



## 2.4 APPRAISAL FIELD WORK

### 2.4.1 Owner Interview and Comments

It is a requirement for the appraiser to invite the owner on the inspection of the property ([s. 32.06\[2\] Wis. Stats.](#) and [49 CFR 24.102](#)). This is an opportunity to gain trust and respect of the owner, plus obtain information not always readily apparent. For non-complex short form appraisals, a letter to the owner giving the owner an opportunity to request a joint inspection is sufficient. If the property is tenant occupied, try to arrange the inspection/interview with both the owner and the tenant. The owner's attitudes and concerns should be recognized and noted but, in most cases, need not be made a part of the formal appraisal report. Relevant comments made by owners should be jotted down and given to the acquisition supervisor for consideration and appropriate action. Sometimes a design change will result. Sometimes the assigned negotiator will benefit from the information obtained by being able to have the appropriate information when meeting with the owner.

Before interview, appraiser shall:

- Be familiar with and able to explain right of way (R/W) plat and plans associated with project, and take them with you on appraisal call.
- Be familiar with overall project design, purpose and schedule of job.
- Check for grade change, access control, number and location of driveways being replaced, new location of existing utility lines, location of drainage structures on new road and any other factors that may affect after condition of subject.
- If buildings are being acquired, check cost manual to see what information will be needed to determine its cost.
- Prepare a pencil sketch of property and fill in details during property inspection.
- Review property history (title search), zoning, tax assessment, aerials, soil book (if applicable) and any other data regarding subject property. Write down specific questions to ask.

At interview, appraiser shall:

- Ask about age of buildings, when renovated, date of additions, specific work performed in renovating, etc.
- Ask about any/all items you cannot actually inspect (insulation in walls, thickness of concrete, type of covered wiring, location of septic tank and well, plumbing and duct work, drain tiles, etc.). Verify this information to the extent possible and pertinent.
- Ask if there is any land or buildings being rented by them in area.
- Ask owner if there are any tenant-owned buildings or improvements (including machinery, equipment and fixtures).
- Discuss highway project in general, the design, purpose and schedule.
- For before and after appraisals, inspect entire property with owner.
- For strip appraisals, field-inspect the acquisition area with owner and note type, description and location of improvements being affected. Ask the owner if they have any knowledge of underground improvements in or near acquisition area.
- Get information on age of heating, air conditioning, roof and other replacement items.

- Let owner know person(s), address and telephone number to contact for answers to special questions not relating to appraisal.
- Make a list of what is and what is not real property.
- Obtain copies of any applicable leases.
- Request copies of any recent surveys or building plans, if available.
- Take all necessary photographs at this time. Try to show acquisition and its effect on remainder, if possible. Get at least one photo of owners concerns, if any. If buildings are to be acquired, close-up photos of any deferred maintenance would be helpful.
- Verify any recent sale of subject or sell-off.

Use your judgment in the owner interview as far as details and depth of the interview. A very simple strip taking does not require or warrant an in-depth inspection or interview. Conversely, a major acquisition will require much more of an interview and inspection. Some “Do Not’s” for the property inspection/owner interview:

- Do not argue with owner about potential damages or benefits.
- Do not ask owner's opinion of value.
- Do not attempt to find or broker replacement property.
- Do not attempt to negotiate price.
- Do not discuss value ranges with owner or indicate a "ball park" estimate.
- Do not give information relating to possible relocation benefits.
- Do not make comments leading to expectations of a valuation in excess of market value.
- Do not make negative comments about property, regardless of condition, location, etc.
- Do not suggest or recommend any firm or individual for an owner obtained appraisal.
- Do not try to give opinions of likelihood of damages or benefits.

As part of appraisal process:

- A key provision requires the relocation specialist to accompany the appraiser on the scheduled appointment date to review the site to be acquired. Differentiating realty/personalty issues at this time is required and WisDOT will make every effort to implement this provision. This requirement is also tied to [49 CFR Part 24 Subpart B](#) requirements for determination in the appraisal.
- In farm operations, the appraiser and the relocation specialist should carefully review the issue of circuitry of travel during the appraisal process to determine the effect on the farm operation and whether a relocation of the farm is warranted. Such discussions may also include Real Estate management, project management and engineering staff.
- Circuitry of travel and access issues may impact other types of businesses. This issue should be carefully reviewed during the project development phase of the highway project (preliminary engineering) and during the appraisal process. Such reviews should be considered in determining whether relocation is warranted.
- The appraisal process should validate and/or substantiate any change that has an impact on the business and may signal a significant reduction in functional utility to the present business.

All these complex situations may require discussions with expertise from other functional areas within WisDOT. Referral and discussion with the project design engineers and other work groups must take place prior to completing the appraisal/relocation interviews, so that all the issues can be adequately addressed, in order to provide relocation assistance and accomplish the move in a timely manner.

