

A STUDY OF 18 REMAINDER PARCELS  
ALONG HOUSTON'S GULF FREEWAY

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and to the Bureau of Public Roads,  
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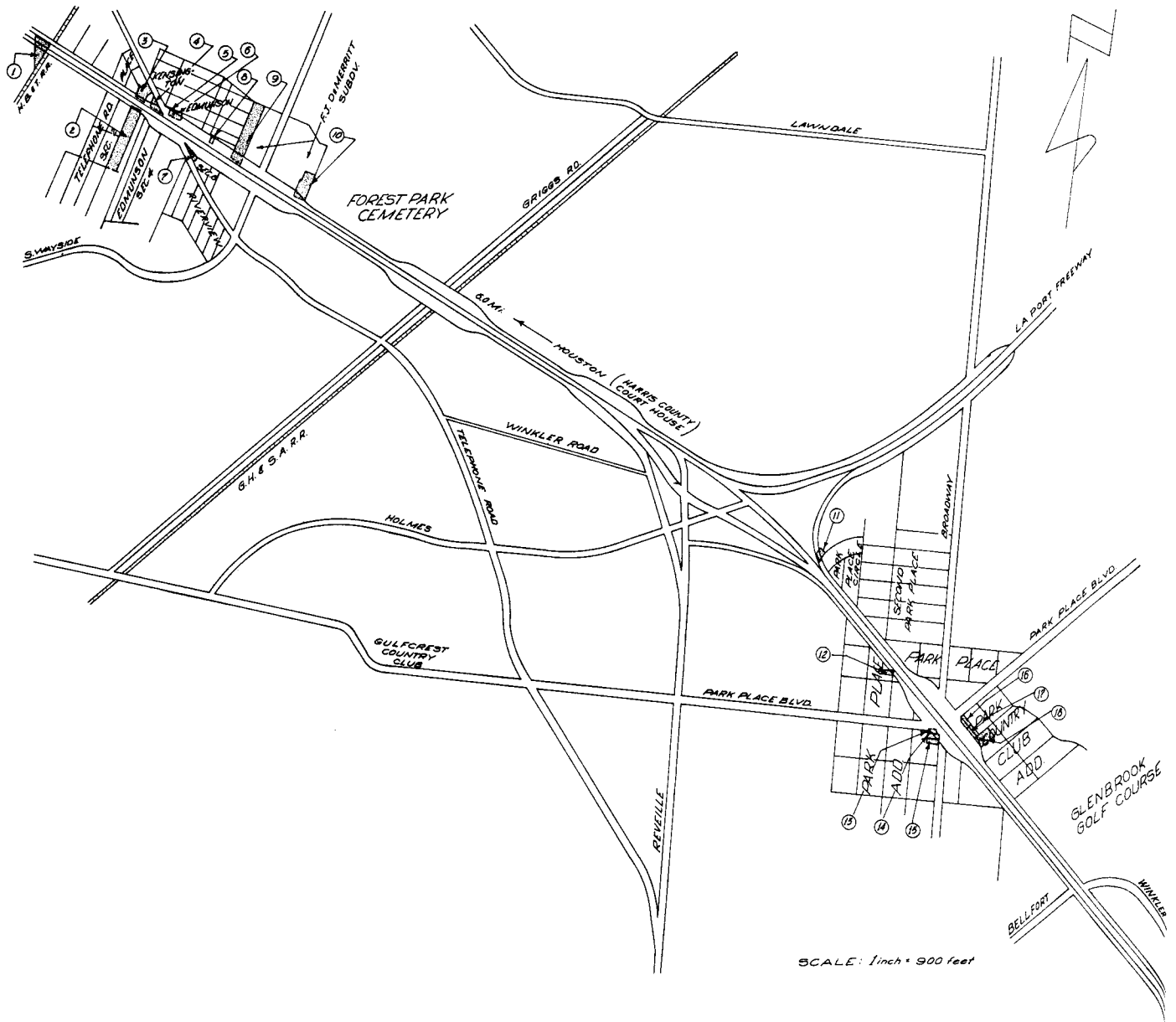


FIGURE 1. A PORTION OF THE GULF FREEWAY SHOWING THE LOCATION OF THE REMAINDERS STUDIED.

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INTRODUCTION

There is growing evidence that landowners, laymen, judges, juries, appraisers and perhaps even the provisions of the law take the viewpoint that a partial taking for right of way results in damages to the remainder. It also is evident that this view is a generalization based not on extensive findings but upon the fact that damages have been paid. Every payment of damages, especially those which are not warranted, thus perpetuates and strengthens the belief that damages are to be expected. This position is taken without regard to the fact that remainders may benefit from highway improvements. These attitudes and the added right of way expense that they involve are sufficient justification for a broadly-based research effort to develop factual information regarding the damages and enhancements actually experienced by remainders.

Remainder studies can be used in a number of ways. They will help appraisers in making more complete and more accurate appraisals in cases involving partial takings and they will help staff appraisers in their appraisal reviews. They should be of aid in negotiation and in preparation for condemnation proceedings; under certain circumstances, they may gain admission into condemnation court. Furthermore, the findings may be useful in public hearings and in other facets of public relations.

It is acknowledged that damages can and do occur just as enhancements can and do occur. The overall purpose of investigating the case histories of remainders is to determine a better predictability or expectancy for individual remainders and thus to dispel what can be a very bothersome and expensive uncertainty.

To accomplish these purposes, it is felt that remainder studies should be conducted in all parts of the state. This is because findings in one part of the state may have limited acceptability in some other section. It also is recommended that each Highway Department district should compile and maintain its own file of remainder studies and that the Right of Way Division keep a central file. This program should make use of standard forms and a proved uniform methodology.

The role of the Texas Transportation Institute is to develop an analytically sound method for making remainder studies and to conceive a system whereby files of findings may be kept up-to-date and in a useable form. In its INTERIM REPORT TO THE TEXAS HIGHWAY DEPARTMENT, 1959, the Institute outlined its first conception of what remainder studies would involve. Subsequently, a study of Gulf Freeway remainders, reported here, was made to develop and demonstrate more detailed analytical procedures. The next step in the Institute's work is a pilot study of remainders from state-approved acquisition. This study is well along and will result in a comprehensive report in the near future.

Gulf Freeway remainders were selected for the first demonstration study because it was known that they had existed for a long enough period of time to have established definite patterns in use and value.

From one standpoint, the Gulf Freeway study experience was disappointing; the quality of the data needed in the analysis was questionable. This is discussed in later sections along with the limitations it imposed upon the analyses.

### Nature of the Study Area

What is now known as the Gulf Freeway had been planned for many years dating back to when the City acquired the abandoned right of way of the Galveston-Houston Electric Railway.

Survey work and definite plans for construction of the Freeway started in 1943. World War II delayed the project but in 1945 the city started acquiring additional right of way beginning near the downtown area and working outward ahead of construction.

The purchase of most of the right of way in the area where the remainders studied are located occurred between 1945 and 1950. Construction of the facility began in 1946, on the first section nearest town, and was completed out to Sims Bayou (just past the last remainder studied) by August, 1952.

The right of way that was to be purchased for the Freeway went through large tracts of land which were, for the most part, unimproved and also through several residential subdivisions which were located near traffic arteries leading from the center of town.

The subdivisions which are involved in the study have been improved almost completely since 1930. Actually, most of the houses are about 30 years old. A few comments are offered about each of these subdivisions:

1. Kensington Addition:

This small addition of mostly 50' x 100' lots is located on Telephone Road and is now on the north side of the Freeway. Most of the homes were built in the 1930's, and are of frame type construction. In later years many of them have been face-lifted with asbestos siding. Typical houses in this addition were selling in the \$5,000 to \$6,000 range in 1945 and 1946.

2. Edmundson 6th Addition:

This addition located on either side of Telephone Road is larger than Kensington addition, but the size of lots is about the same. Most of the improvements are small brick residences built during the late 1920's. Typical brick homes in this addition also were selling for about \$5,000 to \$6,000 in 1946. Many lots bordering Telephone Road were commercial lots in 1945 and still are used as such today.

3. F. J. DeMerritt Addition:

This addition borders on either side of Wayside Drive and is composed of tracts from one acre to nine acres in size. Most of this addition was unimproved in 1945. Since the Freeway has been constructed, much of the area has been improved with commercial and industrial business.

4. Park Place Addition:

The old Park Place Addition was once the town of Park Place, but was annexed by the City of Houston in 1927. It is located on either side of the Freeway. Most of the lots have a 75-foot frontage. Before construction of the Freeway, two narrow inadequate roads provided this addition access to Houston. The travel time to Houston was cut in half when the new Freeway was completed.

There are two extensions to the Park Place Addition, these being Park Place Circle Addition and the Country Club Addition. In the old Park Place Addition and Park Place Circle Addition most of the homes are roughly 30 years old, being of frame construction. Many have recently been improved with asbestos siding. At present, there are very few brick homes in this area. In the Country Club Addition, the majority of the homes are newer and are of brick construction.

In the three additions, frame houses were selling for about \$13,000 each in 1949, and very little more in 1955. Brick homes were selling for somewhat higher prices. For many years the area has had its own commercial business center and still does.

Now the two main thoroughfares through this addition are Park Place and Broadway Boulevards. Park Place Boulevard is the east-west route and Broadway Boulevard is the north-south route. The whole area has good access to the Freeway.

## Sources of Data

The following outline gives the sources of the data used and something of the procedures of data collection:

### 1. Use of Right of Way Maps:

In order to identify and locate remainders, the right of way map of the Gulf Freeway covering the section from the H B and T Railroad to Simms Bayou was obtained from the Houston Urban Expressway Office of the Texas Highway Department. This map and design maps later were used in preparing illustrative layouts for each remainder.

### 2. Selecting Remainders:

Mr. Colin Campbell, independent appraiser of Houston, did a major portion of the searching for remainder sales. This step made use of the legal locations of remainders which were checked through title company records. A sale of a remainder was taken as indication that a case history analysis might be possible.

### 3. Recording Market Data on Remainders:

From the file cards of the title company, a record was made of the legal description, grantor and grantee, date of sale, the consideration or Internal Revenue Service stamps and the area of each remainder or portion which had sold. Such information was obtained on 31 remainders which sold at least once. Sale prices and conditions of sales were then checked with either the grantor or the grantee.

### 4. Collection of "Before Acquisition" Data:

The appraisal files of the City of Houston were used to obtain all necessary background information on remainders having subsequent sale histories. The amount of each consideration paid by the city was also checked through a title company's records.

In most cases, appraisals were made on only the part that was taken, except when the City considered purchasing all the property of a partial taking; then whole property appraisals were made.



5. Collection of Current Land Use and Value Data on the Remainders:

Each of the remainders was inspected and a record made of its present land use. The condition of the improvements also was observed to arrive at an estimate of value of when such was not otherwise available. Mr. Colin Campbell also helped with this work. The owners or tenants were interviewed to determine the rental incomes and building costs of some remainders. Photographs of each remainder were made to use in the analysis.

6. Collection of Building Permit and Tax Data:

The city tax office's records were inspected to obtain building permit and tax data that reflected changes in improvements and assessed values for each remainder. In the case of building permits, the data collected consisted of the dates permits were issued, the values placed thereon, the size of the improvements, and the types of construction. The assessed valuations of the properties at time of taking, at time of sale, and for the most recent tax year were recorded.

It was critical to know just when certain physical improvements were made on the remainders in order that proper adjustments could be made of the value of the improvements before or after the dates of sales. Since the city tax office receives a copy of each building permit, it was easy to locate this data on each remainder property. First, the assessed valuations on each property were recorded from the tax records so their account numbers could be recorded. These account numbers were necessary to locate the building permit data on the properties in the tax appraisal files.

7. Collection and Selection of Comparable Property Data:

As a part of the process of obtaining original appraisal data from the City's acquisition records, a check was made for comparable sale data used by appraisers in arriving at an estimate of whole value of each partial or whole taking involved. In very few cases could such comparable data be found. Therefore, to supplement this data it was necessary to make further investigations to locate other property sales that could be compared with the whole property before acquisition. This was facilitated through the use of records already compiled by another study of the Gulf Freeway.<sup>1/</sup> Also used was the Wilson's index of property transfers.<sup>2/</sup> These two sources yielded comparable sale data for both the before acquisition and after acquisition periods.

<sup>1/</sup> "A 15- Year Study of Land Values and Land Use Along the Gulf Freeway" prepared by Norris and Elder, Consulting Engineers, for the Texas Highway Department and the Bureau of Public Roads, Houston, Texas, 1956.

<sup>2/</sup> A private firm that prepares such a volume which is kept up to date with supplements, appraisers and realtors subscribe to its services.

After a considerable number of possible comparable sales were recorded on cards, these properties were visited in the study area, and those most comparable to each remainder were selected. An attempt was made to verify the sale price of each comparable. Income data also were determined and photographs were taken.

The criteria used in selecting comparable properties were similarity in lot or tract size, type and quality of improvement, and proximity to the subject property before acquisition. In most cases, the comparable properties were located in the same subdivision or survey as the subject properties, were of the same lot size, and were improved with a similar type and quality of improvement. Vacant lot or tract sales were used to compare with the unimproved subject properties. In all cases, the comparable properties did not front the Freeway right of way. Most of them were within two blocks of the Freeway on either side.

### Summary of Findings

Thirty-one remainders which had sold subsequent to right of way acquisition were selected within the study area. Meaningful case histories could be developed for 18 of these. Briefly, the principal findings were as follows:

1. One remainder showed damages in the comparison of sales prices; this finding seemingly was refuted since the remainder later succeeded to a higher and better use.
2. All other remainders showed specific enhancements when their sales prices were compared with those of nearby comparables. Some of the enhancements were rather small, but others were significantly large.
3. The acquiring authority, the City of Houston, apparently paid land damages on eight remainders. In two cases, land damages were appraised; in six instances, payments for the part taken were considered to include damages to remainders in view of the amounts paid for what seemingly were inferior portions. Damages to improvements were paid for two additional remainders.
4. Fourteen remainders moved to higher uses; two remained vacant and two changed from residential to vacant.
5. Eleven remainders succeeded to commercial use; one of these was a converted dwelling. Three remainders had multi-unit apartments added.
6. The remainders described in this report cannot be declared to be exactly representative of all remainders in the study area. Some sales did not result in useable case histories, some sales were not studied, and remainders which did not sell are not represented. Nevertheless, it is felt that the findings accurately reflect that enhancements rather than damages were generally experienced.

## CASE HISTORIES OF 18 REMAINDER PARCELS

The case histories of 18 selected remainder parcels along Houston's Gulf Freeway are presented for two reasons. The most important of these is to illustrate an analytical process. It is believed that a thorough study of each analysis will do much to equip an appraiser or right of way agent to perform similar research. The second reason is that the findings themselves should prove to be useful; they are suggestive of what may be expected from future studies. The lag between the time of acquisition and the time of the study is an obvious drawback, for time is a difficult factor to analyze. Furthermore, it complicates the gathering of data.

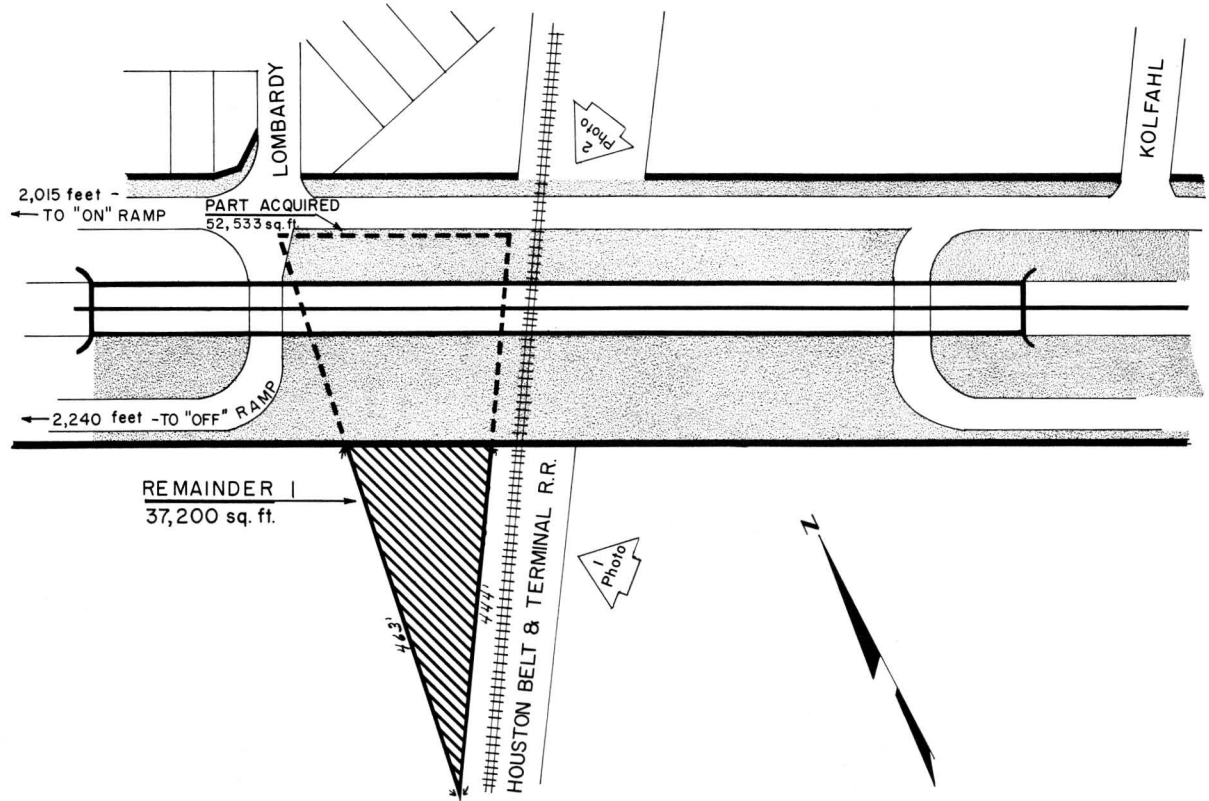
It should be emphasized that another weakness is that the analyses were drawn from extremely scanty original appraisal data. This hampered the selection and treatment of comparables and also made necessary certain assumptions which more adequate data would not require. These are pointed out in the following section which explains the interpretation of the items appearing on the analysis sheet for each remainder.

### Interpretation of the Analysis Sheet

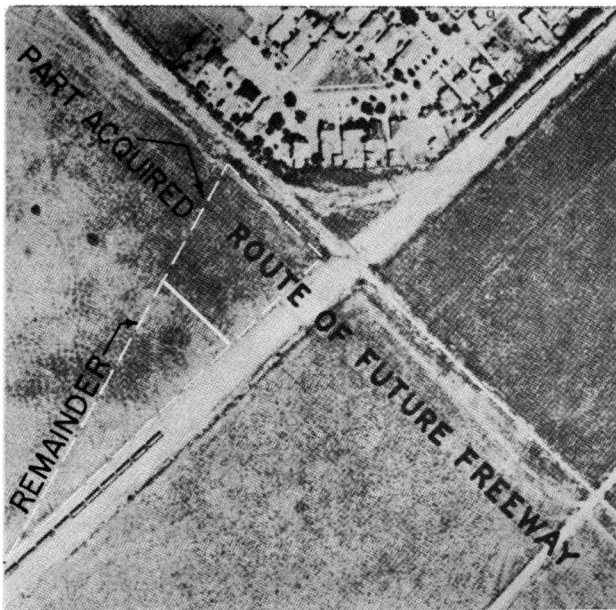
- A. Before Acquisition: - The date of instrument for the portion acquired for right of way is used here. In other studies, the date of the appraisal before acquisition will be used.
1. The whole property is described briefly, with special attention to access.
  2. The area of the whole property and components of value are given. In most studies these will be appraised values. In this study special estimates were needed according to the following conditions:
    - a. If the whole property was appraised, this value was used, except when the whole property was purchased; then the amount actually paid for it was used.
    - b. If only the land to be acquired was appraised, its value per square foot was used to compute the land value of the whole lot or tract, except when the comparable land value (average per square foot price paid for vacant lots or tracts in the area) was deemed a better measure.
    - c. If the appraised value of the improvements was given, this value was used.

- d. If a comparable land value could be developed from vacant lot or tract sales, it was used for the "before comparable value. Otherwise, the appraised value of the subject property or the average sale price of comparable improved properties was used.
- B. Property Acquired: - This gives the area and improvements acquired, the amounts paid, and repeats the date of instrument.
- C. After Acquisition:
1. The relation of the remainder to the new facility, the date it was completed, and possibly other data are summarized here.
  2. Subsequent remainder sale data are recorded and consist of the area sold, amount paid, and the date of sale. If a comparable land value for each sale could be developed from land sales in the area, it is used for a comparable value. Otherwise, adjustments as indicated in each case are used.
  3. The increase or decrease in the value of the remainder, which is the difference in its value at acquisition (before damages) and its value at time of sale, is recorded in dollars and as a percentage.
  4. The increase or decrease in the value of the comparable property, which is the difference in its value at acquisition and its value at time of the remainder sale, is recorded in dollars and percentages.
  5. Subsequent changes in improvements, such as moving of old improvements and the construction of new improvements, are reviewed. When available, building permit, tax appraisal, and rental or lease values are stated.
- D. Remarks: - These include conclusions as to whether the remainder is damaged or enhanced and how much. Other short statements of explanation are made here.

