**APPRAISAL REPORT – SHORT FORMAT**

**APPRAISAL OF**

Project ID:

Parcel Number:

Property Owner:

Property Address:

      County, Wisconsin

**APPRAISAL EFFECTIVE DATE**

**REPORT DATE**

**CLIENT**

Wisconsin Department of Transportation

**APPRAISED BY**

**Note: Remove all instructions in RED before submitting first draft.**

Appraisal consultants may insert a transmittal letter at this point if they wish, but it is not required by the Wisconsin Department of Transportation (WisDOT) or under USPAP. WisDOT staff appraisers are not permitted to include a transmittal letter per the reporting standards contained in the REPM Subsection 2.3.5, Item 2 – Letter of Transmittal.

**General Instructions: Open Form No. RE1005 and save copy. Working with the saved copy of the template, modify the text in the template by, first clicking the “Review” function, then the “Restrict Editing” tool, and finally the “Stop Protection” button. Remember to remove all instructions in RED before submitting first draft.**

The Appraisal Report - Short Format (RE1005) has been developed as a self-contained, independent appraisal template that will result in an appraisal report that is USPAP compliant if completed according to the instructions contained in the template. The short format appraisal template can be used for any **non-complex** appraisal problem regardless of the value of the acquisition. The appraisal report – short format template has been developed to assist new appraisers develop their appraisal skills and to provide a content appropriate reporting product that can meet the federal and state requirements for the preparation of an appraisal report. The Appraisal Report – Short Format Template is designed with templated content and instructions that are consistent with Subsection 2.3.5 (Appraisal Reporting Standards – Content of the Appraisal Report) of the Department of Transportation’s Real Estate Program Manual (REPM). The templated content together with expandable cells are designed to guide the appraiser through the presentation of factual data, analysis and value findings. The instructions included in the individual cells will assist the appraiser in maintaining a concise presentation, while adequately addressing descriptive and analytical issues necessary for reporting the appraisal problem and the appraiser’s value findings to the reader.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Property owner(s): | | | | | Property owner’s contact information: | | | | | |
| Property address or location: | | | | | Municipality: | | | | State:  WI | Zip: |
| County: | | | | | | | | | | |
| Contact (Representative) name: | | | | | Representative’s contact information: | | | | | |
| Representative’s address: | | | | | Municipality: | | | | State: | Zip: |
| Plat page: | | Amendment number:        Include if the plat page has been amended for the parcel being appraised. | | | Date of Plat/Amendment:  The most current date should be used. The source of the date should be identified to the right. | | | Plat date  Approved date  Recorded date | | |
| Size of the larger parcel  Before-condition:  After-condition: | | | | | Rights appraised:  Fee Simple | | | | | |
| Property  Tax  Information  (PTI) | Assessment year of PTI:  Assessor’s parcel number:  Include all parcel numbers contained within the larger parcel. | | | Average Assessment Ratio:       If this is not applicable mark as N/A | | | |  | | |
| Value of land: FMV  Assessed | | | | $ | | |
| Value of improvements:  FMV  Assessed | | | | $ | | |
| Total value:  FMV  Assessed | | | | $ | | |
| Present Use:        State the present use as identified in the Description of the subject property below. | | | | | | | | | | |
| Current zoning: | | | Before-condition, subject property:  Does  Does not conform to zoning  After-condition, subject property:  Does  Does not conform to zoning | | | | | | | |
| Highest and best use:        Identify highest and best use as determined in the highest and best use of subject property section below. | | | | | | | | | | |
| Proposed Acquisitions and Allocations | Acquisition | | | | | Sq. Ft. Ac. | Allocation | | | |
| Fee Acquisition | | | | |  | $ | | | |
| Access Rights If the severance damages are not readily identifiable with a cost to cure that is easily calculated then the short form template should not be used. | | | | |  | $ | | | |
| Highway Easement | | | | |  | $ | | | |
| Existing Right of Way See Subsection 2.4.6.2 Existing Highway Easements for guidance | | | | |  | $ | | | |
| Temporary Limited Easement | | | | |  | $ | | | |
| Landscaping Acquired | | | | |  | $ | | | |
| Site Improvements Acquired | | | | | Number (Each) |  | | | |
| Describe improvement acquired | | | | |  | $ | | | |
| Add rows as needed | | | | |  | $ | | | |
|  | | | | |  |  | | | |
| Total Damages: | | | | |  |  | | | |

The Certificate of Appraiser provided below is consistent with the certificate of appraiser contained in Section 2.3.5 of the REPM. The appraiser may replace all or a portion of the language provided below as long as USPAP requirements are met and no extraneous additions are made.

