

**MARKET VALUE APPRAISAL**  
**of**  
**One parcel located within the Dog Sled Subdivision and two parcels within the Indian River Subdivision**



**APPRAISAL REPORT No 4618-0**

**STATE OF ALASKA**  
**Department of Natural Resources**  
**Division of Mining, Land & Water**  
**550 West Seventh Avenue, Suite 650**  
**Anchorage, AK 99501-3576**

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# MEMORANDUM

# State of Alaska

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**DATE:** January 31, 2023

**TO:** Kevin Hindmarch  
Review Appraiser

**FROM:** Michael S. Dooley  
Appraiser I

**SUBJECT:** Appraisal of one parcel within Dog Sled Subdivision and two parcels within Indian River Subdivision.

As requested, I have completed an appraisal of the above referenced parcels and understand that this appraisal will be used to determine a minimum purchase price for a sealed bid auction. I am submitting this report for your review and approval.

The appraisal was completed in accordance with the "Uniform Standards of Professional Appraisal Practice" of the Appraisal Foundation and in accordance with the Special Appraisal Instructions, DNR. This is an appraisal report based on the General Assumptions and Limiting Conditions stated in the report, as well as the facts, analyses, and reasoning leading to the opinions of value.

I have physically inspected all of the subject parcels and comparable sales. The physical descriptions of the subject parcels were based on inspections, aerial photography, topographic maps, peer appraisal reports, interviews with realtors and various individuals familiar with the area. Based on these observations and analyses of all available data, I have formed an opinion of the market values as of the effective date of value.

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### APPRAISAL SUMMARY

#### Location and Legal Description

Subdivision Name	ADL's	Location	Legal Description
Dog Sled	232379	Approximately 15 miles south of the Talkeetna, and approximately one mile east of the Parks Highway near Montana Creek. Section 09, T23N R4W SM.	Lot 8 of ASLS 2014-69
Indian River	ADL #210355 and ADL #210356	Approximately 40 air miles north of the Talkeetna and 5 miles south of Hurricane Gulch, Adjacent to and east of the Alaska Railroad and the Parks Highway Within Sections 15 & 16, T33N R2W SM.	Lot 6/Block 2 and Lot 7/Block 2 of ASLS 81-131

#### SUMMARY OF VALUES

Subdivision	ADL	Lot	Block	ASLS	Site Size	Value
Dog Sled	232379	8	-	2014-69	3.520	<b>\$38,700</b>
Indian River	210355	6	2	80-131	3.808	<b>\$13,700</b>
Indian River	210356	7	2	80-131	4.418	<b>\$12,000</b>

## **Type of Appraisal and Report**

This appraisal report is prepared in accordance with Standards Rule 1 and 2 of the current edition of **Uniform Standards of Professional Appraisal Practice** (USPAP), and in accordance with DNR's Special Appraisal Instructions.

### **Purpose of Appraisal**

The purpose of this appraisal is to estimate current market value of the properties described in this report.

### **Intended Use of Appraisal**

The appraisal will be used by DNR to determine the minimum bid for parcels to be acquired through the auction sale program under **AS 38.05.055**.

### **User and Client Identity**

This appraisal is prepared for the State of Alaska, Department of Natural Resources, and the general public.

### **Property Rights Appraised**

Rights appraised are fee simple estate less mineral rights reserved to the State of Alaska under **AS 38.05.125(a)**. Fee simple estate is defined as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."<sup>1</sup>

### **AS 38.05.125(a) states:**

Reservation. (a) Each contract for the sale, lease or grant of state land...is subject to the following reservations: "[sic] the party of the first part, Alaska, hereby expressly saves, excepts and reserves... unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and with may be in or upon said land...[and the right] to occupy as much of said land as may be necessary or convenient... to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved."<sup>2</sup>

### **Definition of Market Value**

"The most probable price, as of a specified date, in cash, or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."<sup>3</sup>

### **Effective Date of Value Estimate**

**Dog Sled:** October 4, 2022

**Indian River:** October 5, 2022

### **Date of Report**

January 31, 2023

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<sup>1</sup> The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, p.78

<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, <http://www.legis.state.ak.us/basis/folio.asp>, Accessed 01/24/2023

<sup>3</sup> The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, 2013, p.58

### **Exposure Time**

Exposure time is defined as "...the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is different for various types of property and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort."<sup>4</sup>

Exposure time can vary depending on the type of property being appraised and constantly changing market conditions. Supply and demand of similar properties to the subject is an important factor for determining exposure time. There is a limited inventory of comparable sales the Indian River and Dog Sled market areas. Therefore, marketing times of no more than one year is typical.

