

25th Annual Joint Luncheon SCCAI & IRWA Chapter 1

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Much Ado About Nothing - or Maybe There's More to it? Quirky Issues that Can Arise in Litigation Appraisal Cases



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March 18, 2025
Quiet Cannon,
Montebello, CA

Case Studies

- ▶ Strip Take/Acquisition from Single-Family Property
- ▶ Partial Acquisition from Almond Orchard
- ▶ Inverse Condemnation - Rural Residential Property
- ▶ Partial Acquisition of Subsurface Sewer Easement
- ▶ Strip Take/Acquisition from Shopping Center
- ▶ TCE from Portion of Mobile Home Park
- ▶ Inverse Condemnation Caused by Electricity Poles

STRIP TAKE/ACQUISITION FROM A SINGLE-FAMILY RESIDENTIAL PROPERTY









SEVERANCE SURVEY RESULTS	
Question 2: Why do you think they would or would not pay less for the property?	
Responses:	
Comments – No Impact:	
<p>One respondent said that most front yards along major streets have minimal landscaping and since the driveway can be reestablished, it would not impact the price.</p> <p>One respondent said houses along Sierra Avenue do not have large front yards generally. Most people spend their time in the back yard. As long as you can still have a circular driveway (2 access points), although closer to the house, no impact on the sale price.</p> <p>One respondent said most properties along Sierra Avenue do not have sidewalks and streets are run down. The project will update the street and modernize the area with sidewalks, corner ramps, etc. It will not reduce the value due to the street moving 11 feet closer.</p>	
Comments – Yes Impact	
<p>One respondent said the price would be lower because the driveway will be closer to the house and there would be a reduction in the front yard; however, she said that if the property were a commercial use, then there would be no impact on the price.</p> <p>One respondent said there would be impact, but could not quantify saying that the market during 2021/2022 was strong and could factor into discount rate.</p> <p>One respondent said the discount would not be very much because, it will still have two driveways and moving 5 feet closer is not a big deal.</p> <p>One respondent said that being located on a busy street which moves closer to the house would lower the desirability in the market.</p> <p>One respondent said the price would reduce because the street is closer to the residence along with the driveway being closer to the house.</p>	

Question 3: If so, how much less do you think a buyer would pay? (% or \$ difference)?

Responses:

No – Impact:

Three respondents said zero impact.

Yes – 5% Discount:

Two respondents – 5%

Yes – 10% Discount:

