,883,861

Personal Value

- If general income modeling is used, personal property value should be value generally associated with property type
- If site-specific income modeling, personal property value should be account specific
- In either case, value entered is subtracted from Total Value

Real Value

- Income value of Real Estate after Personal Value deduction

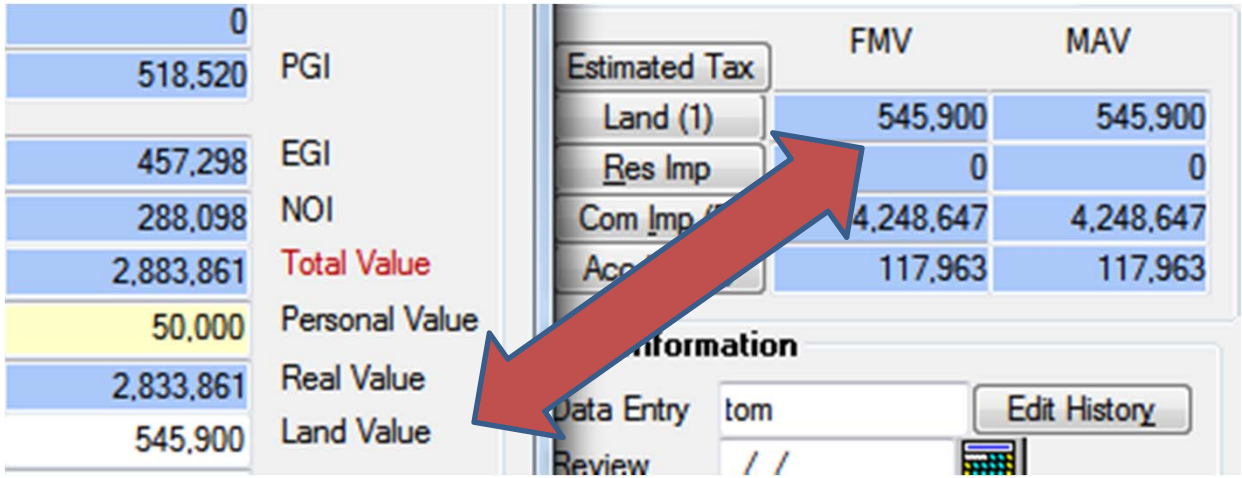
GRM	0.00	0 %	0.00	0	518,520	PGI
Misc. Income	1,000			Reset	457,298	EGI
Vacancy %	10	20 %	12		288,098	NOI
Expenses %	25	48 %	37		2,883,861	Total Value
Cap Rate	9.000	11 %	9.990		50,000	Personal Value
Comments		Reset			2,833,861	Real Value

Total Value | Personal Value | Real Value

- 2,883,861 – 50,000 = 2,833,861

Land Value

- Law requires a separation of value into land component & improvement component
- Land Value is pulled from land FMV on Real Property Gen Info screen



Imp Value

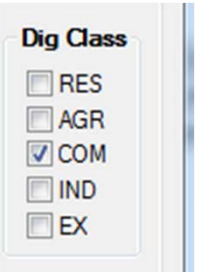
- Value remaining after Land Value is subtracted from Real Value

Real Value | Land Value | Imp Value

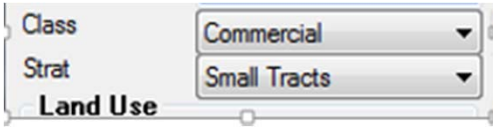
- 2,833,861 – 545,900 = 2,287,961
- **Caution:** If land value is greater than income value, improvement value will be negative!!
  - **User will be prompted before leaving screen**

Dig Class

- Digest Class must be assigned to Income Value
  - Appropriate Digest Class box is checked

