



## Understanding Highest and Best Use Principles

Presented by Gary McCabe at the 2022 National Conference of State Tax Judges  
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### Examples:

*Redevelopment projects based on changes in property use with shifting market.*

[The Nines Wellesley](#). 6-story, 350-unit mixed-use development with an affordable component (88 units, about 25%). Located in a portion of the Wellesley Office Park at the intersection of Route 9 and Route 128/I-95, developed by The Hanover Company and architect Cube 3. Uses provisions of [Massachusetts' Chapter 40R](#) (The Smart Growth Zoning Overlay District Act) to increase housing density and promote affordability. Residents may "work from home" at the Wellesley Office Park.

[557 Highland Avenue](#). 9-acre Muzi Ford/Chevy dealership on Route 128 in Needham, MA, rezoned in 2021 to allow up to 500,000 square feet of mixed-use development including R&D space. Developer intends to create [lab floorspace and office space across two buildings](#).

[Red Brook Plymouth](#). Master-planned residential community among 10 miles of walking trails, cranberry bogs, and natural surroundings, offering 1,175 housing units and 60,000 square feet of commercial space. The community's latest restaurant, Black Lantern Tavern, broke ground in 2021. The development will have [created 103 affordable housing units at buildout](#).

### Resources:

*Why land values change, with or without development pressure.*

Anderson, John E., and Richard W. England. 2014. "Fundamentals of Land Value." In *Use-Value Assessment of Rural Land in the United States*. Cambridge, MA: Lincoln Institute of Land Policy. <https://www.lincolninst.edu/publications/books/use-value-assessment-rural-land-united-states>.

*"First, there must be demand for the use, currently or in the near future."*

Thimgan, Garth E., Diane M. Ange, Roger L. Gilliam, Lisa A. Hobart, Mark R. Linne, Thomas K. Tegarden, and James Russ Thimgan. 2010. "Highest and Best Use Analysis." In *Property Assessment Valuation*. International Association of Assessing Officers. <https://www.iaao.org/Store/detail.aspx?id=BK0097>.