

MARKET VALUE APPRAISAL
of
Five (5) parcels within
Tok Triangle Phase II – ASLS 2007-15
Tetlin Trail – ASLS 79-134
Glenn – ASLS 81-205



Tok Area Parcels

APPRAISAL REPORT No. 4634-0

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

A. SUMMARY OF APPRAISAL NO. 4634-0

1. ADL NO(S): See table below
2. SIZE: See table below
3. APPLICANT: N/A
4. LOCATION: Subdivided lots located near Tok, Alaska
5. LEGAL DESCRIPTION(S): See table below
6. INTEREST APPRAISED: Fee Simple Title less Mineral Rights
7. PURPOSE OF THE APPRAISAL: Estimate Market Value
8. APPRAISED BY: Johnthomas Williamson
9. DATE of REPORT: September 26, 2023
10. DATE of VALUE(S): December 12, 2023
11. APPRAISED VALUE(S)

ADL	Subdivision	MTRS	Lot	Blk.	ASLS	Acres	Date of Value	Value (rnd)
412751	Glenn	T17N R12E Sec. 2 CRM	3,4,5,	2	81-205	15.00	9/26/23	\$22,700
405860	Tetlin Trail	T18N R12E Sec. 16 CRM	14	3	79-134	5.00	9/26/23	\$11,700
418634	Tok Tri. Ph. II	T18N R12E Sec. 35 CRM	9	3	2007-15	19.25	9/26/23	\$29,100
418637	Tok Tri. Ph. II	T18N R12E Sec. 35 CRM	12	3	2007-15	9.55	9/26/23	\$20,100
418629	Tok Tri. Ph. II	T18N R12E Sec. 35 CRM	4	3	2007-15	8.82	9/26/23	\$26,400

B. SUMMARY OF REVIEW

1. DATE of REVIEW: February 20, 2024
2. REVIEWER'S CLIENT: DNR Other: _____
3. INTENDED USERS of the REVIEW: DNR General Public Other: _____
4. INTENDED USE of the REVIEW: Establish minimum bid price for sealed bid auction
5. PURPOSE of REVIEW: Evaluate for Technical Compliance with DNR Instructions & USPAP
 Evaluate for Technical Compliance with UASFLA Develop Independent Estimate of Value
Other: _____
6. SCOPE OF REVIEW: I Inspected the Subject on _____ I Did Not Inspect the Subject
I Inspected the Comparable Sales on _____ I Did Not Inspect the Comparable Sales
I Independently Verified the Comparable Sales in the Report Yes No
Data and Information Considered in Addition to that Contained in the Report: None See Sections C thru F
Extraordinary Assumptions, Hypothetical Conditions, & Other Limiting Conditions for this review:
 None See Section G Related appraisals reviewed: _____
Proofread DNR data entry: Yes No
7. RESULTS OF REVIEW: Not Approved Approved Approved Value: As noted in previous table



C. COMPLETENESS OF APPRAISAL MATERIAL WITHIN SCOPE OF WORK APPLICABLE TO THE ASSIGNMENT/CONFORMANCE with APPRAISAL INSTRUCTIONS: Adequate.

D. ADEQUACY and RELEVANCE of APPRAISAL DATA and PROPRIETY OF ADJUSTMENTS: Adequate

E. APPROPRIATENESS OF APPRAISAL METHODS and TECHNIQUES: Adequate.

F. ANALYSES, OPINIONS, and CONCLUSIONS ARE APPROPRIATE and REASONABLE, except:

G. REVIEWER'S ASSUMPTIONS AND LIMITING CONDITIONS

1. This review is based on data and information contained in the appraisal report as well as any additional data from other sources that is identified in this review.
2. The reviewer assumes that the data and information in the appraisal are factual and accurate.
3. The reviewer reserves the right to consider any additional data or information that may subsequently become available, and to revise an opinion or conclusion, if such data and information warrant a revision.
4. All assumptions and limiting conditions contained in the appraisal report are part of this review unless otherwise stated.
5. A title report has not been provided to the appraiser and the reviewer. Unless specifically noted in the report or this review, it is assumed that the only easements and restrictions that affect the property are those shown on the plat.
6. The value of commercial timber, if any, is specifically excluded from the final conclusion of value.

REVIEW APPRAISER'S CERTIFICATION APPRAISAL NO. 4634-0

I certify that, to the best of my knowledge and belief:

- The facts and data reported by the reviewer and used in the review process are true and correct.
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this review.
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I did did not personally inspect the subject property of the report under review.
- No one provided significant professional assistance to the person signing this review report.
- I have reviewed and approved appraisals for ADL 405860 and ADL 418629 within the past three years.