Certificate of Appraiser:

**I certify that, to the best of my knowledge and belief:**

1. The statements contained in the appraisal report are true and the information upon which the opinions expressed herein are based are correct, subject to the limiting conditions herein set forth.
2. This appraisal has been made in conformity with appropriate Wisconsin Statutes, regulations, policies and procedures applicable to the appraisal of right of way.
3. To the best of my knowledge, no portion of the value assigned to this property consists of items that are non-compensable under Wisconsin laws.
4. I have not given consideration to nor included in this appraisal any relocation assistance benefits.”
5. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
6. I have no (or the specified) present or prospective interest in the property that is the subject of this report, and no (or the specified) personal interest with respect to the parties involved.
7. I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
8. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
9. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
10. Neither my compensation nor my employment are contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
11. My analyses, opinions and conclusions were developed, and this report has been prepared in compliance with the Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended, and is consistent with the Uniform Standards of Professional Appraisal Practice (USPAP).
12. No one provided significant real property appraisal assistance to me in making this report, unless noted. I have not revealed the findings and results of this appraisal to anyone other than the proper officials of the acquiring agency or the Federal Highway Administration and I will not do so until authorized by said officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings
13. On      , I invited       ( verbally  in writing) to accompany me on an inspection of the property. See notification standards established in Subsection 2.2.1 (Contacting Property Owners to Arrange Inspection) of the REPM. My invitation was  accepted  rejected. On      , I made a personal inspection of the property. I have made a field inspection of and verified the sales relied upon in making this appraisal. The subject and sales relied upon in making this appraisal are as represented in this appraisal. It is my opinion that as of      , the total loss in market value to the property herein described is:      .

Appraiser's signature Date

Appraiser's name, certification level, certificate no.

The appraiser may choose to replace the assumptions and limiting conditions; however, care should be taken to eliminate those portions that do not apply to the appraisal problem addressed within the current appraisal assignment.

ASSUMPTIONS AND LIMITING CONDITIONS:

* The property description provided to the appraiser is assumed to be correct.
* The appraiser is not a surveyor. Any maps or illustrations provided are to familiarize the reader with the property. Property dimensions are approximate.
* No responsibility is assumed for matters of a legal nature affecting title to the property, nor is any opinion of title rendered.
* Property title is assumed to be good and merchantable unless otherwise stated. This bullet should be removed if title issues affecting the subject property are identified. The title issues should be addressed in the Description of the subject property section of the appraisal report.
* Legal ingress and egress to the subject property is assumed.
* Information provided by others is assumed to be true, correct, and reliable. However, no responsibility for its accuracy is assumed by the appraiser.
* It is assumed that there are no hidden or unapparent conditions within the property, subsoil, or structures that would render the property more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
* The appraiser is not qualified to detect hazardous materials within the property. Hazardous materials including, but not limited to, asbestos, solvents, and other materials may affect the overall value of the property. The value conclusions in this report are predicated on the assumption that the property is clean. The appraiser reserves the right to amend this report if hazardous materials are discovered within the property.
* No environmental impact studies were either requested or made in conjunction with this report. The appraiser reserves the right to alter, amend, revise, or rescind any opinions of value based upon any subsequent environmental impact studies, research, or investigation. This bullet should be removed if environmental impact studies are known to exist for the subject property. The findings of the environmental impact studies should be addressed in the Description of the subject property section of the appraisal report. If the site is determined to be contaminated use of the short form template should be discussed with the review appraiser.
* Archeological, historical or Tribal Sacred Sites: No such sites were disclosed by agency, client or owner. The appraisers are not aware of any such sites or objects, are not trained in archeology or paleontology, and have no training or expertise in the identification of such sites or objects. It is recommended an expert in this field be contacted if the client has any concerns.
* It is assumed that there is full compliance with applicable federal, state, and local environmental regulations and laws. If the subject property is not in compliance with environmental regulations and laws, the subject property exhibits valuation complexities that are not supported by the short form template and the short form template must not be used.
* It is assumed that all applicable zoning and use regulations and restrictions have been complied with. If the subject property is not in compliance with applicable zoning ordinances eliminate this bullet point and address zoning issues in the Current zoning section below.
* The “Opinion of Market Value” in the market analysis report was not based in any way upon the race, religion, creed, or sexual orientation of the prospective owners or occupants of the property appraised, or of the present owners/occupants or owners/occupants of properties in the vicinity of the property appraised.
* Any distribution of the valuation in this report between land and improvements, if any, applies only under the existing program of utilization. The separate valuation for land and building(s) must not be used in conjunction with any other appraisal and are invalid if so used.
* The appraiser is not required to give testimony or appear in court because of having made this report unless previous arrangements or contractual obligations require the same.
* Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by any person other than the intended user without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety. Its use is restricted to consideration of its entire contents.
* Neither all nor any part of the contents of this report or a copy thereof shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, client, firm, license, or professional organization of which the appraiser is a member be identified without consent of the appraiser.
* The liability of the appraiser, employees, and subcontractors is limited to the client only. There is no accountability, obligation or liability to a third party. If this report is provided to anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiencies of the property.
* Acceptance and/or use of this report constitutes acceptance of the foregoing assumptions and limiting conditions.