### **Scope of the Appraisal**

#### **Property and Comparable Sales Inspection**

I performed a ground inspection of the subject properties and all of the comparable sales for the Indian River Subdivision on October 4, 2022. I performed a ground inspection of the subject properties and all of the comparable sales for the Dog Sled Subdivision on October 5, 2022. Physical features and access were identified by use of previous aerial inspections, topographic maps, status plats, aerial photographs, DNR appraisal records, and interviews with people who are familiar with the area.

#### **Research and Analysis Conducted**

Interviews were conducted with, real estate agents, appraisers, local residents, and other individuals familiar with the area who provided information about trends in value, supply, demand, access, and physical characteristics of the subject properties. DNR records and the Records Office databases were searched for recent comparable sales while the Matanuska - Susitna Borough database was searched for relevant sale information. Private real estate agent websites were searched for recent listings while sellers, buyers, and agents were contacted to verify recent sale prices and other transaction details.

After analysis of all available data, appropriate comparable sales were selected. The market value estimate was derived from this process and is based on the following assumptions and limiting conditions.

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<sup>4</sup> Uniform Standards of Professional Appraisal Practice 2018-2019, Appraisal Foundation, U-2

### **Assumptions and Limiting Conditions**

1. The property is appraised as vacant land without structural or site improvements.
2. All engineering studies are assumed to be accurate. Plats and illustrative material included in the report are intended to help the reader visualize the properties.
3. Information furnished by others and included in the report is believed to be reliable, but the appraiser does not warrant the accuracy of such information.
4. Unless otherwise noted in the report, the appraiser did not find any evidence that hazardous materials exist on these properties. The estimate of value is based on the assumption that there are no such materials on the property. The appraiser is not qualified to detect these substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge that is required to discover these substances.
5. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony, or be in attendance in court with reference to the property in question unless arrangements have been made in advance.
6. The data and conclusions in this report are a part of the whole valuation. Each part of this report is only part of the evidence upon which the final judgment is based. Therefore, no part should be used out of context and by itself alone.
7. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for any such conditions, or for arranging engineering studies to discover them.
8. The estimate of value in this report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
9. Some parcels may contain saw timber, but not necessarily in commercial quantities. The estimated market value does not include the value of commercial timber, if any.
10. Unless noted, the existence of personal property or improvements, if any, could not be confirmed. The properties are appraised "as vacant".
11. In this valuation, various mathematical calculations were used to formulate the opinion of value. These calculations are only aids for the formulation of the opinion of value by the appraiser. Therefore, in the application of these calculations, certain arithmetical figures are rounded to the nearest significant amount.
12. The appraiser assumes no responsibility for legal matters. The subject lots are assumed to be free and clear of encumbrances, except as otherwise noted, and title is assumed to be marketable.



## PRESENTATION OF DATA

### Market Area – The Matanuska Susitna Borough<sup>5</sup>

#### Location:

The Matanuska-Susitna (Mat-Su) Borough is located in the middle of south-central Alaska, including the Matanuska and Susitna River Drainages, portions of the Chugach Mountains as well as the Alaska, Talkeetna, and Clearwater Ranges. The Municipality of Anchorage, Upper Cook Inlet, and Knik Arm delineate the Borough's southern border. The average temperatures in January range from 6°F to 14°F; in July, 47°F to 67°F. Annual precipitations is 16.5 inches.

#### Local Government:

The Mat-Su Borough is a second-class Borough incorporated in 1964 with an elected Mayor and Assembly. The Borough's area-wide powers include assessment and collection of taxes, education, planning and zoning, parks and recreation, ports, harbors and wharves, ambulance service, transportation systems, air pollution control, day care facilities, historic preservation, and transient accommodations taxation. The Borough's non area-wide powers include fireworks, motor vehicles and operators, snow vehicles, solid waste, libraries, septic tank waste disposal, economic development, limited health and social service, natural gas, electric, and road local improvement districts, animal control, and water pollution control.

#### Demographics:

Low housing costs, the rural lifestyle, and a reasonable commute to Anchorage for employment and services has made the Mat-Su Borough one of the fastest growing areas of Alaska in recent years.

