

## **What “Market Value” means**

In North Carolina, market value for tax appraisal purposes is defined by law. General Statute 105-283 states that market value is “the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used.” This definition is similar to the concept of market value used in other types of appraisals. Another way to say it is that market transactions are those that happen at “arm’s length,” or situations where buyers and sellers are reasonably informed, acting in their own best interests, and under no pressure to buy or sell.