

Glossary

Acre

A land measurement equal to 43,560 square feet.

Acreage

Units used to measure the size of a property.

Ad Valorem Tax

Tax levied based on the value of an item. Property tax is an ad valorem tax, which is based on the assessed value of the property.

Ad Valorem Taxation

According to the value of the property.

Adjusted Sale Price

The sale price adjusted, as necessary, for the differences between the comparable and subject properties.

Age/Life

A method of estimating accrued depreciation based on the age of the property and its economic life. Another term is straight line depreciation.

Air Conditioning type

The primary cooling source for the structure.

Amenity

A tangible or intangible benefit of real property that enhances its attractiveness or increases the satisfaction of the user, but is not essential to its use. Natural amenities may include a pleasant location near water or a scenic view of the surrounding area; man-made amenities include swimming pools, tennis courts, community buildings, and other recreational facilities.

APN (Assessor Parcel Number)

A numeric system for referring to each parcel of property within the county. (Composed of county number, map book number, map page, parcel, split assessment letter, computer check digit)

Appraisal

The act or process of estimating value; an estimate of value. An analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of identified real estate or personal property.

Appraisal Date

The moment in time for which a valuation is prepared. The date as of which an appraisal is made.

Appraised Value

A professional estimate of the actual value of a property.

Appreciation

An increase in property value, from all causes.

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Approaches to Value

Systematic procedures used to derive value indications in real property appraisal. (See also - cost approach, income capitalization approach, sales comparison approach)

Appurtenance

Something that has been added or appended to a property and has since become an inherent part of the property. Usually passed with property when title is transferred.

Arm's-Length Sale

A sale between two unrelated parties, each of whom is reasonably knowledgeable of market conditions and under no undue pressure to buy or sell.

Assessed Value

The value derived by applying the applicable assessment ratio to the full cash or limited property value.

Assessment Date

The status date for tax purposes, statutorily January 1. Appraised values reflect the status of the property and any partially completed construction as of this date.

Assessment Level

The common or overall ratio of assessed values to market values.

Assessment Ratio

The ratio, or percentage of value applicable to the full cash or limited property value to produce the assessed value. Assessment ratios are determined by the legislature.

Assessment Roll

The official list of all property within the county subject to assessment.

Assessor

In Arizona, the elected official responsible for listing and valuing all property subject to ad-valorem taxes that is not otherwise valued by the State..

Assessor Parcel Map

Assessor parcel maps reflect the legal boundaries and dimensions of each parcel, and serve as the basis for land value assessments.

Attribute

Characteristic of a property.

Base Line

A principle east-west line in the rectangular land survey system.

Base-Lot Method

A method of appraising land parcels whereby each parcel to be appraised is compared with a parcel of known value, called the base lot.

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Board of Equalization

A non-judicial board that reviews assessments to see that all districts are assessed at a uniform level of value; authorized to raise or lower the assessments to achieve a uniform basis of taxation.

Building Improvements

Usually means the betterment of real property by the addition of a structure(s) or the addition of capacity to an existing structure.

Bundle of Rights

The six basic rights associated with the private ownership of property;

1. The right to use.
2. The right to sell.
3. The right to rent or lease.
4. The right to enter or leave.
5. The right to give away.
6. The right to refuse to do any of these.

Business Description

A general classification specifying the type of trade a business is engaged in, such as manufacturing, retailer, wholesaler, or professional services.

Business Personal Property

Business personal property is assessable, and includes computers, supplies, office furniture and equipment, tooling, machinery and equipment. Most business inventory is exempt. (See personal property).

C.C.& R's (Conditions, Covenants & Restrictions)

A legal document typically recorded by the subdivision developer concurrently with the subdivision plat map. Lists the express assurances and limitations on land that is binding on all current and subsequent owners.

Cadastral Map

A map displaying property ownership boundaries, dimensions, and other useful information, such as parcel identification numbers.

Capitalization Rate

The ratio of net income to market value. The current value of a property can be estimated by dividing its current or stabilized net income by the appropriate capitalization rate.

Capitalized Leased Equipment

Items of equipment whose acquisition was funded on a lease contract, and the title of which will go to the purchaser with the final payment.

Cash Flow

Income remaining after deducting for operating expenses and debt service from rents collected.

Casual Use Property

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Common area property with a minimum of facilities used exclusively by project residents, their families and invited guests without restriction, subject to rules as established by the homeowner organization board of director, and at no additional cost or fee. No commercial uses or paid staff to coordinate activities are present in this type property. A professional management company or other services may be hired to maintain and repair said property.

Change

The tendency of the social and economic forces affecting supply and demand to alter over time, thus influencing market value.

CO-TRS

Co-Trustees.

C.O.D. (Coefficient of Dispersion)

A statistical measure of assessment uniformity for a category of property or for all property within a taxing jurisdiction.