Footnotes are inserted for clarification of data used. A Supplemental Information page for each analysis is contained in APPENDIX A. The description and location of comparable data used, detailed changes in the use and value of the remainder, including building permit and income data, assessed tax valuation changes, and other supporting facts are given on this sheet.



REMAINDER 1.



1 - BEFORE ACQUISITION.



2 - AFTER ACQUISITION.

REMAINDER 1

A. Before Acquisition - November, 1946:

1. A vacant triangle of land of about 2 acres bordered by the HB&T RR. on one side and the GH Elec. RR. on another side. The tract had no frontage on a public road, and access apparently was by the abandoned GH Elec. RR. right of way.

2. Whole property and value:

Land <u>89,733</u> sq. ft.	@ <u>\$.101</u> per sq. ft.	= \$ 9,039
Value of comparable land	<u>\$.101</u> per sq. ft.	

B. Property Acquired and Payment - November, 1946:

All of land <u>89,733</u> sq. ft.	@ <u>\$.101</u> per sq. ft.	= <u>\$ 9,039</u>
Total property payment		\$ 9,039

C. After Acquisition:

1. Freeway completed in May, 1949. Right of way required 52,533 sq. ft., leaving a remainder of 37,200 sq. ft. with frontage on Freeway, but without frontage road service. Railroad overpass is elevated at remainder.

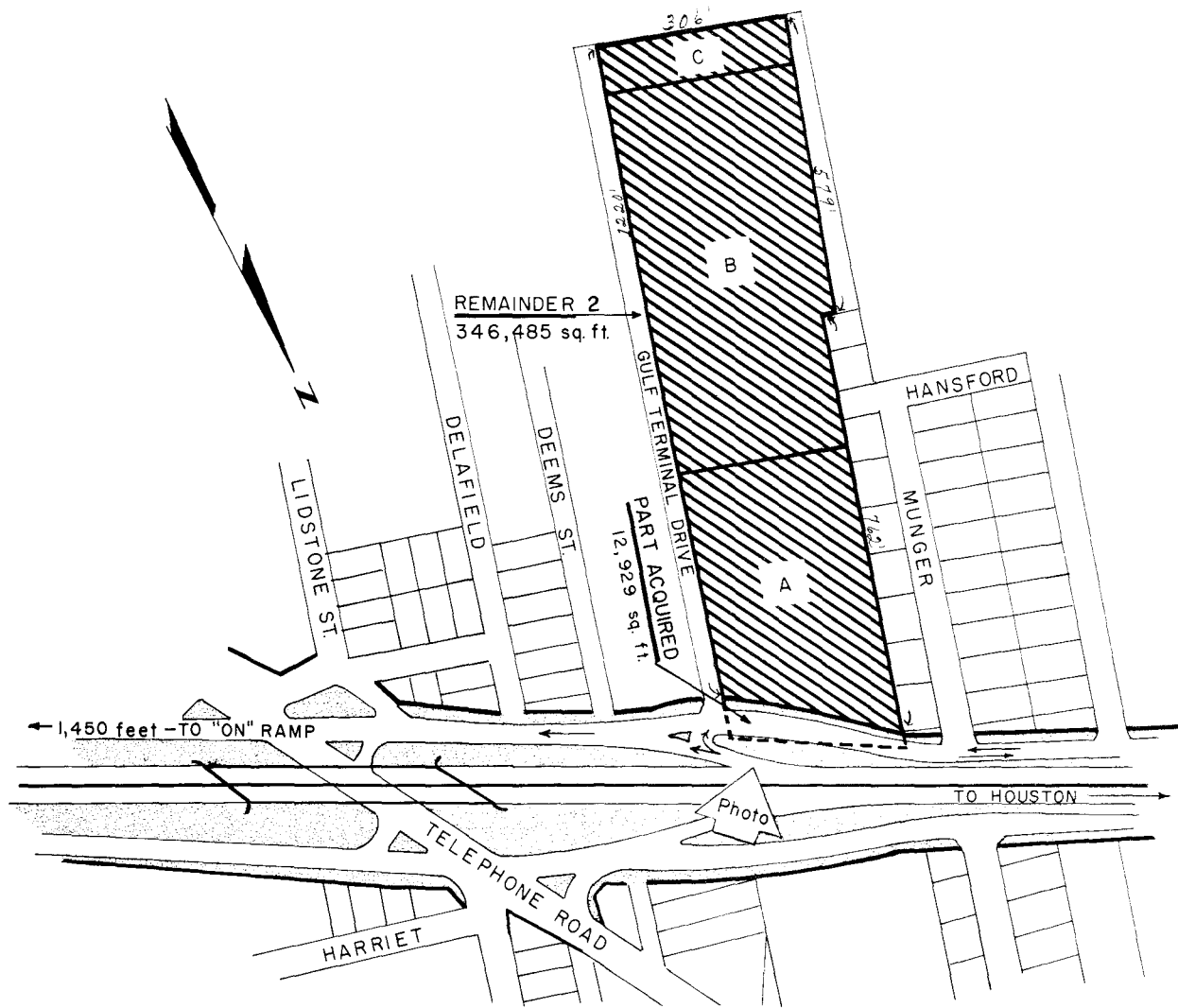
2. Remainder sold<sup>1/</sup> - August, 1958:

Land <u>37,200</u> sq. ft.	@ <u>\$.887</u> per sq. ft.	= \$33,000
Value of comparable land	<u>\$.624</u> per sq. ft.	

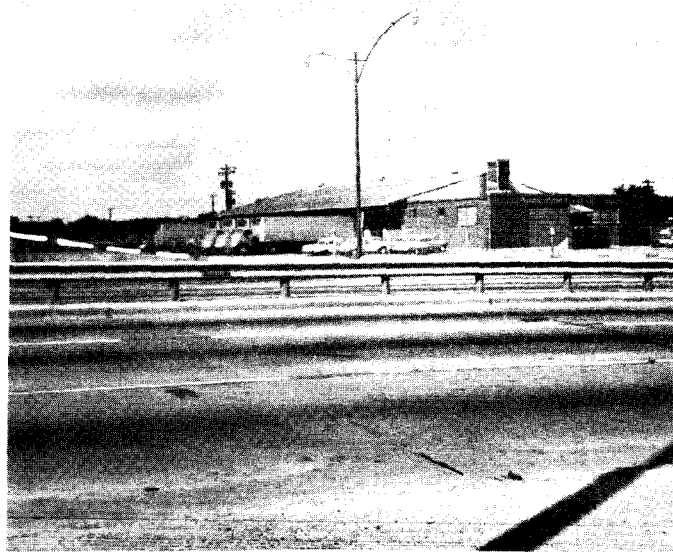
3. Increase in value of remainder \$.786 per sq. ft. = 778%
4. Increase in value of comparable land \$.523 per sq. ft. = 518%
5. Subsequent improvement: One sign only. Ground rent not determined.

D. Remarks: The Freeway provides the remainder much better access than was available to the original whole property. The analysis shows that the remainder was enhanced in value.

<sup>1/</sup> City of Houston sold remainder in 1952, and it sold again in 1958.



REMAINDER 2.



AFTER ACQUISITION.

REMAINDER 2

A. Before Acquisition - May, 1947:

1. A vacant tract of approximately 8 1/4 acres with access to Sanders and Hansfords Streets near Telephone Rd., a major thoroughfare.
2. Whole property and value:

Land <u>359,414</u> sq. ft.	@ <u>\$.130</u> per sq. ft.	\$46,724
Value of comparable land	<u>\$.130</u> per sq. ft.	

B. Property Acquired and Payment - May, 1947:

Land <u>12,929</u> sq. ft.	@ <u>\$.150</u> per sq. ft.	\$ 1,939
Total property payment		\$ 1,939

C. After Acquisition:

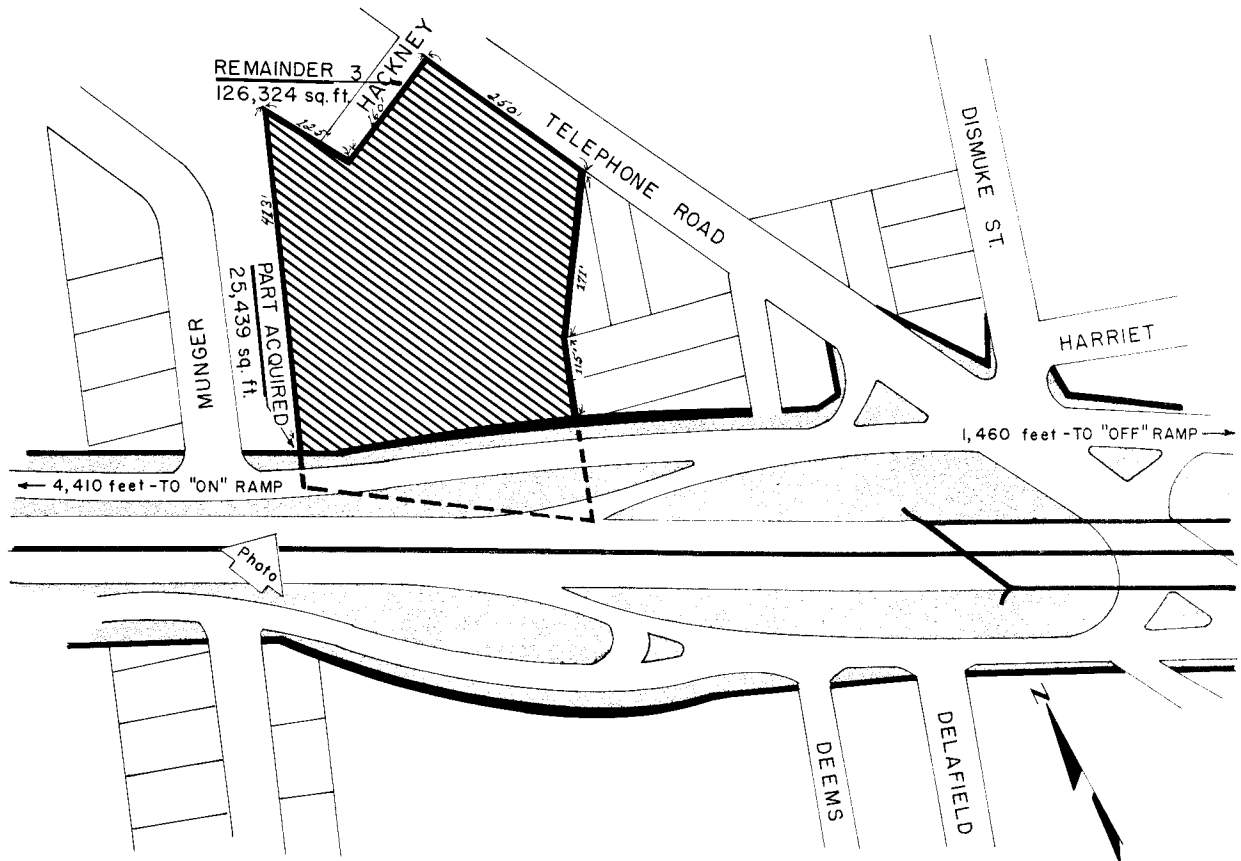
1. Freeway completed in May, 1949, leaving remainder on frontage road at grade.
2. Part A of remainder sold - August, 1951:

Land <u>128,850</u> sq. ft.	@ <u>\$.330</u> per sq. ft.	\$43,500
Value of comparable land	<u>\$.289</u> per sq. ft.	

3. Increase in remainder value \$.200 per sq. ft. = 154%
4. Increase in value of comparable land \$.159 per sq. ft. = 122%
5. Subsequent improvement: Commercial building with a 1959 tax evaluation of \$32,380 and a gross annual rental of about \$30,000.

D. Remarks: Taking for right of way was of back portion of tract. Freeway created better access for the remainder and enhanced its value. (The city apparently paid a premium for the land acquired or hidden damages to the remainder.) There are two other parts to the remainder, (B and C), each with commercial improvements. These tracts have access to the frontage road by way of Gulf Terminal Dr. (a dead end street with right of way furnished by remainder owners).





REMAINDER 3.



AFTER ACQUISITION.

REMAINDER 3

A. Before Acquisition - May, 1947:

1. A tract of about 3 1/2 acres on Telephone Rd. with access to Hackney St. and with 300 feet along abandoned right of way of GH Elec. RR. Improved with an old commercial building and residence located on Telephone Rd. which burned in 1952.

2. Whole property and value:

Land <u>151,763</u> sq. ft.	@ <u>\$.180</u> per sq. ft.	\$ 27,317
Improvements not appraised		
Value of comparable land	<u>\$.180</u> per sq. ft.	

B. Property Acquired and Payment - May, 1947:

Land <u>25,439</u> sq. ft.	@ <u>\$.210</u> per sq. ft.	\$ 5,342
Total property payment		\$ 5,342

C. After Acquisition:

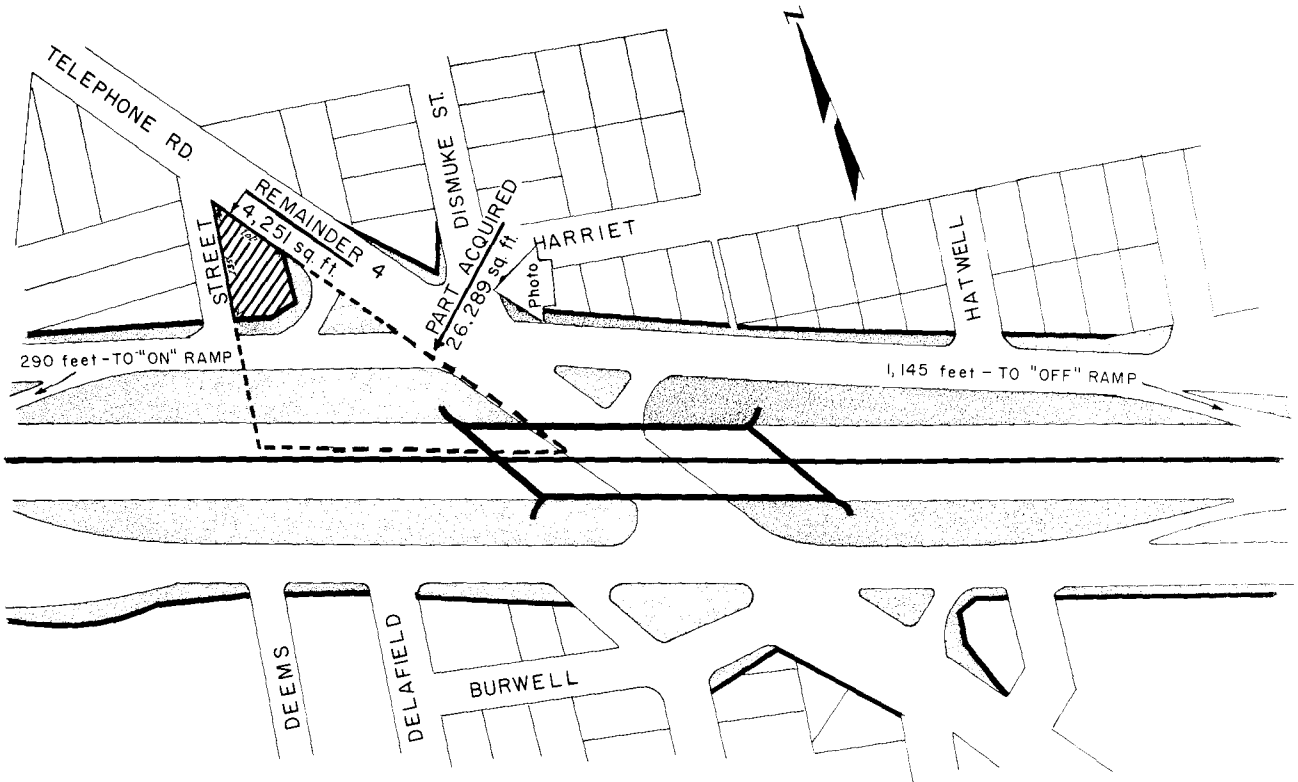
1. Freeway completed in May, 1949, leaving remainder at grade with about 310 feet on frontage road.

2. Remainder sold - May, 1953:

Land <u>126,324</u> sq. ft.	@ <u>\$.997</u> per sq. ft.	\$126,000
Value of comparable land	<u>\$.510</u> per sq. ft.	

3. Increase in value of remainder \$.817 per sq. ft. = 454%
4. Increase in value of comparable land \$.330 per sq. ft. = 183%
5. Subsequent improvement: A commercial building was constructed in 1953 (permit value \$153,000).

D. Remarks: Remainder was enhanced by the Freeway by a considerable amount, as indicated by the comparative increases in value.



REMAINDER 4.



AFTER ACQUISITION.

REMAINDER 4

A. Before Acquisition - February, 1948:

1. A corner tract fronting on Telephone Rd. with access on Deems St. Improvements were a residence, a duplex, a small rent house, and a frame commercial building (feed store).
2. Whole property and value:

Land <u>30,540</u> sq. ft.	@ <u>\$1.000</u> per sq. ft.	\$30,540
Improvements		<u>15,809</u>
Total Value		\$46,349
Value of comparable land	<u>\$1.000</u> per sq. ft.	

B. Property Acquired and Payment - February, 1948:

Land <u>26,289</u> sq. ft.	@ <u>\$1.210</u> per sq. ft.	\$31,810
Improvements		15,809
Damages		<u>2,381</u>
Total property payment		\$50,000

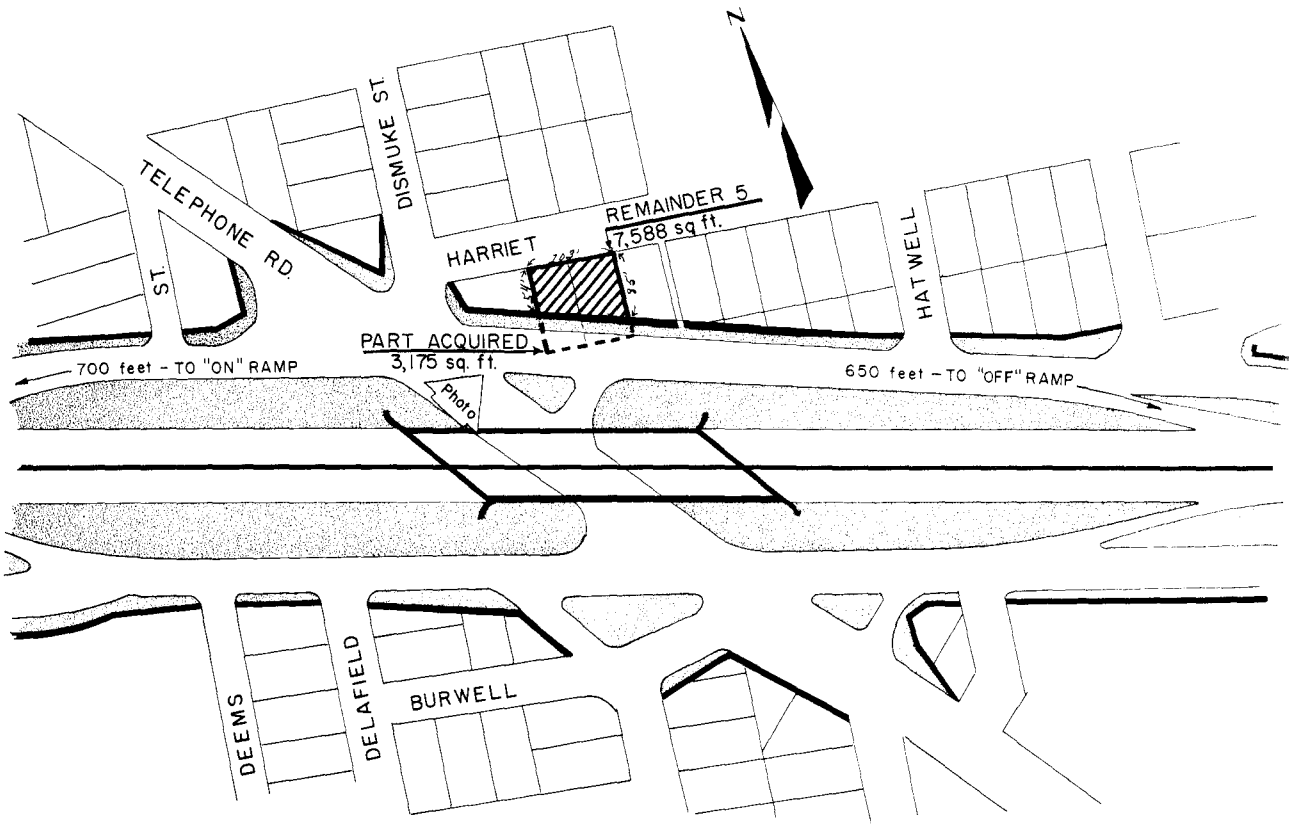
C. After Acquisition:

1. Freeway completed in May, 1949, with through lanes elevated over Telephone Rd. Remainder is an irregular triangle fronting on Telephone Rd. and having access on the Freeway frontage road and on Deems St.
2. Remainder value land - February, 1960:

Land <u>4,251</u> sq. ft.	@ <u>\$7.363</u> per sq. ft.	\$31,300 <sup>1/</sup>
Value of comparable land	<u>\$3.390</u> per sq. ft.	
3. Increase in value of remaining land      \$6.363 per sq. ft. = 636%
4. Increase in value of comparable land      \$2.390 per sq. ft. = 239%
5. Subsequent improvements: Frame building was moved to remainder and was improved in 1955 and in 1959 (building permits totaling \$4,000). In 1959, building was occupied by a retail business. Ground rent is collected from the owner of the building and for a large electric sign.