One respondent – 10%

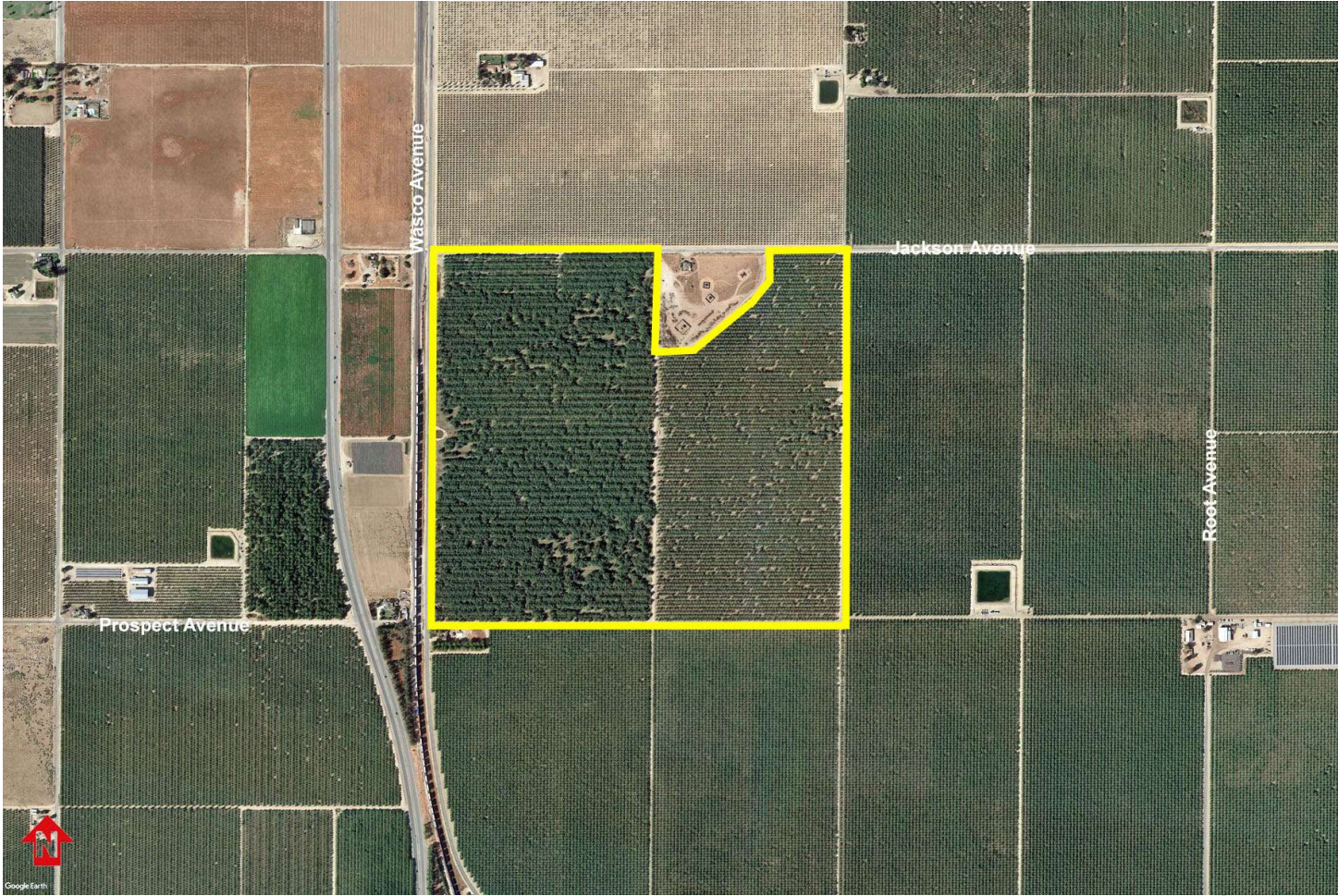
Yes - \$10,000 Discount:

One respondent - \$10,000 (which would equate to 2.1% if applied to subject larger parcel)

Yes – Other:

- ▶ One respondent said there would be an impact, but could not quantify.