Combination

When two or more parcels are combined into one parcel.

Common Area

Land and improvements within a lot, parcel, or area for the beneficial use and enjoyment of all owners. The common area may be held by owners of lots or residential units as an undivided interest, owned in its entirety by a homeowners' association, or a combination of both.

Comparables

A shortened term for similar property sales, rentals, or operating expenses used for comparison in the valuation process; also called "comps".

Comparative Unit Method

(1) The most widely used method of cost estimating. Direct and indirect costs are summed and divided by an appropriate unit to derive a cost per unit.

(2) A method of appraising land parcels in which an average or typical value is estimated for each stratum of land.

Complex

In real estate, a group of buildings, site improvements, and support facilities designed to carry out related activities in a single location; e.g., apartment complex, office complex.

Condominium

Ownership is mandated by statute and requires publication of a declaration creating the condominium (sometimes called a horizontal property regime). Fee title to a condominium provides the owner with horizontal and vertical space as well as an undivided interest in other appurtenance, such as land, recreation facilities, exterior walls, roof, elevators and basements (known as common elements). There are several types of condominiums: high-rise, walk-up, garden type, and commercial use. 1. A form of fee ownership of separate units or portions of multi-unit buildings

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that provides for formal filing and recording of a divided interest in real property; 2. A multi-unit structure or property in which persons hold fee simple title to individual units and an undivided interest in common areas.

Conformity

The value of a property depends in part on its relationship to its surroundings. Value is created and sustained when the characteristics of a property conform to the demands of its market.

Consistent Use

The concept that land cannot be valued on the basis of one use, while the improvements are valued on the basis of another.

Contract for Deed

A contract for sale in which the seller retains title until the buyer completes the contracted payments for the property. The sale is not recorded until title passes to the buyer. (See also Land Contract).

Contract Rent

The actual amount of rent per unit of time that is specified in the lease.

Contribution

Principle of value which states that total value may not equal the total cost of the individual parts. For example, adding a third bathroom to a small house will probably increase value less than the cost of the improvement.

Cooperative

Owner hold title to shares of stock in a cooperative corporation which in turn hold title to the entire property as a single unit with apartment numbers issued to each living unit. Owner receives the proprietary right to occupy his apartment and use the common areas with all other co-op owners.

Co-owner

The full name of the second owner of the parcel of property (e.g. Jane H. Doe).

Corner Influence

An effect on value found most often in commercial properties because of greater ease of entry and exit, accessibility to higher volume of traffic and increased show-window and advertising space.

Cost Approach

The method of estimating the value of property by: (1) estimating the cost of construction based on replacement or reproduction cost new or trended historical cost (often adjusted by a local multiplier); (2) subtracting depreciation and; (3) adding the estimated land value. The land value is most frequently determined by the sales comparison approach.

Cost Index

An index showing the variations in construction costs over time.

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Cost Manual

Cost manual is a set of cost factors organized in schedules or tables, with instructions for their use.

Cost Model

A method of valuing property improvements by estimating their cost to replace and then depreciating this replacement cost for actual age of the improvement. Cannot be used to value the land. Depends heavily on accurate cost data and recognizing construction differences in structures.

Cost of Development

A method that projects improvements to the land, estimates the total revenues and development costs, and calculates the value residual to the land after subtraction of all costs, expenses, and profit.

Cost to Cure

Estimated cost to correct or replace a component or defect within a property.

County

The largest division of local government in all states except Louisiana and Alaska, where the comparable units are parish and borough, respectively.

County Board of Equalization

The board which, upon hearing competent evidence, has the authority to correct and adjust the assessment rolls in its respective county to conform to fair cash value.

Curable

That part of depreciation that can be revised by correcting deferred maintenance and remodeling to relieve functional obsolescence.

Curable Depreciation

Items of physical deterioration or functional obsolescence that are economically feasible to cure. Economic feasibility is indicated if the cost to cure is equal to or less than the anticipated increase in the value of the property.

Date of Sale

The date upon which the sale is agreed. This is considered to be the date the deed, or other instrument of transfer, is signed.

Date of Transfer

The date upon which the sale is agreed. This is considered to be the date the deed, or other instrument of transfer, is signed.

Debt Service

The total payments of principal and interest on a mortgage.

Declarant

Person or entity that creates and records the subdivision or condominium documents including the project C.C. & R. Typically synonymous with the project developer.

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Deed

A written, legal instrument that conveys an estate or interest in real property when it is executed and delivered. (See also Quitclaim Deed, Warranty Deed).

Deed Restriction

A limitation that passes with the land regardless of the owner; usually limits the property's type or intensity of use.

Delinquent Amount Due

The total amount of past due taxes on the property.

Demand

Schedule showing the amount of a good or service that would be purchased at various prices during a given period.