D. Remarks: It appears that payments for the part acquired and damages exceeded the value of the whole property. Capitalization of land income (building and sign are not owned by landowner) indicates that remainder was enhanced substantially.

<sup>1/</sup> Net ground rent of \$3,130 annually capitalized at 10 percent. This generous return yields a conservative indication of value.



REMAINDER 5.



AFTER AQUISITION.

REMAINDER 5

A. Before Acquisition - April, 1947:

1. Two interior lots, one vacant and one improved with a five room frame dwelling and a double frame garage, detached. Located on Harriet St. near Telephone Rd.

2. Whole property and value:

Land <u>10,763</u> sq. ft.	@ <u>\$.300</u> per sq. ft.	\$3,229
Improvements		<u>5,239</u>
Total value		\$8,468

Value of comparable land                      \$.300 per sq. ft.

B. Property Acquired and Payment - April, 1947:

Land <u>3,175</u> sq. ft.	@ <u>\$.300</u> per sq. ft.	\$ 953
Improvements, bisection and damages		<u>3,847</u>
Total payment		\$4,800

C. After Acquisition:

1. Freeway completed in May, 1949: Through lanes elevated over Telephone Rd. Remainder at grade with frontage road.

2. Remainder sold - August, 1957:

Land <u>7,588</u> sq. ft.	@ <u>\$.923</u> per sq. ft.	\$7,000
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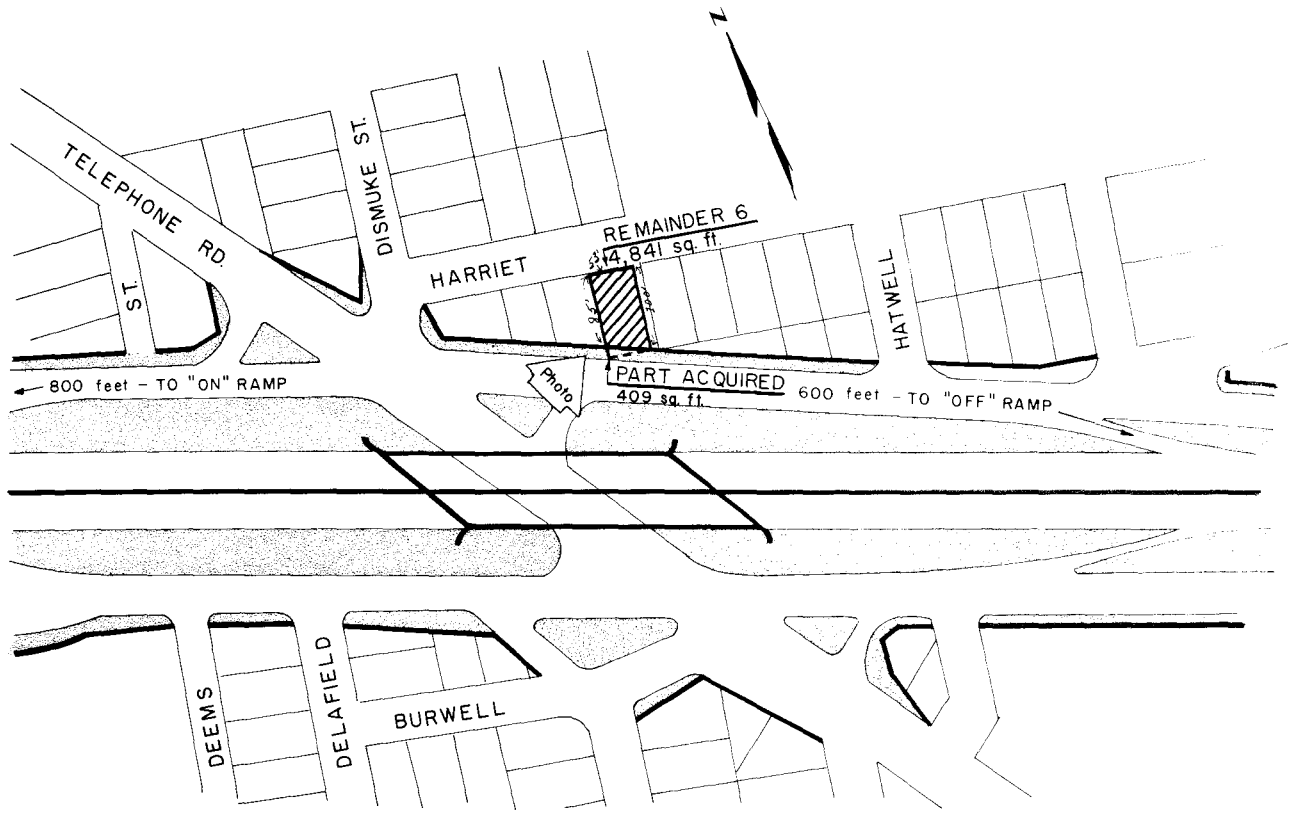
Value of comparable land                      \$.275 per sq. ft.

3. Increase in value of remainder (part) \$.623 per sq. ft. = 208%

4. Decrease in value of comparable land \$.025 per sq. ft. = -8%

5. Subsequent improvement: The owners removed the old improvements and constructed a 12-unit brick apartment building with a swimming pool on these two lots and one adjacent lot during 1958. The value of all the building permits was \$60,300.

D. Remarks: Residential lots in the area generally were static in price during the 10 years covered by the case history. Since the old improvements were removed, it may be concluded that their value was considered to be nil and that the \$.923 per sq. ft. price was paid for land. In this interpretation, the enhancement to remaining land was substantial.



REMAINDER 6.



AFTER ACQUISITION.

REMAINDER 6

A. Before Acquisition - April, 1947:

1. An interior lot improved with a frame dwelling and a double frame garage, detached. Located on Harriet St. near Telephone Rd.
2. Whole property and value:

Land <u>5,250</u> sq. ft.	@ <u>\$ .300</u> per sq. ft.	\$1,575
Improvements		<u>5,552</u>
Total value		\$7,127
 Value of comparable land	 <u>\$ .300</u> per sq. ft.	

B. Property Acquired and Payment - April, 1947:

Land <u>409</u> sq. ft.	@ <u>\$ .300</u> per sq. ft.	\$ 123
Improvements		<u>52</u>
Total Payment		\$ 175

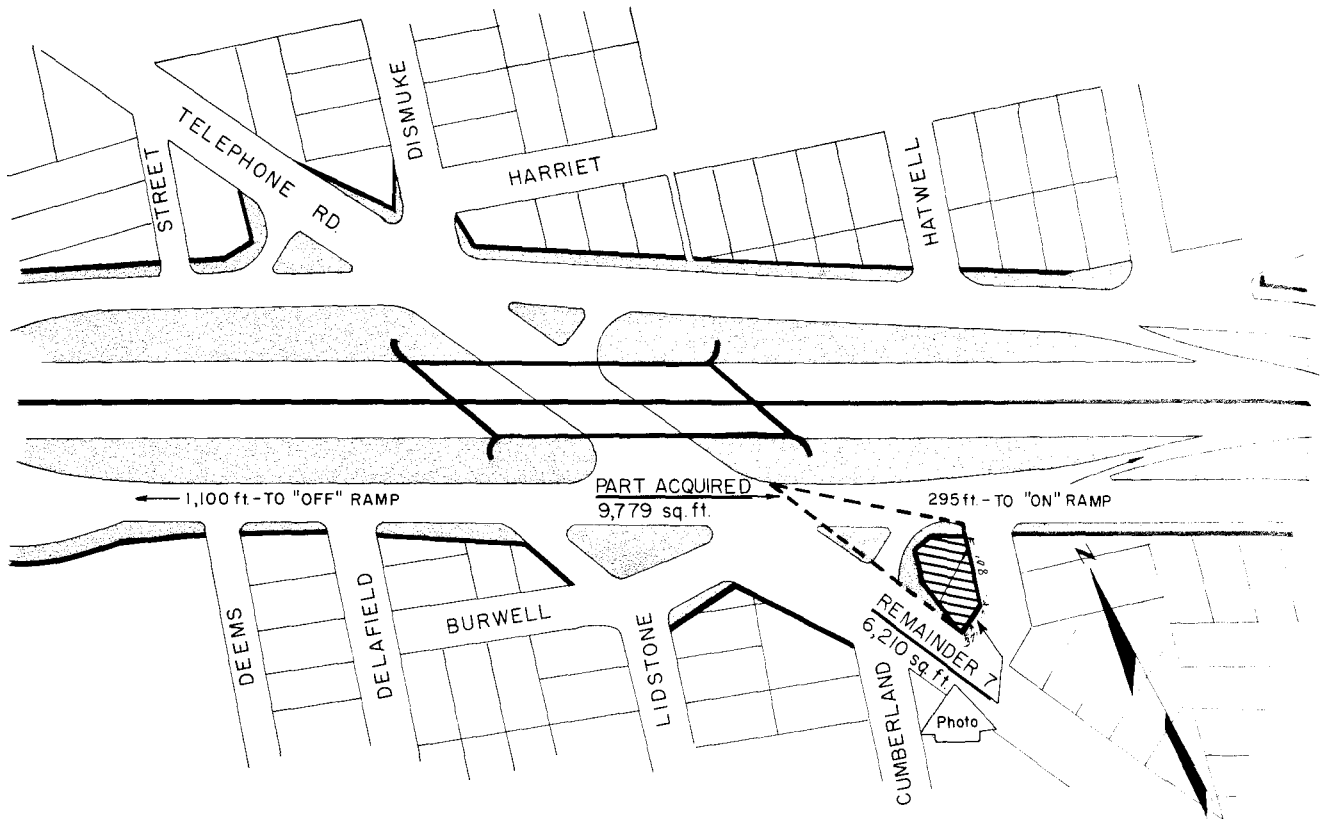
C. After Acquisition:

1. Freeway completed in May, 1949. Through lanes elevated over Telephone Rd., leaving remainder at grade with frontage road.
2. Remainder sold - May, 1958.

Land <u>4,841</u> sq. ft. (and improvements)	@ <u>\$1.756</u> per sq. ft.	\$8,500
 Value of comparable land	 <u>\$ .273</u> per sq. ft.	
3. Increase in value of remainder \$1.456 per sq. ft. = 485%
4. Decrease in value of comparable land \$ .027 per sq. ft. = -9%
5. Subsequent improvement: The buyer of the property in 1958 removed the old improvements, and constructed a 12-unit brick apartment building on this lot and two adjacent lots. (See same item of Remainder 5-analysis.)

- D. Remarks: The salvage value of the old improvements was not considered to be significant, but assuming that their 1947 value was fully recovered, a very doubtful event, the remainder land still is shown to have been substantially enhanced. Other residential land was stable to declining in value during the period.





REMAINDER 7.



AFTER ACQUISITION.

REMAINDER 7

A. Before Acquisition - October, 1947:

1. Five irregular lots, two vacant, one with residence and two occupied by a retail business. Frontage on Telephone Rd. access on Hatwell St. and 220 feet along abandoned GH. Elec. RR.

2. Whole property and value:

Land <u>15,989</u> sq. ft.	@ <u>\$1.000</u> per sq. ft.	\$15,989
Improvements		<u>5,180</u>
Total value		\$21,169

Value of comparable land	<u>\$1.000</u> per sq. ft.
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B. Property Acquired and Payment - October, 1947:

Land <u>9,779</u> sq. ft.	@ <u>\$1.000</u> per sq. ft.	\$ 9,779
Cost of removal of improvements (Improvements retained by owner)		<u>1,727</u>
Total property payment		\$11,506

C. After Acquisition:

1. Freeway completed in May, 1949. Through lanes elevated over Telephone Rd. Remainder vacant at grade, and surrounded by frontage road, Telephone Rd. and Hatwell St.

2. Remainder sold - July, 1951:

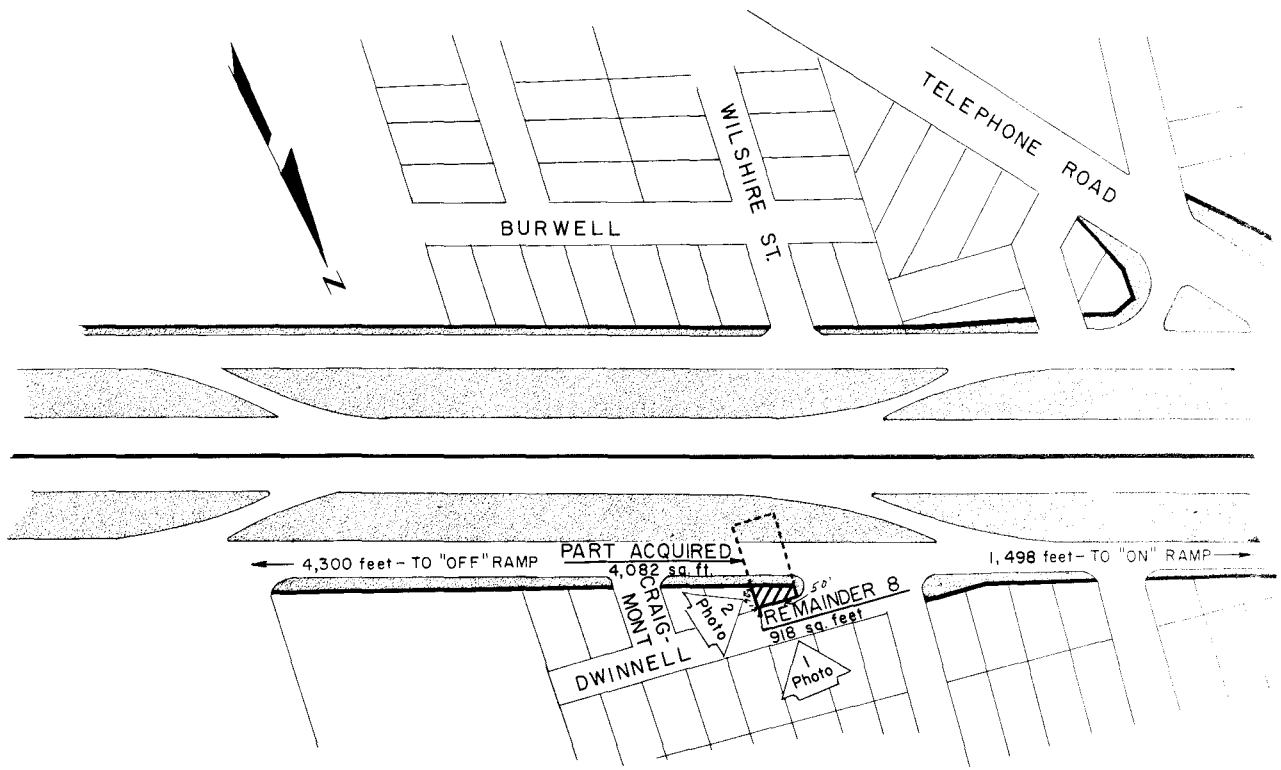
Land <u>6,210</u> sq. ft.	@ <u>\$4.670</u> per sq. ft.	\$29,000
Value of comparable land	<u>\$1.700</u> per sq. ft.	

3. Increase in value of remainder \$3.670 per sq. ft. = 367%

4. Increase in value of comparable land \$ .700 per sq. ft. = 70%

5. Subsequent improvement: Old improvements were removed at time of acquisition. Remainder was vacant land. Service station constructed in 1952 with a building permit value of \$12,000.

D. Remarks: Remainder was enhanced substantially by Freeway. The tract is leased, grossing \$1,800 annually to the landowner to whom the improvements revert at the end of the lease period.



REMAINDER 8.



REMAINDER 8

A. Before Acquisition - January, 1947:

1. An interior lot with a five-room brick veneer dwelling and a double frame garage, detached. Located on Dwinnell St. near Telephone Rd.

2. Whole property and value:

Land <u>5,000</u> sq. ft.	@ <u>\$ .200</u> per sq. ft.	\$1,000
Improvements		<u>7,250</u>
Total value		\$8,250

Value of comparable land @ \$ .200 per sq. ft.

B. Property Acquired and Payment - January, 1947:

Land <u>4,082</u> sq. ft.	@ <u>\$ .245</u> per sq. ft.	\$1,000
Improvements (retained by owner at \$2,750)		<u>4,500</u>
Total payment		\$5,500

C. After Acquisition:

1. Freeway completed in May, 1949, leaving unimproved remainder of 918 sq. ft. on corner of Dwinnell St. and Freeway frontage road and at grade.

2. Remainder sold - March, 1955:

Land <u>918</u> sq. ft.	@ <u>\$1.089</u> per sq. ft.	\$1,000
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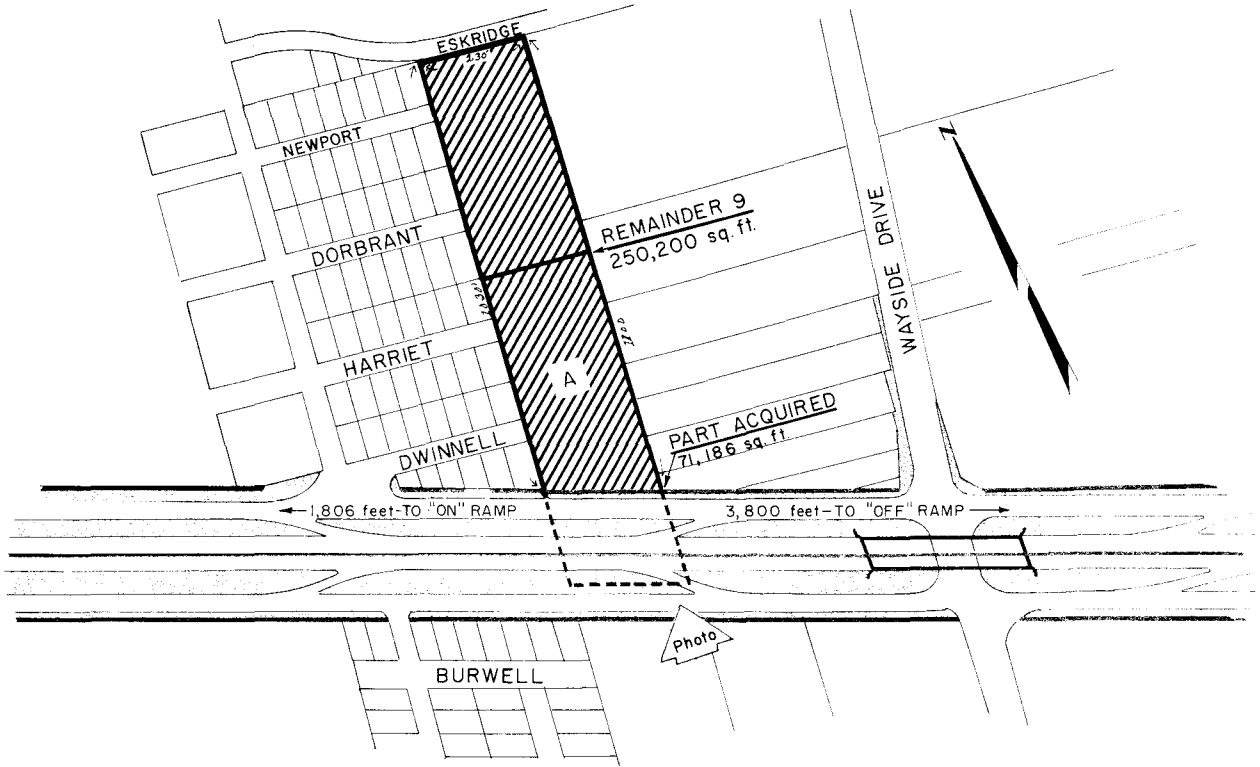
Value of comparable land @ \$ .246 per sq. ft.

3. Increase in value of remainder @ \$ .889 per sq. ft. = 444%

4. Increase in value of comparable land @ \$ .046 per sq. ft. = 23%

5. Subsequent improvement: Old improvements removed at time of acquisition. Remainder was vacant. A large billboard was on remainder when investigated.

D. Remarks: Remainder was considered worthless at the time of acquisition as damages apparently were 100%. Evidently it was greatly enhanced in value.



REMAINDER 9.



AFTER ACQUISITION.

REMAINDER 9

A. Before Acquisition - August, 1947:

1. A vacant tract of about 7 1/3 acres having frontage on Eskridge St. with access on Dwinnell, Harriet, Dorbrant and Newport Streets, which dead-end at subject tract, and with the abandoned GH Elec. RR. at the back of tract.

2. Whole property and value:

Land <u>321,386</u> sq. ft.	@ <u>\$ .330</u> per sq. ft.	\$106,057
Value of comparable land	<u>\$ .330</u> per sq. ft.	

