The Productivity Approach to Value


Although not a soils text or reference book, this small volume explains how soil survey information is used in the appraisal and assessment process. Since appraisal of land for valuation, taxation, and equalization is a major use of soil surveys, I thought it appropriate to review this book.

Mr. Osborn is experienced in appraisal and assessment procedures. His current position is Director of Tax Equalization for Richland County, North Dakota. He also serves as a director on the North Central Region (multistate) Association of Assessing Officers. Osborn is familiar with the soil survey and has initiated various processes to incorporate soil survey information into routine assessments.

This book is short, only 132 pages broken into 11 chapters, but well organized. It is a well-designed primer that explains the basic principles of appraisal, land valuation, productivity indexes, and use of soil survey in the assessment process of agricultural land. Osborn’s use of cases studies, examples, and diagrams (i.e., he includes 14 appendixes of examples) greatly strengthens the book and simplifies complex issues. Osborn is definitely writing for the layperson or working professional. This book probably would not be the primary text for most university level real estate appraisal courses.

Osborn does a very good job of explaining speculation and its affect on land values. He even presents several methods of calculating, based on soil productivity values, how much speculation in included in the pricing of land. Along with this is a good discussion of the psychology and other variables affecting market sales. He includes a case study using the soil productivity approach to valuation and a discussion of the use of modifiers or criteria to adjust the calculated value. One passage (p. 89) should catch all soil scientists’ attention: “No matter what variations are used, it all starts with the soil type and productivity index of each soil type. This should be a common denominator for all methods of the productivity approach.” The book also includes a chapter explaining GIS applications and the use and limitations of this technology.

Any soil scientist reading this book will quickly realize, even with Osborn’s respect for the soil survey, that his strength is in economic analyses and not soil science. His approach to soil survey (at least from a field soil scientist’s point of view) seems oversimplified and generalized. Although the principles presented in the book are universal, most of the examples are from areas familiar to the author. This gives the book a provincial feel and makes it seem like it was designed for crop production found in the Northern Great Plains. Even with these limitations, this book is recommended for all individuals who want to learn more about the appraisal and assessment of agricultural land and how soil information is used to evaluate land, or those who are interested in the valuation process.

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