

Hop Bailey Co., in Knoxville which was established in 1922. I attended the University of Tennessee and served 4 years in the Air Force during World War II—attaining the rank of major. Since 1946, I have been engaged in the general real estate business and have specialized in the appraisal of real estate.

My primary professional territory is east Tennessee, but I have made appraisals in several other States as well.

I am a member of the Knoxville Board of Realtors, the Tennessee Association of Realtors, the National Association of Real Estate Boards, the American Institute of Real Estate Appraisers, the Society of Real Estate Appraisers, the American Society of Real Estate Counselors, and other related organizations. I am currently director of the Knoxville-Chattanooga chapter of the American Institute, and I have held a number of offices in the other organizations, including: Past president, Tennessee chapter of the American Institute of Real Estate Appraisers; past president, Real State Board of Knoxville; and vice president, Tennessee Association of Real Estate Boards. During the past 20 years or so, I have made many appraisals for local, State, and Federal governmental agencies for urban renewal projects, highway projects, flood control projects, transmission line rights-of-way, gas lines, and other purposes. As a result, I have had a considerable amount of experience testifying as an expert on land values in State and Federal courts. I have made appraisals for nearly every corporation and governmental agency operating in my territory. I have also made many appraisals for, and have testified on behalf of, landowners.

The first point I would like to make is that real estate is unlike any other type of property. The market value of most property, such as automobiles, appliances, stocks, bonds, etc., is somewhat uniform and is easily ascertainable by reference to various listings, quotations, catalogs, and so forth. Real estate, on the other hand, is unique in that no two parcels of land are identical, and its value is greatly affected not only by the soil, shape, and topography, but also by its location. To appraise the value of real estate, it must be first thoroughly inspected. No one can intelligently appraise real estate without seeing it. It is also necessary to have some knowledge of the neighborhood and community in which it is located. In fact, location is one of the most significant factors affecting land value, because market trends and potential use are as important as the nature and character of the land itself.

Usually the most reliable approach to determining land value is a study of recent sales in the vicinity. What are similar lands selling for? This is what we call the comparison approach to value and, when available, is the most reliable test of market value. In addition, there are other recognized appraisal techniques such as the cost and income approaches, where applicable. However, since most lands acquired by TVA are rural properties, the comparison approach is by far the most important.

It should be stressed that the commissioners appointed to hear the TVA cases not only inspect the property being condemned, but also the surrounding neighborhood and the comparable sales relied upon by the witnesses who have testified in the case. To my mind, this is the most important advantage of the commission system, and the inspection by the commissioners is the best tool they have in weighing