Scope of Work:

The scope of work for this assignment includes a personal inspection of the subject property, a review of public record information concerning the subject property and other properties in the immediate neighborhood, a review of Wisconsin Department of Transportation right of way maps and construction plans as appropriate, a search for recent sales of vacant and/or improved properties similar to the subject property, and verification and inspection of the sales used.

Wisconsin Statute 32.09(6) indicates that in a partial acquisition appraisal, the appraiser must consider the value of the part taken. The damages identified as resulting from the proposed acquisition and subsequent construction project is the greater of the value produced by the before and after analysis or the value of the part taken. The appraiser has considered the property evaluated in this appraisal, with both a before and after analysis, as well as the part taken.

Any other scope of work issues required by the appraiser should be inserted at this point and kept as brief as the appraisal problem permits.

Client, and intended user of this appraisal:

Wisconsin Department of Transportation. A copy of this appraisal report will be given to the property owner as a consequence of disclosure requirements in Wisconsin Statute 32.05. The owner is not, however, considered to be a user of this appraisal report.

Purpose or intended use of this appraisal:

This appraisal is intended to identify the market value of the proposed acquisition (real estate acquired and any severance damages or special benefits) from the subject property, which will be utilized for the determination of just compensation for the proposed acquisition.

Effective date of the appraisal:

The effective date of the appraisal is the date of the appraiser’s last inspection of the subject property.

Rights being appraised:

Fee Simple Estate. If the appraisal assignment requires the analysis of any property rights other than fee simple, the short form template must not be used.

Jurisdictional exceptions:

There were no jurisdictional exceptions required in the development of this appraisal report. If the appraisal assignment requires the utilization of a jurisdictional exception, the use of the short form template should be discussed with the review appraiser.

Extraordinary assumptions:

No;  Yes; if *“yes,”* discuss here.       Insert a brief discussion of the need for an extraordinary assumption; do not include a definition of extraordinary assumptions.

The following extraordinary assumption may be included if the appraiser utilizes the assessed value of the subject’s improvements. If the subject property is vacant, or if the assessed value of the subject’s improvements is not utilized, the following extraordinary assumption should be removed.

As the roadway construction project will not affect the highest and best use or utility of the subject’s building improvements, there are no damages to the building improvements. It is an extraordinary assumption of the appraisal that the improvements’ estimated fair market value is equivalent to the market value of the improvements. The appraiser reserves the right to amend the appraisal to value the improvements, if necessary. The use of this extraordinary assumption may have altered the appraisal results.