PARTIAL ACQUISITION FROM AN ALMOND ORCHARD





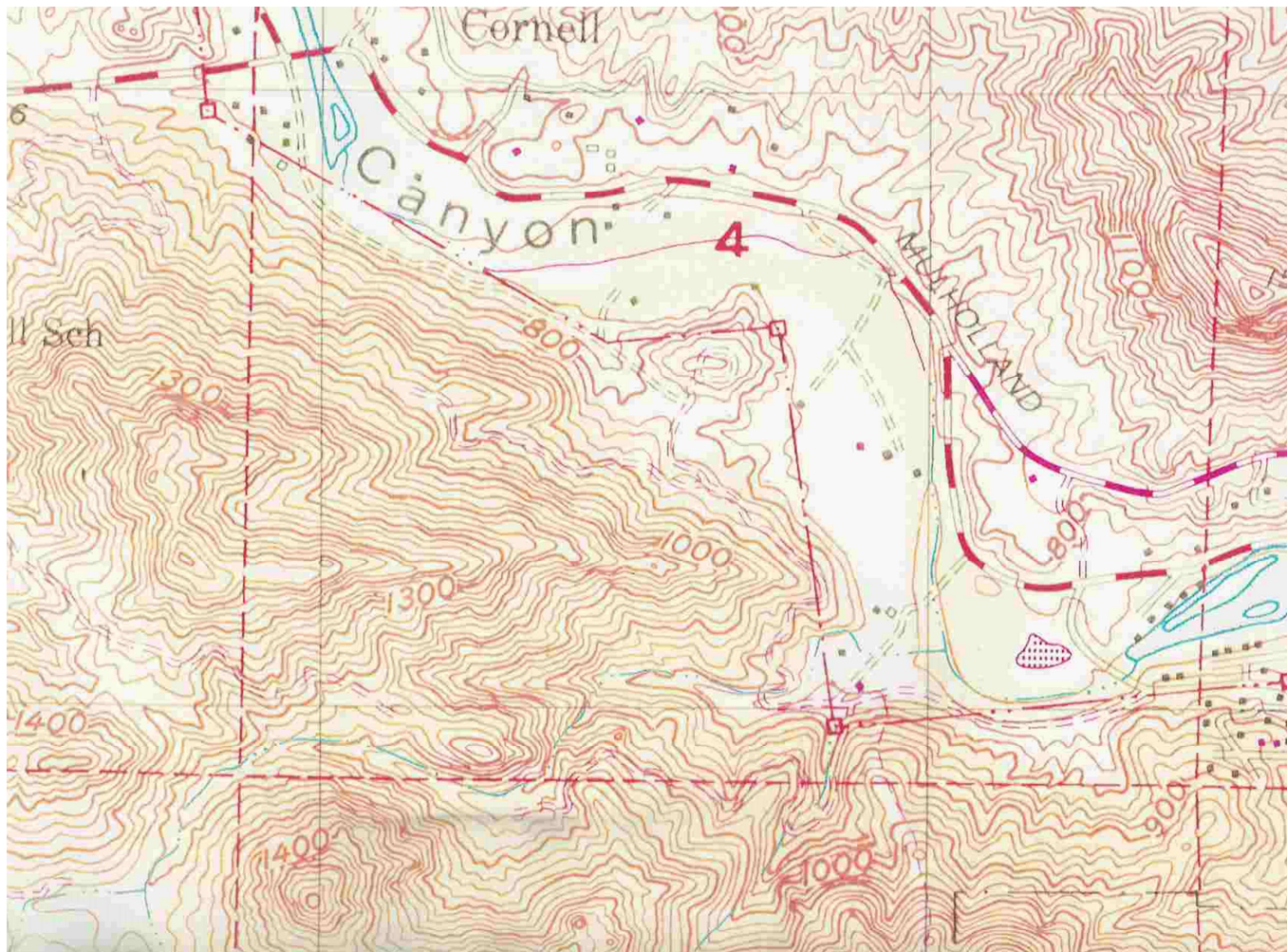
**SURVEY RESULTS - IMPACTS ON VALUE DUE TO DETOUR IN ACCESS
WITH ONE REMAINDER PARCEL**

Question: Would there be an impact on value to the remainder parcel getting to the processing plant, due to a partial detour caused by the High-Speed Rail improvements:

Detour Distance	Yes	No	Range of Value Impact	Comments
One-Mile	1	5	No Opinion Given	5 respondents said no impact, but said no impact as long as you would have access along paved road; 1 respondents said yes but gave no opinion at to the quantifiable impact on value.
Two-Mile	1	5	No Opinion Given	Responses Same As Those for One-Mile Detour
Three-Mile	1	5	No Opinion Given	Responses Same As Those for One-Mile Detour
Four-Mile	1	5	No Opinion Given	Responses Same As Those for One-Mile Detour

INVERSE CONDEMNATION RURAL RESIDENTIAL PROPERTY







MAXIMUM NUMBER OF LOTS ALLOWED UNDER LOS ANGELES COUNTY - HILLSIDE MANAGEMENT POLICY FOR XXXXXX PROPERTY			
Degree of Slope (Topography)	Subject Property Number of Acres Within Slope Category	Density/Slope Category (Per Low Density Threshold)	Number of Dwelling Units Allowed
< 24.99 %	15.22	1 d.u./5 acres ¹	3.04
25.0 to 49.99 %	22.37	1 d.u./10 acres ¹	2.24
> 50.0%	7.80	1 d.u./20 acres ¹	0.39
Total No. of Lots	45.39 Gross²		5.28
Rounded Down Per General Plan:			5.00 Lots