B. Property Acquired and Payment - August, 1947:

Land <u>71,186</u> sq. ft.	@ <u>\$ .330</u> per sq. ft.	<u>\$ 23,491</u>
Total payment		\$ 23,491

C. After Acquisition:

1. Freeway completed in May, 1949, remainder at grade with 291 feet on Freeway frontage road.

2. Part A of remainder sold (Freeway frontage) - April, 1959:

Land <u>153,130</u> sq. ft.	@ <u>\$1.300</u> per sq. ft.	\$199,000
Value of comparable land	<u>\$1.200</u> per sq. ft.	

3. Increase in value of part of remainder \$ .970 per sq. ft. = 294%

4. Increase in value of comparable land \$ .870 per sq. ft. = 264%

5. Subsequent improvement: Purchaser built 50,000 sq. ft. warehouse and office building in May, 1959, with a permit value of \$405,000. The annual rental is about \$33,500.

D. Remarks: Freeway enhanced the remainder by an amount probably more than is indicated by the measurements. The comparable was located on a major thoroughfare (Wayside) and likely was superior to the subject property in its original state. The part of remainder which sold was the most valuable portion of remainder, however, a compensating factor.



REMAINDER 10

A. Before Acquisition - December, 1947:

1. A corner tract (3 lots) of about 2 1/2 acres with a residence and commercial building, each of very low value. Frontage on Urban St. and Maxwell Lane.

2. Whole property and value:

Land <u>114,700</u> sq. ft.	@ <u>\$.390</u> per sq. ft.	\$44,733
Improvements existed but were not appraised.		

Value of comparable land	<u>\$.390</u> per sq. ft.	
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B. Property Acquired and Payment - December, 1947:

Land <u>3,670</u> sq. ft.	@ <u>\$.500</u> per sq. ft.	\$ 1,835
Improvements and damages to trees		<u>530</u>
Total payment		\$ 2,365

C. After Acquisition:

1. Freeway completed in May, 1949. Remainder at grade with frontage road in lieu of Urban St. One block from Wayside interchange.

2. Remainder sold - October, 1958:

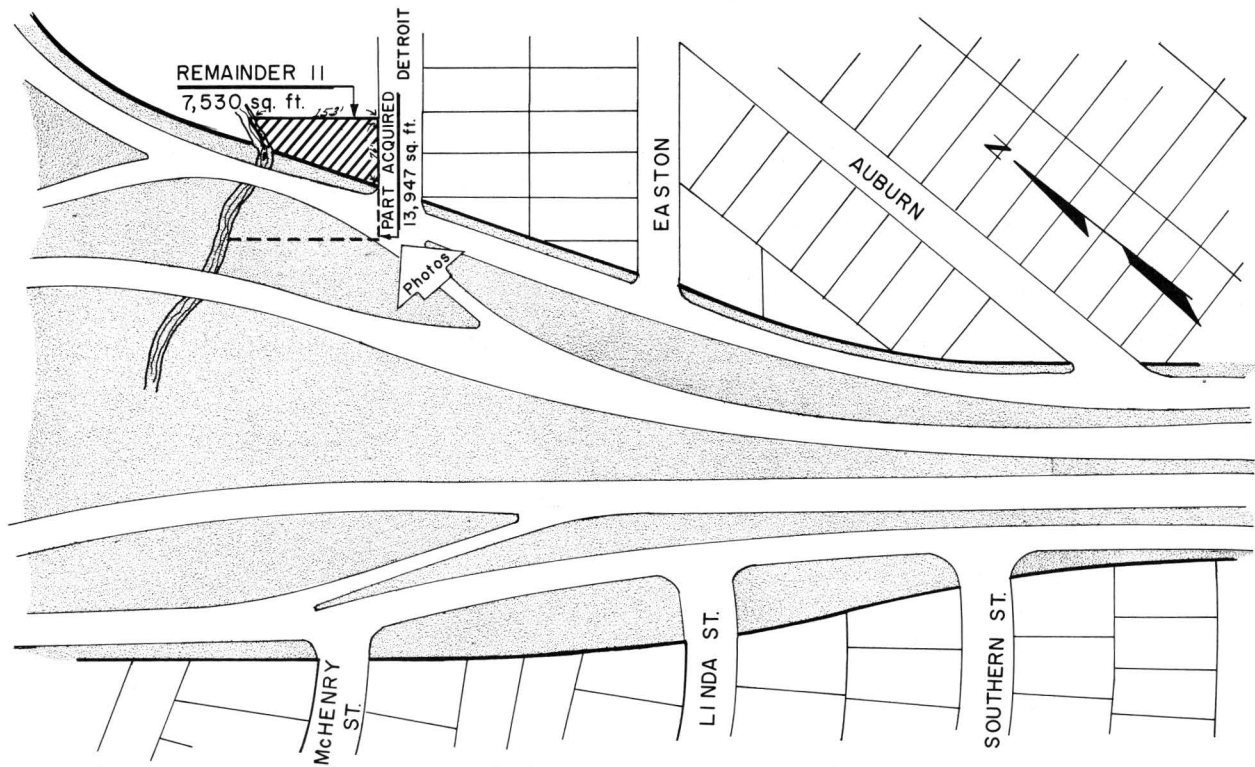
Land <u>111,030</u> sq. ft.	@ <u>\$.896</u> per sq. ft.	\$99,500
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Value of comparable land	<u>\$.820</u> per sq. ft.	
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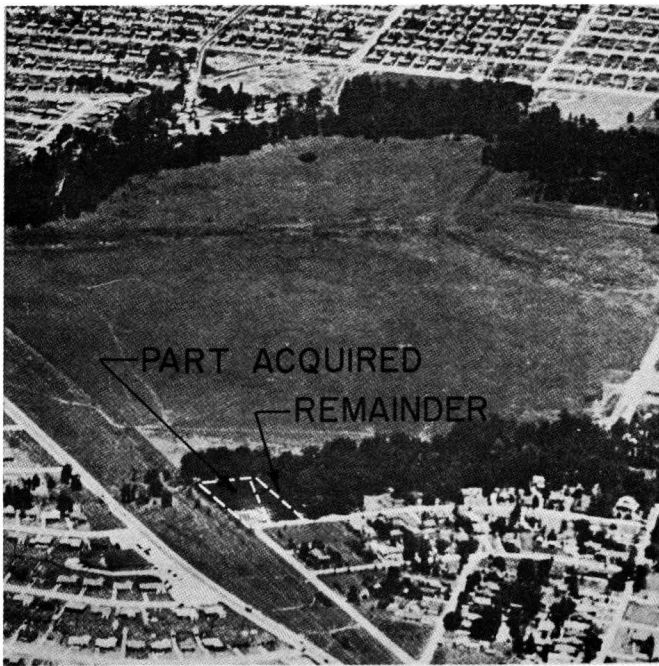
3. Increase in value of remainder \$.506 per sq. ft. = 130%
4. Increase in value of comparable land \$.430 per sq. ft. = 110%
5. Subsequent improvement: Buyer removed old improvements and constructed large warehouse in 1959; building permit value of \$287,000.

D. Remarks: Comparisons show that remainder was enhanced. The omission of improvements values is not believed to impair the results since improvements were removed to make way for a higher land use.





REMAINDER 11.



BEFORE ACQUISITION.



AFTER ACQUISITION.

REMAINDER 11

A. Before Acquisition - February, 1950:

1. An interior lot, improved with a six-room frame dwelling and a single frame garage, detached. Located on Detroit St.

2. Whole property and value:

Land <u>21,477</u> sq. ft.	@ \$ <u>.250</u> per sq. ft.	\$ 5,369
Improvements		<u>7,928</u>
Total value		\$13,297

Value of comparable land	\$ <u>.250</u> per sq. ft.
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B. Property Acquired and Payment - February, 1950:

Land <u>13,947</u> sq. ft.	@ \$ <u>.250</u> per sq. ft.	\$ 3,487
Improvements (retained by owner for \$3,656)		<u>4,272</u>
Total payment		\$ 7,759

C. After Acquisition:

1. Freeway completed in December, 1951. Remainder at grade on frontage road on Detroit St. and on curve of La Porte Freeway intersection.

2. Remainder sold - July, 1957:

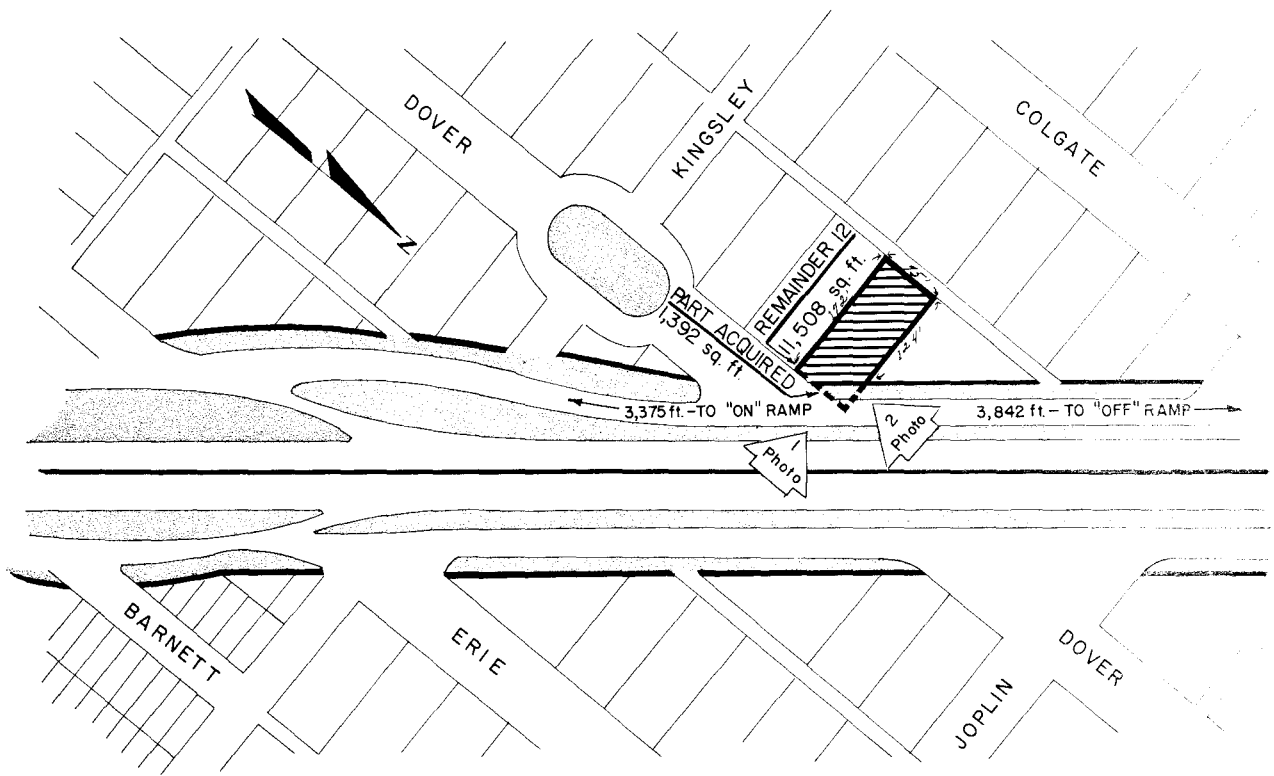
Land <u>7,530</u> sq. ft.	@ \$ <u>3.718</u> per sq. ft.	\$28,000
Value of comparable land	\$ <u>.875</u> per sq. ft.	

3. Increase in value of remainder \$3.468 per sq. ft. = 1387%

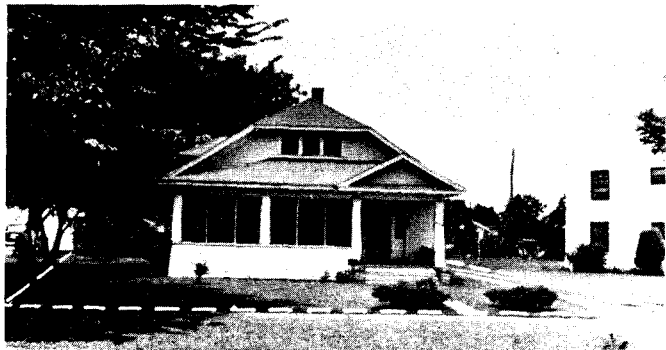
4. Increase in value of comparable land \$ .625 per sq. ft. = 250%

5. Subsequent improvement: Original owner cleared land of retained improvements. Restrictions were removed to allow commercial land use. Tract was vacant in 1960 but was slated as a service station site.

D. Remarks: The value of the remaining land was enhanced to a spectacular degree. All of this was not net to owner, who reported considerable expense of removing improvements and altering deed restrictions. The estimated 1957 value of comparable land is generous.



REMAINDER 12.



WINKLER DR.

1 - BEFORE ACQUISITION.



FRONTAGE RD.

2 - AFTER ACQUISITION.

REMAINDER 12

A. Before Acquisition - December, 1949:

1. An interior lot improved with a five-room frame dwelling, a double frame garage, detached, and a 16' x 27' combination shop and laundry room. Located on Dover St. near Winkler Dr. and abandoned GH Elec. RR.

2. Whole property and value:

Land <u>12,900</u> sq. ft.	@ <u>\$.300</u> per sq. ft.	\$ 3,870
Improvements		<u>8,644</u>
Total value		\$12,514
Value of comparable property		\$13,000

B. Property Acquired and Payment - December, 1949:

Land <u>1,392</u> sq. ft.	@ <u>\$.300</u> per sq. ft.	\$ 418
Bisection and damages (bisection of front porch)		<u>2,082</u>
Total payment		\$ 2,500

C. After Acquisition:

1. Freeway completed in December, 1951, leaving remainder at grade on frontage road at Dover St.

2. Remainder sold - May, 1955:

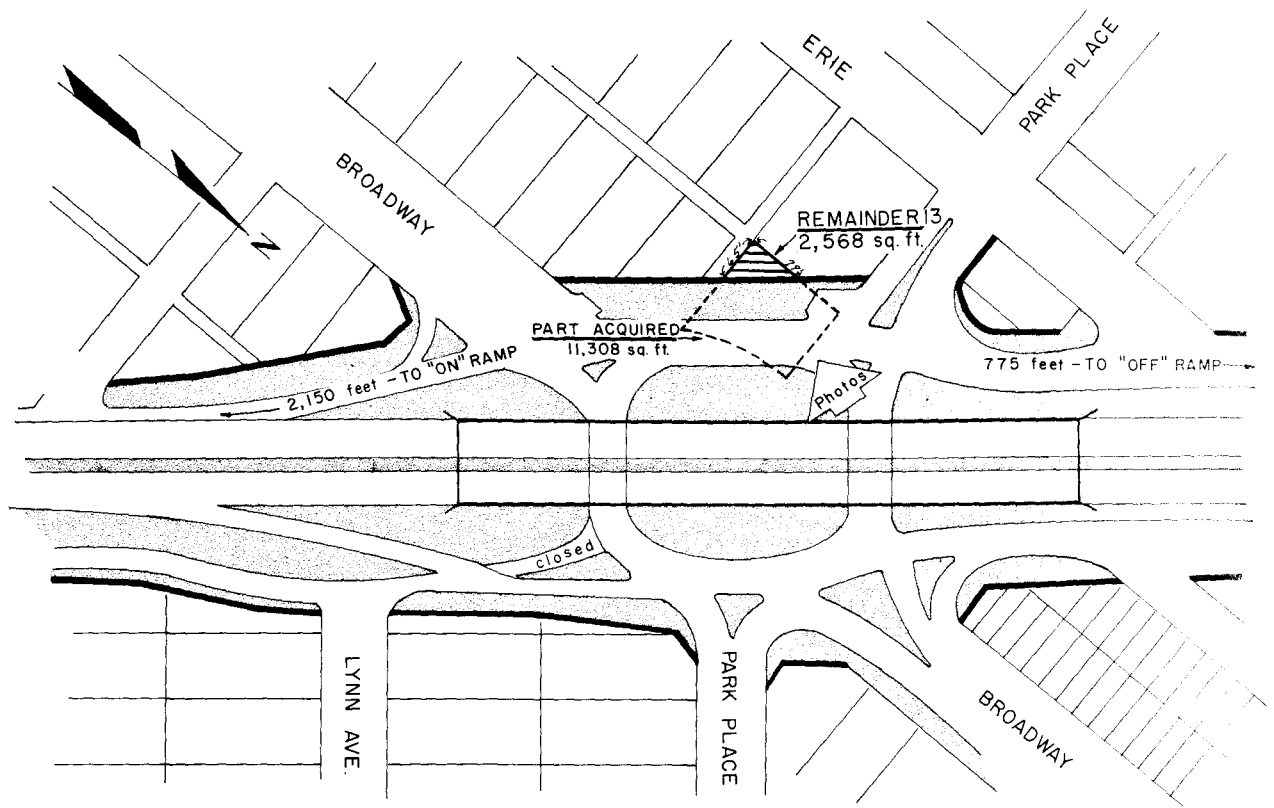
Land <u>11,508</u> sq. ft. and improvements		\$10,650
Value of comparable property		\$13,333

3. Increase in value of remainder \$ 636 = 6%

4. Increase in value of comparable property \$ 333 = 3%

5. Subsequent improvement: Owner removed bisected porch. In 1955, buyer of remainder added a room, reworked the front, (building permit, \$1,450) and began using the property for commercial purposes.

D. Remarks: The value of the remainder after the acquisition was \$10,014 (\$12,514 minus \$2,500). The remainder later sold for \$10,650, this being \$636 or six percent more than its originally appraised value. Comparable whole properties increased by only three percent during the period. Because of the bisection and damages to improvements, however, whether or not damages or enhancements to land occurred is not clear. It may be concluded that the \$2,500 payment to the owner was adequate as the subsequent buyer paid the cost of remodeling the building.



REMAINDER 13.



BEFORE ACQUISITION.



AFTER ACQUISITION.

REMAINDER 13

A. Before Acquisition - August, 1950:

1. A corner lot improved with a two-story residence, and a double frame garage, detached; fronting on Park Place Blvd.
2. Whole property and value:

Land <u>13,876</u> sq. ft.	@ <u>\$ .750</u> per sq. ft.	\$10,407
Improvements		<u>14,245</u>
Total value		\$24,652

3. Value of comparable land @ \$ .750 per sq. ft.

B. Property Acquired and Payment - August, 1950:

Whole property	\$24,652
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C. After Acquisition:

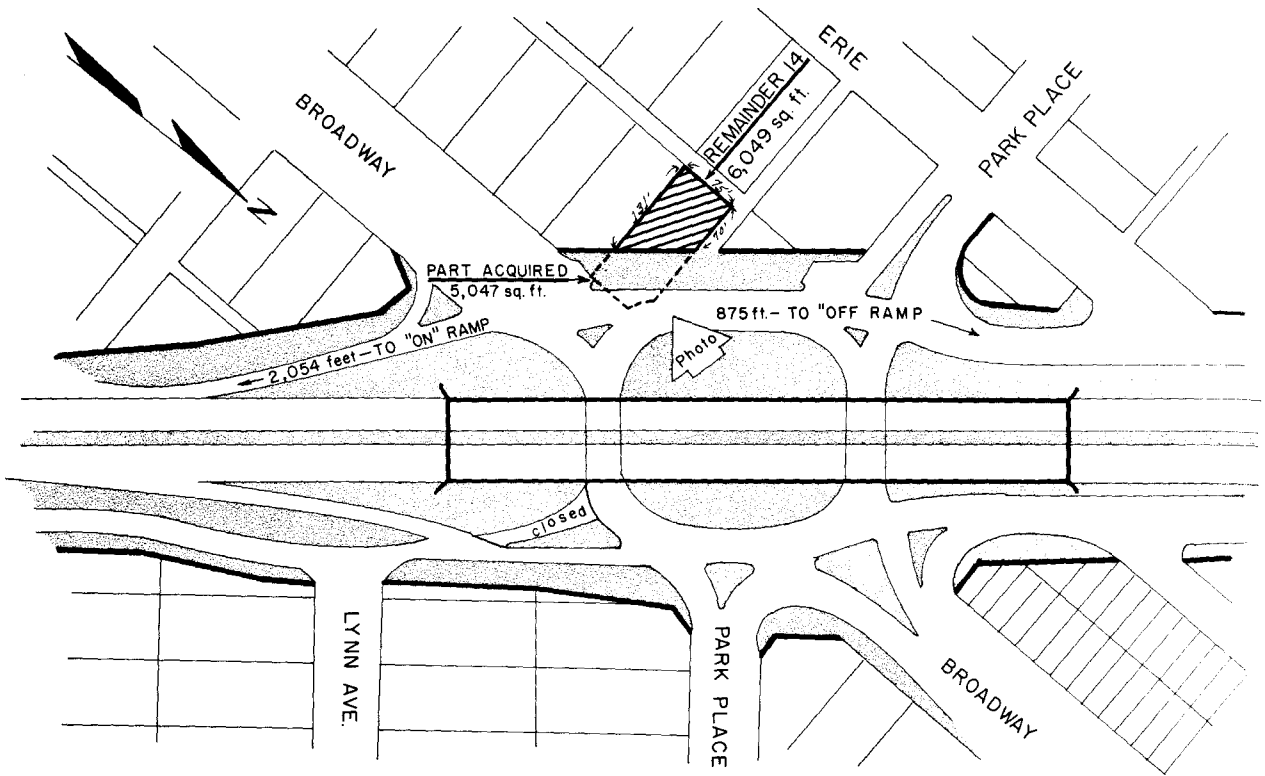
1. Freeway completed in August, 1952, with through lanes elevated over Park Place and Broadway Blvds. Remainder at grade on frontage road.