The following extraordinary assumption may be included if the appraisal assignment includes a temporary limited easement (TLE). If the appraisal assignment does not include a TLE, the following extraordinary assumption should be removed.

The expiration date for the Temporary Limited Easement (TLE) has been established by the regional office of WisDOT. This date has not been recorded and is not identified on the Transportation Project Plat; therefore, the expiration date is assumed for this appraisal assignment. In addition, since a contractor is typically unlikely to know the exact timing when the construction project will be completed, it is assumed that the expiration date will provide adequate time for the completion of the proposed project and the realization of the after condition utilized for the appraisal analysis. The use of this extraordinary assumption may have altered the appraisal results.

Hypothetical conditions:

A hypothetical condition, that the proposed public improvements, the acquisition for which this appraisal analysis has been performed, do not exist, and have not been proposed, has been adopted for the before-condition analysis of the subject property. This hypothetical condition is based upon a federal requirement established by 49 CFR, Part 24.103(b) - “Influences of the Project on Just Compensation, which states that “The appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.” This hypothetical condition is further based upon Wisconsin Statute 32.09(5)(b) which states that “Any increase or decrease in the fair market value of real property prior to the date of evaluation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, may not be taken into account in determining the just compensation for the property.” The use of this hypothetical condition may have altered the appraisal results.

The above hypothetical condition must be included for all appraisals completed using this template.

A hypothetical condition, that the construction of the proposed public improvements, the acquisition for which this appraisal analysis has been performed, are completed as of the effective date of this appraisal, has been adopted for the after-condition analysis of the subject property. This hypothetical condition is based upon Wisconsin Statute Sec. 32.09(6) which states that ”In the case of a partial taking of property other than an easement, the compensation to be paid by the condemnor shall be the greater of either the fair market value of the property taken as of the date of evaluation or the sum determined by deducting from the fair market value of the whole property immediately before the date of evaluation, the fair market value of the remainder immediately after the date of evaluation, assuming the completion of the public improvement and giving effect, without allowance of offset for general benefits, and without restriction because of enumeration but without duplication, to the following items of loss or damage to the property where shown to exist:” The use of this hypothetical condition may have altered the appraisal results.

The above hypothetical condition must be included for all appraisals of partial acquisitions using this template.

Definition of value utilized:

**Market Value:** 12 CFR Part 34.42(g), which regulates real estate lending and appraisals, defines market value as*: “the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

1. *Buyer and seller are typically motivated;*
2. *Both parties are well informed or well advised, and acting in what they consider their own best interests;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”*

Exposure time:

Estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

The appraiser has developed an opinion of exposure time for the subject property. Following an analysis of market conditions and discussions with knowledgeable real estate professionals, the appraiser estimates the exposure time for the subject property to be      .

The above definition of market value and discussion of exposure time must be included for all appraisals completed using this template.

DESCRIPTION OF THE PROPOSED PROJECT:       Description should be as brief as possible, while providing a general overview of the proposed project. The description must be sufficient to identify any potential impacts to the subject property and the subject’s market area resulting from the proposed project.

DESCRIPTION OF SUBJECT AREA AND NEIGHBORHOOD:       Description should be as brief as possible, while providing a general overview of the market and surrounding land uses. The boundaries of the subject’s neighborhood must be defined. The appraiser may choose to describe the boundaries here or indicate the boundaries on the location map provided in the Addendum and reference the map here. The appraiser must not insert raw (unanalyzed), non-specific demographic, employment and community information and descriptive items that are not specifically referenced in the analysis of the subject property. The analysis reported here must identify issues of supply and demand and predominant land uses in the subject area and neighborhood. If the subject area or neighborhood are in transition the use of the short format template should be discussed with the review appraiser.