Reviewed by Kevin Hindmarch
Kevin Hindmarch, Review Appraiser

Date 2/20/24

cc: Justin Wholey

MEMORANDUM

State of Alaska

Department of Natural Resources
Tel (907) 269-8539
Fax (907) 269-8914

Division of Mining, Land & Water
550 West 7th Avenue, Suite 650
Anchorage AK 99501-3576

DATE: December 12, 2023

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson
Appraiser

SUBJECT: Five parcels within Glenn, Tetlin Trail, and Tok Triangle Phase II Subdivisions.

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.

Please note that there is a trailer, miscellaneous debris, and deep cycle batteries on ADL 418629. It is an extraordinary assumption that the batteries have not leaked and there is no environmental contamination on this site. See Page 7

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 appraisal report is 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 inspected all of the subject parcels and select comparable sales used in this report. 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

Legal Description and Location

All parcels are located near Tok. Tok Triangle Phase II and Glenn Subdivisions are approximately three to four miles southwest of Tok, west of the Tok Cutoff. Tetlin Trail is three miles west of the main townsite, and south of the Alaska Highway. See grid below:

SUMMARY OF VALUES

ADL	Subdivision	MTRS	Lot	Blk.	ASLS	Acres	Date of Value	Value (rnd)
412751	Glenn	T17N R12E Sec. 2 CRM	3,4,5,	2	81-205	15.00	9/26/23	\$22,700
405860	Tetlin Trail	T18N R12E Sec. 16 CRM	14	3	79-134	5.00	9/26/23	\$11,700
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418637	Tok Tri. Ph. II	T18N R12E Sec. 35 CRM	12	3	2007-15	9.55	9/26/23	\$20,100
418629	Tok Tri. Ph. II	T18N R12E Sec. 35 CRM	4	3	2007-15	8.82	9/26/23	\$26,400

PREMISES OF THE APPRAISAL

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 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.”¹

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.”²

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.”³

Effective Date of Value Estimate

The effective date of value is September 26, 2023.

Date of Report

The date of the report is December 12, 2023.

¹ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, p.90.

² Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2020, www.legis.state.ak.us/basis/folio.asp

³ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, p.141

Exposure Time

Exposure time is defined as the "...estimated length of time that 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."⁴

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. Currently, there are multiple parcels available throughout the area that are offered through various government and private programs. Considering the availability of parcels on the market, an exposure time of up to a year is reasonable.

Property History

All of the parcels have been previously offered through past DNR Subdivision Auctions and have subsequently returned to the State, see the Parcel Description section of this report. DNR is the owner of record.

Scope of the Appraisal**Property and Comparable Sales Inspection**

I inspected the subject properties and select comparable sales on September 26, 2023. I have inspected the remaining comparable sales during previous appraisal assignments. Physical features and access were identified by use of site 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 Recorders Office databases were searched for recent comparable sales. Private real estate agent websites were searched for recent listings. 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.

⁴ Uniform Standards of Professional Appraisal Practice 2020-2021, Appraisal Foundation, p.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. There was no identified personal property on ADL 418372, and the parcel is appraised "as vacant". However, there is a triple-axle trailer with a partially constructed dwelling on ADL 418629. The trailer was not removed from the site after the termination of the land sale contract. Per the terms of the contract, disposition of personal property, buildings, and fixtures left on the parcel after termination of the contract will be governed by AS 38.05.090. The contributory value of the trailer will be considered in the final reconciliation of ADL 418629
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.

Extraordinary Assumption for ADL 418629

There is a trailer, miscellaneous debris, and deep cycle batteries on ADL 418629. It is an extraordinary assumption that the batteries have not leaked and there is no environmental contamination on this site.

PRESENTATION OF DATA

Market Area – Tok⁵

Tok is located 200 miles southeast of Fairbanks and 93 miles west of the Canadian border. It is situated at the intersection of the Alaska Highway and the 'Tok Cutoff' to the Glenn Highway. Tok is the first major community upon entering Alaska from Canada and is located within the Fairbanks Recording district.