2. Remainder sold (by the City) - October, 1954:

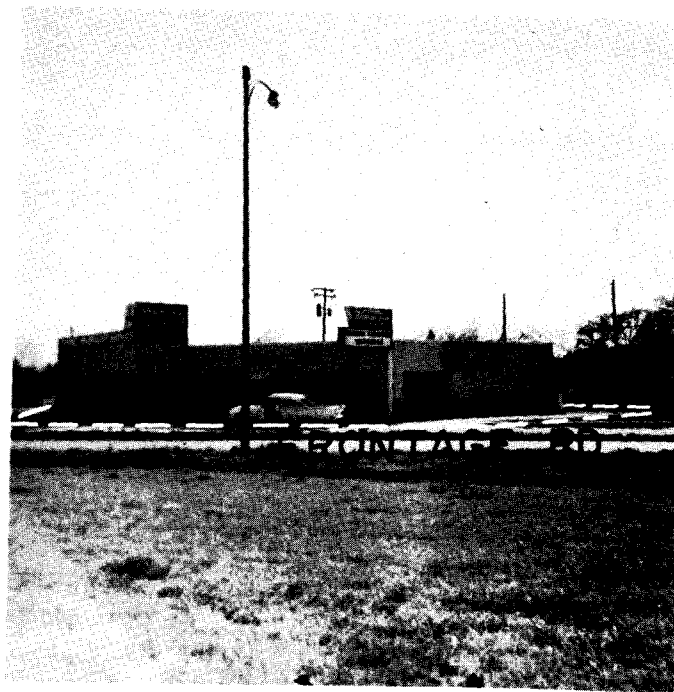
Land <u>2,568</u> sq. ft.	@ <u>\$1.285</u> per sq. ft.	\$ 3,300
Value of comparable land	<u>\$1.086</u> per sq. ft.	

3. Increase in value of remainder @ \$ .535 per sq. ft. = 73%
4. Increase in value of comparable land @ \$ .336 per sq. ft. = 45%
5. Subsequent improvement: Old improvements removed by City. Buyer of property built a small frame building with an attached metal shed and leased out the property for commercial use.

- D. Remarks: The remainder apparently was enhanced despite its smallness. The City of Houston benefited by purchasing the whole property.



REMAINDER 14.



AFTER ACQUISITION.

REMAINDER 14

A. Before Acquisition - September, 1950:

1. A vacant corner lot with frontage on Broadway Blvd. near Park Place Blvd.

2. Whole property and value:

Land <u>11,096</u>	@ <u>\$ .490</u> per sq. ft.	\$5,437
Concrete walk		<u>73</u>
Total value		\$5,510

Value of comparable land @ \$ .490 per sq. ft.

B. Property Acquired and Payment - September, 1950:

Land <u>5,047</u> sq. ft.	@ <u>\$ .586</u> per sq. ft.	\$2,960
Concrete walk		73
Damages to remainder		<u>500</u>
Total property payment		\$3,533

C. After Acquisition:

1. Freeway completed in August, 1952. Through lanes elevated over Broadway and Park Place Blvds. Remainder was a corner lot at grade with frontage road.

2. Remainder sold - October, 1952:

Land <u>6,049</u> sq. ft.	@ <u>\$1.322</u> per sq. ft.	\$8,000
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Value of comparable land @ \$ .600 per sq. ft.

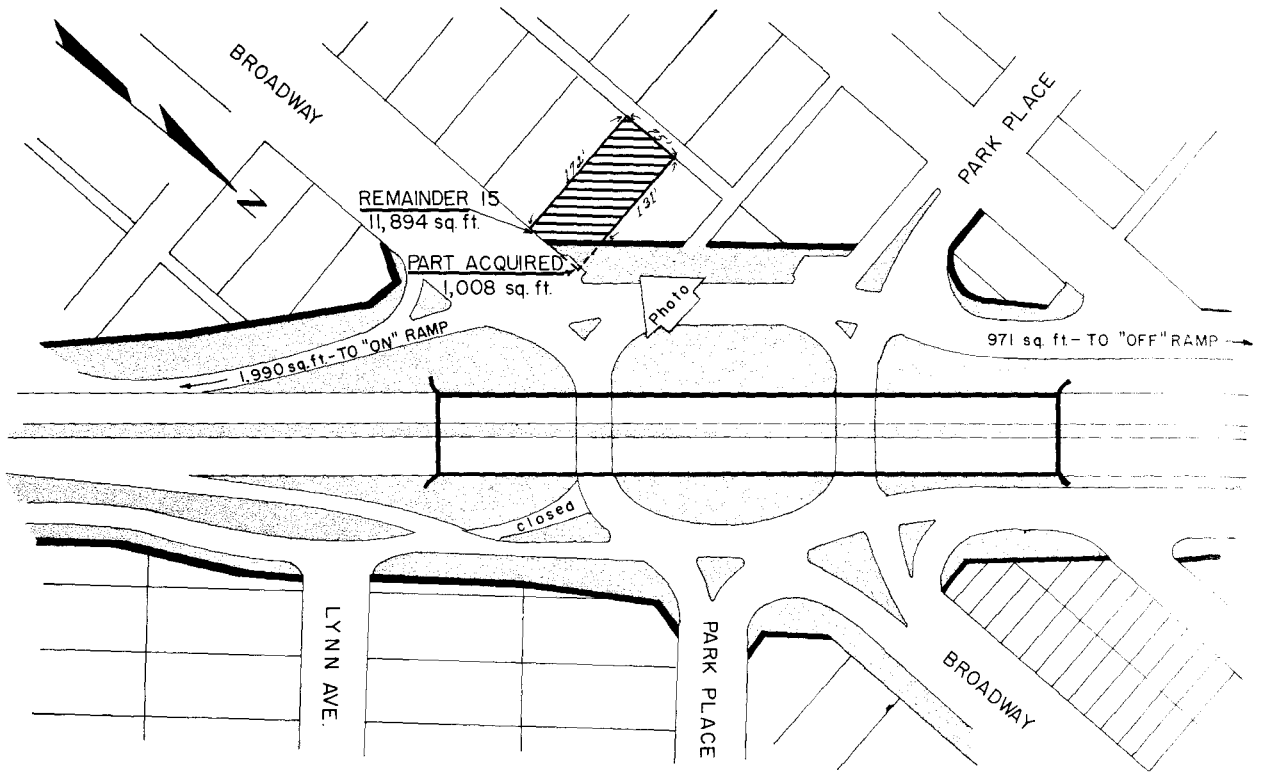
3. Increase in remainder value @ \$ .832 per sq. ft. = 170%

4. Increase in value of comparable land @ \$ .110 per sq. ft. = 22%

5. Subsequent improvement: Commercial building, August, 1955. Building permit value = \$30,400.

D. Remarks: Damages were paid equal to \$.082 per sq. ft. of the remainder. Also, there may have been an overpayment for the portion of the property acquired, reflecting additional payments of damage. The market proved enhancements, however, over a rather short period of two years.





REMAINDER 15.



AFTER ACQUISITION.

REMAINDER 15

A. Before Acquisition - May, 1950:

1. A vacant interior lot with frontage on Broadway Blvd. near Park Place Blvd.

2. Whole property and value:

Land 12,900 sq. ft. @ \$ .490 per sq. ft. \$ 6,321

Value of comparable land \$ .490 per sq. ft.

B. Property Acquired and Payment - May, 1950:

Land 1,008 sq. ft. @ \$ .400 per sq. ft. \$ 403  
 Total property payment \$ 403

C. After Acquisition:

1. Freeway completed in August, 1952. Through lanes elevated over Broadway and Park Place Blvds. Remainder became corner lot at grade with frontage road.

2. Remainder sold - January, 1956:

Land 11,894 sq. ft. @ \$1.261 per sq. ft. \$15,000

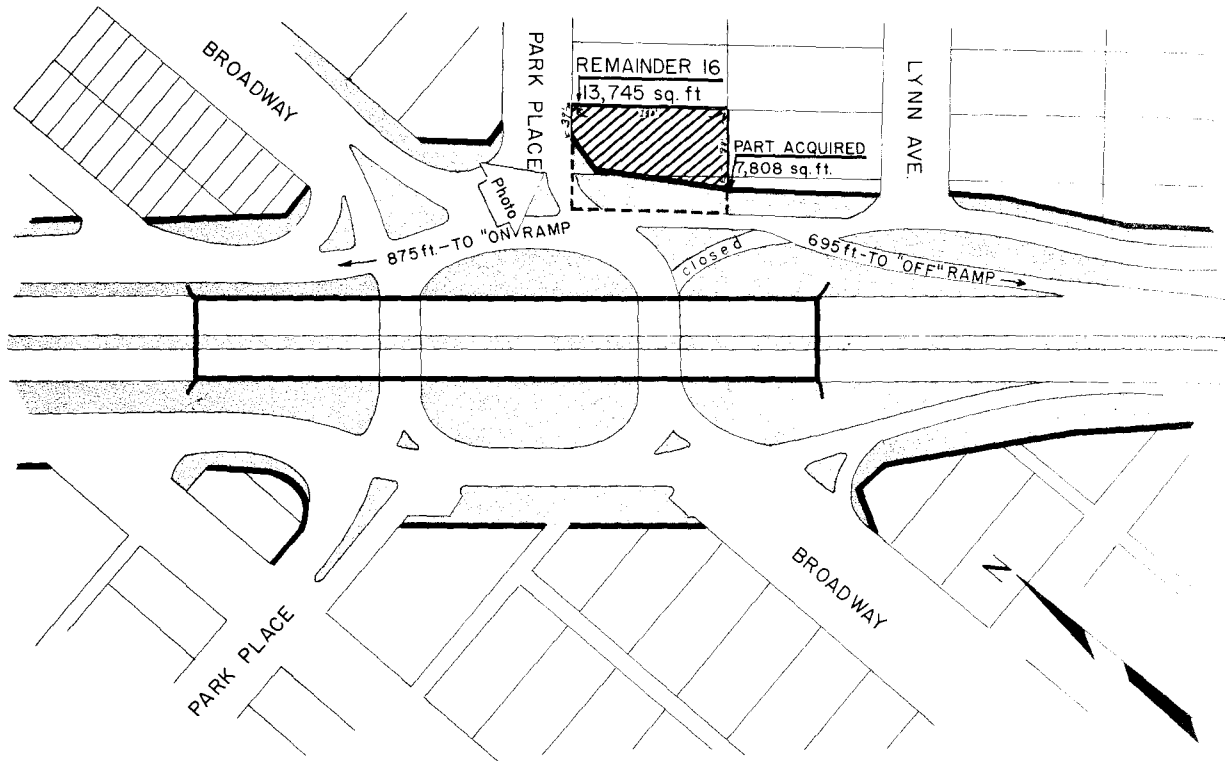
Value of comparable land \$ .815 per sq. ft.

3. Increase in remainder value \$ .771 per sq. ft. = 157%

4. Increase in value of comparable land \$ .325 per sq. ft. = 66%

5. Subsequent improvement: None in 1959.

D. Remarks: Adjacent to Remainder 14, the property had a like history. Its value rose by \$.441 per square foot more than did the value of comparable land. It is not known whether there was an underpayment for the part taken or whether appraisers considered that the least valuable portion of the property was acquired. No damages were awarded.



REMAINDER 16.



AFTER ACQUISITION.

REMAINDER 16

A. Before Acquisition - April, 1950:

1. Two corner lots improved with a large frame building used as a residence, restaurant and general store, and a 8' x 15' oil storage building, a service station building, and an ice house, each 6' x 8'. Located at the intersection of Park Place Blvd., Stone St., and Broadway Blvd.

2. Whole property and value:

Land <u>21,553</u> sq. ft.	@ <u>\$ .600</u> per sq. ft.	\$12,932
Improvements		<u>9,501</u>
Total value		\$22,433
Value of comparable property	<u>\$ .600</u> per sq. ft.	

B. Property Acquired and Payment - April, 1950:

Land <u>7,808</u> sq. ft.	@ <u>\$ .600</u> per sq. ft.	\$ 4,685
Improvements		<u>9,315</u>
Total payment		\$14,000

C. After Acquisition:

1. Freeway completed in August, 1952, with through lanes elevated over Park Place and Broadway Blvds. Remainder at grade with frontage road at Park Place Blvd.

2. Remainder sold - October, 1950:

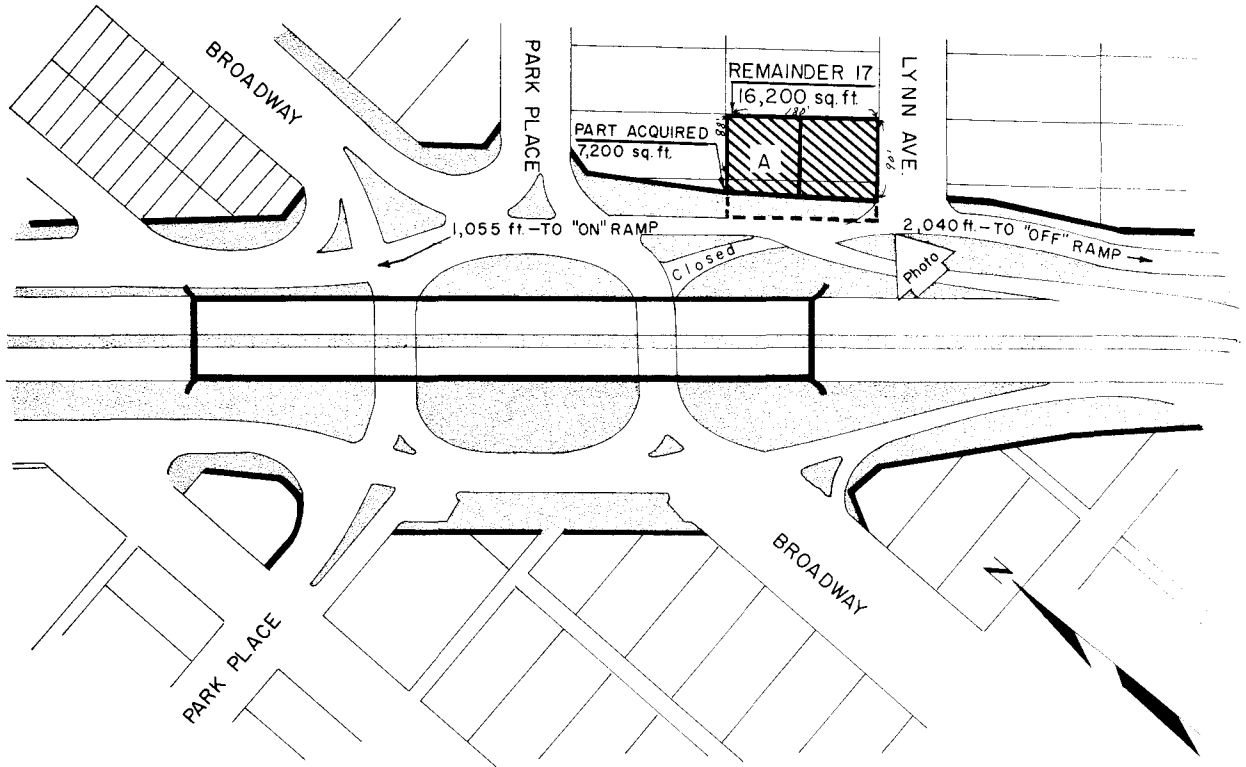
Land <u>13,745</u> sq. ft.	@ <u>\$1.273</u> per sq. ft.	\$17,500
Value of comparable land	<u>\$ .600</u> per sq. ft.	

3. Increase in value of remainder \$ .673 per sq. ft. = 112%

4. Increase in value of comparable land \$ .000 per sq. ft. = 0%

5. Subsequent improvement: All old improvements were removed at the time of taking. The buyer of the property in December, 1950, immediately constructed a new service station on the site. (Building permit, \$6,800.)

D. Remarks: The value of the remaining land was enhanced substantially. Since the time was so short from acquisition to time remainder sold (April to October), it is assumed comparable land changed little or none in value.



REMAINDER 17.



AFTER ACQUISITION.

REMAINDER 17

A. Before Acquisition - December, 1947:

1. Two vacant lots with frontage on Stone St. at abandoned right of way of GH Elec. RR. near Park Place and Broadway Blvds.
2. Whole property and value:

Land <u>23,400</u> sq. ft.	@ \$ <u>.320</u> per sq. ft.	\$ 7,488
Value of comparable land	\$ <u>.320</u> per sq. ft.	

B. Property Acquired and Payment - December, 1947:

Land <u>7,200</u> sq. ft.	@ \$ <u>.500</u> per sq. ft.	\$ 3,600
Total property payment		\$ 3,600

C. After Acquisition:

1. Freeway completed in August, 1952. At remainder through lanes are rising to overpass nearby but remainder is at grade with frontage road.
2. Part A of remainder sold - April, 1952:  
(Interior or original back half on frontage road)

Land <u>8,100</u> sq. ft.	@ \$ <u>1.247</u> per sq. ft.	\$10,000
Value of comparable land	\$ <u>.600</u> per sq. ft.	

3. Increase in remainder value \$ .927 per sq. ft. = 290%
4. Increase in value of comparable land \$ .280 per sq. ft. = 88%
5. Subsequent improvement: None in 1959 on the half which sold. Building permits for commercial building of \$12,100 for unsold half issued in 1952 and 1956.

D. Remarks: The \$.500 paid for the part acquired very likely included a consideration of damages to the remainder but the amount of damages was not specified. Remainder was enhanced as is shown by the selling price of the least attractive half, that being the rear portion of the property as originally platted. The rise in value was \$.647 per sq. ft. more than the increase in comparable land.



REMAINDER 18.



AFTER ACQUISITION.

REMAINDER 18

A. Before Acquisition - January, 1950:

1. Five vacant lots fronting on Stone St. and Lynn Ave.
2. Whole property and value:

Land <u>63,000</u> sq. ft.	@ <u>\$.490</u> per sq. ft.	\$30,870
Value of comparable land	<u>\$.490</u> per sq. ft.	

B. Property Acquired and Payment - January, 1950:

Land <u>5,311</u> sq. ft.	@ <u>\$.500</u> per sq. ft.	<u>\$ 2,556</u>
Total property payment		\$ 2,556

C. After Acquisition:

1. Freeway completed in August, 1952. Through lanes are elevated to some extent because of nearness to overpass. Remainder at grade with frontage road.

2. Remainder sold - February, 1954:

Land <u>57,689</u> sq. ft.	@ <u>\$.520</u> per sq. ft.	\$30,000
Value of comparable land	<u>\$.710</u> per sq. ft.	

3. Increase in remainder value \$.030 per sq. ft. = 6%
4. Increase in value of comparable land \$.220 per sq. ft. = 45%
5. Subsequent improvement: Multi-unit apartment building completed in July, 1959 (building permit, \$317,200).

- D. Remarks: Value of remainder rose less than that of comparable land, indicating that the remainder was damaged. The subsequent improvement, however, and the assessed valuations of land and improvements in 1959 suggests that the selling price in 1954 was below the market and that the measure of damages is too large. The improvement was 54 apartment units which had a gross income of about \$70,000 per year in 1960.



## AGGREGATIVE ANALYSIS

A somewhat limited portion of the Gulf Freeway was chosen for the remainder studies. (See Figure 1.) This area contained more than 100 remainders which had been created by partial takings for right of way. Thirty-one of these remainders, which had sold at least once since the time of right of way acquisition, were studied. For only 18 remainders, however, were data adequate for a meaningful analysis of enhancements or damages.

The preceding section of this report has examined the case histories of the remainders individually. Now the analysis deals with findings from an overall viewpoint. The results of this aggregative analysis perhaps may be generalized for the entire study area in that they seem to comprise a cross-section of all remainders created. The principal reservation is whether remainders that sold were representative of remainders which did not sell. From a physical standpoint, a few differences between the two groups of remainders were observed; some simply failed to develop useable histories of value.

### Enhancements and Damages

The case histories of the remainders indicate that land value was enhanced for 16 of the 18 remainders (See Table 1). For one remainder, Number 12, proof regarding land value does not permit a conclusion. Measurements of damages to land were obtained for only one remainder (Number 18). However, the subsequent land use history of this remainder suggests that the sale price was below the market value and that damages may not have actually occurred. This, of course, is a hazard of measuring enhancements or damages at a particular moment in time. That is, a single transaction not followed by supporting land use and income data may yield a non-representative value.

It should be explained that the enhancements and damages shown in Table One are specific in nature. As usually defined, specific enhancements are benefits which accrue to a particular property over and above those experienced by the general area. Since comparables were selected from the general area in which remainders are located, the difference between the value changes represents a measure of specific effects.

These "apparent" enhancements and damages, although specific in a sense, have not been treated for influences of inflation and other factors which might distort measurements when a considerable period of time is involved. (This time period spanned from six months to 12 years for the remainders studied.) Suppose the question is asked: "What happened to the values of remainders at the time of acquisition?" One alternative measure is offered here. Since the value of comparables also has been affected over time by general enhancements, inflation and other factors, perhaps their value at the time of sale of the remainder should be taken as a "base value". Applying this value as a yardstick for Remainder One, we find that the remainder value of \$.887 per square foot is 42 percent greater than that of the \$.624 per square foot for the comparable.