Depreciation

The loss in value from all causes to property, after construction or purchase.

Depreciation Schedules

Tables used in mass appraisal which show the typical loss in value at various ages or effective ages for different types of properties.

Depth Factor

Standard, mechanical technique for determining the value of an urban land lot having certain depth from the value of a base lot having different dimensions.

Deterioration

Impairment of condition; a cause of depreciation that reflects the loss in value due to wear and tear, disintegration, use in service, and the action of the elements.

Direct Capitalization

Converts an estimate of annual income into an estimate of value, directly, by dividing the annual income by an appropriate rate or by multiplying the annual income by an appropriate factor.

Direct Cost

Cost incurred in construction on the site. for example; materials, labor supervision and utilities.

Discount Rate

The rate of return on investment; used to convert future income into present value. The rate an investor requires to discount future income to its present worth.

Discounted Cash Flow Analysis

A yield capitalization method used to calculate the present value of anticipated future cash flows.

Divided Rights

Rights to property that have been divided among several owners in partnerships, joint tenancy, tenancy in common and time sharing.

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Easement for Enjoyment and Use

An interest in real property that conveys use, but not ownership, of a portion or all of an owner's property. A provision in the C.C. & R.'s conveying enjoyment and use of the common areas to the subdivision lot owners, their families and guests.

Economic Obsolescence

A cause of depreciation which is a loss in value as a result of impairment, inutility, or desirability caused by factors outside the property's boundaries. Or referred to as External Obsolescence.

Economic Life

The period of time during which buildings or other improvements on a property are expected to contribute positively to the value of the total property. At the end of this period, the improvements are normally demolished and replaced. Also referred to, seen as Economic Years.

Economic Rent

See Market Rent.

Effective Age

The typical age of a structure with respect to condition and utility, as of the appraisal date.

EGI (Effective Gross Income)

The potential gross rent, less vacancy and collection loss, plus miscellaneous income.

Effective Tax Rate

The tax rate expressed as a percentage of market value. It will be different from nominal tax rate when the assessment level is not equal to one.

Egress

A way out; an exit or outlet.

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as "the takings clause," guarantees payment of just compensation upon appropriation of private property.

Engineering Breakdown Method

A detailed age-life method that can be used in conjunction with the quantity-survey or unit –in-place methods of estimation RCN.

Equalization

The process by which an appropriate governmental body attempts to ensure that property under its jurisdiction is appraised equally at market value, or as otherwise required by law.

Escaped Assessment

Glossary

An assessment for a previous year that was not included in the roll.

Escheat

The right that gives the state title to property when its owner dies with no ascertainable heirs and without leaving a will.

Estimated Market Value

Is the assessor's estimate of what a property would sell for in an arm's length transaction. Market value is defined as the most probable price that a well-informed buyer would pay a well-informed seller for a property without either party being unduly pressured to buy or sell.

Exterior Wall

The primary construction material used for the exterior wall.

Fair Cash Value

The value or price at which a willing buyer would purchase property and a willing seller would sell property if both parties are knowledgeable about the property and its uses and if neither party is under any undue pressure to buy or sell and for real property shall mean the value for the highest and best use for which such property was actually used, or was previously classified for use.

Fair Market Value

The amount of cash or its equivalent that a property would bring if exposed for sale in the open market. Also known as Full Cash Value.

Fee appraiser

An appraiser who is paid a fee for the appraisal assignments he or she performs.

Fee Simple Absolute

In land ownership, complete interest in a property, subject only to governmental powers. Also referred to as Fee Simple.

Final Order of Condemnation

A judicial order transferring either an easement or fee title to a plaintiff for property condemned under eminent domain proceedings.

Fiscal Year

For Arizona governmental agencies, the period beginning July 1 and ending June 30.

Fixture

An item of tangible property that was originally personal in nature, but because of the way it is used, the way it is attached, or both, has become an integral part of the building, it is classified as real property.

Foreclosure

The legal process in which a mortgagee forces the sale of a property to recover all or part of a loan on which the mortgagor has defaulted.

Fractional Assessment

Glossary

Assessments that by law or by practice have assessment ratio/levels different from one.

Fractional Section

A subdivision of a township containing more or less than 640 acres of land. Typically accounting for the overage or deficiency in acreage is done on the north and/or west side of a section, and Fractional Section are found on the north and/or west side of a township.

Full Cash Value

Arizona Revised Statutes defines Full Cash Value (FCV) as being synonymous with market value. For assessment purposes, Full Cash Value approximates market value except for possible conditions unique to mass appraisal.

Full Economic Cost

Cost for appraisal purposes. Includes all market costs (direct and indirect) necessary to purchase or construct equipment and make it ready for its intended use.

Functional Obsolescence

A cause of depreciation which is a loss in value due to inability of the structure to adequately perform the function for which it is used.

