Efficient use of property should be measured in terms of the subject property’s ability to satisfy the needs of the users in the market. The level of efficiency of a property reflects on its functional utility. In turn, the marketability of property is improved when it has a high degree of efficiency. The function of the improvements dictates the use, or uses, for which the property can be utilized. This often requires what planners call “site planning.”

As described by Kevin Lynch, “Site planning is the art of arranging the external environment to support human behavior.” The better the land/site supports the needs of the users in the market, the more efficient the property. A method of measuring efficiency is to conduct a suitability analysis. Suitability is dependent on the use of the property. Therefore, the following should be done in determining land/site suitability:

1. Determine the scope of work required to competently conduct an analysis. This includes identifying the required data based on availability, relevance and reliability.

2. Each potential use should have suitability criteria. The criteria should be listed in order of importance.

3. Relevant land/site attributes should be identified and mapped. Graphic presentation assists with the analysis process.

4. Suitability is not only a physical analysis of a specific property. It includes compatibility with the adjacent land uses and the neighborhood.

Suitability is a function of the land uses for which the site is being considered. Suitability is where specific activities can be conducted considering such items as cost of construction, ease of development approval, compatibility with adjoining properties and environmental impacts. Site constraints represent items that are the opposite of suitability features.

Land/site analysis in urban areas must consider, to a greater degree than rural areas, the compatibility with surrounding uses and the cultural context. Identifying neighborhood characteristics using the tools offered by Kevin Lynch can assist in an analysis. Both amenities and nuisances are important considerations in determining the desirability of a particular location. In urban areas pedestrian access, traffic congestion, quality of materials, level of maintenance, public space and sun light exposure represent items to include in an analysis. Proposed development may be evaluated by what planners call a “sense of place.” That may include consistency with the architectural appearance as well as building size (bulk) considerations. Places may have an identity that has a social context, which may be more difficult to identify. The social context represents the popular mind of the people. The popular mind of the community will be part of the
social, political and legal aspects of a neighborhood and, to a larger extent, the community.

Appraisal education focuses heavily on developing an opinion of value. Techniques for developing that opinion represent the translation of market data into useable value indicators. Nonetheless, much of what appraisers do in the analysis process deals with social, legal and physical factors. Consider the process by which the highest and best use is determined. Legal and physical considerations must be addressed before financial considerations are analyzed. If the use or uses are not physically and legally possible, financial considerations are not relevant. Consider the following list:

- General location and description of the subject (PHYSICAL)
- Address of the subject (LEGAL/IDENTIFICATION)
- Assessor parcel number (LEGAL/IDENTIFICATION)
- Parcel shape (PHYSICAL)
- Topography (PHYSICAL)
- Site size (PHYSICAL)
- Zoning (LEGAL)
- General plan (LEGAL)
- Utilities (PHYSICAL)
- Off-site improvements (PHYSICAL)
- Access (PHYSICAL)
- Flood hazard area (PHYSICAL)
- Geologic conditions (PHYSICAL)
- Soil conditions (PHYSICAL)
- Toxic hazards (LEGAL and PHYSICAL)
- Archeological resources (LEGAL and PHYSICAL)
- Wetland and biotic resources (LEGAL and PHYSICAL)
- Easements and encroachments (LEGAL and PHYSICAL)
- Deed restrictions (LEGAL)
- Health codes (LEGAL)

In real property appraisals, the environment is analyzed on how well it functions for certain human activities. It should also be analyzed on how efficiently it satisfies our convenience as well as comfort. The ability to understand and orient activities is essential to having an efficient environment. The subject property’s unique qualities may provide a sense of belonging and identity; the ability to appeal to our desires through creating a pleasurable experience may also be essential. The arrangement and quality of the improvement materials and how the property fits in the neighborhood and community are critical considerations and affect marketability.