### IDJI 7.09 – Definition of fair market value

INSTRUCTION NO.\_\_\_

The term "fair market value" means the cash price at which a willing seller would sell and a willing buyer would buy the subject property, in an open marketplace free of restraints, taking into account the highest and most profitable use of the property.

It presumes that the seller is desirous of selling, but is under no compulsion to do so, and that the buyer is desirous of buying, but is under no compulsion to do so.

It presumes that both parties are fully informed, knowledgeable and aware of all relevant market conditions and of the highest and best use potential of the property, and are basing their decisions accordingly.

It presumes that the market is open and competitive, and that the subject property has been exposed to the market for a reasonable time.