Source: County of Los Angeles Department of Regional Planning - Hillside Management Policy, Santa Monica Mountains North Area Plan - 10/24/00;
U.S.G.S. Map - Canoga Park Quadrangle; XXXXX Property - 25 Lot Alternative Study, 1/25/00

¹ Density/Slope Category is based on the Hillside Management Policy

² Density per the Santa Monica Mountain North Area Plan and Hillside Management Policy is based on the Gross Land Area, rather than the Net Land Area.

MAXIMUM NUMBER OF LOTS ALLOWED BY DISCRETIONARY APPROVAL UNDER LOS ANGELES COUNTY - HILLSIDE MANAGEMENT POLICY FOR XXXX PROPERTY			
Degree of Slope (Topography)	Subject Property Number of Acres Within Slope Category	Density/Slope Category (Per "Maximum Density Allowed" Subsection)	Number of Dwelling Units - Per Discretionary Approval
< 24.99 %	15.22	1 d.u./2 acres ¹	7.61
25.0 to 49.99 %	22.37	1 d.u./2 acres ²	11.19
> 50.0%	7.80	1 d.u./20 acres ²	0.39
Total No. of Lots	45.39 Gross²		19.19
Rounded Down Per General Plan:			19.00 Lots

Source: County of Los Angeles Department of Regional Planning - Hillside Management Policy, Santa Monica Mountains North Area Plan - 10/24/00;
U.S.G.S. Map - Canoga Park Quadrangle; XXXX Property - 25 Lot Alternative Study, 1/25/00

¹ Density/Slope Category is the Land Use Element Per Los Angeles County Regional Planning and Hillside Management Policy, both pre and post adoption of the North Area Plan

² Density per the Santa Monica Mountain North Area Plan and Hillside Management Policy of the General Plan is based on the Gross Land Area, rather than the Net Land Area.

PARTIAL ACQUISITION FOR A SUBSURFACE SEWER TUNNEL EASEMENT



SEWER TUNNEL EASEMENT SURVEY

QUESTIONS

Residential sales with existing sewer tunnel/easements:

1. Was the buyer aware of the sewer tunnel/easement that traverses the site?
2. Did the existence of the sewer tunnel/easement impact the sale price? If so, how much?
3. If the tunnel impacted the sale price, would there have been a difference if the tunnel ran along the boundary of the site versus traversing under the house?
4. If the tunnel impacted the sale price, would there have been a difference if it was a water pipeline versus a sewer pipeline? If so, how much?

Residential sales with no existing sewer tunnel/easement:

1. Would a sewer tunnel, located 65 feet subsurface, that did not affect geological conditions or prevent potential development, impact the sale price of a property?
2. Would the location of the tunnel matter? (i.e. if the tunnel ran along the rear boundary of the property versus traversing it?)
3. If there was a water pipeline traversing the property versus a sewer pipeline, would this impact the sale price any differently?