## 2.4.2 Inspection of Land Improvements and Structures

Adequate notes should be taken as to the type of material, size, age, condition and location of each land improvement. The scope of the appraisal's structure inspection will depend on the complexity of the appraisal problem. When a short form appraisal report is to be used, a brief exterior inspection of the structures will usually be sufficient with notes kept in the appraiser's file. In the standard appraisal report, where damages due to the acquisition are likely to occur, a more detailed inspection of the structures will be required and a description of the improvements must be included in the appraisal report.

### 2.4.2.1 Residential Improvements and Structures

Land improvements - The inspection of the residential land improvements should be thorough and concise for both the short form and standard appraisal reports so that it can be determined if any of the improvements are to be effected by the acquisition. This can be done at the same time as the inspection of residential structures. This is also a good time to take measurements and pictures of R/W staking across the front lawn of the property. These measurements and photos will indicate the improvements and landscaping to be acquired. It will also indicate the before and after setback distances of structures from the centerline and R/W lines. Some of the typical land improvements on residential properties are paved driveways, patios, planter boxes, on premise signs, lanterns and ornamental fences. Some typical land improvements located underground are: wells, septic systems, drainage fields, water lines and fuel storage tanks. The location of these underground improvements can usually be verified with the property owner.

Structures - The actual age of the dwelling should be determined to the best extent possible from the owner or public records. The appraiser estimates the effective age, based on condition. The appraiser should estimate the remaining economic life of the improvements. When making the exterior inspection of the dwelling, the appraiser should note the architectural style, make a precise measurement of the perimeter of the structure, and identify and measure porches, vestibules, patio decks, or other projections from the main structure. Note the type of siding (wood, metal, brick veneer, etc.), roof style and type of shingles. Also note type, style and number of windows and doors and the chimney's exterior (brick, stone, metal, etc.). Additional items to be noted during the exterior inspection of the dwelling are type of foundation, full or part basement, concrete slab or piers, combination storm windows and doors, rain gutters and down spouts, brick or stone floral planters, television antennas, on roof or attached towers, central air conditioning and insulation in walls and attic. The property owner is usually a good source to verify the amount of insulation in place.

- Interior description of the dwelling should include the size of the total living area in square feet, room count and the location of these rooms. If the home is being acquired, the interior room sizes are also needed to help with relocation calculations. A general description of the interior finish should be noted such as floor and wall coverings (i.e., carpet, tile, hardwood floors and trim, plastered walls or drywall), acoustical ceiling tile and ceramic tile bathrooms.
- Kitchens are an integral part of the dwelling, so take time to adequately describe them. Indicate the room size, wall and floor covering, dining area, length and type of cabinetry, built-in appliances such as oven & range, dishwasher, vent hood, disposal, etc.
- Bathrooms should also be adequately described as to where they are located (i.e., main floor, second floor, basement, etc.); indicate the number of fixtures, tile work, vanities and vent fans. Bedrooms should be identified by location, size, wall and floor covering and whether adequate closet space is available.

- Basement descriptions should note if full or partial; and, indicate type of foundation and walls, floors, supports, finished recreation rooms, laundry room, workshop, etc. Include an inventory of the utilities in the basement such as the furnace and type of fuel used, water heater, laundry facilities, floor drains, sump pump and exterior entrances, if any.
- Garages should indicate if attached to the dwelling or detached; and, indicate the type of construction, roof style, and measurement around the perimeter and square foot area. Note special features as to floor type, number of doors, entrance and overhead, automatic door openers, electricity, floor drain, insulation and heat, if available. Indicate actual age and observed condition.
- Other small structures on a residential property such as garden and tool sheds should be described as to use, style, construction, size and observed condition of the structure.

### 2.4.2.2 Agricultural Improvements and Structures

The following is a list of typical farm structures and items to be noted for each:

- Barns
  - Actual age and observed physical condition.
  - Attached structures such as milk house, lean-to and feed rooms.
  - Barn type (i.e., dairy), construction (i.e., frame) and size around the perimeter and square foot area.
  - Basement construction (masonry, wood, stone, etc.).
  - If use is other than dairy farming, indicate the use and related equipment.
  - Milk house construction (frame, masonry), size, age, equipment (milking system, bulk cooler, wash tanks, water heater, etc.).
  - Roof style (gable, gothic gambrel, etc.) and type of roofing (asphalt, metal, wood, etc.).
  - Special equipment (pipeline milking system, water system, feeding systems, barn cleaner, vent fans, number of stanchions, calf pens, etc.).
- Frame buildings
  - Age and observed condition.
  - Size (perimeter sq. ft.) and measurement.
  - Use and type of construction.
  - Utility of older frame buildings if considered adequate for newer machinery or other related farm uses.
- Fuel stations and underground tanks
  - Age and observed condition.
  - Capacity.
  - Location.
  - Size.
- Metal buildings
  - Age and observed condition.
  - Floor (surface concrete or partial).
  - Size (perimeter sq. ft.).
  - Style (i.e., gable roof).
  - Use (crop storage, machinery storage, work shop, etc.).
  - Wall height, doors, windows and skylights.
- Miscellaneous structures (corn cribs, feed/grain hoppers, automated feed bunks, etc.)
  - Capacity age and observed condition.
  - Location.
  - Size (perimeter sq. ft.).