Note that this system accounts for inflation and other factors, even though the identity and nature of such factors are not precisely known. The system has the further advantage that it cannot measure damages to be greater than 100 percent. A simple comparison of percentage changes could yield an illogical damage measurement in excess of 100 percent. The results of applying the alternative method to the Gulf Freeway remainders is as follows:

<u>Remainder</u>	<u>Enhancements or Damages</u>	<u>Remainder</u>	<u>Enhancements or Damages</u>
1	E 42%	10	E 9%
2	E 14	11	E 325
3	E 95	12	-
4	E 117	13	E 18
5	E 236	14	E 120
6	E 543	15	E 55
7	E 175	16	E 112
8	E 343	17	E 108
9	E 8	18	D 36

Generally, these measurements of specific Freeway influence are smaller than those shown in Table One. For example, Remainder One experienced an "apparent" enhancement of 260 percent but a deflated or "real" enhancement of 42 percent. (Remainder 12 is not subject to the method because the values of the comparable and the remainder were not identical at the time of acquisition. The method could be applied with further computations but as this approach is only illustrated in this report, no further extension is warranted.)

Referring again to Table One, it may be seen that only seven of the eighteen study parcels were unimproved at the time of right of way acquisition. Yet measures of land value (without improvements) were obtained for all parcels except Number 12. This was possible because improvements were removed from 11 of the improved remainders either at acquisition or later by the owners or by subsequent buyers.

Perhaps it is worth while here to make a brief comparison of damages paid at acquisition versus the subsequent enhancements that most of the remainders apparently experienced. The City of Houston seemingly paid some form of damages on 10 of the 18 remainders (Table 2). In two of these instances, payments were for damages to improvements only. Land damages were paid for eight remainders, but only in two cases were such damages strictly specified (Remainders Four and Fourteen). In other instances, land damages were in the form of overpayments for the land actually to be used in right of way.

Remainder 18, for which the study showed damages, was in this latter category, but the overpayments were extremely small. All other remainders later showed evidence of having received specific benefits. It is interesting that of the four remainders for which the City allowed rather substantial land damages, all were significantly enhanced. (Remainders Four, Eight, Fourteen and Seventeen.) It should be remembered, however, that the time lag is great, averaging four and a half years, and that the Gulf Freeway right of way acquisition was an early experience with limited-access roads.

### Succession of Land Uses

The sales price of land must sooner or later be proved or disproved by subsequent land use and its accompanying income stream. Of the Gulf Freeway remainders studied, none had succeeded to higher uses by the time the property had resold (See Table Three). (Recall that Remainder Four did not sell.) By the time of the investigation, however, all except four remainders were put into uses superior to those which existed on whole properties prior to acquisition.

The four remainders not in higher use were vacant. Two of these were vacant at the time of acquisition; the other two had been in residential use. Not a single parcel remained in its prior productive use nor was there any deterioration of use. (This represents one difference between remainders studied and those not studied; a few of the latter remained in their original uses.)

It should be emphasized that this succession of land use generally required a great deal of time. This is a complicating factor in remainder studies.

**TABLE 1**  
**SUMMARY OF ENHANCEMENTS AND DAMAGES**  
**EXPERIENCED BY 18 GULF FREEWAY REMAINDERS**

<u>Remainder</u>	<u>Land Use</u> <u>Before</u> <u>Acquisition</u>	<u>Years</u> <u>Until</u> <u>Resale</u>	<u>Value of Land Per Sq.Ft.</u> <u>at time of resale</u>		<u>Percent Change</u> <u>in Value</u>		<u>Apparent Enhancements</u> <u>or Damages</u>
			<u>Remainder</u>	<u>Comparable</u>	<u>Remainder</u>	<u>Comparable</u>	
1	Unimp. Acreage	12	\$ .887	\$ .624	778%	518%	E 260%
2	Unimp. Acreage	4	.330	.289	154	122	E 32
3	Comm. and Res.	6	.997	.510	454	183	E 271
4	Comm. and Res. <sup>1/</sup>	12	7.363	3.390	636	239	E 397
5	Residential	10	.923	.275	208	-8	E 216
6	Residential	11	1.756	.273	485	-9	E 494
7	Comm. and Res.	4	4.670	1.700	367	70	E 297
8	Residential	8	1.089	.246	444	23	E 421
9	Unimp. Acreage	12	1.300	1.200	294	264	E 34
10	Comm. and Res.	11	.896	.820	130	110	E 20
11	Residential	7	3.718	.875	1387	250	E 1137
12	Residential	6	10,650 <sup>2/</sup>	13,333 <sup>2/</sup>	6	3	E 3
13	Residential	4	1.285	1.086	73	45	E 28
14	Vacant Lot	2	1.322	.600	170	22	E 148
15	Vacant Lot	6	1.261	.815	157	66	E 91
16	Comm. and Res.	1/2	1.273	.600	112	0	E 112
17	Vacant Lots	4	1.247	.600	290	88	E 202
18	Vacant Lots	4	.520	.710	6	45	D 39

<sup>1/</sup> Value of remainder is capitalized ground rent at 1960 level.

<sup>2/</sup> Whole property values.

**TABLE 2**  
**PAYMENTS FOR DAMAGES TO**  
**REMAINDERS VERSUS SUBSEQUENT HISTORIES**

<u>Remainder</u>	<u>Kind of Damages</u>	<u>Form of Damages</u> <sup>1/</sup>	<u>Amount of Damages</u>	<u>Damages as a Percent of Remainder Value</u>	<u>Real Enhancements or Damages</u> <sup>2/</sup>
2	Land	Overpayment	\$ 259	2%	E 14%
3	Land	Overpayment	763	3	E 95
4	Land	As Stated <sup>3/</sup>	2381	54	E 117
5	Imp.	As Stated	3847	51	E 236 <sup>4/</sup>
8	Land	Overpayment	184	100	E 343
10	Land	Overpayment	404	1	E 9
12	Imp.	As Stated	Undetermined	Undetermined	Undetermined
14	Land	As Stated <sup>5/</sup>	500	16	E 120
17	Land	Overpayment	1296	23	E 108
18	Land	Overpayment	53	Nil	D 36

<sup>1/</sup> Apparent overpayments for the part acquired are assumed to be indirect payments of damages.

<sup>2/</sup> Deflated by using value of comparable at time of sale of remainder as the base value.

<sup>3/</sup> There also was apparently an overpayment of \$6413, equivalent to 153 percent additional damages (in the "apparent" sense).

<sup>4/</sup> Enhancement was to land.

<sup>5/</sup> An apparent overpayment of \$485 is equivalent to about 16 percent additional damages.

TABLE 3  
SUCCESSION OF LAND USES OF  
GULF FREEWAY REMAINDERS

<u>Remainder</u>	<u>Before Acquisition</u>	<u>At Sale</u>	<u>At Investigation</u>
1	Unimp. Acreage	Unimp. Acreage	Unimp. Acreage
2	Unimp. Acreage	Unimp. Acreage	Commercial
3	Combination	Unimp. Acreage	Commercial
4	Combination	Commercial <sup>2/</sup>	Commercial
5	Residential	Residential	Multi-Unit Apt.
6	Residential	Residential	Multi-Unit Apt.
7	Combination	Vacant Lots	Commercial
8	Residential	Vacant Lot	Vacant Lot <sup>3/</sup>
9	Unimp. Acreage	Unimp. Acreage	Commercial <sup>4/</sup>
10	Combination	Combination	Commercial
11	Residential	Vacant Lot	Vacant Lot
12	Residential	Residential	Commercial
13	Residential	Vacant Lot	Commercial
14	Vacant Lot	Vacant Lot	Commercial
15	Vacant Lot	Vacant Lot	Vacant Lot
16	Combination	Vacant Lots	Commercial
17	Vacant Lots	Vacant Lots	Commercial <sup>4/</sup>
18	Vacant Lots	Vacant Lots	Multi-Unit Apt.

- <sup>1/</sup> Combination uses in every case were a commercial building and a residence.
- <sup>2/</sup> No sale occurred in the after acquisition period.
- <sup>3/</sup> Has a small advertising sign only.
- <sup>4/</sup> Only part of remainder was used for the improvement.

## RECOMMENDED PROCEDURES FOR FUTURE REMAINDER STUDIES

The ultimate goal of the remainder studies of the Texas Transportation Institute is to develop procedures for use by Highway Department District personnel in the evaluation of severance damages and enhancements. Correlative to this goal is the evolution of a system whereby the Districts can keep the histories of all remainders current and in accessible form. Both the analytical procedures and the recommended system of review for remainders must be administratively feasible as well as theoretically sound. Furthermore, the eventual results of the Districts' research efforts necessarily must be of a useable nature, consistent with stated and implied definitions under law, in harmony with the prevailing body of scientific principles, and acceptable and understandable to those to whom the data will be presented.

This section embodies the tentative recommendations of the researchers. It is based upon the experience gained through the development of the remainder analyses previously presented in this report, upon discussions with many persons of the Right of Way Division and of various Districts of the Texas Highway Department, upon suggestions made by competent appraisers, and upon accepted theory of economics and logic. Although these rules were observed, all of the recommendations are subject to review and improvement.

### Components of a System of Continuing Review

The system outlined below is broad and comprehensive. It is founded on the belief that, ideally, all remainders created by state right of way acquisition should be studied and up-to-date files maintained on each until the utility of such information has obviously been lost in time. Actually, many Districts will not be able to use the system in its entirety. It should be noted, in this regard, that less than the full system can be adopted; for example, remainders from only one project may be studied, periodic reviews may be closely or widely spaced, and less than full analyses of individual cases can be made and still yield useful information. The components of the suggested system are as follows:

1. Identify all remainders and record descriptive information on the Remainder Identification Sheet to be furnished by the Right of Way Division.
2. Conduct a continuing or periodic review for sales and land use changes of remainders, and record data on forms furnished by the Right of Way Division.
3. For remainders for which it appears that meaningful analyses can be completed, collect and record data regarding the remainder before and at the time of acquisition.
4. Also collect and record for the "after acquisition" period:

- a. Detailed data on land use, including building permit amounts,
  - b. Income data, including ground rent where applicable,
  - c. Information on visibility, economic location, and neighborhood characteristics, and
  - d. Possibly, data on tax valuations.
5. Collect and record information on properties comparable to the original whole property. The nature of this information will depend upon the time periods and data to be used for the subject remainder.
  6. For individual remainders, perform the analysis of damages or enhancements. (The presentation should include maps and photographs.)
  7. Adopt a system of uniform coding, the development of which probably should be performed by the Right of Way Division. Such coding will give maximum utility to the central file of remainder histories.

Identification of Remainders - The identification of each remainder created by all state-appraised and state-approved projects is recommended for two reasons. First, the step is necessary to a search for remainder sales and other remainder data. Second, it is important that the "universe" be known; in other words, that it be known how remainders for which histories are compiled represent all of the remainders created. The information needed in this step can be recorded from district files as a routine operation. The right of way map can be used to quickly spot all remainders within a project. The file folders for parcels involving remainders then will provide the information required on the "Remainder Identification Sheet." (See APPENDIX B.)

The completed sheets logically should be placed in a separate file, perhaps a loose-leaf binder, in parcel number order. Such a file will facilitate the periodic check for remainder sales and will serve as a control or work guide. A "Project Header Sheet" should be placed in front of the remainder sheets of each project. (See APPENDIX B for an example of this form.) The identification step can be kept abreast of acquisition.

The Review for Sales - Sales of remainders are not the only device for measuring subsequent values; capitalized ground rent can be used, for example. Spectacular changes in land use also can be convincing evidence of value change. Real estate sales have the advantage of being accepted, however; they are a conventional yardstick of market value. After remainder sheets are completed and filed in good order, the next step is the search for sales. An optimum arrangement would provide a continuous review for sales.



Once back work has been accomplished, remainders could be checked for sales as often as daily perhaps, depending upon the nature of the records to be used in the work. In some Districts, sales of remainders may be checked at the same time that the comparable files are brought up to date. Sources of notices of sales may be commercial reporting services, title company records or county records; the most suitable of these will vary from county to county.

It should be pointed out that the continued failure of remainders to sell is in itself suspicious. Such an occurrence may call for an inspection tour and a check for changes in use; long-term leases may be the trend in lieu of out-right sales. Sales which do occur should be verified, as to price and its validity as a market value.

Collection of "Before Acquisition" Data - The occurrence of a bonafide sale of a remainder is used as the "signal" that an analysis for enhancements or damages may be possible. For remainders which have sold, the assembly of additional background data should be started. Here again a routine approach can be used. Almost all "before" acquisition data may be obtained from parcel folders in the Districts. "Remainder History Sheets" can be filled out periodically for remainder sales which have accumulated. This step includes the recording of data on comparables which were used by appraisers in estimating the value of the whole property. When each parcel folder is examined, photographs also should be selected for the case history file.

It is possible at this stage to select remainders for which analysis deserves priority. These may be the first treated through the following steps.

Collection of "After Acquisition" Data - To this point in the system very little original research and analysis is required. Remaining procedures are more complicated. Whereas some of the "after acquisition" data can be obtained from the right of way files along with "before" data, much of the information requires field inspections and perhaps interviews with previous and current owners and users of the remainders. This step is closely tied to the selection of comparables, which is discussed next.

Selection of Comparables - Meaningful and convincing analyses of enhancements and damages depend heavily upon the selection and analysis of histories of comparable properties. Ideally, the whole comparables used in the original appraisals would resell thus constituting controls for the remainders. This happy circumstance will seldom occur. Therefore, it will be necessary to select "new" comparables which have sold at about the time of the sale of the remainders. This is a difficult chore because, as later will be shown, these "new" comparables must be similar to the whole subject properties as they were before the partial takings. A further complicating factor is that comparables should be located in close proximity to remainders. This is in order that they would reflect any general influence of the highway improvement, and also to satisfy more precisely the requirement of comparability.

## Recommended Procedures in Analysis

The steps outlined above provide the information needed for the development of a complete case history on every remainder that sells. The isolation and measurement of the effect of the highway improvement calls for a further step, this being a careful combination of the facts which have been gathered. For some remainders this analysis may take a rather abstract form. Reference has been made to the selection of comparables which are similar to original whole properties. This approach is necessary because fragmented properties truly comparable to remainders are practically non-existent.

The type of analysis recommended at the presentation time is illustrated in the 18 individual studies reported earlier. The elements of this approach and accompanying assumptions are as follows:

1. Determine the appraised value of the original whole property and the assigned values for various parts.
2. Determine the value of original comparables and the adjustments that were made to equate the values of subject and comparable properties. Then extract the value of comparable land.
3. Determine the payments for the partial taking, checking to see if payments were properly assigned to the various components of the property.
4. Determine the residual value of the remainder before damages (or enhancements) were allowed.
5. If the remainder was vacant land and was still vacant at the time of its later sale, select comparable sale data which reflects what the value of the land in the original whole subject property would have been at the time of the sale of the remainder.
6. Determine what value the remainder would have had at the time of sale if it had continued as a part of the original whole subject property. If the remainder land had less value or more value per unit area than did the original whole subject property, a proportional adjustment is called for.
7. The final comparison is between what the remainder sold for versus what its value would have been, if it had remained as a part of the whole subject property. The alternate methods for making this comparison have already been discussed in the section, AGGREGATIVE ANALYSIS.
8. Check results against land use and income history of the remainder and reconcile any conflicts in evidence of value.

The above guide assumes that the remainder was vacant land. If improvements are involved, it is possible that their value can be isolated and land values can still be compared. This, however, makes the analysis more abstract; it may be that other types of comparisons would be more desirable.

It is quite evident that such an analysis places heavy dependence upon the detail and accuracy of the original appraisal data. Also, two very important assumptions are involved: (1) that the original whole property would have retained its use or range of possible uses over the study period, and (2) that the ratio between the land values of the remainder and of the whole property would have been unchanged. Both assumptions should be verified by checking neighborhood factors and trends; carefully selected and adjusted comparables must be used to make the analysis logically sound.

This recommended system of analysis does not cover all situations which may arise; it is likely to be applicable in a very large number of cases, however. It is reemphasized that the approach is subject to revision and that a pilot study of state-approved projects now being conducted by the Texas Transportation Institute should result in improved techniques and more explanative detail.

APPENDIX A

SUPPLEMENTAL INFORMATION ON REMAINDERS

REMAINDER 1

Supplemental Information

1. Comparable Sale Data:

The subject and comparable properties are located in the same survey (east half of Luke Moore). The comparables were better in location and accessibility than the original subject property, thus a downward adjustment in their values was made.

In 1947, a 22 acre tract located on Telephone Rd. near Wayside Dr. sold for \$.180 per sq. ft. In 1959, a 28,417 sq. ft. tract located on South Park Blvd. near Wayside Dr. was sold by R. L. Bayer to MacGregor Park Church of Christ for \$.840 per sq. ft.

By using the above values, the straight line interpolated land values for 1946 (year of acquisition) and 1958 (year of sale) were \$.125 and \$.780 per sq. ft., respectively. The city paid \$.101 per sq. ft. for the subject property, this being \$.024 per sq. ft. or 19.2 percent less than the above interpolated value of \$.125 per sq. ft. Thus a downward adjustment of the interpolated comparable value by 19.2 percent to \$.101 per sq. ft. was considered reasonable to bring it in line with the value of the subject property. The interpolated value of \$.780 per sq. ft. also was adjusted by 19.2 percent to \$.624 per sq. ft.

2. Changes in Land Use and Value of Remainder After Acquisition:

The city's condemnation offering price on the 52,533 sq. ft. needed for right of way was \$4,203 or \$.080 per sq. ft. The owner refused this price on the grounds that it was too low. Apparently to avoid paying sizeable damages on the remainder, the city agreed to purchase the whole tract for \$9,039 or \$.101 per sq. ft. This excess acquisition by the city proved to be advantageous, because, in July 1952, it sold the 37,200 sq. ft. remainder for \$15,316 or \$.412 per sq. ft. This was \$6,277 or \$.311 per sq. ft. more than it paid for the whole property in 1946, and \$.044 per sq. ft. above the adjusted interpolated value (\$.368 per sq. ft.) of the comparable.

The remainder sold again in 1958. As of the date of investigation, the owner had this vacant tract up for sale again. There is one small advertising sign on this remainder, for which no ground rent was determined.

3. Assessed Tax Valuations of Subject Property, City of Houston:

	<u>Whole Property</u>	<u>Remainder</u>	
	<u>1946</u>	<u>1952</u>	<u>1959</u>
Land	\$1,230	\$350	\$3,380

## REMAINDER 2

### Supplemental Information

1. Comparable Sale Data:

The 22 acre tract located on Telephone Rd. in the Luke Moore Survey (same as subject property) which sold in 1947 for \$.180 per sq. ft. (and was used in Remainder one analysis) was used as a comparable to the subject property at acquisition. A 28,417 sq. ft. tract located on South Park Blvd. near Wayside Dr., in the same survey, which sold in 1959 for \$.840 per sq. ft. and used in Remainder one analysis was used as a comparable to the subject property after acquisition. Before acquisition, these properties had access on major thoroughfares, whereas, access to the subject property was circuitous by way of two minor streets ending at the subject's property line. Thus, a downward adjustment in the comparable values was made.

By using the above values, the straight line interpolated land value for 1951 (when part A of remainder sold) was \$.400 per sq. ft. The city approved a condemnation value of \$.130 per sq. ft. of the part acquired which is \$.050 per sq. or 27.8 percent less than the 1947 comparable value of \$.180 per sq. ft. Since both comparable properties were located on major thoroughfares, a downward adjustment of 27.8 percent in their sale prices was considered reasonable. The 1947 adjusted value was \$.130 per sq. ft. and the 1951 adjusted interpolated value was \$.289 per sq. ft. No appraisal was made of the whole property before acquisition.

2. Changes in Land Use and Value of Remainder After Acquisition:

All parts of the remainder have been sold at least one time, but the sales prices could not be ascertained for the other parts (B and C).

Part A, as recorded in the analysis, abutts the Freeway and is improved with a building now occupied by a freight lines company under a 20-year lease. Building permit data on the main building were not available, but the annual gross income on the property is \$30,000 with about \$2,000 for maintenance and repair. Part B, of the remainder also is occupied by a freight line. A building permit was issued in April, 1953, for \$250,000 to construct the present structure on this portion of the remainder. Part C, of the remainder, is also in commercial use. In September, 1951, a building permit was issued for \$20,000 to construct a building with office and shop space.

3. Assessed Tax Valuations of the Subject Property, City of Houston:

Whole Remainder	<u>Whole Remainder</u>		<u>Part A</u>	
	<u>1952</u>	<u>1959</u>	<u>1952</u>	<u>1959</u>
Land	--- <u>1/</u>	\$ 43,060	\$1,870	\$11,390
Improvements	none	<u>160,960</u>	none	<u>32,380</u>
		\$204,020	\$1,870	\$43,770

1/ Assessment combined with that of Remainder 3

REMAINDER 3

Supplemental Information

1. Comparable Sale Data:

The subject and comparable properties were located in the east half of the Luke Moore Survey, and all were on major thoroughfares at acquisition.