According to the 2010 Census, the population was 88,995. There were 41,329 housing units in the community and 31,824 were occupied. Its population was 5.5 percent American Indian or Alaska Native; 84.9 percent white; 1 percent black; 1.2 percent Asian; 0.2 percent Pacific Islander; 6.5 percent of the local residents had multi-racial backgrounds. Additionally, 3.7 percent of the population was of Hispanic decent.

#### Economy:

The economy is diverse, and residents are employed in a variety of retail, professional services, city, borough, state and federal occupations. Top employers are Mat-Su Schools, Valley Hospital, Wal-Mart, Carrs/Safeway, and Fred Meyer. About one-third of the Borough's labor force commutes to Anchorage for employment. In 2010, 300 borough residents held commercial fish permits.

The 2005-2009 American Community Survey (ACS) estimated 35,540 residents as employed. The public sector employed 17.9% of all workers. The local unemployment rate was 11.8%. The percentage of workers not in labor force was 34.3%. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$66,052 (MOE +/- \$1,869). The per capita income (in 2009 inflation-adjusted dollars) was \$24,906 (MOE +/- \$707). About 10.3% of all residents had incomes below the poverty level.

#### Facilities:

There are three incorporated cities within the Borough: Houston, Palmer, and Wasilla. Additionally, there are several unincorporated communities and twenty-five (25) Borough recognized community councils. The majority of the Borough population resides in the "core area" surrounding the cities of Palmer and Wasilla, and within the cities themselves. The remaining population is spread out among the various unincorporated communities, as well as some remote sites. There are 44 schools located in the borough, attended by 17,079 students.

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<sup>5</sup> All information regarding market area and neighborhood information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>



**Transportation:**

The area accesses both the Glenn and George Parks Highways. Commercial airlines serve the nearby Anchorage International Airport, but a local municipal airport supports private and chartered services. The Alaska Railroad provides for delivery of ocean freight.

**Talkeetna Neighborhood<sup>6</sup>**

Located at the junction of the Talkeetna and Susitna Rivers, it lies 115 miles north of Anchorage at mile 226.7 of the Alaska Railroad. The paved Talkeetna Spur Road runs 14 miles east off of the George Parks Highway at milepost 98.7. The community lies at approximately 62.323890° North Latitude and -150.109440° West Longitude. (Sec. 24, T026N, R005W, Seward Meridian.) Talkeetna is located in the Talkeetna Recording District.

**History, Culture and Demographics**

Talkeetna was settled as a mining town and Alaska Commercial Company trading post in 1896. A gold rush to the Susitna River brought prospectors to the area, and by 1910 Talkeetna was a riverboat steamer station, supplying miners and trappers in the Cache Creek, Iron Creek, and Broad Creek districts. In 1915, Talkeetna was chosen as the headquarters for the Alaska Engineering Commission, who built the Alaska Railroad, and the community population peaked near 1,000. World War I and completion of the railroad in 1919 dramatically decreased the population. Talkeetna has since developed as an aviation and supply base for expeditions to Denali. Several of its old log buildings are now historical landmarks, and Talkeetna was placed on the National Register of Historic Places in April 1993. State land disposals and homestead programs helped the community grow.

Talkeetna is popular for its recreational fishing, hunting, boating, flight seeing, skiing, and dog mushing. Local businesses provide services to Denali climbers. Middle and high school students are bused to Y, at milepost 98, in the Susitna Valley.

According to Census 2010, there were 744 housing units in the community and 449 were occupied.

**Facilities, Utilities, Schools, and Health Care**

The majority of residents have individual wells, septic tanks, and complete plumbing. A piped water and sewer system is maintained by the Mat-Su Borough. The high school operates its own water system. A borough-operated refuse transfer station is located at mile 11.5 Talkeetna Spur Road. A sludge disposal site is available locally. Electricity is provided by Matanuska Electric Association, Incorporated. There is one school located in the community, attended by 96 students. Local hospitals or health clinics include Sunshine Community Health Center Mat-su Regional Hospital between Palmer and Wasilla on the Parks Hwy. The clinic is a qualified Emergency Care Center. Emergency Services have highway air and helicopter access. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Talkeetna Ambulance Service (907-373-8800/907-745-4811) Valley Hospital in Palmer.

**Economy and Transportation**

As the take-off point for fishing and flight seeing trips and a staging area for Denali climbing expeditions, Talkeetna provides air taxis, helicopters, outfitters, and related services. Numerous air taxis provide transport to Kahiltna Glacier Base Camp. All climbers must register for Mount McKinley and Mount Foraker. In 2010, 9 area residents held commercial fishing permits.