Functional Utility

The ability of improvements to satisfy market standards and demands.

GIS (Geographical Information System)

Type of computerized mapping system capable of integrating spatial data and attribute data (land information) among different layers on a base map.

Golf Course

For purpose of valuation for property taxes in Arizona only those golf courses which meet all requirements set forth in A.R.S. 42-13151.

Grantee

A person to whom property or property rights is transferred by deed, a trust instrument or other document.

Grantor

A person who transfers or conveys title to real estate.

Gross Leasable Area

All area within the outside walls, including lobbies, restrooms, janitor closets etc., designed for use and occupancy by the tenants.

Gross Lease

A lease in which the landlord (lessor) receives a stipulated rent amount and pays all of the operating expenses and taxes attributable to the property. A gross lease produces gross income to the lessor.

Hearing Date

Glossary

The date of a scheduled appeal hearing for a property assessment appeal.

Heating Type

The primary heat source for the residence.

Highest and Best Use

The reasonable, probable, and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are; legal permissibility, physical possibility, financial feasibility, and maximum profitability. 2) Most profitable use at a specific time, given legal, physical and financial limitations.

Historical Cost

The original (original purchase) cost of a building, improvement, or personal property, as opposed to current replacement, or reproduction cost.

Homeowners Organization

Typically a nonprofit, incorporated entity owned and controlled by the PUD lot owners. Its purpose is to operate and maintain the common area property. Also known as homeowner's association.

IAAO

International Association of Assessing Officers.

Income Approach

The method of estimating the value of a property based on income capitalization. Income figures should reflect current market conditions and typical management. 2) A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Incurable

A part of depreciation where it is not economical to correct the condition, and if corrected, the cost of correcting the condition exceeds the value.

Incurable Depreciation

An element of accrued depreciation; a defect caused by a deficiency or super-adequacy in the structure, materials, or design, which cannot be practically or economically corrected.

Indirect Costs

Cost incurred in construction away from the site. For example; fees, permits, insurance and loans.

Industrial Property

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Land and/or improvements that can be adapted for industrial use; a combination of land, improvements, and machinery integrated into a functioning unit to assemble, process, and manufacture products from raw materials or fabricated parts; factories that render service, e.g., laundries, dry cleaners, storage warehouses, or those that produce natural resources, e.g., oil wells.

Ingress-Egress

A means of entering (ingress) and exiting (egress).

Intangible Personal Property

Rights over tangible real and personal property, but not rights of use and possession, for example, notes, bonds, stocks, patents, mortgages, copyrights, and insurance policies.

Interest

The premium paid for the use of money.

Interest Rate

A rate of return on capital.

Inventory

Items of personal property that become part of a product or are themselves a product that is held for sale or lease in the ordinary course of business.

Investment Property

Property that constitutes a business enterprise consisting of all tangible and intangible assets assembled and developed as a single unit of utility for lease or rental, in whole or in part, to others for profit; normally purchased in expectation of annual net income and/or capital gain.

Investment Value

Value to a specific investor. Investment value may or may not coincide with market value depending upon the requirements of the specific investor.

Joint Tenancy

Joint ownership by two or more persons with the right of survivorship.

Land

Real estate or real property, except improvements.

Land Contract

A contract for sale in which the seller retains title until the buyer completes installment payments for the property. The sale is not recorded until title passes to the buyer. (See also Contract for Deed).

Land-To-Building Ratio

The proportion of land area to gross building area; typical land-to-building ratios for properties combine land and building components into a functional economic unit.

Last Sold Date

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The date on which a property parcel was last sold.

Law of Variable Proportions

Often called law of decreasing returns or the law of proportionality which states that when the quantity of one productive service is increased by equal increments, the quantities of other productive services remaining fixed, the resulting increment of product will decrease after a certain point.

Lease

A contract between an owner and tenant for the possession of real property that sets forth conditions for occupancy, use, and duration of the tenancy.

Lease Purchase Option Equipment

Equipment acquired via a lease purchase option in which the final payment, if made, transfers title to the lessee.

Legal Description

A description of land that identifies the real estate according to a system established or approved by law; an exact description that enables the real estate to be located and identified. A description of real property sufficient to locate it on the ground by reference to government surveys or approved recorded maps.

Legal Owner

The owner of title, as distinguished from the holders of other interests, e.g., beneficial or possessory interests.

Lessee

One who has the right to use or occupy property under a lease agreement.

Lessor

One who conveys the right to use and/or occupy property under a lease agreement.

Limited Property Value

A statutory value that is determined for primary property tax calculations. Limited property value is based on the previous year's limited value increased by either 10 percent or 25 percent of the difference between the current year full cash value and the limited value of the prior year, whichever is greater. If the property has been changed as defined ARS 42—201.01 C and D since the previous year, the limited property value is re-calculated based upon the overall ratio of limited to full cash value of similar property. Limited property value cannot exceed the full cash value.

