

Vacant Land Valuation



The Assessor determines the actual value of vacant land in Douglas 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 2025 Reappraisal is June 30, 2024. 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.

Colorado law requires that market value for residential property is established using sales from a specific time frame. This time frame, known as the study period, consists of the eighteen months preceding the appraisal date. However, Colorado law allows the Assessor to extend the study period back in time in six month increments.

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, proximity to services or amenities, subdivision infrastructure, presence of views, deed restrictions, or frontage to golf course, greenbelt or open space.

Most vacant lots in subdivisions are valued on a unit price or site basis, however larger parcels are typically valued by the acre. 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.