The tract located on Telephone Rd. which sold in 1947 for \$.180 per sq. ft. (and was used in Remainders one and two analyses) was used as a comparable to the subject property at time of acquisition. The tract located on South Park Blvd. near Wayside Dr. which sold in 1959 for \$.840 per sq. ft. (and also used in Remainders one and two analyses) was used as a comparable to the subject property after acquisition. South Park Blvd. was considered comparable to Telephone Rd. on which the subject property is located.

No appraisal was made on the whole property at the time of acquisition, therefore its value was based on the 1947 comparable sale.

Based on the 1947 and 1959 values, the straight line interpolated land value for 1953 was \$.510 per sq. ft.

2. Changes in Land Use and Value of Remainder After Acquisition:

In 1952, the old improvements burned; these consisted of a 2,400 sq. ft. building, used for commercial purposes, and a residence. The residence was moved to the property just before it burned. They had a total assessed value of \$8,780 that year. Following its sale in May, 1953, the tract was improved again with a new building (permit value of \$153,000) which was leased to a national firm for 20 years, starting in December, 1953. The annual amount of the lease is \$31,914 with the lessee paying for maintenance and repair on building.

3. Assessed Tax Valuations of the Subject Property, City of Houston:

	<u>Remainder</u> <u>1952</u>	<u>Remainder</u> <u>1959</u>
Land	-- <u>1/</u>	\$15,050
Improvements	<u>\$ 8,780</u>	<u>73,170</u>
	\$10,650	\$88,220

1/ Assessment combined with a portion of Remainder 2

REMAINDER 4

Supplemental Information

1. Comparable Sale Data:

The subject property is located in the Luke Moore Survey adjacent to the Kensington and Riverview Addns. and on Telephone Rd., a major thoroughfare.

The comparable properties mentioned below are also in the above survey and on the same thoroughfare.

For a before-acquisition comparable value, several parcels similar to this remainder and also involved in right of way acquisition were used. These properties, including the subject property, were condemned at \$1.00 per sq. ft. which was likely their maximum value. A sale which occurred during the after-acquisition period gives an indication of the land value of a comparable property, located about one and one-half blocks south of the subject remainder.

<u>Year</u>	<u>Location</u>	<u>Sale Price Per Sq. Ft.</u>
1957	Lots 133, 134, 135, (11,490 sq. ft.) in Riverview Addn.	\$2.79

The straight line interpolated value for 1960, based on \$1.00 and \$2.79 per sq. ft. in 1948 and 1957, respectively, is \$3.39 per sq. ft.

2. Changes in Land Use and Value of Remainder After Acquisition:

The City moved all of the old improvements off the remainder after the date of acquisition.

In 1955 a building permit was issued to the lessee for a total of \$2,800 to add to a frame building moved onto the property by him. In 1959, another permit for \$1,200 was issued to build another addition to the existing structure. The building housed a commercial business at the time of investigation. A large permanent type sign is located on the property.

The total gross income from ground rent on the tract is \$3,180. The ground rents from the owners of the building and the sign are \$150 and \$115 per month, respectively. Taxes paid by the owner on the land is \$50 annually. This leaves a net income to land of \$3,130 annually. Capitalizing this income at a rate of 10% yields a value for the land of \$31,300.

3. Assessed Tax Valuations of Subject Property, City of Houston:

	<u>Whole Property</u>	<u>Remainder</u>
	<u>1948</u>	<u>1959</u>
Land	\$2,100	\$1,530
Improvements	<u>1,000</u>	<u>4,320</u>
	\$3,100	\$5,850



REMAINDER 5

Supplemental Information

1. Comparable Sale Data:

The subject property was located in the Kensington Addn. near the Edmundson 6th Addn. on a minor street near Telephone Rd., a major thoroughfare. The comparable properties are located about three blocks from the subject property in the Edmundson 6th Addn. on a similar street.

In the absence of comparable sales, the appraised land value of the subject property was taken as the 1947 comparable value. The only indication of the 1957 value of vacant residential lots in the area was from FHA appraisals of improved lots, made in 1959. The lots appraised are reasonably comparable. Using the 1947 value of \$.300 per sq. ft. and the 1959 value of \$.270 per sq. ft. (average of FHA appraisals), the 1957 value of comparable land is interpolated to be \$.275 per sq. ft.

<u>Year</u>	<u>Location</u>	<u>Appraised Lot Value</u>	<u>Average Value Per Sq. Ft.</u>
1959	Lot 78 Edmundson 6th Addn.	\$1,450	\$.270
1959	Lot 80 Edmundson 6th Addn.	1,250	

2. Changes in Land Use and Value of Remainder After Acquisition:

The appraised value of the improvements before acquisition were: dwelling, \$4,789; and garage, \$450. The appraised value of the subject property in 1947 may have been high and the decrease in the value of comparables may have been only relative. In this event, however, enhancement still would be indicated for the remainder.

In 1957, a builder bought one-half interest in the property for \$3,500, this being \$.923 per sq. ft. for half of the area.

The new owners removed the old improvements (retained at acquisition) and were issued a building permit (\$50,000) in October 1958. They constructed a 12-unit apartment building on these two lots and another adjacent lot. In March 1959, a swimming pool was built and air conditioning and central heat units were installed (total permit value \$10,300). The tax appraisal of the new improvements in 1959 was \$40,850. The indicated first year gross income was about \$17,280 before vacancy loss. The vacancy loss was about 20% from July through January, leaving the gross rental at an annual rate of about \$13,800.

3. Assessed Tax Valuations of the Subject Property, City of Houston:

	<u>Whole Property</u> <u>1946</u>	<u>Remainder</u> <u>1957</u>	<u>Remainder</u> <u>1959</u>
Land	\$ 530	\$ 820	\$ 820
Improvements	<u>1,250</u>	<u>1,930</u>	<u>31,450</u>
	\$1,780	\$2,750	\$32,270

REMAINDER 6

Supplemental Information

. Comparable Sale Data:

The subject property was located in the Kensington Addn. adjacent to Remainder five and near the Edmundson 6th Addn. It was one-half block from Telephone Rd., a major thoroughfare. The comparable properties are located in Edmundson 6th Addn. about three blocks from the subject property on a similar street.

In the absence of a whole property appraisal and 1947 comparable sales, the appraised value of the part acquired was used as the 1947 comparable land value.

The value of comparable land in the area declined by \$.0025 per sq. ft. per year from 1947 to 1958. This was revealed in a straight line interpolation from \$.300 per sq. ft. to \$.270 per sq. ft. over a 12-year period. (The latter figure is the average of FHA appraisals used in Remainder five analysis.) The comparable 1958 land value is \$.273 per sq. ft.

. Changes in Land Use and Value of Remainder After Acquisition:

The improvements were not appraised at acquisition, but were of similar construction and value to the improvements on Remainder Five, the estimated value of which was used in the analysis. The amount paid for the shrubs was added to the figure.

The improvements were not touched by the acquisition of the part taken. By selling the remainder as it stood at the price received, the original owner as well as the land value was benefited. The new owner later sold part interest in the lot to another party. The old improvements were removed and a 12-unit apartment building with swimming pool was constructed on the remainder and two adjacent remainder parcels. The building permit and income data are given on supplemental sheet for Remainder Five.

. Assessed Tax Valuations of Subject Property, City of Houston:

	<u>Whole Property</u> <u>1947</u>	<u>Remainder</u> <u>1949</u>	<u>Remainder</u> <u>1959</u>
Land	\$ 350	\$ 270	\$ 390
Improvements	<u>1,500</u>	<u>1,070</u>	<u>31,450<sup>1/</sup></u>
	\$1,850	\$1,340	\$31,840

/ New improvement for three lots.

REMAINDER 7

Supplemental Information

1. Comparable Sale Data:

The subject property is located in the Edmundson 6th Addn. on Telephone Rd., a major thoroughfare, near the Riverview Addn. where the 1957 comparable property is located.

No comparable sales were found in the area to compare with the land value of the subject property at the time of acquisition. It is not known what comparable sales the city used other than other acquisition sales to arrive at the land value of the taking. Therefore, the appraised unit value of the part taken was used as the value of the whole property in the analysis. This value was \$1.000 per sq. ft.

A sale of three vacant lots on Telephone Rd., one block from the subject property, for \$2.790 per sq. ft. in 1957 was used as a comparable. By using the 1947 land value of \$1.000 per sq. ft. and the 1957 value of \$2.790 per sq. ft., and assuming a constant annual increase in land value, the straight line interpolated land value of comparable property in 1951, the year the remainder sold, was \$1.700 per sq. ft.

2. Changes in Land Use and Value of the Remainder After Acquisition:

The part acquired for right of way held the improvements, and the remainder was left vacant; however, the owner retained the improvements at 2/3 appraised value and removed them. Afterwards, the remainder was sold and then was leased-out in 1952 for a 15-year period for \$150 monthly. All improvements are to revert to the landowner at the end of the lease period.

In 1952, a building permit was issued to the lessee for \$12,000 to construct a service station. This was done and the station was still in operation at time of investigation (February, 1960).

3. Assessed Tax Valuations of Subject Property, City of Houston:

	<u>Whole Property</u> <u>1947</u>	<u>Remainder</u> <u>1951</u>	<u>Remainder</u> <u>1959</u>
Land	\$ 810	\$970	\$2,950
Improvements	<u>1,250</u>	<u>0</u>	<u>2,700</u>
	\$2,060	\$970	\$5,650

REMAINDER 8

Supplemental Information

1. Comparable Sale Data:

The subject and comparable properties were located in the Edmundson 6th Addn. and were on similar streets near Telephone Rd., a major thoroughfare.

The 1947 subject and comparable land values are based on the appraised values of the similar lots involved in acquisition by the city which indicated a value of \$.200 per sq. ft. The two 1959 sales with an average appraised lot value of \$.270 per sq. ft. and used in Remainders Five and Six analyses were used again to indicate the after acquisition value.

The straight line interpolated land value in 1955 (year remainder sold) was \$.246 per sq. ft. This represents an annual increase of \$.0058 per sq. ft.

2. Changes in Land Use and Value of Remainder After Acquisition:

The dwelling and garage values were not separated in the subject property appraisal. All of the improvements were moved off the lot after acquisition. Later, the owner sold the small remainder to a sign company. An advertising sign was on the property at the time of investigation. The owner of the sign company said he would pay a maximum annual rent of \$125 for the privilege of placing such a sign at a comparable location. After deducting \$10 for taxes and assuming a generous yield of 10 percent per annum, the remainder is worth \$1,150. This supports the sale price of the remainder in 1955.

The increase in the value of the remainder was computed to be the sale price of the remainder (\$1.089 per sq. ft.) minus the land value of the remainder (\$.200 per sq. ft.) before damages.

3. Assessed Tax Valuations of the Subject Property, City of Houston:

	<u>Whole Property</u> <u>1946</u>	<u>Remainder</u> <u>1955</u>	<u>Remainder</u> <u>1959</u>
Land	\$ 290	\$80	\$180
Improvements	<u>1,600</u>	<u>0</u>	<u>0</u>
	\$1,890	\$80	\$180

REMAINDER 9

Supplemental Information

1. Comparable Sale Data:

The subject and comparable properties are located in the east half of the Luke Moore Survey. The subject property had frontage in 1947 on Eskridge St., a minor street, which provided access to Wayside Dr., a major thoroughfare nearby. The comparable property mentioned below is located on Wayside Dr. near the subject property.

The appraised value set on the property at acquisition (1947) is accepted as a reasonable value, in the absence of comparable sales. In 1959, a tract containing 165,789 sq. ft. was sold by Wayside Properties to Houston Oil Field Mat. Co., Inc. for \$1.20 per sq. ft. It was however, undoubtedly superior to the subject tract in 1947, but no adjustment was made, since such would be quite arbitrary.

2. Changes in Land Use and Value of Remainder After Acquisition:

The remainder tract was held intact under the same ownership until part A (rear of property in 1947 and now fronting Freeway) sold in April, 1959. In May, 1959 the owner of part A built a 50,000 sq. ft. warehouse and office building on the tract (permit value, \$405,000) and leased it to a national firm for 20 years at an annual rental of \$33,500. The owner valued the building at about \$300,000. The 1959 tax appraisal of the building was set at \$133,430. The unsold portion of the remainder has not changed use.

3. Assessed Tax Valuations of Subject Property, City of Houston:

	<u>Whole Property</u> <u>1947</u>	<u>Whole Remainder</u> <u>1950</u>	<u>Part Sold of Remainder</u> <u>1959</u>
Land	\$3,650	\$4,840	\$ 21,270
Improvements	<u>none</u>	<u>none</u>	<u>102,741</u>
	\$3,650	\$4,840	\$124,011

REMAINDER 10

Supplemental Information

1. Comparable Sale Data:

The subject property is located in the F. J. DeMerritt Subdivision (in the east half of the Luke Moore Survey) which had frontage at acquisition on Urban St. and Maxwell Lane, minor streets, the former giving access to Wayside Dr., a major thoroughfare, only one block away.

A one acre tract fronting on Wayside Dr. (part of lot 22 F. J. DeMerritt Subdivision) and near subject property sold in 1947 for \$.39 per sq. ft. This was taken as the value of the subject property, the appraisal of which did not specify the value of the land.

A 180' x 500' tract (in the Jacob Thomas Survey, Abstract No. 762, near the subject property) located south of the Freeway and at the corner of Winkler Dr. and Woodridge St. sold during April, 1957, for \$.78 per sq. ft. This tract was superior to the subject tract before taking but is a reasonably good comparable.

By using the above values as bases, the interpolated value of comparable land for 1958 (year remainder sold) was \$.82 per sq. ft.

2. Changes in Land Use and Value of Remainder After Acquisition:

The old improvements on the subject property were of low value, but were not estimated. The new owner of 1958 removed the old improvements from the remainder and constructed a large warehouse. A building permit was issued in May, 1959, for \$278,000. Another one was issued the same date for \$9,300 to air-condition the building.

The owner had leased out part of the warehouse space, but at date of investigation he was still advertising 35,000 sq. ft. at \$1.00 per sq. ft. rental.

3. Assessed Tax Valuations of Subject Property, City of Houston:

Not determined.

REMAINDER 11

Supplemental Information

1. Comparable Sale Data:

The subject property is located in the Park Place Circle Addn. to Park Place Addn. and fronted on Detroit St., a minor street, at the time of acquisition. Six comparable properties are located in Park Place Addn., and two in Country Club Addn. to this addn. Four of them are on minor streets and two on major streets. The sale prices of those located on major streets were in line with the prices of those on minor streets.

The appraised land value of this remainder was considered to represent the comparable land value at the time of acquisition. The comparable sale data on vacant residential lots as presented below were used to establish the after acquisition comparable land value.

<u>Year</u>	<u>Location</u>	<u>Price Per Square Foot</u>	
		<u>Actual</u>	<u>Weighted Average</u>
1946	Lot 3, 1/2 of 4, Blk. 111 Park Place Addn.	\$ .26	
"	Lot 10, Blk. 42 " " "	.27	\$.270
"	Lot 1, 2, 10' of 3, Blk.71 " " "	.28	
1959	Lot 6, Blk. 17 " " "	.83	
"	Lot 13, Blk. 35 " " "	.93	.980
"	N 100' of Lot 6, Blk. 17 " " "	1.25	

The interpolated land value for 1957, the year of sale, was \$.875 per sq. ft.

2. Changes in Land Use and Value of Remainder After Acquisition:

Before acquisition, the improvements were appraised as follows: dwelling, \$6,000; garage, \$312; walks, shrubbery, etc., \$1,616.

The remainder was cleared of its improvements before it sold. Also, residential restrictions had to be removed. The seller indicated that it cost \$15,000 to remove such restrictions and improvements before the buyer would consider buying the remainder for commercial purposes. The original owner still was left in an advantageous position.

3. Assessed Tax Valuations of the Subject Property, City of Houston:

	<u>Whole Property</u>	<u>Remainder</u>	<u>Remainder</u>
	<u>1950</u>	<u>1957</u>	<u>1959</u>
Land	\$ 460	\$ 820	\$820
Improvements	<u>1,950</u>	<u>2,200</u>	<u>0</u>
	\$2,410	\$3,020	\$820

REMAINDER 12

Supplemental Information

1. Comparable Sale Data:

The subject and comparable properties are located in the Park Place Addn. The subject property was located on Dover St., a minor street, near Winkler Dr., a major street, at the time of acquisition. The comparables below are located on similar streets.

The sales of similar residential lots were used to show the comparable property values (area trends) for comparison with the remainder at time of taking (1949) and at time of sale (1955).

PARK PLACE ADDITION

<u>Year</u>	<u>Lot No.</u>	<u>Blk. No.</u>	<u>No. of Sq.Ft.</u>	<u>Sale Price</u>	<u>Average Price</u>
1949	15	5	12,900	\$12,500	
"	12	42	12,900	13,000	\$13,000
"	12	42	12,900	13,500	
1955	6	23	12,900	11,500	
"	12	14	12,900	16,500	13,333
"	4	33	12,900	12,000	

2. Changes in Land Use and Value of Remainder After Acquisition:

Before acquisition, the improvements were appraised as follows: dwelling, \$6,518; garage, \$270; shop, \$1,426; walk, shrubs, etc., \$430. The remainder value at the time of taking was considered to be \$10,014 (\$12,514, whole value, minus \$2,500, payment for taking).

In 1955, a few days after the sale of the remainder, a building permit was issued for the sum of \$1,450 for the purpose of building a new room onto the present structure, apparently for commercial purposes. This was done, as indicated in the photographs. The present owner of the property is using it for commercial purposes.

3. Assessed Tax Valuations of Subject Property, City of Houston:

	<u>Whole Property</u>	<u>Remainder</u>	<u>Remainder</u>
	<u>1949</u>	<u>1955</u>	<u>1959</u>
Land	\$ 450	\$1,590	\$1,590
Improvements	<u>990</u>	<u>3,642</u>	<u>3,530</u>
	\$1,440	\$5,232	\$5,120



REMAINDER 13

Supplemental Information

1. Comparable Sale Data:

The subject property is located in the Park Place Addn., and was on the corner of Park Place and Broadway Blvds., major streets, at the time of acquisition.

Since the subject remainder was vacant at sale, (1954) vacant residential lot sales are compared with the subject remainder. The vacant lot sales used to compare with Remainder 11 were also used here. The interpolated vacant lot prices for 1950 and 1954 are \$.490 per sq. ft. and \$.710 per sq. ft., respectively.

None of these sales, however, were located at such a desirable spot as the subject parcel which was on the corner of major streets. It is believed that the comparable land values for this parcel were \$.750 per sq. ft. at time of acquisition (1950), and \$1.086 per sq. ft. at time of sale (1954). This adds \$.260 per sq. ft. (\$.750 minus \$.490) or 53 percent to the 1950 interpolated price and (by applying the same percentage) \$.376 per sq. ft. to the 1954 interpolated price, as adjustments for location. The "at acquisition" appraised value of the subject property, was used to determine the adjustments.

2. Changes in Land Use and Value of Remainder After Acquisition:

Before acquisition, the improvements were appraised as follows: dwelling, \$13,067; garage, \$351; poultry house, \$52; and shrubs, fence, walk, etc., \$775. After acquisition, these improvements were removed from the property.

The remainder sold in 1954, and in July, 1955, the new owner obtained a building permit to improve the remainder with a small frame building with an attached sheet metal shed that houses a plumbing company. The tenant pays \$900 annually as a rental on the property.

3. Assessed Tax Valuations of Subject Property, City of Houston:

	<u>Whole Property</u> <u>1950</u>	<u>Remainder</u> <u>1954</u>	<u>Remainder</u> <u>1959</u>
Land	\$ 610	\$150	\$ 520
Improvements	<u>2,100</u>	<u>0</u>	<u>800</u>
	\$2,710	\$150	\$1,320

REMAINDER 14

Supplemental Information

1. Comparable Sale Data:

The subject and comparable properties are located in the Park Place Addn. except two comparables are in the Country Club Addn. to this addition. Two comparables are located on major streets, as was the subject property at acquisition.

Since the whole property was not appraised at the time of acquisition, its "before" value is based on the value of comparables. However, it is interesting to note that the part taken was appraised for condemnation at \$.400 per sq. ft., and two appraisers felt that damages to the remainder were not justified. Yet a settlement out of court resulted in the payment of \$.586 per sq. ft. for the taking and \$500 for damages to the remainder.

The comparable land sale data presented in the supplemental information for Remainder 11 are used here to indicate the general value of vacant residential lots at the time of acquisition in 1950 and at the time of sale (1952).

Interpolated land values (per sq. ft.) =  $\frac{1950}{\$ .49}$        $\frac{1952}{\$ .60}$

2. Changes in Land Use and Value of the Remainder After Acquisition:

The new owner of this vacant lot was issued a building permit in August, 1955, for \$30,400 for the purpose of erecting a permanent type building to be used for commercial purposes. Such building was built and was leased out during 1959 to two different parties for a total of \$450 a month. The building is four years old, and one of the tenants said it cost about \$26,000.

3. Assessed Tax Valuations of the Subject Property, City of Houston:

	<u>Whole Property</u>	<u>Remainder</u>	<u>Remainder</u>
	<u>1950</u>	<u>1952</u>	<u>1959</u>
Land	\$450	\$300	\$1,020
Improvements			8,180
	<u>\$450</u>	<u>\$300</u>	<u>\$9,200</u>

REMAINDER 15

Supplemental Information

1. Comparable Sale Data:

The subject and comparable properties were located in the Park Place Addn. The two comparables were located on major streets, as was the subject property.