Livable Square Footage

The area within the residence that is designed as living area, normally that which is heated and/or cooled.

Local Multiplier

An adjustment to replacement or reproduction cost new or historical cost, to reflect local costs.

Long-Lived Items

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Items that are the basic structure of a building and are not usually replaced during economic life. For example: foundation, roof structure, and framing.

Lot

1. A distinct piece of land; a piece of land that forms a part of a district, community, city block, etc.;
2. A smaller portion into which a city block or subdivision is divided; described by reference to a recorded plat or by definite boundaries; a piece of land in one ownership, whether platted or un-platted.

Lot and Block Survey

A plat in which a larger parcel of land is subdivided into small units for the purpose of sale. Conveyances need to refer to only to the lot, block, and plat book designation.

Mailing Address

The address all correspondence is currently being sent to.

Market Price

Is the amount actually paid or about to be paid in a particular transaction.

Market Rent

The currently prevailing rent for properties comparable to the subject property.

Market Value

The most probable sale price of a property in terms of money in a competitive and open market, assuming that the buyer and seller are acting prudently, knowledgeably and for self-interest, allowing sufficient time for the sale, and assuming that the transaction is not affected by undue stimuli or duress.

Mass Appraisal

The systematic appraisal of groups of properties, as of a given date, using standardized procedures and statistical testing.

Mass Model

A method of determining the full cash value of property by noting the different characteristics of properties that are sold and using a multiple linear regression formula to assign weight to these different characteristics. This method values land and improvements as a unit. Used primarily for urban residential property where similarity of properties and sufficient volume of sales provides accurate data.

Master Planned Community

Development consisting of a large number of separate, subdivided projects with a wide variety of uses, including fairly substantial commercial and public use facilities to support the community. Common areas are typically owned by the developer initially and eventually by a multi-tiered property owner association consisting of a master association with junior, auxiliary association owning and controlling common areas in a particular subdivision subject to the master association. Sun City and Ahwatukee are good examples of master planned communities.

Meridian

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A principle north-south line in the rectangular land survey system.

Metes and Bounds

A land description system in which boundaries are described as distance between two semi-permanent points or as lines following compass bearings.

Metes and Bounds System

A system for the legal description of land that refers to the parcel's boundaries, which are formed by the point of beginning (POB) and all intermediate points (bounds) and the courses or angular direction of each point (metes).

Model

Mathematical equations used to analyze quantities of data. Most of the models used in real estate appraisal are based on one of the three approaches to value.

Model Calibration

The development of adjustments, or coefficients based on sales analysis, that identifies specific factors that have an actual effect on market value.

Model Class

An overall rating or grade given to the residence.

Model Specification

The formal development of a model in a statement or equation, based on data analysis and appraisal theory.

Mortgage

A legal document providing a specific property as security for a loan under certain terms and conditions.

Multiple Regression Analysis

A statistical technique similar to correlation used to analyze data in order to predict the value of one variable (dependent), such as market value, from the known values of other variables (independent) such as lot size, number of rooms, etc. Also referred to as MRA.

Multiple Use

1. A combination of compatible land uses in an area; 2. A combination of compatible uses in a single building.

MVS

Marshall Valuation Service, published by Marshall Swift.

Neighborhood

The environment of a subject property that has a direct and immediate impact on its value.

Neighborhood Analysis

A study of the relevant forces which influence property values within the boundaries of a homogenous area.

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Net Income

The income expected from a property, after deduction of allowable expenses.

Net Income Multiplier

A factor expressing the relationship between value and net operating income; the reciprocal of the overall rate.

Net Income Ratio

The ratio of net income to total gross income. It can be expressed as a percentage of potential gross income or of effective gross income. Traditionally, the net income ratio is expressed as a percentage of effective gross income.

Net Leasable Area

The area within a building or structure that is actually occupied by an individual tenant. Net leasable area does not include any of the common areas shared by other tenants, such as lobbies, restrooms, etc.

Net Lease

A lease in which the landlord (lessor) receives a stipulated rent amount and the tenant (lessee) pays all operating expenses and taxes attributable to the property. A net lease produces net income to the lessor.

Net Operating Income

The income expected from a property, after deduction of allowable operating expenses. Also referred to as NOI.

New Construction

The construction of new buildings, additions to existing buildings, or alterations which convert the property to another use or extends the economic life of the improvement, is reassessed, establishing a new base year value for only that portion of the property.

New Improvement Value

Is the amount added to the property's estimated market value due to additions, remodeling and other changes to the property.

Nominal Tax Rate

A mathematical expression of the relationship between the tax levy and the total assessment for a jurisdiction. (Levy divided by assessment = nominal tax rate).

