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### **Property value is in eye of the beholder Arlington case illustrates how opinions can influence estimates** *ANGELA SHAH Staff Writer*

Numbers may never lie, but an exact truth can be hard to find in real estate appraisals.

Location, personal sentiment and potential uses of the property are all also taken into account.

And that could inflate values already assigned by an appraisal district.

"This is the economics of real estate," said Dallas real estate appraiser Chuck Dannis. "It's the eye of the beholder. This is an opinion, based on data."

The more-art-than-science process of property appraisal is highlighted anew as the city of Arlington attempts to acquire a final piece of property to make way for the Dallas Cowboys stadium.

Homeowner Evelyn Wray recently rejected a court-appointed panel's offer of \$1.2 million.

She believes her location at a busy Arlington intersection on East Randol Mill Road should fetch at least twice as much, primarily because it's surrounded by a Wal-Mart Supercenter and other businesses.

The Tarrant Central Appraisal District, however, values her 5-acre property at about \$350,000.

There is no question the property's potential commercial uses inflate its value, said Glenn Sodd, the Corsicana attorney representing Ms. Wray.

"Most of the people who own homes in that area were aware of that potential and believed the day would come sooner rather than later," he said. "Anything across the street from a Wal-Mart has that potential."

Answering "what could be" is key to deciding the value of a particular piece of property.

"Depending on what use you envision, you can have a wide disparity of potential values," said Charles Gilliland, a research economist at Texas A&M University's Real Estate Center.

"If the person who owned the property would be satisfied with market value, they would be selling the property themselves," he said. "In their mind, their personal valuation is greater than market value so ... there's a lot of room for disagreement."

## Straightforward

On paper, the land-acquisition process is fairly straightforward, experts said.

Usually land values are found at the local central appraisal district, which sets them by selling and offered prices for comparable properties nearby. The districts typically review properties once every three years, so sometimes values might be lagging, especially in dynamic real estate markets such as North Texas'.

In cases such as the Cowboys project, a condemning authority offers what it considers a "fair market value" - based on findings from a third-party appraiser - to the property owner. If the owner doesn't agree with the price, he can hire his own appraiser and make a counteroffer.

If the two sides still disagree, a court-appointed panel hears the case and makes a nonbinding offer. If that doesn't satisfy the parties, the next step is a date in state court.

Mr. Sodd said he has filed suit to petition that Ms. Wray deserves more compensation for her land.

## Off base

"When you see these vast differences in price, that big of a spread, you know somebody's off base," he said. "Somebody's wrong, and we're pretty comfortable with who's wrong here."

So far this year, the city of Arlington has acquired at least 13 properties in the stadium footprint for around \$500,000 each, according to city meeting minutes.

Staff writer Jeff Mosier contributed to this report.

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