

## Section 10.3 Condition, Desirability and Utility

**CDU:** This single code field records the CDU rating—Condition, Desirability, and Utility—of the subject property by the review appraiser. The condition rating reflects physical depreciation relative to age, the desirability rating considers economic obsolescence and location, and the utility rating assesses functional utility. The expectations of a property can vary by neighborhood and price range. The expectation of a property can vary by neighborhood and price range. The modeler will establish a base CDU for each neighborhood and possible value influences within the neighborhood.

The description and guidelines for the CDU codes are as follows:

<b>CDU</b>	<b>Cond. Level</b>	<b>Description</b>
<b>5</b>	<b>Excellent (Rebuilt)</b>	This property has undergone complete restoration, starting from the ground up. It has been rebuilt either on the existing foundation or with additional construction. The result is a structure that is in like-new condition.
<b>4</b>	<b>Excellent (Full Remodel)</b>	This property has undergone a full restoration, down to the studs, ensuring a complete overhaul of all systems and finishes. The restoration has been executed to an excellent standard, resulting in a home that feels modern and updated while maintaining structural integrity.
<b>3</b>	<b>Very Good (Major Remodel)</b>	This property has received a major remodel, with updates to key areas such as the kitchen, bathrooms, air conditioning, flooring, roof, and windows. The improvements have been completed with attention to quality, resulting in a home that is in very good condition, both functionally and aesthetically.
<b>2</b>	<b>Good (Remodel)</b>	This property features an upgraded remodel, showcasing high-quality finishes and materials throughout. When used in a New Construction listing, the upgrades reflect the level of craftsmanship and detail typically found in model homes. Whether in a remodel or new construction, the home is in good condition, with significant enhancements that elevate its overall appeal and functionality.
<b>1</b>	<b>Improved (Updated)</b>	This home reflects some level of updating over its lifespan but is beginning to show signs of age and wear. While most components remain original and display minor deferred maintenance, there may be an updated feature or two that adds value. In new construction, this description applies to homes with a medium level of upgrades, balancing quality with functionality.
<b>0</b>	<b>Average</b>	This home is in average condition, consistent with its age. While it shows typical signs of wear and tear, it has been reasonably maintained over the years. The property remains functional, though it may benefit from routine updates or repairs typical for a home of its age.
<b>-1</b>	<b>Fair</b>	Home shows a significant amount of deferred maintenance which could include wood rot in siding and windows, replacement of major components needed and a general lack of upkeep. Kitchen cabinets/counters and maybe bath fixtures are old, and need replaced. Foundations could be bowing or cracked along with the lack of maintenance.
<b>-2</b>	<b>Poor</b>	This home is in poor condition, with some significant signs of deterioration and neglect. Most components have not surpassed their useful life, though replacement would significantly improve the property's value. While the property exhibits substantial wear, damage, and/or deferred maintenance, the home is still inhabitable and could be restored. Often used for properties with a significant slab issue.
<b>-3</b>	<b>Very Poor</b>	This home is in very poor condition, with extensive damage and severe signs of neglect. Several of the core systems and structural components are in disrepair or non-functional, and the property requires comprehensive renovation or rebuilding. The home is no longer habitable without significant restoration.
<b>-4</b>	<b>Salvage Value/Unsound</b>	This improvement is in unsound condition, with significant structural issues and extensive damage, making it unsafe and uninhabitable in its current state. Due to the extent of deterioration, the property holds little to no functional value and may only be valued for salvage, with any remaining worth tied to materials or the land itself.
<b>-5</b>	<b>Teardown / Mis-Improvement</b>	This improvement is in an advanced state of deterioration, characterized by severe structural damage and a compromised foundation. It is deemed unsafe and poses health risks, necessitating demolition. Given its condition, it should be regarded as a misimprovement, with no potential for rehabilitation or functional use.

**Desirability and Utility:** The possible value influences that cannot be explained simply with a condition code will be considered by the review appraiser. When the value influences of the subject property are considered significantly different than the typical property for the neighborhood, the review appraiser may choose a different CDU code than the condition code on the property. If no significant value influences exist, the review appraiser will assign the code number either the same or comparable to the condition code. The CDU and condition codes should move generally in tandem. For example, the CDU should not be rated a (-2) - Poor when the condition code is 2 - Good. Some of the issues to be considered, but not limited to, would be:

#### Positive Desirability

- Green space or a park
- Lake or water feature
- Golf course
- Neighborhood
- Street
- Bike/walking trails
- View
- Site amenities/landscaping

#### Negative Desirability

- Commercial/Industrial
- Multifamily
- Power lines/Cell tower
- Railroad
- Floodplain
- Derelict house next door
- Overbuilt for neighborhood

#### Utility Issues

- Layout
- Design
- Room functionality and adequacy
- Room arrangement
- Large house on small lot
- Additions/Conformity to original structure

The appraiser should always include a comment in the property notes section regarding any CDU adjustment. The comments should be brief and informative. See example below:

EX.) 2024 F/C – (-2) CDU per condition