SEWER TUNNEL EASEMENT SURVEY	
Questions	Responses
Residential sales with existing sewer tunnel/easements:	
1. Was the buyer aware of the sewer tunnel/easement that traverses the site?	Two applicable respondents. Participants were aware of a sewer tunnel easement on the property, but not its alignment. Participants stated that the sewer easement was akin to any other utility easement and was necessary for development of the site.
2. Did the existence of the sewer tunnel/easement impact the sale price? If so, how much?	No impact to sale price
3. If the tunnel impacted the sale price, would there have been a difference if the tunnel ran along the boundary of the site versus traversing under the house?	No difference
4. If the tunnel impacted the sale price, would there have been a difference if it was a water pipeline versus a sewer pipeline? If so, how much?	No difference
Residential sales with no existing sewer tunnel/easement:	
1. Would a sewer tunnel, located 65 feet subsurface, that did not affect geological conditions or prevent potential development, impact the sale price of a property?	Six applicable respondents. All participants stated that this type of tunnel/easement would not impact the sale price if it did not impact development of the site.
2. Would the location of the tunnel matter? (i.e. if the tunnel ran along the rear boundary of the property versus traversing it?)	All participants stated that the location on the easement would not matter.
3. If there was a water pipeline traversing the property versus a sewer pipeline, would this impact the sale price any differently?	All participants stated the type of easement would not matter.

