

# Rural Properties in Right-of-Way Valuation

by Marion E. Everhart

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**R**ight-of-way valuation often involves the appraisal of specialized properties which may be classified as rural properties. Appraisers must have education in the type of properties involved, with the study and knowledge of soil science underlying the specialties. This education is needed because the reason for this is that the productivity of rural lands is dependent upon the soil, along with adequate precipitation and a good climate. In addition to an understanding of soil texture, structure, depth, organic matter, soil color and stability, a knowledge of native vegetation and commercial crops is important. Typical land types, such as dry cropland, irrigated cropland, pasture, orchard and nut crops, woodland, and rangeland are encountered when appraising rural rights of way.

The appraiser needs to inventory, classify and evaluate the resources involved. This is followed by a well-reasoned opinion of value. The appraiser must consider land use capability classes and subclasses in the cultivated land use category. He should be prepared to discuss climate, erosion, wetness and soils (CEWS) under subclassification of agricultural lands.

The rangeland category involves range sites and condition classes, and the forestland category includes timber suitability groups and woodland site indexes. On wildlife lands, wild-

life suitability (habitat) groups are used.

When appraising non-productive lands such as arid desert, the appraiser must use recreation groups or hydrologic soil groups for runoff potential.

When appraising any land-use category where land speculation is active, the appraiser should classify lands using urban development suitability classification.

By definition, "the appraisal of rural lands is the systematic process of compilation, classification, and evaluation of the natural resources involved along with a well-reasoned opinion of value." Once the above process has been accomplished, the appraiser must decide if there is remaining life in the present use, and if so about how many years is estimated. Most all rural and suburban lands have life remaining in the present use; therefore, this is the highest and best use. Because of the speculative rise of most rural property, and because it has not been rezoned for urban development uses, a highest and best use beyond present use(s) cannot legally be determined because of its speculative nature.

The appraiser should state that the property is in transition and future uses are unknown. Refer to all future uses as non-agricultural uses, and all present uses as agricultural uses except where specific present uses conform to present improvements.

For an appraiser to state future highest and best uses (involving a zoning change) is not proper and leads to much criticism in litigation and highway valuation. It also suggests bias favoring the condemnee seeking damages in a court action.

The appraiser should allocate values to the portions of the subject property as to various land classes or locational portions as shown by the

urban development suitability classification procedure. This will curtail or eliminate many damage considerations that could be argued in litigation.

In court, the appraiser should present his appraisal as a technical document, because that is exactly what it is. It contains the appraisal process which involved all of the agricultural sciences, such as soil science, soil conservation, agronomy, botany, range sciences, range management, watershed management, orchard management and animal husbandry. The appraiser also covers CEWS as used in land subclassification.

The appraiser should present his testimony as an expert in land valuation, and should not give away any damages that are not proven. Use economic impact studies, when applicable, to prove there are no general damages, and critically diagnose all specific damages.

If the appraiser is not personally qualified in soil science, agronomy and range science, he should consult with one who has the qualifications and experience.

Use soils in all appraisals regardless of present use, as this is the cornerstone of appraising. With the use of soils inventory, you will know why the land has the uses for which you will be testifying. Leave the non-qualified witness to the challenger. Put a premium on technical expertise and give your attorney a fighting chance to win. Don't let the other side get away with the idea that all land is the same. Bring out land variety.

## USE SOIL SURVEYS

The use of soils in appraisal reports is a necessary part of resource analysis for the following reasons on the following types of land:

Agricultural lands (cultivated

lands such as croplands, orchards and vineyards; rangelands; and forest lands for):

- productivity rating indexes for proper valuation
- range site and condition classes for property valuation of range productivity
- hazards and limitations which is the basis for land use capability classes and subclasses (CEWS), and land use suitability classification for proper use of forest land, wild-life lands, recreation lands, orchards, vineyard, haylands and pastureland (dryland and irrigated)

Non-agricultural lands (non-productive lands such as arid deserts, high mountainous areas, rock lands,


boulder land, rocky limestone, gravelly hills and ridges, etc., need soil surveys for):

1) a basis for proper valuation analysis for resource management and uses such as:

- wildlife hunting (game and fur animals), fishing, recreation (camping, hiking, horseback riding, trail riding on dude ranches, exploring, rock collecting, etc.)
- riparian analysis for stream bank control of erosion for this valuable resource

2) Urban development suitability classification for all non-urban lands to determine feasibility of urban development, using classes I through VI. Without this classification, future development would be an unknown

factor.

One of the greatest attributes of a professional is zeal for his work. An appraiser must love the land and variety of land types, land categories and land uses, for without this he could not see the different soils and vegetation. His work would become repetitious and unchallenging. 

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