

DAVIE COUNTY 2025 APPRAISAL MANUAL

INCOME VALUATION OF A MOBILE HOME PARK

Example

Gross Monthly rent	Gross Annual Rent
\$30/space x 12	\$360.00 / space
Less:	
Vacancy rate as a % of gross @ 10%	36.00
Operating Expenses as a % of gross @ 55%	<u>\$198.00</u>
Net Operating Revenue	\$126.00 / space
Capitalized at the Discount Rate (11%)	<u>\$1145.00 / space</u>

CONSERVATION EASEMENTS

A conservation easement is a voluntary restriction of real property rights in favor of a tax-exempt conservancy organization for the purpose of preserving land from development and for future benefit as scenic areas, wildlife habitat, and open space for a sustainable natural environment.

Due to the uniqueness of both land and property ownership, it is necessary to tailor a conservation easement equally as unique. Each conservation easement must be reviewed and analyzed to determine the relinquished rights as well as the allowable exceptions in order to equitably reflect the value for the property.

The Davie County Tax Office, with the support of the North Carolina Department of Revenue - Ad Valorem Tax Division, has decided to consider the issue of conservation easements on an individual case basis working through the appraisal process, notifying the property owner of the results of the assessment and allowing an adequate period of time for both discussion and appeal of the valuation.

All pertinent data that might be shared by either the conservation easement grantor or grantee will be considered by the Davie County Tax Office in the appraisal of any property encumbered by a conservation easement.

CONSERVATION RESERVE PROGRAM

Land enrolled in the federal Conservation Reserve Program is considered to be in actual production and the income derived from the participation in the program can be used in meeting the minimum gross income requirement separately or combination of the land in actual production.

PRESENT USE VALUE

(SEE PRESENT USE VALUE SCHEDULE OF VALUES)

DAVIE COUNTY 2025 APPRAISAL MANUAL

ASSESSMENT OF LOW-INCOME (SECTION 42) HOUSING PROPERTY

§ 105-277.16. A North Carolina low-income housing development to which the North Carolina Housing Finance Agency allocated a federal tax credit under section 42 of the Code is designated a special class of property under Article V, Section 2(2) of the North Carolina Constitution and must be appraised, assessed, and taxed in accordance with this section. The assessor must use the income approach as the method of valuation for property classified under this section and must take rent restrictions that apply to the property into consideration in determining the income attributable to the property. The assessor may not consider income tax credits received under section 42 of the Code or under G.S. 105-129.42 in determining the income attributable to the property. (2008-146, s. 3.1; 2008-187, s. 47.6.)

These special properties are assessed using the capitalization of net income method, as are other multi-family properties in the county. The difference will be that instead of establishing a market derived Potential Gross Income for the property, the Actual Rent Restricted Income will be used in calculating the net income to be capitalized.

VALUATION OF CELL PHONE TOWER SITES

These sites will be valued in the OBXF (Outbuilding and Extra Features) section of the tax card. The actual tower and equipment are valued by the North Carolina Department of Revenue each year. (See Chapter 11 of this manual to find the values for the tower sites)