Mapping Value in Eugene, Oregon

A practical guide to understanding taxes, land use and quality of life in a great city in the Northwest.

May 2017

Source: Mapping Value City of Eugene Year: 2017
We all know how to compare value

One way to look at property “value”

Part 3: A New Way to Think about Property Value

Most of us think about property value as a ‘jump sum’—a $100,000 house converted to a $300,000 house. But if you really want to understand property value, you need to make a more apples-to-apples comparison. We explain it here.

Comparing apples to apples

Everybody knows that if you’re going to compare the values of two different things, you need to know what you’re getting for your money. You expect a big bunch of bananas to cost more than a small bunch and a 3-scoop waffle cone to cost more than a 1-scoop cone.

Great Value!

Bananess

Sold by the pound

Imagine owning a grocery store and saying that every bunch of bananas should cost the same; your customers would all want to buy the biggest bunch they could find. The same goes for an ice cream cone—and just about everything.

The conventional comparison of property values

There’s a temptation to throw out the window when we look at property values and sizes. We tend to get fascinated by the really big price tags that go with large parcels and forget everything we know about comparing values. Let’s look at real world examples of how this plays out. Consider four types of properties in Eugene, and look at how their taxable values compare:

- The single-family house, a ranch-style house on a typical single-family lot. It’s a pretty average house for Eugene with an approximate market value of about $250,000, but its taxable value (which is what we’re focusing on here) is lower, at $170,000.
- The coffee kiosk, a small building with a drive-through, located near commuter traffic, with a taxable value of $215,000.
- The downtown office building, 4 stories, with a taxable value of $2,775,000.
- The big box store, a large single-story retail center, with a taxable value of $11,495,000.

You’ve probably noticed a couple of things: although the office building has over 16 times the value of the house, the big box store blows them all away. However, you may also have noticed that the big box store consumes more than 30 times the land of the other buildings. If that caught your attention, then you’re already thinking about the apples-to-apples comparison of value. Let’s look at that in more detail.
A better comparison of property values

If you look at the value per acre of these same properties—like looking at the price per pound of bananas—you see a very different picture.

That big box store may have a high taxable value, but it requires a lot of land to generate that value. And if you don’t take that into consideration, it’s not a true comparison of value.

Think of it as an opportunity

Let’s think about the big box store’s 12.19 acres. The same land could hold 54 single-family houses, 28 coffee kiosks, or 29 4-story buildings.* The value of 29 4-story buildings on 12.19 acres is 7 times the value of the big box store on the same amount of land.

In fact, the community could have the same taxable value created by the big box store with less than 2 acres (or about half a block) of office buildings. That means that for the same taxable value—which translates into tax revenue—a city would only have to provide roads, water lines, and sewer lines across a fraction of the area with downtown office buildings instead of the big box retail.

*To calculate the number of houses, coffee kiosks, and office buildings, we assumed some of the parcel was dedicated for street right-of-way.
Total Taxable Value

This is like pricing bananas by the bunch

$11,495,000

$2,775,000

$170,000

$215,000

1 Single Family House on 0.16 acres

1 Coffee Kiosk on 0.33 acres

1 Downtown Building on 0.32 acres

1 Big Box Store on 12.19 acres

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**Total Taxable Value**

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<table>
<thead>
<tr>
<th>Property Type</th>
<th>Acres</th>
<th>Taxable Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family House</td>
<td>0.15</td>
<td>$170,000</td>
</tr>
<tr>
<td>Coffee Kiosk</td>
<td>0.33</td>
<td>$215,000</td>
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<tr>
<td>Downtown Building</td>
<td>0.32</td>
<td>$2,775,000</td>
</tr>
<tr>
<td>Big Box Store</td>
<td>12.19</td>
<td>$11,495,000</td>
</tr>
</tbody>
</table>

**Taxable Value per Acre**

- This is like pricing bananas by the pound

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Acres</th>
<th>Taxable Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family House</td>
<td>0.16</td>
<td>$1,063,000</td>
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<tr>
<td>Coffee Kiosk</td>
<td>0.33</td>
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<td>$943,000</td>
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<tr>
<td>Big Box Store</td>
<td>12.19</td>
<td>$8,672,000</td>
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Part 4: Mapping Value in Eugene

This is where we take all of the concepts from the previous sections and show you where the Taxable Value and its associated property tax revenue really are. We use some 3D maps to show you Eugene in a whole new light.

From 4 buildings to a whole city

Imagine that the chart showing the Taxable Value per acre of those 4 buildings was expanded to include every building in the city. Now imagine that instead of lining up all of values on a chart, we put them all on a map of the city. This 3D map shows the per-acre Taxable Value for every land parcel in Eugene.

So, what can you see? A vast majority of the city is single-family houses, like the one in the previous chart. Those properties mostly fall in the grey, tan, or green ranges ($20/acre to about $2.5 million/acre). As you might expect, much of the suburban-style commercial land, whether more like the coffee kiosk or the big box store, falls into that same range, with a handful of light blues marking the highest values. What really jumps out on this map is downtown, with lots of light blue, dark blue and magenta. This is the part of Eugene where the “downtown building” from our example is, and that pattern is repeated block after block.

If you look around the map, you can see some other places you recognize: a commercial center, a subdivision, an historic neighborhood, an apartment complex.

<table>
<thead>
<tr>
<th>Taxable Value per acre</th>
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<tbody>
<tr>
<td>$59,395,800 - $82,738,838</td>
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<tr>
<td>$3,000,000 - $5,000,000</td>
</tr>
<tr>
<td>$1,865,600 - $3,000,000</td>
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<tr>
<td>$613,600 - $1,865,600</td>
</tr>
<tr>
<td>$1 - $613,600</td>
</tr>
</tbody>
</table>
Residential VPA
Minneapolis, MN

Minus Everything but Single Family and Missing Middle
Missing Middle
Minneapolis, MN

Just Missing Middle
Housing Compared
Minneapolis, MN
Minneapolis Housing
Type Value/Acre

Detached Single-Family Homes
Duplex
Triplex & Fourplex
Courtyard Apartment
Bungalow Court
Townhouse
Multiplex Live/Work
Mid-Rise

Missing Middle Housing
Minneapolis Housing
Type Value/Acre
Hennepin County, MN
Value per Acre

**Townhouses**
- $10,687,121 per acre
- $3,824,279 per acre
- $7,333,128 per acre
- $8,111,246 per acre

**Missing Middle**
- Target: $1,096,732 per acre
Manchester, NH
Taxable Value Per Acre

- **Winston Terrace**: $2,438,600 per acre
- **Amoskeag Apartments**: $2,555,000 per acre
- **The Flats**: $2,619,146 per acre
- **Bedford Walmart**: $809,694 per acre
Shifting development away from typical single family is a financial imperative for American cities!
Road Revenue – Cost / Acre
Lancaster, CA

Downtown

44% Sustainable

Road Network Sustainable
NOTES: Model demonstrates physical infrastructures such as bridges, roads, etc.; and does not calculate for police, fire, library, etc.

55% Road Network Sustainable

Downtown