The subject property was not appraised as a whole at the time of taking. In the analysis, it was assumed to have had the same values as comparable properties.

Since no comparable sales occurred during the year of acquisition (1950) or the year of sale (1956) of the remainder, the average prices of comparable lot sales occurring during 1946 and 1959 were used to estimate the comparable land values for 1950 and 1956. These sales are listed in the supplement sheet of Remainder 11 (Appendix A).

Comparable land values between 1946 and 1959, increased by \$.055 per sq. ft. per year. Based on this annual increase, the interpolated values (straight-line) for the years in question were:

Interpolated price per sq. ft.	=	$\frac{1950}{\$ .490}$	$\frac{1956}{\$ .815}$
--------------------------------	---	------------------------	------------------------

2. Changes in Land Use and Value of Remainder After Acquisition:

The remainder is still a vacant lot, perhaps being held by the new owner for commercial development.

3. Assessed Tax Valuations of Subject Property, City of Houston:

	<u>Whole Property</u> <u>1950</u>	<u>Remainder</u> <u>1956</u>	<u>Remainder</u> <u>1959</u>
Land	\$450	\$500	\$1,790

REMAINDER 16

Supplemental Information

1. Comparable Sale Data:

The subject property was located in the Country Club Addn. to Park Place Addn. and was at the intersection of major streets at the time of acquisition. All comparable properties were located nearby; two were on major streets, as was the subject property at acquisition. None of the comparables were located on a major street intersection such as was the subject property at acquisition.

In the absence of comparable land sales in 1950, the appraised value of \$.600 per sq. ft. for the whole subject property, the price paid for the taking, was used as the before taking value.

The comparable sales data as listed in the Remainder 11 supplement were used again to indicate the general price of vacant lots in 1950. The interpolated price for 1950 was \$.490 per sq. ft. But considering the location of this parcel, it seems that \$.490 per sq. ft. is too low. At the time of taking, one appraiser set the land value as high as \$1.000 per sq. ft. and \$.600 per sq. ft. was set by the other. The last of these values was used in the analysis, and is considered a reasonable comparable value. By October, 1950, it is unlikely that comparable values changed significantly.

2. Changes in Land Use and Value of Remainder After Acquisition:

Before acquisition, the improvements were appraised as follows: main bldg. (2,571 sq. ft.), \$5,786; oil storage bldg., \$246; ice house, \$250; station bldg., \$300; portable storage vault, \$2,380; gas tank, \$489; and fan \$50. All of these improvements were removed from the property shortly after the taking. The remainder was sold unimproved to a new owner a few months later.

The vacant lots were improved again in July, 1950, with a service station (building permit, \$6,800).

3. Assessed Tax Valuations of Subject Property, City of Houston:

	<u>Whole Property</u> <u>1950</u>	<u>Remainder</u> <u>1959</u>
Land	\$ 810	\$3,460
Improvements	<u>4,100</u>	<u>4,420</u>
	<u>\$4,910</u>	<u>\$7,880</u>

REMAINDER 17

Supplemental Information

1. Comparable Sale Data:

The subject property was located in the Country Club Addn. to Park Place Addn. at the corner of Lynn Ave. and Stone St., minor streets. Four of the comparable properties were located in the Park Place Addn. and two in the above Addn. Four were on minor streets.

Since the whole property was not appraised before acquisition, this value is based on the value of comparable land mentioned below.

The comparable sale data as listed in the supplement of Remainder 11 were used to indicate the general value of vacant lots at time of acquisition (1947) and at time of sale (1952).

Interpolated land values (per sq. ft.) =  $\frac{1947}{\$ .320}$        $\frac{1952}{\$ .600}$

2. Changes in Land Use and Value of Remainder After Acquisition:

The most desirable half of the remainder, which is the south half having access to Lynn St. and the frontage road, was retained by the original owner and improved with a commercial business. Building permits were issued in 1952 for \$3,100 and in 1956 for \$9,000 for purposes of constructing a new building and for adding to that structure. In 1952 the other half having access on a frontage road sold and remains in an unimproved state. The owner does use it some in conjunction with his service station.

3. Assessed Tax Valuations of the Subject Property, City of Houston:

	<u>Whole Property</u> <u>1947</u>	<u>Remainder</u> <u>1952</u>	<u>Remainder</u> <u>1959</u>
Land	\$910	\$ 940	\$2,500
Improvements	<u>0</u>	<u>3,500</u>	<u>6,098</u>
	\$910	\$4,740	\$8,598

REMAINDER 18

Supplemental Information

1. Comparable Sale Data:

The subject property was in the Country Club Addn. to the Park Place Addn. and was at the corner of Lynn Ave. and Stone St., minor Streets, at the time of acquisition. Two of the comparables were in the same Addn., and four were in the Park Place Addn. Four were on minor streets.

As the whole property was not appraised before acquisition, this value is based on the value of comparable land mentioned below.

The comparable land sale data as used to compare with Remainder 11, were used here to indicate the land value of vacant lots at the time of acquisition (1950) and at time of sale (1954).

	<u>1950</u>	<u>1954</u>
Interpolated land values (per sq. ft.)	\$.490	\$.710

2. Changes in Land Use and Value of Remainder After Acquisition:

The new owner of these five vacant lots was issued building permits in March and May of 1958 for a total of \$317,200 to erect a 54-unit (35 furnished) apartment building with two swimming pools. The building was finished by July, 1959, and its first year's rental income is estimated to be \$78,000 less about 10 percent vacancy loss. This improvement utilizes all five lots.

3. Assessed Tax Valuations of the Subject Property, City of Houston:

	<u>Remainder</u> <u>1954</u>	<u>Remainder</u> <u>1959</u>
Land	\$530	\$ 5,400
Improvements	<u>0</u>	<u>111,590</u>
	\$530	\$116,990

APPENDIX B

SUGGESTED FORMS FOR GUIDING REMAINDER STUDIES

Note:

The forms which may later be furnished by the Right of Way Division of the Texas Highway Department are likely to have a different format. The following forms are suggestive but they contain provision for information believed to be critical for a sound analysis. They should be worthwhile guides for Highway Department Districts that wish to proceed with remainder studies at the earliest date.

PROJECT HEADER SHEET  
OF  
REMAINDER STUDIES

THD DISTRICT NUMBER \_\_\_\_\_

PROJECT NUMBER \_\_\_\_\_

NAME OF NEAREST URBAN PLACE \_\_\_\_\_

POPULATION \_\_\_\_\_ AS OF 1960 \_\_\_\_\_ OTHER \_\_\_\_\_

PROJECT IS ALL \_\_\_\_\_ PART \_\_\_\_\_ NONE \_\_\_\_\_ IN URBAN AREA

NAME AND NUMBER OF NEW FACILITY \_\_\_\_\_  
(Gulf Freeway, Interstate 45)

TYPE OF ACCESS TO NEW FACILITY:

FULL CONTROL, WITH \_\_\_\_\_ WITHOUT \_\_\_\_\_ FRONTAGE RDS.

PARTIAL CONTROL, WITH \_\_\_\_\_ WITHOUT \_\_\_\_\_ FRONTAGE RDS.

OTHER \_\_\_\_\_

IF WITH FRONTAGE RDS, THEY ARE ONE \_\_\_\_\_ TWO \_\_\_\_\_ WAY

DATE OF PUBLIC HEARING \_\_\_\_\_

DATE ACQUISITION STARTED \_\_\_\_\_  
(Date ROW map was approved)

NUMBER OF REMAINDERS \_\_\_\_\_

DATE CONSTRUCTION BEGAN \_\_\_\_\_  
(Contract date)

DATE CONSTRUCTION ENDED \_\_\_\_\_  
(Open for Traffic)

DATES OF INVESTIGATION FOR SALES \_\_\_\_\_  
(Dates completed)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



REMAINDER IDENTIFICATION SHEET

THD DIST. NO. \_\_\_\_\_ PROJECT NO. \_\_\_\_\_ PARCEL NO. \_\_\_\_\_

SUBDIVISION \_\_\_\_\_ LOT \_\_\_\_\_ BLK \_\_\_\_\_  
OR

SURVEY \_\_\_\_\_ ABSTRACT NO. \_\_\_\_\_ PLAT BOOK BLOCK NO. \_\_\_\_\_  
(City, County, or Others)

DATE OF FINAL APPRAISED VALUE \_\_\_\_\_ ZONING \_\_\_\_\_

PROPERTY USE AT ACQUISITION \_\_\_\_\_  
(Give general and specific use, e.g., Commercial - service station)

FINAL RECOMMENDED VALUES:		<u>LAND</u>	<u>IMPROVEMENT</u>
WHOLE PROPERTY	_____ sq ft/acres	\$ _____	\$ _____
PART ACQUIRED	_____ sq ft/acres	\$ _____	\$ _____
DAMAGES AND REASON	_____	\$ _____	\$ _____
ENHANCEMENTS AND REASON	_____	\$ _____	\$ _____
REMAINDER AFTER ACQUISITION	_____ sq ft/acres	\$ _____	\$ _____

HIGHEST AND BEST USE OF REMAINDER AFTER ACQUISITION \_\_\_\_\_

OWNER AT ACQUISITION \_\_\_\_\_ NEGOTIATED \_\_\_\_\_ CONDEMNED \_\_\_\_\_

COURT AWARD:	<u>PART ACQUIRED</u>		<u>REMAINDER DAMAGES</u>	
	<u>LAND</u>	<u>IMPROVEMENTS</u>	<u>LAND</u>	<u>IMPROVEMENTS</u>
COMMISSIONERS	\$ _____	\$ _____	\$ _____	\$ _____
JURY VERDICT	_____	_____	_____	_____

PROPORTIONED BY DISTRICT ON BASIS OF INDIVIDUAL RECOMMENDED VALUES: YES \_\_\_ NO \_\_\_

SALE DATA ON REMAINDER:

<u>DATE</u>	<u>GRANTEE</u>	<u>GRANTOR</u>	<u>VOL.</u>	<u>PAGE</u>	<u>CONSIDERATION</u>	<u>REVENUE STAMPS</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

ZONING AT SALE \_\_\_\_\_ SPECIFIED USE \_\_\_\_\_  
(At Sale)

REMAINDER HISTORY SHEET

SUBJECT PROPERTY BEFORE ACQUISITION

1. LOCATION AND TYPE OF EXISTING ROAD IMPROVEMENT \_\_\_\_\_  
\_\_\_\_\_  
Example: In Houston, Telephone Rd. (or new location), 2 lane black top.
2. ACCESS, ONE \_\_\_ TWO \_\_\_ WAY: IF ACCESS LIMITED OTHER WAYS OR DENIED, EXPLAIN  
\_\_\_\_\_
3. FRONTAGE ON ABOVE ROAD \_\_\_\_\_ F. FT.      4. GRADE AT PROPERTY \_\_\_\_\_
5. ACCESS TO OTHER STREETS/ROADS \_\_\_\_\_ AND \_\_\_\_\_  
TYPE OF CONSTRUCTION \_\_\_\_\_ AND \_\_\_\_\_  
TYPE OF ACCESS \_\_\_\_\_ ONE \_\_\_ TWO \_\_\_ WAY: ONE \_\_\_ TWO \_\_\_ WAY  
IF ACCESS LIMITED OTHER WAYS OR DENIED, EXPLAIN \_\_\_\_\_  
\_\_\_\_\_
6. NO. OF CORNERS \_\_\_\_\_ 7. LAND DRAINAGE: GOOD \_\_\_ FAIR \_\_\_ POOR \_\_\_\_\_
8. DISTANCE USUALLY TRAVELLED TO CENTER OF NEAREST TOWN \_\_\_\_\_ MILES (in tenths)
9. VISIBILITY OF PROPERTY FROM EXISTING ROAD IMPROVEMENT (If any):  
FULLY \_\_\_\_\_ PARTIALLY \_\_\_\_\_ NOT VISIBLE \_\_\_\_\_
10. NEIGHBORHOOD OR AREA ANALYSIS: PERCENT BUILT UP \_\_\_\_\_  
AGE, TYPE, AND CONDITION OF SURROUNDING IMPROVEMENTS \_\_\_\_\_  
\_\_\_\_\_  
RACIAL ENCROACHMENT \_\_\_\_\_ NUISANCES OR HAZARDS \_\_\_\_\_  
CONDITION OF STREETS \_\_\_\_\_ DISTANCE TO MAJOR THOROUGHFARE \_\_\_\_\_  
SHOPPING FACILITIES \_\_\_\_\_ CLASS OF TYPICAL RESIDENTS \_\_\_\_\_  
AVERAGE FRONTAGE \_\_\_\_\_ FT., AND DEPTH \_\_\_\_\_ FT. OF LOTS  
OTHER \_\_\_\_\_

Remainder History Sheet (cont.)

11. ESTIMATED VALUE OF PROPERTIES COMPARABLE TO WHOLE PROPERTY BY MARKET APPROACH:  
 (Use values of appraiser whose estimate is nearest to total approved value.)

<u>STREET ADDRESS AND DISTANCE TO SUBJECT</u>	<u>DATE OF SALE</u>	<u>DEED VOL. PAGE</u>	<u>AREA IN SQ. FT./AC.</u>	<u>SALE PRICE</u>	<u>VALUE OF IMPR'MTS</u>	<u>TOTAL INDI- CATED VALUE</u>
a. _____	_____	_____	_____	_____	_____	_____
b. _____	_____	_____	_____	_____	_____	_____
c. _____	_____	_____	_____	_____	_____	_____
d. _____	_____	_____	_____	_____	_____	_____
e. _____	_____	_____	_____	_____	_____	_____

TOTAL INDICATED VALUE OF WHOLE PROPERTY \$ \_\_\_\_\_

TYPE OF ADJUSTMENTS MADE ON EACH COMPARABLE (By Letter): TIME \_\_\_\_\_

LOCATION \_\_\_\_\_ TRACT SIZE \_\_\_\_\_ QUALITY OF IMPR'MTS \_\_\_\_\_

TOPOGRAPHY \_\_\_\_\_ OTHERS \_\_\_\_\_

12. IF INCOME PROPERTY, TERMS OF LEASE OR RENTAL:

\$ \_\_\_\_\_ PER YEAR BEGINNING \_\_\_\_\_ ENDING \_\_\_\_\_

OTHER PROVISIONS \_\_\_\_\_

ESTIMATED NET INCOME BY INCOME APPROACH \$ \_\_\_\_\_  
 (Use value of appraiser whose estimate is nearest to total approved value)

CAPITALIZED AT \_\_\_\_\_% INTEREST PLUS \_\_\_\_\_% FOR RECAPTURE OF CAPITAL

ESTIMATED VALUE BY INCOME APPROACH \$ \_\_\_\_\_

13. DESCRIPTION AND VALUE OF IMPROVEMENTS ON WHOLE PROPERTY:

<u>TYPE OF BUILDING AND CONSTRUCTION</u>	<u>NO. OF SQ. FT.</u>	<u>APPROVED VALUE</u>	<u>IF RETAINED, COST TO STATE</u>	<u>IF IN TAKING PART OR ALL</u>
(e.g. one-story frame on slab)	_____	\$ _____	\$ _____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Remainder History Sheet (cont.)

14. DEED AND/OR SUBDIVISION RESTRICTIONS \_\_\_\_\_

(any restriction that would tend to prevent change in use and/or change in value.)

HAVE THEY BEEN BROKEN? \_\_\_\_\_ HOW FREQUENTLY? \_\_\_\_\_

15. ACCESS RIGHTS PURCHASED IN DEED:

CONTROLLED ACCESS HIGHWAY FACILITY YES \_\_\_\_\_ NO \_\_\_\_\_

RIGHTS OF ACCESS INCLUDED YES \_\_\_\_\_ NO \_\_\_\_\_

16. DATE OF TITLE COMPANY'S CLOSING STATEMENT ON PART ACQUIRED \_\_\_\_\_

REMAINDER AFTER ACQUISITION

17. TYPE OF NEW FACILITY AT REMAINDER \_\_\_\_\_

Example: (Gulf Freeway, Interstate 45, six lane limited access with one way frontage roads)

18. IF REMAINDER ON FRONTAGE ROAD:

DISTANCE TO NEAREST "OFF" RAMP \_\_\_\_\_ FT., TO NEAREST "ON" RAMP \_\_\_\_\_ FT.

DIRECT ACCESS ON FRONTAGE RD. FROM REMAINDER PERMITTED: YES \_\_\_\_\_ NO \_\_\_\_\_

19. NO. OF CORNERS \_\_\_\_\_ 20. NEAREST INTERCHANGE \_\_\_\_\_ FT.

21. GRADE AT REMAINDER \_\_\_\_\_ 22. FRONTAGE ON NEW FACILITY \_\_\_\_\_ FT.

23. DISTANCE TO CENTER OF NEAREST TOWN BY WAY OF NEW FACILITY \_\_\_\_\_ MILES (in tenths)

24. LEGAL ACTION TO CHANGE OLD DEED OR SUBDIVISION RESTRICTIONS OR ZONING TAKEN BY  
OWNER AT ACQUISITION \_\_\_\_\_ NEW OWNER \_\_\_\_\_ DATE TAKEN \_\_\_\_\_

25. REMAINDER SALE DATA:

<u>DATE OF SALE</u>	<u>AREA IN SQ.FT./ACRES</u>	<u>VERIFIED PRICE</u>	<u>THD'S EST. VALUE OF IMPROVEMENTS</u>	<u>UNIT LAND VALUE</u>
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

LEGAL DESCRIPTION IF ONLY PART SOLD: \_\_\_\_\_

Remainder History Sheet (cont.)

26. ESTIMATED SUBSEQUENT VALUE OF COMPARABLE PROPERTIES:  
 (If possible, use Item 11 comparable properties resales.)

<u>STREET ADDRESS AND DISTANCE TO SUBJECT</u>	<u>DATE OF SALE</u>	<u>DEED VOL. PAGE</u>	<u>AREA IN SQ. FT./AC.</u>	<u>SALE PRICE</u>	<u>VALUE OF IMPR'MTS</u>	<u>TOTAL INDI- CATED VALUE</u>
a. _____	_____	_____	_____	\$ _____	\$ _____	\$ _____
b. _____	_____	_____	_____	_____	_____	_____
c. _____	_____	_____	_____	_____	_____	_____
d. _____	_____	_____	_____	_____	_____	_____
e. _____	_____	_____	_____	_____	_____	_____
f. _____	_____	_____	_____	_____	_____	_____

TYPE OF ADJUSTMENTS MADE ON EACH COMPARABLE (By letter): TIME \_\_\_\_\_

LOCATION \_\_\_\_\_ TRACT SIZE \_\_\_\_\_ QUALITY OF IMPR'MTS \_\_\_\_\_

TOPOGRAPHY \_\_\_\_\_ OTHER \_\_\_\_\_

ESTIMATED VALUE OF ORIGINAL WHOLE PROPERTY AT TIME OF REMAINDER SALES:

	<u>1st</u>	<u>2nd</u>	<u>3rd</u>		<u>1st</u>	<u>2nd</u>	<u>3rd</u>
LAND @ _____	_____	_____	_____	PER/SQ. FT. =	\$ _____	\$ _____	\$ _____
IMPROVEMENTS (THD'S ESTIMATE)	_____	_____	_____		_____	_____	_____
TOTAL INDICATED VALUE OF WHOLE PROPERTY	_____	_____	_____		_____	_____	_____

27. SOURCE OF SUBSEQUENT SALE INFORMATION \_\_\_\_\_

28. BUILDING PERMIT DATA ON REMAINDER:

<u>DATE</u>	<u>AMOUNT</u>	<u>NO. OF SQ. FT.</u>	<u>BUILDING AND TYPE OF CONSTRUCTION</u>
_____	\$ _____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Remainder History Sheet (cont.)

29. RENTAL INCOME DATA ON REMAINDER:

<u>YEAR OF SALE</u>	<u>TERMS OF LEASE</u>		<u>GROSS ANNUAL RENTAL INCOME</u>	<u>OWNER'S ANNUAL EXPENSES</u>
	<u>DATE STARTED</u>	<u>DATE ENDED</u>		
_____	_____	TO _____	\$ _____	\$ _____
_____	_____	TO _____	_____	_____
_____	_____	TO _____	_____	_____

30. IF OLD IMPROVEMENTS WERE MOVED TO REMAINDER:

COST TO MOVE \$ \_\_\_\_\_ COST TO REPAIR \$ \_\_\_\_\_

31. COST OF NEW IMPROVEMENTS PLACED ON REMAINDER:

<u>YEAR BUILT</u>	<u>TOTAL COST</u>	<u>APPRAISED VALUE</u>	
		<u>FOR LOAN</u>	<u>DATE</u>
_____	\$ _____	\$ _____	_____
_____	_____	_____	_____
_____	_____	_____	_____

32. VISIBILITY OF REMAINDER FROM NEW FACILITY:

FULLY \_\_\_\_\_ PARTIALLY \_\_\_\_\_ NOT VISIBLE \_\_\_\_\_

33. CHANGES IN NEIGHBORHOOD CHARACTERISTICS SINCE ACQUISITION:

SOCIAL \_\_\_\_\_

PHYSICAL \_\_\_\_\_

ECONOMIC \_\_\_\_\_

34. REMARKS (By item No.):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_