Notice Of Value

Notice that is mailed to a property owner concerning changes in the assessed value of the property. It contains information such as the Market and Assessed values as well as the date it was mailed. If property owners disagree with this change they must request an informal hearing with the Assessor's Office within the specified time frame regarding any change.

Number of Rooms

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The total number of rooms in the residence, i.e. living room, dining room, family room, kitchen, bedrooms, den. (This does not include bathrooms).

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or other external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

Operating Expenses

The periodic expenditures necessary to maintain the flow of income from a property.

Overall Age/Life Method

Method of estimating accrued depreciation based on straight-line depreciation in which the building is assumed to depreciate by a constant percentage each year over its economic life.

Over-improvement

An improvement that does not represent the most profitable use for the site on which it is placed because it is too large or costly and cannot develop the highest possible land value; may be temporary or permanent.

Owner

The full name of the primary owner of the property parcel.(e.g. John P. Doe).

Owner of Record

The owner of title to a property as indicated by public records.

Ownership Type

A description of ownership type as provided by the Assessee, including proprietorship, partnership, corporation or business trust.

PAAA

Property Appraisal and Assessment Administration.

Paid

This is the amount of tax posted as paid for the year in question, either in installment payments or full payment. If you have paid funds that do not yet show paid, contact the Treasurer's Office at 520-866-6412.

Parcel

An area of land, of any size, that is capable of being conveyed by a single legal description in one ownership.

Parcel Number

This is a unique number assigned to each parcel. The first three digits are usually the Assessor's map number, the second two digits are the Assessor's map number, the next three are the Assessor's parcel number. Sometimes, when the parcel has been split, you will see a letter after the last three numbers.

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Partial Interest

Divided or undivided rights in real estate that represent less than the whole.

Partnership

A business arrangement in which two or more persons jointly own a business and share in its profits and losses.

Patio Quantity

The number of covered patios and/or concrete slabs.

Patio Type

Covered patio, concrete slab, both, or none.

Penalty Assessment

A penalty for failure to file a Business Property Statement with the Assessor within the prescribed time. The penalty is equal to 10% of the assessed value of the unreported property.

Personal Property

Property that is not real is personal. Identifiable portable and tangible objects, e.g., furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all property that is not classified as real estate; including airplanes, boats, and business property such as computers, supplies, furniture, machinery and equipment. (Most business inventory, household furnishings, personal effects, and pets are exempt from taxation.). Main characteristic of personal property is its movability without damage to itself or the real estate.

Physical Condition

An indicator of the overall condition of the primary structure.

Physical Deterioration

A cause of depreciation which is a loss in value due to wear and tear and the forces of nature.

Planned Unit Development

A type of residential, commercial, and/or industrial land development in which buildings are clustered or set on lots that are smaller than usual, and large, open park like areas (common areas) are included within the development. Individual properties are owned in fee with the joint ownership (directly or through a homeowner's organization) of open space areas. Also referred to PUD.

Plat

1. A plan, map, or chart of a city, town, section, or subdivision indicating the location and boundaries of individual properties;
2. A map or sketch of an individual property that shows property lines and may include features such as soils, building locations, vegetation, and topography.

Plot Plan

A plan showing the layout of improvements on a property site or plot; usually includes location, dimensions, parking areas, landscaping, and other features.

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Point of Beginning

A survey reference point that is tied into adjoining surveys. In a metes and bounds description, courses that connect monuments or points are generally described from this point. Also referred to as POB.

Pool Area

The square footage of the water surface of pools and spas (if any).

Potential Gross Income

The total gross income at 100 percent occupancy. Also referred to as PGI.

Power of Attorney

A legal instrument in which a person authorizes another to act as his or her attorney or agent.

Price

Amount paid for an item.

Private Encumbrances

Private hindrances that affect value and sale price such as: easements, condominium controls, and deed or subdivision restrictions.

Property

Property includes an aggregate of things, or rights to things, which are protected by law. There are two basic types of property: real and personal. The Assessor assesses real estate (land and improvements), and taxable personal property.

Property Address

The physical address of the parcel of property.

Property Class

A descriptive code that identifies the type of property.

Property Tax Levy

The total amount of money to be raised from the property tax as set forth in the budget of a taxing jurisdiction.

Qualitative

Pertaining to the subjective nature of some variable of interest. For example, view, fire protection, quality, or site/location.

Quality

An indicator of the overall quality of the primary structure.

Quantitative

Pertaining to the objective nature of some variable of interest. It can be measured or counted with little ambiguity. For example, number of bathrooms, year built, additions, or size.

Glossary

Quantity Survey Method

Method of cost estimating which requires complete itemization of all construction, labor, and material costs by components and subcomponents and all indirect costs.