It is uncertain how Tok got its name. However, the nearby "Tokai River" was first reported in 1887 by Lt. Allen. "Tok River" was recorded in 1901 by the USGS. Tok began in 1942 as an Alaska Road Commission camp. With the completion of the Alcan Highway in 1946, a post office and a roadhouse were built. In 1947 the first school was opened, and in 1958 a larger school was built to accommodate the many newcomers. The U.S. Customs Office was located in Tok between 1947 and 1971, when it was moved to Alcan at the border. Between 1954 and 1979, a U.S. Army fuel pipeline operated from Haines to Fairbanks, with a pump station in Tok. The pump station's facilities were purchased as area headquarters for the Bureau of Land Management. The U.S. Coast Guard constructed a LORAN (Long Range Aid to Navigation) station in 1976. Four 700' towers, located 6 miles east of Tok junction, transmit radio navigation signals for air and marine traffic in the Gulf of Alaska.

Tok has become known as the "Sled Dog Capital of Alaska." Although residents have chosen not to incorporate as a municipality, there are numerous local volunteer committees for various community functions and various membership organizations. In July of 1990, Tok was evacuated due to a large forest fire. Fortunately, the wind changed direction effectively changing the direction of the fire and averting serious damages.

According to the 2010 Census, there were 724 housing units in the community and 532 were occupied. There is no central water and sewer in Tok due to businesses and residences spread out over a wide area. Most homes use individual septic tanks and individual wells at 50- to 125-foot depths. The schools operate individual systems. Most homes are heated with fuel oil or wood-burning stoves, and many residents use propane for cooking, water heating, and clothes drying. A private firm provides household refuse collection and disposal at the landfill, located at mile 120.5 Tok Cutoff. Alaska Power & Telephone Co., based in Port Townsend, WA, owns and operates a diesel power system in Tok that provides electricity to area communities. Electricity is provided by Alaska Power Company. There are 2 schools located in the community. Local hospitals or health clinics include Tok Community Clinic; Tok Public Health Center. The clinic is a qualified Emergency Care Center. Specialized Care. Auxiliary health care is provided by Chicken EMS, and Tok Area Emergency Medical Services.

Tok is the transportation, business, service, and government center for the Upper Tanana region. Employment and business revenues peak in the summer months, with the rush of RV travelers on the Alaska Highway. Subsistence and recreational activities are prevalent. Moose, bear, rabbit, grouse, and ptarmigan are taken. Dahl sheep and caribou are hunted outside of the region but only through lottery permits. Salmon are obtained from the Copper River to the south. Berry-picking and gardening are also popular activities.

Tok is located at the junction of Alaska's two principal highways. It is the first community with services for visitors entering (and last community for visitors departing) Alaska by highway. Bus services are available to Anchorage and Fairbanks, and freight is delivered by truck. There are two state-owned runways. One is a gravel strip operated by DNR and is 1,690' long by 45' wide. The other is at Tok Junction and state-owned, with a 2,509' long by 50' wide asphalt runway. There are multiple private airstrips in the vicinity.

⁵ All information regarding Market Area information derived from <https://www.commerce.alaska.gov/dcra/DCRAExternal>, and <https://en.wikipedia.org/>

Property Description

ADL	Subdivision	MTRS	Lot	Blk.	ASLS	Acres	Plat	Recording Dist
412751	Glenn	T17N R12E Sec. 2 CRM	3,4,5,	2	81-205	15.00	83-26	Fairbanks
405860	Tetlin Trail	T18N R12E Sec. 16 CRM	14	3	79-134	5.00	80-25	Fairbanks
418634	Tok Tri. Ph. II	T18N R12E Sec. 35 CRM	9	3	2007-15	19.25	2009-62	Fairbanks
418637	Tok Tri. Ph. II	T18N R12E Sec. 35 CRM	12	3	2007-15	9.55	2009-62	Fairbanks
418629	Tok Tri. Ph. II	T18N R12E Sec. 35 CRM	4	3	2007-15	8.82	2009-62	Fairbanks

Location

Subjects within and Tok Triangle Phase II and Glenn Subdivisions are located approximately three to four miles south of the Alaska Highway and three miles west of the Tok Cutoff. Tetlin Trail is located three miles west of the main townsite.

Topography, Soils, Size & Shape

Sites range in size from 5-acres to 19.25-acres. Subjects are both rectangular and irregular in shape, level, and have vegetation indicative of adequately drained soils.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision. Subjects are within the Unorganized Borough and are not zoned.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection. Most of the parcels have not been developed and are clear of any improvements or debris. However, ADL 418629 is partially cleared with a constructed driveway. There is miscellaneous debris on ADL 418629 including miscellaneous building materials, a deep-cycle battery, and an abandoned three axle trailer. No other environmental or hazardous waste was observed during the site inspection. It is an extraordinary assumption that the batteries have not leaked and there is no environmental contamination on this site. See Page 7

Personal Property

There is a triple-axle trailer on ADL 418629 with a constructed dwelling on top. The dwelling consists of a Conex box, with log structures on each side. The structure would need repairs to become habitable, but currently serves as temporary storage. It is unknown if the trailer is road-worthy or can be placed into service. The trailer will be valued as a contributory to the overall value of the site.