DESCRIPTION OF THE SUBJECT PROPERTY:       The description will address the subject property in the before-condition as well as the after-condition. The before-condition description must be sufficient to identify the before condition of the real estate involved in the appraisal (including the site improvements). The description must address the topography of the subject site; the basic physical characteristics of the subject’s building improvements (type of building(s) and location on the subject site), including current and proposed setback from the highway right of way; access to the property and a sufficient description of any site improvements acquired to support their valuation. The descriptions of the subject property and the affected site improvements may be supplemented through the inclusion of a referenced Parcel Sketch or Larger Parcel Map, meeting the standards set in Subsection 2.3.5 (Appraisal Reporting Standards – Content of Appraisal Report), Item 31 (Property Sketch and Larger Parcel Map) of the REPM together with photographs contained in the Addendum of this report. The before-condition description must include a statement of the current use of the subject property. The description of the subject property in the before condition must be sufficient to support the determination of physically possible uses in the highest and best use of subject property section. The description of the subject property in the after-condition should consist of a statement of the changes resulting from the proposed acquisitions identified in the Description of Proposed Acquisitions section, and the effects of the proposed Temporary Limited Easement.

|  |  |
| --- | --- |
| 5 Year Sales History | Was the property sold or transferred in the past 5 years?  Yes  No |
| If the current owner has owned the subject property for more than five years, the appraiser must identify the most recent transaction. If the current owner has owned the subject property for less than 5 years, the appraiser must identify the most recent transaction and any additional transactions that have taken place within the last 5 years. This information should be available from the parcel’s title information. The appraiser must indicate whether each transfer was arms-length and identify any unique terms of the transaction(s). Any existing listings must also be identified in this section. |

CURRENT ZONING:       Identify the assigned zoning designation along with the identity of the zoning authority and provide a brief description of permitted uses and minimum requirements. The appraisal report must indicate whether the subject property in the before-condition complies with existing zoning. The discussion of the current zoning of the subject property must be sufficient to support the determination of legally permissible uses in the highest and best use of subject property section. The appraisal report must also indicate that the zoning compliance will not change in the after-condition. If the proposed acquisition will change the status of the subject’s compliance with the local zoning ordinances, the short form template should not be used. The appraiser may place a zoning map in the addendum but must not insert a copy of the zoning ordinance.

LARGER PARCEL ANALYSIS:

If the larger parcel consists of a single assessor’s parcel identified in the available title work the appraisal report should include the following statement:

The larger parcel consists of the       acres (or sq. ft.) contained in assessor’s parcel number      .

If the larger parcel consists of multiple assessor’s parcels identified in the available title work the appraisal report should include the following statement:

The larger parcel consists of the       acres (or sq. ft.) contained in assessor’s parcels numbered       (list all assessor’s parcel numbers). The identified assessor’s parcels are contiguous and share a common ownership and highest and best use.

The larger parcel analysis must identify the characteristics considered in the determination of the larger parcel. Identification of the larger parcel may be supplemented through the inclusion of a Property Sketch and Larger Parcel Map, meeting the standards set in Subsection 2.3.5 (Appraisal Reporting Standards – Content of Appraisal Report), Item 31 (Property Sketch and Larger Parcel Map) of the REPM. If the mapping is included the appraiser should reference it at this point in the appraisal report.

If the larger parcel is not easily identifiable, then the short format template should not be used.

HIGHEST AND BEST USE OF SUBJECT PROPERTY:

If the appraiser determines that the subject property has an existing interim use, or has a transitional highest and best use, the required analysis will typically not be supported by the short form appraisal and the short format template should not be used. If the highest and best use of the subject property is not the same as the current use, or if the highest and best use as improved is not the same as the highest and best use as if vacant, the appraiser should discuss whether the short format template can be used.

The appraiser has analyzed the four criteria (four tests) for establishing the highest and best use of the subject property (legally permissible, physically possible, financially feasible and maximally productive). Based upon the legally permissible uses identified in the current zoning section of this report, the physical characteristics (physical possibilities) identified in the description of the subject property, the market conditions (financial feasibility) identified in the description of the subject area and neighborhood and the maximally productive use determined by an analysis of the sales data identified thru the appraiser’s value development research, the highest and best use of the subject property in the before condition is  as currently improved for       (if the subject property is improved)  for       (if the subject property is vacant).

The appraiser should include any addition discussion of the highest and best use analysis of the subject property in the before condition that he or she feels is appropriate.

The highest and best use of the remainder of the subject property in the after condition has not changed as a result of the proposed acquisition and subsequent construction project. If the highest and best use of the remainder of the subject property in the after condition is not the same as for the before condition, the short form template must not be used.