Quarter Section

A subdivision of a Section containing 160 acres more or less, described by referencing the center point in the Section, i.e. the NE $\frac{1}{4}$ is north and east of the center point.

Quitclaim Deed

A form of conveyance in which any interest the grantor possesses in the property described in the deed is conveyed to the grantee without warranty of title.

Range Lines

Lines in succeeding six miles increments on either side of a Meridian.

Ratio Study

A study of the relationship between appraised values and market values. Indicators of market values may be either sales, or independent appraisals. The common interest in ratio studies is the level and uniformity of the appraisals.

RCLND

A method used by the Assessor to value business personal property. It is the cost to replace an existing property with a property of equivalent utility minus normal depreciation. (Replacement Cost less Normal Depreciation.)

RCN

Replacement cost new.

Real Estate

The physical parcel of land and all improvements permanently attached. An identified parcel or tract of land, including improvements, if any.

Real Property

The rights, interests, and benefits connected with real estate.

Recorded Document

Any written instrument or judgment affecting the title or possession of real property submitted to the County Recorder and made of record by that office; includes Grant Deeds, Quitclaim Deeds, leases, contracts, and court decrees.

Rectangular Coordinates

A land description system where boundaries are described as lines running from points on a X and Y grid.

Rectangular Land Surveys

Land description system based on permanent, uniformly sized rectangular grids which can be subdivided into smaller units of land.

Rectangular Survey System

Glossary

A system for the legal description of land that refers to the parcel's location in a township, an area approximately six miles square that is formed by the intersection of principal meridians and base lines. Each township contains 36, one-square-mile sections of 640 acres.

Regular Section

A one square mile subdivision of a township containing 640 acres.

Remaining Economic Life

The number of years remaining in the economic life of an improvement as of the appraisal date, and provides a basis for estimating the recapture rate used in the income approach.

Replacement Cost

The cost-of-constructing a substitute structure of equal utility using current materials, design and standards.

Reproduction Cost

The cost of constructing a replica, or identical structure, using the same materials, construction standards, design and quality of workmanship.

Right of Survivorship

Right of the surviving joint tenant to acquire the interest of the deceased joint tenant in joint tenancies and tenancies by the entirety without any probate proceedings.

Roll

A listing of all assessed property within the county. It identifies property, the owner, and the assessed value of the property.

Roof Type

The predominate roof covering.

Sale Date

The date a parcel of property was sold for tax collection purposes.

Sale Price

The price for which a property was sold. See also adjusted sale price.

Sale Ratio/Assessment Ratio

The ratio of an appraised (or assessed value) to the sale price, or adjusted sale price of a property.

Sales Comparison Approach

The method of estimating the value of a property based on an analysis of sales of similar properties. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.

Sales Price

Glossary

The most recent price paid for the property. Only sales for the last three years are maintained.

Sales Ratio Study

A ratio study which uses sales prices as proxies for market values.

Sales/Assessment Ratio

The ratio of listed full cash value to selling price.

Sales-Ratio Analysis

A study of the relationship between assessed values and sale prices and the deviations that result from differences between the two; used to determine the efficiency and fairness of the assessment process in a particular jurisdiction.

Secondary Value

The value of property determined by the assessor each year. The secondary full cash value is the same as full cash value. Used for taxation to pay bonds, overrides and special districts.

Section

In the government survey system of land description, one of the 36 sections, each one mile square, into which each township is divided.

Seller

A person who makes a transfer of title to real estate.

Senior Valuation Freeze

Provides for those who apply and qualify, the taxable market value will not increase on a homestead property owned by a person 65 years of age or older before January 1 and whose gross household income does not exceed \$25,000 for the previous year unless the individual ceases to own or occupy the property, the income exceeds the limit, or if improvements have been made to the property. (S.Q. 677)

Separated Rights

Rights to property that have been separated by deed such as: air, mineral, water, and leaseholds.

Short-Lived Items

Items of a structure which have a shorter life than the basic structure. For example: roofing, water heaters, floor covering and interior finish.

Single Property Appraisal

Systematic appraisal of properties one at a time.

Site Address

The physical location of a property.

Site Amenities

The specific location-related attributes of a property; such as topography, utilities, street traffic, view, etc.

Glossary

Situs

The physical location of property.

Special Districts

Special service governments created to provide a particular service, e.g., economic development districts, water resource management districts.

Square Foot Cost

The cost of one square foot of an improvement; obtained by dividing the actual, or estimated, cost of a building by its gross floor area or by dividing the actual, or estimated, cost of a land improvement by its square foot area; can be multiplied by the number of square feet in a building or land improvement to produce the actual or estimated cost.

Stories

The number of stories in the primary structure.

Subdivision

A tract of land divided by means of a map, into lots or lots and blocks, for the purpose of sale or lease, generally for residential or commercial purposes.

