



## 2026 Residential Valuation Model

An explanation of the residential valuation model used to value residential properties in Albemarle County. Explains and lists tables used in the Vision Computer Aided Mass Appraisal (CAMA) system. The residential value model is created and calibrated with sales of residential properties in Albemarle County.

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## Overview

Standard Appraisal practice includes three approaches to value: the cost approach, the sales comparison approach, and the income capitalization approach.

1. The cost approach uses the cost to build a building and deducts depreciation from all forms to determine a market improvement value. This is added to the land value, which is commonly derived separately by the sales comparison approach.
2. The sales comparison approach for single property appraisal adjusts comparable sales based on their differences from a specific subject property to determine a range of values which are typically reconciled into a single representative value. This value already includes the land value.
3. The income approach uses an analysis of income and expenses attributable to the real estate to create a net operating income which is capitalized with a rate that represents return expectations, different forms of risk and market demand. This value already includes the land value.

Mass appraisal for most residential properties is achieved through a hybrid of the sales comparison and cost approaches that looks and feels like the cost approach; however, it does not use costs but uses market derived rates. The following are some differences and similarities between single property appraisal and mass appraisal methods.

### Single Property Appraisal

- The cost approach uses actual costs, which is typically either reported by local builders or taken from cost estimation services like Marshal Valuation.
- The cost approach uses depreciation to show the loss in value due to effective age, function and externalities.
- In the sales comparison approach for single property appraisals, comparable sale properties are adjusted based on their differences from the subject property – one property at a time.
- The sales comparison approach determines the total value including land.
- The cost approach only determines the improvement value, so the land value must be added to create a total value for a property.

### Mass Appraisal

- The mass valuation model uses rates derived from sales through extraction or regression. This is a way to determine contributory value as opposed to cost to build.
- The mass valuation model also uses depreciation to reflect differences of effective age, function and externalities compared to the standard model.

- The mass valuation model uses a standard model home with an average grade and components and the subject properties are adjusted. (This is based on the same economic principles of substitution and supply and demand.)
- The mass valuation model creates an improvement value to which the land value must be added.

This hybrid mass appraisal method of assessing residential properties is a standard in the assessment industry nationally and internationally and is utilized by most or all Virginia Jurisdictions. The model includes major factors such as grade, style, age and square footage, and minor adjustments such as bathroom and fireplace counts, and add-ons like porches and attached garages. All factors that affect value are stratified and their values are included in tables.

The model uses multiple tables in the Vision CAMA software that are linked together through descriptive codes assigned to individual buildings. Each tax parcel may have zero, one or more buildings, each of which will be described and valued independently. The Vision CAMA system requires each building to have an assigned land line because the cost model starts with the use code that is assigned to the building on the land line.

Outbuildings are not included in this cost model but have their own set of tables and values. Examples of outbuildings are detached garages, barns and other farm buildings, and other improvements that are not attached to a dwelling structure.

The valuation of residential properties starts on the next page with the Land Detail screen. The tables found in the addenda are for the current year. Examples of tables used in this description may use different rates than the current tables.