

Vacant Land Valuation

The assessor determines the actual value of vacant land in Gunnison County every two years in odd numbered years. This is called a reappraisal. As with any appraisal, the level of value is established as of a specific date, and for ad valorem appraisal this date is dictated by statute to be June 30th of the year preceding the reappraisal. For example, the appraisal date for the 2019 Reappraisal is June 30, 2018. There is another important date for property valuation, and that is the assessment date, which is January 1st of each year. Although property is valued as of the appraisal date, it is valued given the property characteristics that exist as of the assessment date.

By statute, the assessor may consider the three appraisal approaches to value vacant land (not used for agricultural purposes). However, the most applicable method to determine the actual value is the market, or sales comparison approach. The market, or sales comparison, approach uses arm's length market sales of similar properties which are analyzed,



compared, and adjusted to arrive at a value for the property. Some of the characteristics that may affect the value of vacant land are size, location, type of access (seasonal, 4-wheel drive, non-vehicular, etc), type of geography and tree coverage, proximity to utilities, subdivision infrastructure, site improvements, presence of views, deed restrictions, frontage to river, ski slopes, golf course or open space, and unique characteristics such as steepness of slope or highway influence. Most vacant lots in subdivisions are valued on a unit price or site basis, with larger unplatted parcels typically valued by the acre.

When subdivision developers hold more than 20% of the vacant lots within a subdivision, a discount is applied to all the vacant lots in the subdivision reflecting the anticipated market absorption rate and taking into account factors such as the direct costs of development, site improvements and use.



Choosing the units of valuation requires extensive knowledge of the real estate market, but ultimately it comes down to identifying the factors that influence a buyer's decision making process, The Gallagher Amendment to the Colorado constitution set the assessment rate for vacant land at 29%. This frequently results in higher taxes on a parcel of vacant land compared with a similar property with a residence constructed on it.