Substitution

A principle stating that a property's value tends to be set by the cost of acquiring an equally desirable substitute.

Supplies

Assessable property used up in the normal operation of a business, but which are not intended for sale or lease.

Supply

A schedule showing the amount of a good or service that would be offered for sale at various prices during a given period.

Surplus Productivity

The income remaining after the costs of labor, capital, and management have been paid.

Tax

A compulsory contribution legally exacted from persons, corporations, and other organizations by a government, for the support of government and the maintenance of public services.

Tax District

A political subdivision of one or more assessment districts where a governmental unit has the authority to levy taxes.

Tax Exempt Amount

The total amount of tax exemption (tax savings) that is being applied to the property.

Glossary

Tax Levy

The total amount of money a taxing jurisdiction needs to raise through property taxation.

Tax Lien

Attachment to property as security for payment of taxes.

Tax Lien Date

The time when taxes for any fiscal year become a lien on property. The assessed value of property as of 12:01AM on the lien date (January 1) governs the tax status for the fiscal year beginning the following July 1.

Tax Rate

A measure of tax liability expressed as a dollar amount for each one hundred dollars of property net assessed value (Arizona does not use 'mills,' which are per one thousand dollars.) Arizona has both primary and secondary tax rates, applied using primary and secondary net assessed values, respectively. The two rates cannot be added together unless the primary and secondary values are the same.

Taxation

The right of government to raise revenue through assessments on valuable goods, products, and rights.

Taxpayer

One who pays or is liable for a tax.

Tenancy

1. The holding of property by any form of title;
2. The right to use and occupy property as conveyed in a lease.

Tenancy in Common

An estate held by two or more persons, each of whom has an undivided interest.

Tenant Improvements

Improvements made by the tenant/lessee.

The Property Classification

Is mandated by State Law and is based on the use of your property. Different classes of property are taxed at different rates established by the State Legislature.

Time Adjusted Sales

Sales prices collected in one time period factored to approximate sales prices in another time period for comparison or statistical purposes.

Time Value of Money

The principle that an amount of money anticipated as income in the future is always worth less than an equal amount in hand at the present time.

Time-Adjusted Sale Price

Glossary

The price at which a property sold, adjusted for the effects of price changes, as reflected by the market between the date of sale and the date of analysis.

Title

The combination of all elements that constitute proof of ownership.

Townhouse

A single family, attached dwelling unit with common walls with common area facilities owned either as an undivided interest by the lot owners or by a homeowners' organization. Resembles a condominium unit but is not created under A.R.S. Title 33.

Township

An approximately 36 square mile division of land employed in the Rectangular Land Survey System. Townships are bounded by two successive Range Lines on the east and west and two successive Township Lines on the north and south.

Township Lines

Lines in succeeding six mile increments on either side of a Base Line.

TR

Trustee.

TRS

Trustees.

Tract

A parcel of land; an area of real estate that is frequently subdivided into smaller parcels.

Trust Deed

A document similar to a mortgage which conveys title to a trustee for the benefit of some other person named in the document.

Trustee

A person who controls legal title to a property under a trust agreement.

Uniform Assessments

Equal assessment charged to all members of the homeowners' organization for the operation and maintenance of the common area property.

Units of Comparison

A property as a whole, or some smaller measure of the size of the property used in the sales comparison approach to estimate a price per unit.

Use Classification

Categories into which real estate can be divided according to its use residential, commercial, industrial, agricultural, and special purpose.

Valuation

Glossary

The process of estimating the market value, insurable value, investment value, or some other properly defined value of an identified interest or interests in a specific parcel or parcels of real estate as of a given date. Valuation is a term used interchangeably with appraisal.

Value

The terms "full value", "full cash value", "cash value", "actual value" and "fair market value" mean the price at which a property, if exposed for sale in the open market with a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other.

Value in Exchange

The amount an informed purchaser would offer in exchange for a property under given market conditions.

Value in Use

The value of property for a specific use.

Variable Proportions

Also called the law of decreasing returns, this states that as quantities of one productive service increases, the quantities of other productive services remaining fixed, the resulting increment of product will decrease after a certain point.

Warranty Deed

A deed that conveys to the grantee title to the property free and clear of all encumbrances, except those specifically set forth in the document.

Web Site

A site (location) on the World Wide Web. Each site is owned and managed by an individual, company or organization.

Year Built

The year in which a primary building on a parcel of property was constructed.

Year Constructed

The year in which the primary structure was completed.

Yield Rate

The return on investment applicable to a series of incomes which results in the present value of each. Examples of yield rates are interest rate, discount rate, equity yield rate, and internal rate of return.

Zoning

The public regulation of the character and extent of real estate use through police power; accomplished by establishing districts or areas with uniform restrictions relating to improvements; structural height, area, and bulk; density of population; and other aspects of the use and development of private property.