

Town of Lyons, IGA TASK FORCE - Data Collection

(Materials collected and consolidated by D. Matthews and M. Soosloff)

Definition of “Highest and Best Use” (as requested during IGA Task Force 13-June-2024 meeting)

General Overview: When talking about real property (real estate) valuation, the term “Highest and Best Use” is often referred to as what is the most financially valuable way to use a property (from the perspective of the owner or future owner). The best and highest used does NOT necessarily take into account other subjective measures such as desired personal or community use of a property, does not consider possible impact on properties within the proximity when related to things like sight-lines, noise impact, etc. as long as the use is legal and permissible with overreaching municipal regulations, zoning, etc.

The Appraisal Institute defines highest and best use as follows:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.

The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value