- Use and type of construction.
- Silos
  - Age and observed condition.
  - Construction (concrete stave, tile, harvester, etc.).
  - Location.
  - Size, height and diameter.
  - Special equipment (i.e., un-loaders).

### 2.4.2.3 Commercial / Industrial Improvements and Structures

The inspection of commercial or industrial improvements should include, but not be limited to:

- Access - number/type of doors (entrance or overhead), entrances to street, etc.
- Age and observed condition of the structure overall
- Basement area
- Exterior finish and condition
- Fixtures or special equipment, especially in industrial buildings such as elevators, loading docks, conveyance systems
- Fuel stations and underground tanks
- Interior finish, room arrangement and condition
- Number of floors
- Present use and utility
- Size, perimeter and square foot calculations
- Roof type
- Utilities - number of restrooms, type of heat, electrical service, ceiling height, special lighting, sprinkler systems and municipal or private water and sewer systems, etc.

#### 2.4.2.3.1 Determination of Fixtures

Definition of fixture - "An article that was once personal property but has since been installed or attached to the land or building in a rather permanent manner so that it is regarded in law as part of the real estate." Attached improvements can be real or personal property. If attached to the realty in such a manner that its removal would damage the real property or the fixture, the fixture is realty. If the fixture is removable without damage, it is generally considered personal property. An item of equipment that, because of the way it is used, the way it is attached, or both has become an integral part of a building or other improvement. A fixture, such as a bathtub, is classified as real property, but trade fixtures (fixtures used in the conduct of business) are classified as personal property. The common law tests of "intent," "adaptability" and "annexation" for determining when an item becomes a part of the realty have generally been used by the courts to resolve conflicting status claims. These tests are particularly pertinent for disputes in mortgagor-mortgagee, buyer-seller or lessor-lessee relationships. These tests, however, have limited application in condemnation matters as the issue in those relationships (ownership) is not the same issue that arises in a condemnation proceeding. Therefore, no further discussion of the common law tests is considered necessary. The issue we are involved with is not ownership of the item, but economic consequences. Therefore, the test as to whether or not an item is a fixture to be appraised as part of the real estate will *consider* whether the item will lose substantially all of its value on removal from the premises. If it will, the owner is entitled to be paid its in-place value, if the value of the real estate has been so enhanced. This rule or guideline is subjective and thus can be subject to many shades of interpretation and opinion. Each

parcel and each item will have to be evaluated on a case-by-case basis. Generally, however, the intent of this rule is to interpret close calls in the owner's favor.

Procedure - Initial discussions regarding if specialists are required, etc. should take place at the project management conference. Generally, the assigned appraiser should proceed as follows:

1. Obtain or prepare a complete listing of all the machinery, equipment, fixtures, etc. that the owner and/or tenant want us to include in the acquisition. If applicable, a separate listing should be made for owner and tenant. The listing should give a name or description of the item(s), serial or identification numbers if applicable, estimated age and condition. Items that the owners wish to retain and move should be listed separately.
2. The regional and BTS-RE review appraisers will then consult with the appraiser and decide what items, if any, should be excluded from the acquisition.
3. The appraiser (or specialist) will then be advised to proceed on the basis of this agreed upon list.
4. If a specialist is retained to value any of the items, they will be requested to provide:
  - Cost new and source of cost - Is this a catalog price, wholesale, or retail? Are installation or hook-up costs included or additional?
  - In place value - How was depreciation determined, age/life factor, condition? Function and efficiency compared to current state of the art for that item?
  - Salvage value - What would the item bring at auction knowing it would have to be moved to another location?
5. A staff or fee appraiser may use the same process to value these fixtures. It may be possible, or more desirable, for an appraiser to value the fixtures on an analysis and allocation of sales. This technique, which more closely follows the thoughts and actions of buyers and sellers, requires sufficient sales and enough detailed information to make logical and meaningful comparisons. This technique would result in a lump-sum value for the fixtures rather than the itemized valuation. The region would then have to prepare an itemized list or schedule of salvage values (for property management purposes) for submittal and final approval of an offering price.

### 2.4.3 Cost Estimates

It is often necessary to get cost estimates for parking lots, building repair, replacement of septic systems, well drilling, etc. It's important that the contractor or consultant understand exactly the extent of the work to be done and that detailed specifications of the work and cost are required. The appraiser or regional staff, rather than owner, is to meet with the contractor and spell out exactly what is needed. If there is anything questionable about the estimate, it should be reviewed for acceptability by regional staff and the review appraiser prior to including it in the appraisal. Dimensions, materials required, labor, and specifications when appropriate, are the critical part of the written estimate. A sketch showing where parking is to be replaced, for example, may be necessary in addition to dimensions and specifications. If possible, the proposal should be in the form of an actual bid to do the work. These estimates are not valuation or specialty reports; and, therefore, do not need a certification.