DESCRIPTION OF PROPOSED ACQUISITIONS:

The proposed acquisition consists of the following:

The following section will address all “permanent acquisitions” from the larger parcel. These acquisitions, because they are permanent will impact the after value of the larger parcel and are therefore to be considered in the before and after analysis. The descriptions of these permanent acquisitions should be as brief as possible, while providing sufficient information to support the after-condition analysis of the subject property. The appraiser must identify the location of the proposed areas of acquisition. The landscaping and site improvements acquired (including those within the TLE) must be identified and the number of each item acquired should be indicated. If the proposed acquisition includes permanent limited easement (PLE), the appraiser should discuss the potential for using the short form template for the assignment with the review appraiser. The guidelines for valuing a PLE, as presented in Subsection 2.4.6.3 of the REPM (Permanent Limited Easements) require a depth of analysis that typically cannot be reported in a short form appraisal. If the appraiser and the review appraiser agree that the circumstances of the appraisal assignment would support the inclusion of the PLE, then it may be discussed here.

If the proposed acquisition includes Existing Right of Way, the following language should be included:

The proposed acquisition includes       ac. or sq. ft. (The appraiser should eliminate the unit of comparison that is not needed to make it clear to the reader what unit is used.) of Existing Right of Way. This acquisition covers the underlying fee rights that remained after the existing right of way was acquired as a highway easement. The appraiser has researched the local zoning ordinances and has determined that the underlying fee rights, to be acquired, cannot be included when calculating density, setback or size requirements for the subject property. For this reason, the valuation of the existing highway easement will be based upon the only perceived remaining property right; the right of reversion. Based upon the Wisconsin Supreme Court Case Joint School District No. 1, Town of Greenfield v. Bosch et. al., the underlying fee rights are assumed to have no contributory value to the larger parcel. The short form template should not be used if: the appraiser determines that the existing zoning ordinances preserve value for the underlying fee rights being appraised; the acquisition of the underlying fee rights will result in severance damages to the remainder of the subject property; or if the appraiser determines that the underlying fee rights do contribute value to the subject property.

VALUATION ANALYSIS:

The valuation analysis of the subject property has given consideration to all three approaches to value:

* The sales comparison approach - There is adequate comparable sales data available to support the sales comparison approach, which will be utilized to value the subject’s site as if vacant. If the appraisal assignment requires the appraiser to value the subject property as improved, the short format template should not be used.
* The cost approach – The appraiser must choose only one of the following statements and remove the unused statements.

If the subject property is vacant, the appraiser should include the following statement: The subject property is vacant land, and the cost approach is not applicable for the valuation of vacant land, so the cost approach will not be employed.

If the subject property is improved but none of the site improvements will be acquired, the appraiser should include the following statement: The subject property is currently improved; however, the proposed acquisition and subsequent construction project will not require the acquisition of any of the subject’s site improvements and will have no impact on the value of the existing building improvements in the after-condition. For this reason, the appraiser has chosen to not value the subject’s improvements, or to include the assessed or fair market value of the improvements as part of this appraisal analysis. The appraiser will only be valuing the subject’s site; therefore, the cost approach to value, which would otherwise be applicable to the valuation of the subject property as improved, is not applicable to the subject property as vacant, and will not be employed.

If the subject property is improved, but the proposed acquisition involves only land and a portion of the subject’s site improvements, the appraiser should include the following statement: The subject property is currently improved; however, the proposed acquisition and subsequent construction project will have no impact on the value of the primary buildings. Therefore, the value of the subject’s improvements will be addressed through the utilization of the estimated fair market value of improvements as established by the local assessing authority. The cost approach will be utilized to estimate the depreciated reproduction cost of the acquired site improvements (contributory value) only.

* The income capitalization approach – The appraiser must choose only one of the following statements and remove the unused statements.

If the subject property has a residential rental or commercial highest and best use, and the building improvements are not impacted, the appraiser should include the following statement: The proposed acquisition includes only land and minor site improvements and will not affect the subject’s primary improvements or affect the income generating potential of the remainder in the after-condition. The valuation of the land and improvements acquired does not support the use of the income capitalization approach, so the income approach will not be employed.