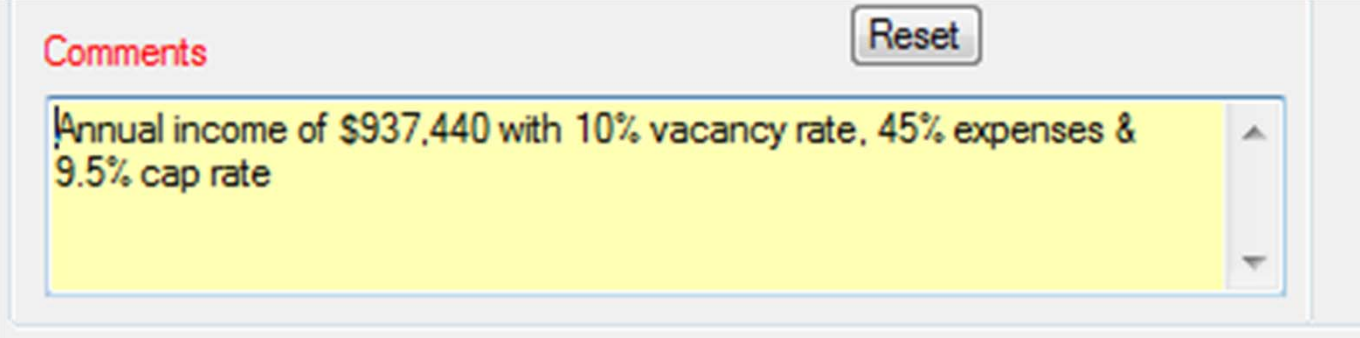


- Used to define Digest Class of improvement
  - A Strat of 1 is automatically assigned
- Land Digest Class/Strat is taken from Land Screen



Comments

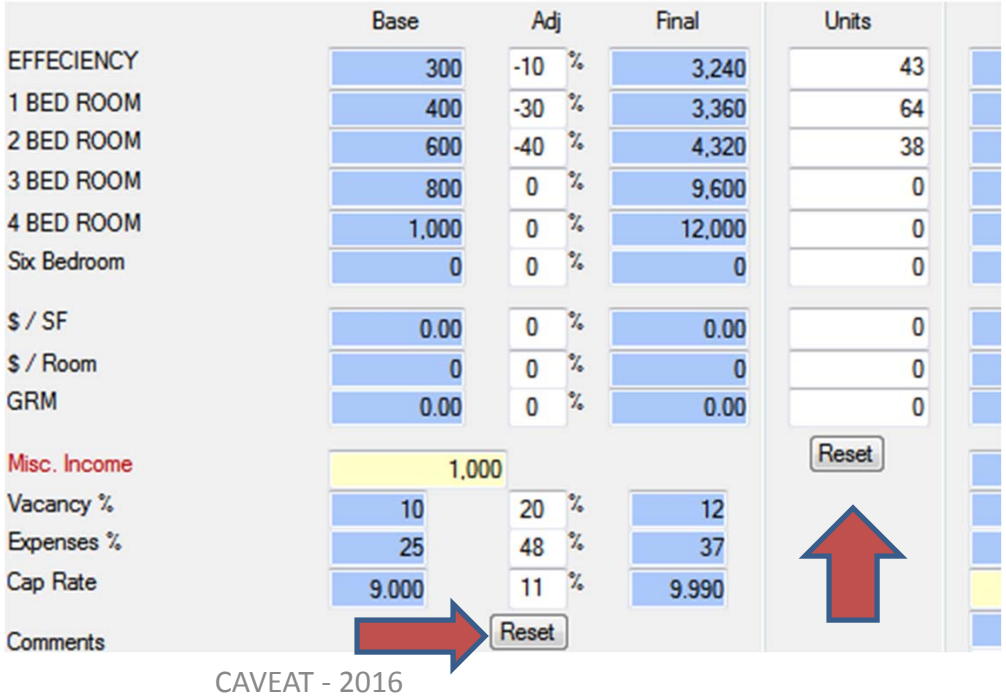
- Field used to store any comments related to the income valuation of parcel



- Up to 30,000 characters maybe entered

Reset Buttons

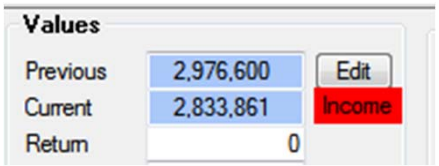
- **Reset** buttons are located under Adj & Units columns
- Buttons are used to set all Adj and/or Units to zero



	Base	Adj		Final	Units
EFFECIENCY	300	-10	%	3,240	43
1 BED ROOM	400	-30	%	3,360	64
2 BED ROOM	600	-40	%	4,320	38
3 BED ROOM	800	0	%	9,600	0
4 BED ROOM	1,000	0	%	12,000	0
Six Bedroom	0	0	%	0	0
$ / SF	0.00	0	%	0.00	0
$ / Room	0	0	%	0	0
GRM	0.00	0	%	0.00	0
Misc. Income	1,000				Reset
Vacancy %	10	20	%	12	
Expenses %	25	48	%	37	
Cap Rate	9.000	11	%	9.990	
Comments		Reset			

Income as Parcel Current Value

- The moment of decision!!
- If box is checked
  - Income value is saved in parcel current value field
    - Realprop.curr_val
    - Realprop.income is set to True
  - Income text highlighted in red is displayed on Real Property Gen Info screen



  - Income value is exported to digest files

Income Screen in its entirety

WinGAP - Income Details - [User ID = rgreese] [MS62000002 000] - [User ID = rgreese] bulloch2011 - [Us...