STRIP TAKE/ACQUISITION FROM A SHOPPING CENTER



BEFORE CONDITION PHOTO



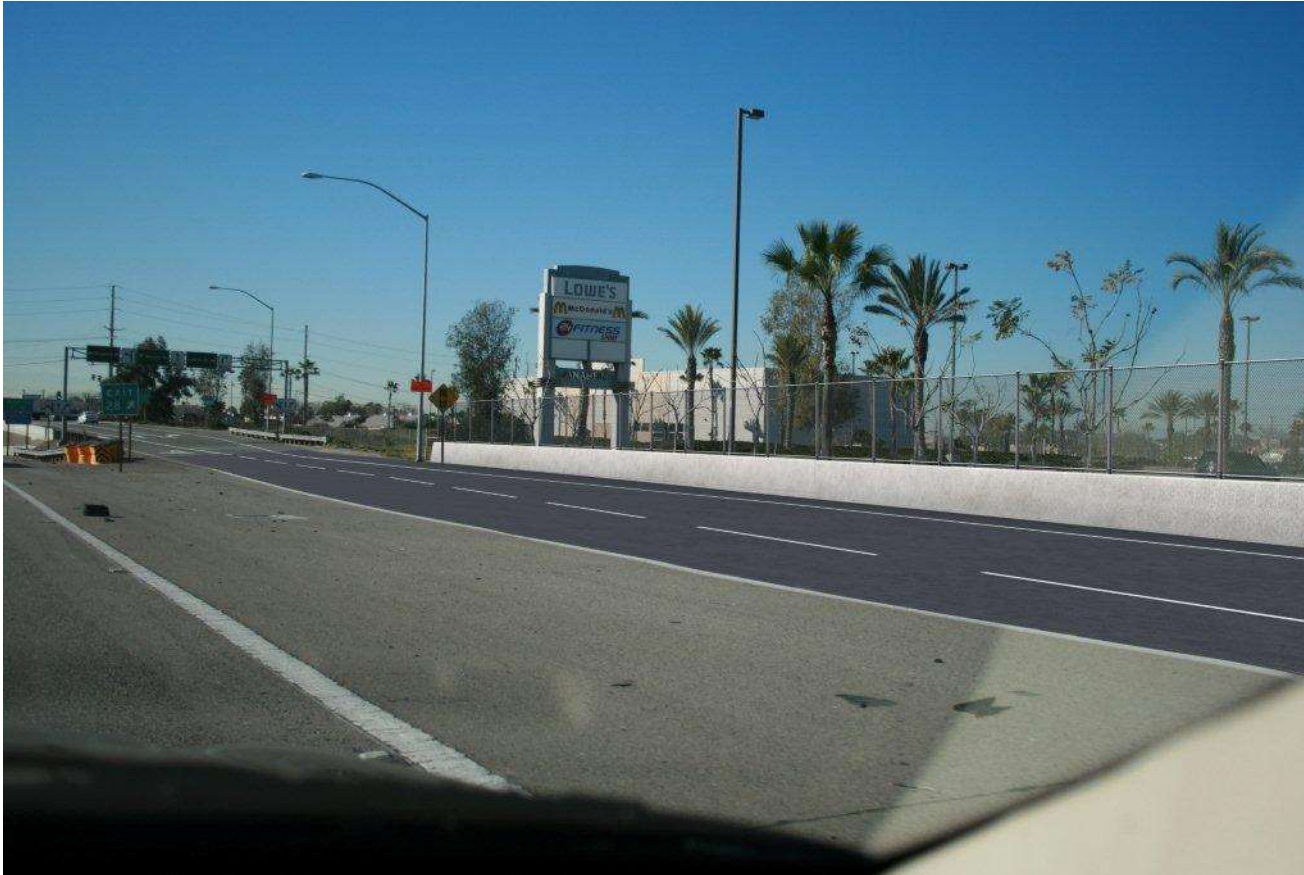
AFTER CONDITION PHOTO



BEFORE CONDITION PHOTO

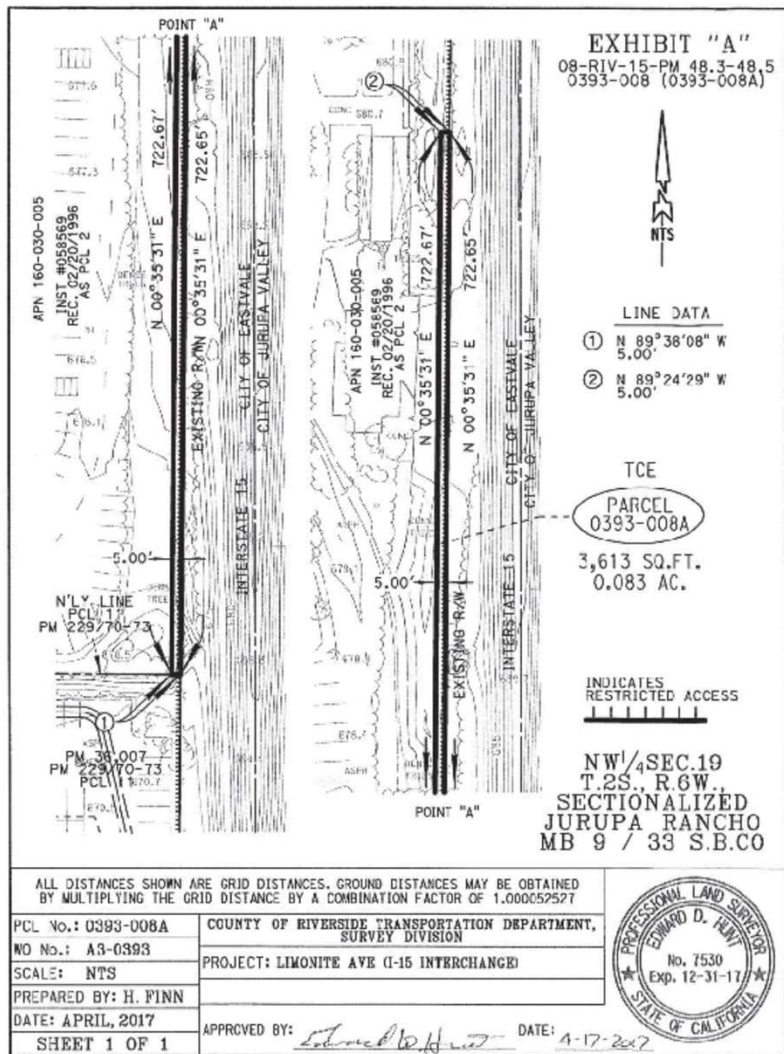


AFTER CONDITION PHOTO

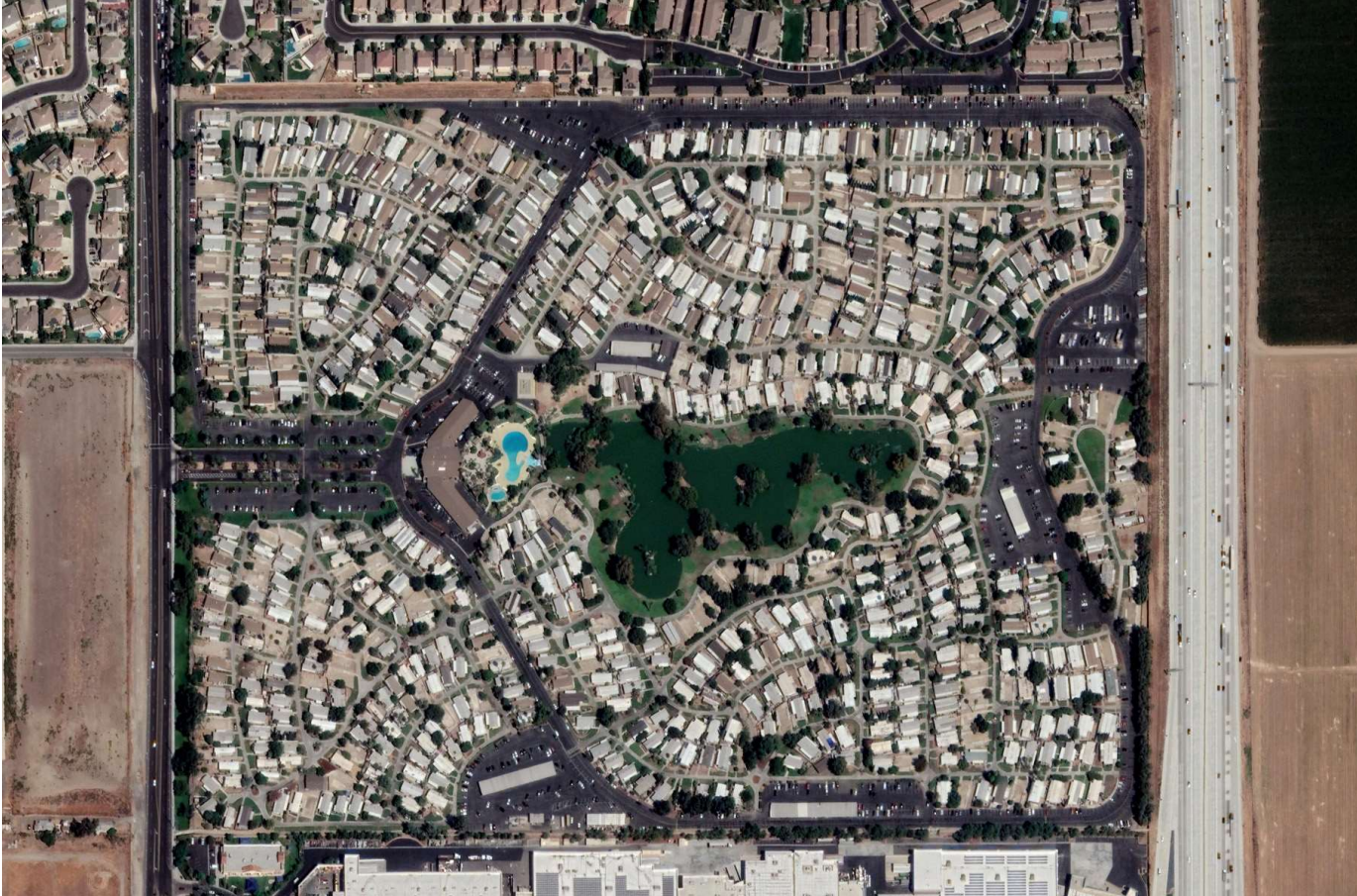


TEMPORARY CONSTRUCTION EASEMENT FROM PORTION OF A MOBILE HOME PARK





HPA 029



BEFORE & AFTER CONDITION PHOTOS



BEFORE & AFTER CONDITION PHOTOS



AFTER CONDITION PHOTO



INVERSE CONDEMNATION CAUSED BY MOVING ELECTRICITY POLES







Thank You!!

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