Site improvements

ADL 418629 has a constructed driveway and a partial clearing. There are no site improvements on the remaining parcels.

Tax Assessments

Subjects are located within the Unorganized Borough and not subject to property tax.

Water & Sewer

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.

Ownership History

All of the parcels have been previously sold through either the DNR Subdivision Auction or Over-The-Counter offering. Each applicant entered into a land sale contract, which was subsequently terminated due to non-payment. It is noted that the applicant for ADL 418629 passed away and the contract went into default. The executor of the estate for ADL 418629 declined to reinstate the contract, and it was subsequently terminated. All parcels have since returned to State ownership. DNR is the owner of record. See grid below:

ADL	Subdivision	Lot	Blk.	Encumbrance	Relinquish / Termination	Termination Document
412751	Glenn	3,4,5,	2	Doc 2018-020008-0	Termination	Doc 2022-013400-0
405860	Tetlin Trail	14	3	Doc 2017-000106-0	Termination	Doc 2019-010358-0
418634	Tok Triangle Ph. II	9	3	Doc 2020-002629-0	Termination	Doc 2022-013408-0
418637	Tok Triangle Ph. II	12	3	Doc 2020-003923-0	Termination	Doc 2022-013409-0
418629	Tok Triangle Ph. II	4	3	Doc 2016-014311-0	Termination	Doc 2019-010359-0

Access and Utilities

Access to the general area is via the Glenn Cutoff, then along gravel and dirt roads west of the highway. Access to ADL 418634 and ADL 418637 is along a pioneer road. Access to ADL 418629 is on a gravel road. Access to parcels in Glenn and Tetlin Trail Subdivisions are along a ATV trail.

None of the parcels have overhead electric service on site. However, there is overhead service in the area of ADL 405860. It is estimated that two utility poles would need to be installed to bring overhead service to ADL 405860. Per AT&P, the current cost of installing a new utility pole is estimated at \$8,500. The base estimated cost to extend the overhead line to the eastern lot line of ADL 405860 is \$17,000. Additional costs of connecting to service and possible additional transformers are not included in this base estimate. See grid below:

ADL	Subdivision	Lot	Blk.	ASLS	Elec	Access
412751	Glenn	3,4,5,	2	81-205	None	Trail ~800' from pioneer road
405860	Tetlin Trail	14	3	79-134	In Area	Trail, ~150' from pioneer road
418634	Tok Triangle Ph. II	9	3	2007-15	None	Pioneer Road
418637	Tok Triangle Ph. II	12	3	2007-15	None	Pioneer Road
418629	Tok Triangle Ph. II	4	3	2007-15	None	Gravel Road



Trail access in Glenn Subdivision



Glenn Subdivision subject



Tetlin Trail ADL 405860



ADL 405860 is trail access only. Parcel is approximately 150' from pioneer road.



Typical monumentation in subdivision. ADL 418637, Lot 12 Block 3 ASLS 2007-15. (MLW file photo)



L12 B3, ADL 418637 (MLW file photo)



Pioneer road access to Tok Triangle II. ADL 418634 on left



Tok Triangle II ADL 418634 typical vegetation



ADL 418629. Lot 4 Block 3, Tok Triangle II. Eastern lot line along Polaris Street. (MLW file photo)



Lot 4 Block 3, Tok Triangle II. Driveway on subject. (MLW file photo)



Lot 4 Block 3, Tok Triangle II. Debris on subject. (MLW file photo)



Lot 4 Block 3, Tok Triangle II. Debris on subject. (MLW file photo)



Lot 4 Block 3, Tok Triangle II. Vegetation thinned out and partially cleared. (MLW file photo)



Lot 4 Block 3, Tok Triangle II. Trailer on parcel.