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<sup>6</sup> All information regarding neighborhood information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

## General Property Description for Dog Sled Subdivision

### Legal Description

The following table illustrates the subject parcel located in the Dog Sled Subdivision within Township 23 North, Range 4 West, Section 09.

ADL	Lot	ASLS	Site Size
232379	8	2014-69	3.52

### Location

Dog Sled Subdivision is located approximately 15 miles south of Talkeetna, and approximately .9 of a mile east of the Parks Highway just south of Montana Creek.

### Access

Access to the subdivision is via gravel road from the Parks Highway; turn right on East Montana Creek Road, and then another right onto South Dog Sled Road. Currently, the Matanuska-Susitna Borough performs year-round street maintenance on East Montana Creek Road and South Dog Sled Drive.

### Size & Shape

The subject parcel is 3.52 acres in size and is rectangular in shape.

### Topography

The subdivision is characterized by a generally level topography. The subject parcel is approximately 325' above sea level.

### Soils/Vegetation

The subdivision contains primarily mature birch and spruce mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with small portions of wetlands identified within the low-lying area of the subdivision. The subject parcel is heavily treed with no apparent wetlands.

### Utilities, Water & Sewer

Electrical service runs along South Dog Sled Drive. No public water or sewer system is available. Water supply or sewage disposal systems must be located, constructed and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

### Easements & Zoning Regulations

No zoning, the subject is located within an unregulated area of the Mat-Su Borough. There is a 10' screening easement, and a 15' public utility easement along the west property lines of all the parcels.

### Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic material, waste, or hazards were observed during the field inspection.

### Tax Assessments<sup>7</sup>

The subject is located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2022 mill rate for the subject subdivision is 13.37.

### Ownership History

The Department of Natural Resources is the current owner of record for the subject parcels within the Dog Sled subdivision. There was a fully executed real estate contract to purchase the subject which recorded on 09/29/2017. The contract was relinquished on 09/21/2020, and the parcel was placed into potential reoffer status. There are no other known deed transfers or contracts to purchase the subject property within the past 3 years.

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<sup>7</sup> <http://www.matsugov.us/realpropertyquery/detail> accessed 01-24-2023.

**Personal Property**

There is no personal property involved with the appraisal of this property.

### **Dog Sled Subdivision**



South Sled Dog Drive looking south.







## General Property Description for Indian River Subdivision

The following table illustrates the subject parcels located in the Indian River Subdivision within Township 18 North, Range 1 West, Section 20.

ADL	Lot	Block	ASLS	Site Size	MTRS
210355	6	2	80-131	3.808	S033N002W16
210356	7	2	80-131	4.418	S033N002W15&16

### Location

Indian River Subdivision is located approximately 35 road miles north of the Susitna River – Parks Highway Bridge, one half mile east of the Parks Highway – Alaska Railroad crossing. The parcels are located within Section 15 and 16, Township 33 North, Range 2 West, Seward Meridian.

### Access

There is trail access from the highway pull off which runs to various areas of the subdivision. Access to the parcels is either by ATV or snowmachine via established trails and right-of-ways.

### Size & Shape

The subject parcels range in size from 3.808 to 4.418 and are irregular in shape.

### Topography

The subject parcels are level to slightly sloping and are approximately 1,700' above sea level.

### Soils/Vegetation

The subdivision contains primarily mature birch, spruce, and alder trees. Soils are typical of the surrounding area, with areas of wetlands identified within the low-lying area of the subdivision. Division Creek runs through the west portion subject parcels.

### Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. No public water or sewer system is available. Water supply or sewage disposal systems must be located, constructed and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

### Amenities

Division Creek runs through the subject parcels.

### Easements & Zoning Regulations

No zoning, the subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' easement on each side of common interior lot lines. There is a 20' utility easement on lot lines not common to other lots. Structures may not be constructed within 25' from a road right-of-way and no closer than 10' from a side lot boundary. There is a vacated section line the runs through ADL# 210356.

### Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic material, waste, or hazards were observed during the field inspection.

### Tax Assessments<sup>8</sup>

The subjects are located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2022 mill rate for the subject subdivision is 9.293.

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<sup>8</sup> <http://www.matsugov.us/realpropertyquery/detail> accessed 01-24-2023.

### **Ownership History**

The Department of Natural Resources is the current owner of record for the subject parcels within the Indian River subdivision.