RECID	Modelkey	Modeltype	Descrip	Bed1_Desc	Bed
1	1	3	APARTMENTS - GENERAL	EFFECIENCY	30

Valuation Details

	Base	Adj	Final	Units	Income
EFFECIENCY	300	-10 %	3,240	43	139,320
1 BED ROOM	400	-30 %	3,360	64	215,040
2 BED ROOM	600	-40 %	4,320	38	164,160
3 BED ROOM	800	0 %	9,600	0	0
4 BED ROOM	1,000	0 %	12,000	0	0
Six Bedroom	0	0 %	0	0	0
$ / SF	0.00	0 %	0.00	0	0
$ / Room	0	0 %	0	0	0
GRM	0.00	0 %	0.00	0	518,520 PGI
Misc. Income	1,000			Reset	457,298 EGI
Vacancy %	10	20 %	12		285,811 NOI
Expenses %	25	50 %	38		2,886,982 Total Value
Cap Rate	9.000	10 %	9.900		50,000 Personal Value
		Reset			2,836,982 Real Value
					545,900 Land Value
					2,291,082 Imp Value

Comments

Dig Class

- [ ] RES
- [ ] AGR
- [x] COM
- [ ] IND
- [ ] EX

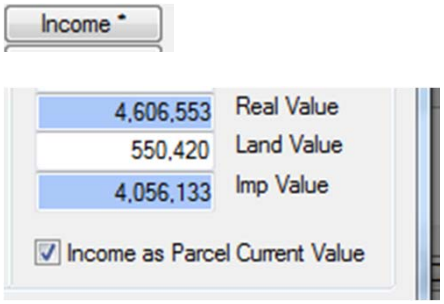
[x] Income as Parcel Current Value

Model Term *Monthly*

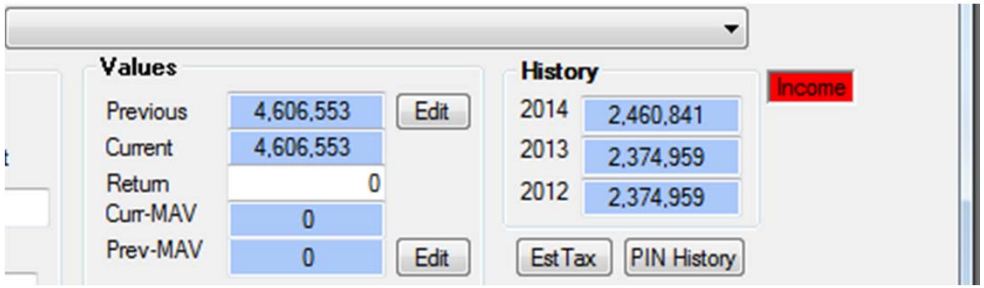
Cancel | Delete | New | Apply | OK

WinGAP Income Final Screen

- How does a user know that the income value is being used for the digest value?