Porch built on pilings, abuts trailer and serves as landing. (MLW file photo)



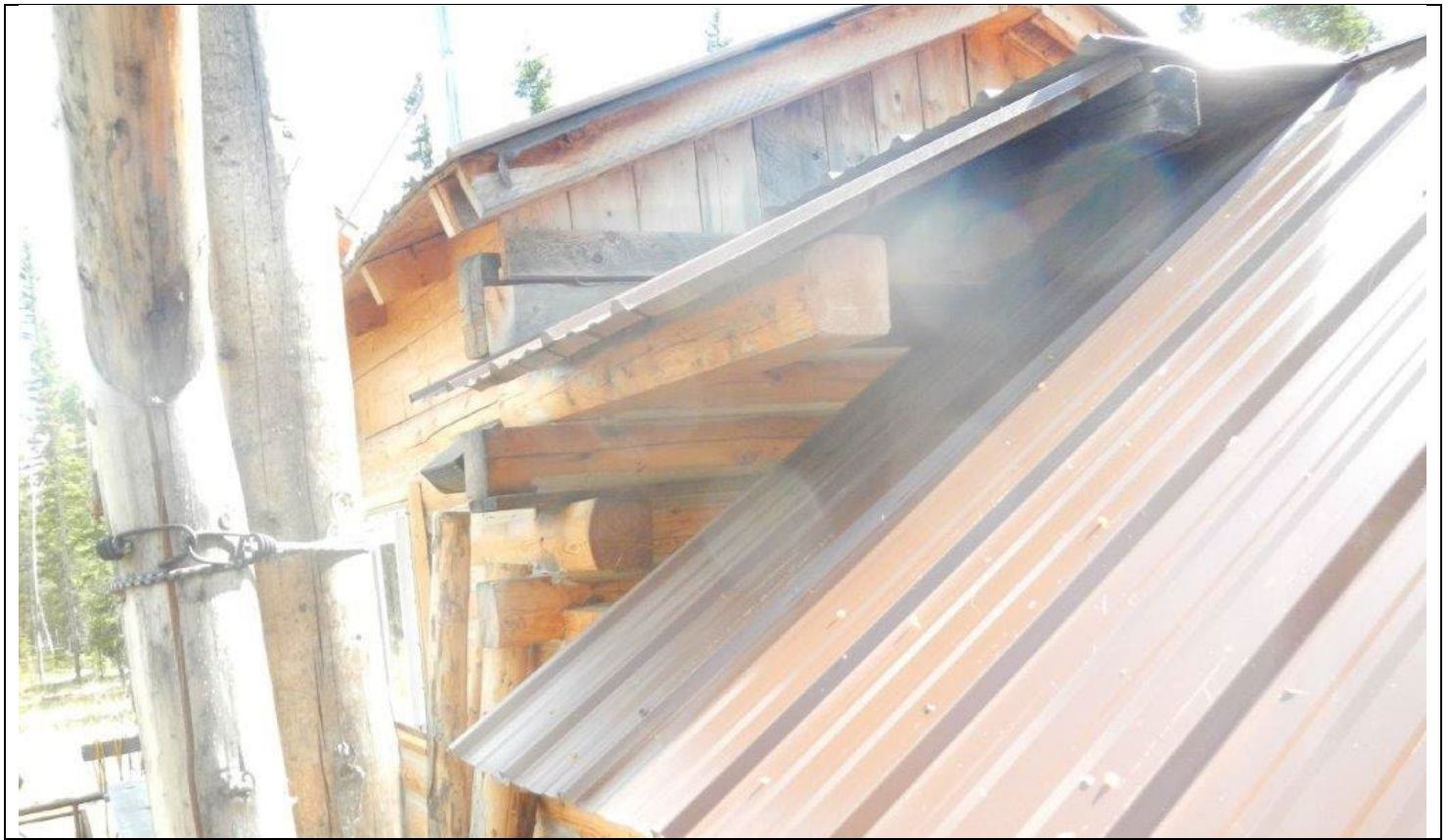
Triple axle trail on parcel. Unknown if road worthy. (MLW file photo)



Conex and two log additions on triple-axle trailer. (MLW file photo)



Log structure on trailer. (MLW file photo)



Roof of trailer. (MLW file photo)



Small wood stove in trailer.

DATA ANALYSIS AND CONCLUSION

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. Since all the parcels are vacant, the cost approach will not be used.

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 utilized. 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.

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 indicate 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 indicate the value of the key parcel. An adjustment of 1.00 (or $=$) means the sale feature is similar to the key parcel, 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. Qualitative adjustments are noted as superior ($-$), inferior ($+$), or equal/similar ($=$). The overall comparability of each sale is analyzed to bracket a probable value for the subject. In many cases, combinations of both quantitative and qualitative adjustments are used.

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.