There was a fully executed real estate contract to purchase the ADL #210355, which recorded on 02/07/2018. The contract was relinquished on 03/16/2021, and the parcel was placed into potential reoffer status. There are no other known deed transfers or contracts to purchase the subject property within the past 3 years.

There was a fully executed real estate contract to purchase the ADL #210356, which recorded on 12/19/2017. The contract was relinquished on 03/24/2021, and the parcel was placed into potential reoffer status. There are no other known deed transfers or contracts to purchase the subject property within the past 3 years.

### **Personal Property**

There is no personal property involved with the appraisal of this property.



South apron along the Parks Highway that affords trail access into the subdivision.





ADL #210355 looking northeast.





ADL #210356 looking northeast.



## **DATA ANALYSIS AND CONCLUSION**

### **Highest and Best Use**

Analysis of highest and best use for the subject property is necessary to accurately estimate the value of the land. Highest and best use analysis ensures that the value estimate is derived with the use in mind that maximizes the utility for a given property. The appropriate highest and best use for a given property is determined by the conditions of the market. Highest and best use can be defined as:

"The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value."<sup>9</sup>

The land to be valued is considered vacant and thus valued with the highest and best potential use for the property. Value for improvements (when present on the site) is then based on their contribution to this use. The appraised parcels are vacant and unimproved.

### **Legally Permissible**

The subject parcels are located within Matanuska-Susitna Borough, but the outside of the city limits. These remaining parcels are not subject to any known zoning requirements. Almost any legal use of these sites would be possible.

### **Physically Possible**

The size and physical characteristics are adequate to support all reasonable and probable uses.

### **Financially Feasible**

For the Indian River Subdivision, the primary land use of the surrounding area is for recreational use. Its remote location and lack of road access make development more of a challenge. The development of the parcel depends on the number of resources the owner is willing to allocate for recreational needs. The surrounding area of the Dog Sled Subdivision is a mix of recreational and residential use. Developed road access and the availability of utilities make this parcel financially feasible for either use.

### **Maximally Productive**

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. The immediate vicinity is characterized by private recreation. Snowmachining and other outdoor activities are the primary motivations for the surrounding recreational users.

### **Highest and Best Use of Land as Vacant**

Based on the foregoing analysis, the highest and best use of the subject parcels as vacant would be for almost any legal use, primarily rural recreation cabin sites. Rural recreational use is also a factor for the Dog Sled Subdivision lot.

### **Valuation Analysis**

Three approaches to value are considered to determine the market value estimate.

#### **Income Approach**

The income approach for valuation is used primarily for income producing properties. It utilizes the capitalization process to discount future anticipated net income to a present value. It is not common to lease vacant land for a residential use therefore data that supports this approach is not available.

#### **Cost Approach**

The cost approach is based on the assumption that an informed buyer would pay no more than the cost of producing a substitute property with the same utility as the subject property. This approach will separate the value of the land from the value of the improvements to determine the cost of reproducing the improvements. The cost approach is most effective for appraising properties that have newer improvements. As such, the cost approach will not be used.

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<sup>9</sup> The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.277-278



### **Sales Comparison Approach**

The sales comparison approach considers actual sales or prices asked for properties that have similar characteristics of the subject properties. Adjustments are made to the comparison properties so as to determine a price at which they would have sold if they had identical characteristics as the subject properties. This derived price then indicates a value for the subject properties. Some of the characteristics considered include general market conditions, sales terms, location, highest and best use, and physical features. Of the three approaches to value, only the sales comparison approach is applicable.

### **Key Parcel Method**

In appraising more than one similar parcel, it is an accepted practice to appraise a key parcel that is most representative of the other parcels being appraised. The key parcel may be a hypothetical parcel or an actual parcel. The value of the remaining parcels is then based on a comparison to the key parcel. This methodology replicates typical developer thinking and will be used for valuing the parcels within the Indian River subdivision.

### **Explanation of Adjustments**

DNR appraisal instructions state that the appraiser may develop and use quantitative or qualitative adjustments. Ideally, the value differences for any price adjustment are measured by comparing prices of paired sales that are very similar except for the feature of comparison to be measured. When market sales do not support quantifiable adjustments for differences and the comparable sales, the appraiser must use personal knowledge of overall trends, opinion surveys, and/or judgment in making adjustments. The conventional sequence of adjustments is property rights conveyed, financing terms, conditions of sale, time, location, and physical features.