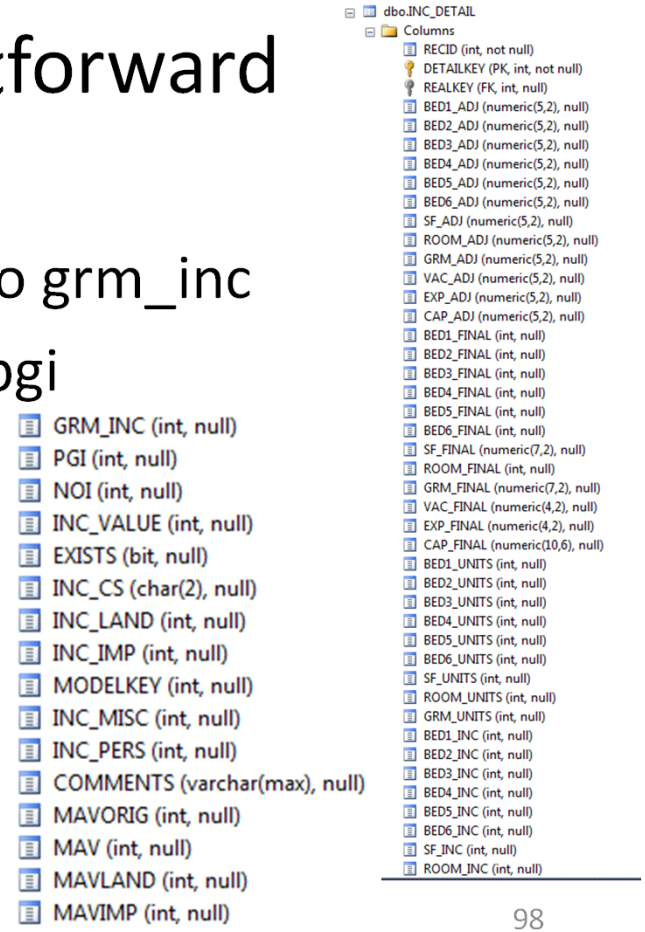


- Realprop file Shows 1 in income field if income check



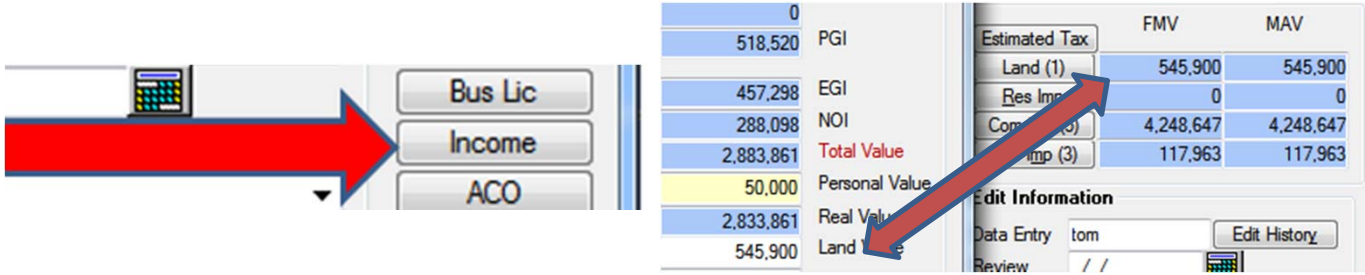
Database & Report Admin

- Parcel income data is stored in inc_detail table
- Field names are mostly straightforward
  - Exceptions
    - Potential Gross Income is saved into grm_inc
    - Effective Gross Income is found in pgi
    - Inc_value is real estate only
      - Personal Value has been subtracted

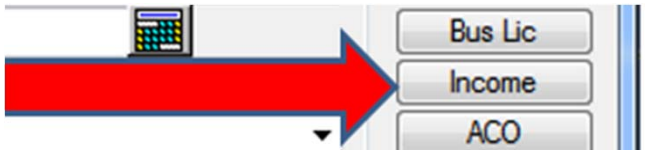


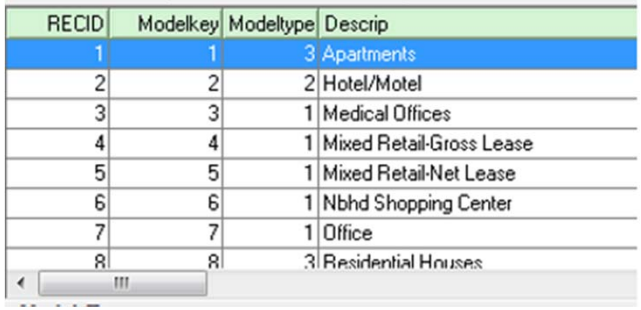
Income Value Maintenance

- If land value changes, Income screen on each impacted parcel must be opened so values will update

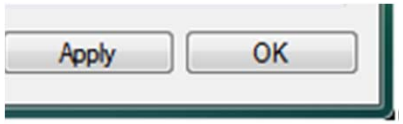


- If Income Model changes, Income screen on each parcel assigned to model must be opened.
  - Critical Steps:
    - Select correct Model from list in Model List box
    - Click in one of the data entry fields to update values
    - Click Apply
    - Click Cancel

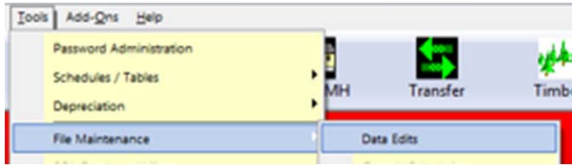




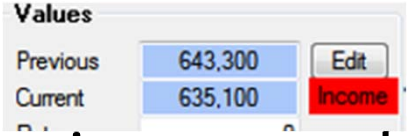
RECID	Modelkey	Modeltype	Descrip
1	1	3	Apartments
2	2	2	Hotel/Motel
3	3	1	Medical Offices
4	4	1	Mixed Retail-Gross Lease
5	5	1	Mixed Retail-Net Lease
6	6	1	Nbhd Shopping Center
7	7	1	Office
8	8	3	Residential Houses



Data Edits for Income



- Current value is equal to income value when income is value method



  – Current value is updated to income value
  – Current Value Checks

- Income land value = 0
  – Zero Value Edits
- Income land value <> FMV land
  – Land Edits

Data Edits for Income

- New item lists on Data Edits screen
  - Income Edits
- Income Edits check for
  - Income Model unit values not matching unit values on Income Details
  - Income models assigned to parcels not having match in Income Model schedule
  - Negative improvement values
  - Personal property value not matching account
  - No personal property account