An adjustment of less than 1.00 (or <) means the sale feature is superior to that appraised property and requires a downward adjustment to match the quality of the key parcel's feature, thus indicating the value of the key parcel. An adjustment greater than 1.00 (or >) means that the sale feature is inferior to the subject's feature which requires an upward adjustment to match, thus indicating the value of the key parcel. An adjustment of 1.00 (or =) means the sale feature is similar to the key parcel, and no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the sale price to indicate the value of a key parcel.

The same adjustments and procedures are applied to the key parcel value to indicate the market value of a parcel being appraised, except the direction of adjustment is reversed when comparing appraised parcels to the key parcel. Superior features require a positive adjustment compared with the appraised parcel; inferior features require a negative adjustment. Detailed information about the comparable sales and the adjustments is contained in this report and addenda.

### **Unit of Comparison**

Generally, the buyers and sellers in the marketplace determine the unit of comparison, e.g., price per acre, square foot, site, front foot, etc. The appropriate unit of comparison has been identified and analyzed accordingly for each of the parcels.

### **Rights Conveyed**

Fee simple less mineral rights as per Alaska Statue 38.05.125(a). Retention and exclusion of the mineral estate does not tend to affect property values, because most buyers are interested in the surface estate.

### **Financing Terms**

In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. Cash transactions sometimes are afforded a discount from typical financing. Sales used in this analysis do not offer quantifiable difference in prices as a result of terms. In general, a cash transaction would tend to be at the lower end of the price range with listings or sales with favorable financing usually setting the upper limit.

### **Conditions of Sale**

Unless otherwise noted the market transactions used in this appraisal do not reflect any unusual seller-buyer motivations that affected value.

**Market Conditions (Time)**

Analysis of real estate sales in the subject area indicates that prices of vacant land have been level in recent years. Comparable sales used in this valuation are the most recent transactions available and do not need to be adjusted for time.

**Location**

The subject parcels and all comparable sales are located in the same market area. No location adjustment is necessary.

**Size & Topography**

The comparable parcels have been grouped together in a manner in which minimizes required adjustments. Size adjustments are performed by utilizing the DNR Size Adjustment Method which can be found in the addendum. All comparable parcels are similar in topography to the key parcel.

**Building Site Condition and Soil Quality Adjustments**

The comparable sales have a varying percent of wetlands as compared to the Subject Parcel. Poorer soils reduce potential building sites and the overall use of the property. The soil adjustment schedule below is extrapolated from a paired sales analysis which was developed in appraisal #3568-0. This schedule will be used to adjust the comparable sales for poor soils as compared to the subject.

Soil Adjustment Schedule	
% Poorly Drained Soils	Adjustment
< 30%	1.0
30%	0.95
40%	0.95
50%	0.90
60%	0.85
>70%	0.80

The above adjustment schedule was developed to adjust the value of parcels with wetlands to a key parcel that did not have wetlands. However, this subject Key Parcel has approximately 20% wet soils. Therefore, using the above soil adjustment schedule as a general guideline, a 5% adjustment will be applied for each 10% difference in poorly drained soils.

**Access**

The Dog Sled parcel and the associated comparable sales have gravel road access. No access adjustment is required. The Indian River parcels and the associated comparable sales lack developed road access. No access adjustment was warranted.

**Utilities**

The Indian River parcels and the associated comparable sales lack utilities. No adjustment was necessary.

The Dog Sled parcel has above ground electrical service adjacent to the parcel. Some of the comparable sales have underground electrical service, which is considered superior to above ground electric. Therefore, some of the comparables received downward adjustments accordingly.

**Amenities**

Exceptional features of a given parcel may increase value. Features such as type of water frontage, proximity to bodies of water, exceptional views are examples of amenities that may warrant adjustments. Market observations in the area indicated that a nominal 10% adjustment for creeks and ponds is warranted. Division Creek meanders through the Indian River Subdivision, including the subject parcels and some of the comparable sales. However, the creek is very narrow and slow moving. Land owners in the area indicate that the creek is not suitable for drinking, and limits the available building sites, similar to the other low lying wet areas within the subdivision. Therefore, in this analysis, the creek has been categorized as wet soils and adjusted accordingly.

Due to the confidentiality of sales information, the valuation section of the report is not available online. The entire report can be obtained by submitting a request to the Land Conveyance Section at (907)269-8594, or by e-mail: [landsales@alaska.gov](mailto:landsales@alaska.gov).