If the subject property is vacant land, or has a residential highest and best use, the appraiser should include the following statement: The subject property has a highest and best use that is not consistent with the use of the income capitalization approach, so the income capitalization will not be employed.

If the appraiser determines that the income capitalization approach is appropriate for the valuation of the subject property, then the short format template must not be used.

Before Condition Valuation Analysis:

The subject’s site will be valued employing the sales comparison approach. The analysis will be supported through the use of       (Insert the number of comparable sales used) comparable sales. The comparable sales information is contained in the sales sheets located in the addendum of this appraisal report. The following is an analysis of the comparable data identified:

The appraiser may choose to utilize a narrative analysis if the sales data is highly comparable or if the range in value is sufficiently tight. If a narrative analysis is utilized, the appraiser must include the following summary of the sales data used:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Summary of Comparable Sales** | | | | | | |
| Comp. No. | Property Location | Date of Sale | Size (SF or Ac.) | Zoning | Sales Price | Price per Unit (SF or Ac.) |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

The appraiser can choose to present the analysis of the comparable sales data using the adjustment grid provided, with modifications as needed. The appraiser can also choose to use their own grid.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ADJUSTMENT GRID | | | | |
| Property | Subject | Sale # | Sale # | Sale # |
| Sale price |  |  |  |  |
| Unit sales price per ac./sq. ft. | Identify unit of comparison used. |  |  |  |
| Sale date | Appraisal effective date |  |  |  |
| Property rights | Fee Simple |  |  |  |
| Financing terms | Conventional |  |  |  |
| Conditions of sale | Arm’s Length |  |  |  |
| Market Conditions (Time Adj.) |  |  |  |  |
| Adjusted unit sale price |  |  |  |  |
| Location |  |  |  |  |
| Topography |  |  |  |  |
| Utilities |  |  |  |  |
| Access |  |  |  |  |
| Size/shape |  |  |  |  |
| Other (describe): |  |  |  |  |
| Total adjustments |  |  |  |  |
| Indicated value of subject |  |  |  |  |

If appraiser utilizes an adjustment grid, a brief description of the adjustments should be included at this point; if a narrative analysis was performed, this requirement is not needed.

Based upon my analysis of the subject’s site, and the available sales data, subject to the assumptions and limiting conditions contained herein, it is my opinion that the estimated unit value of the subject’s site is $ \_\_\_\_\_ per ac./sq. ft.

Estimated value of subject’s site in the before-condition = $       per ac. or sq. ft. X       ac. or sq. ft. = $       The appraiser should eliminate the unit of comparison that is not needed to make it clear to the reader what unit is used.

Estimated value of the subject’s site $       + Assessed value / Estimated fair market value (The value used is the same as the one used in the Property Tax Information section. Eliminate the source not needed) of improvements $       = Estimated value of the subject property in the before-condition $

**Before value of the subject property:**

After Condition Valuation Analysis:

Based upon my analysis of the remainder of the subject’s site in the after-condition, and the available sales data, subject to the assumptions and limiting conditions contained herein, it is my opinion that the estimated unit value of the remainder of the subject’s site is $ \_\_\_\_\_ per ac./sq. ft. Utilize the same unit value calculated for the before-condition. If the unit value in the after condition is expected to be different from the before condition, then the short format template must not be used.

Estimated value of the remainder of the subject’s site in the after-condition = $       per ac. or sq. ft. X       ac. or sq. ft. = $       The appraiser should eliminate the unit of comparison that is not needed to make it clear to the reader what unit is used.

Contributory value of the affected site improvements:

If the proposed acquisition and subsequent construction project is not expected to impact any site improvements, this section can be eliminated in total. If the proposed acquisition and subsequent construction project is expected to impact site improvements located on the subject property, then the appraiser should include the calculation of the depreciated reproduction costs of the impacted improvements, per Subsection 2.4.3 (Valuation of Site Improvements) of the REPM. The reporting of the analysis and calculations should be as brief as possible, while providing sufficient information to support the value determinations. The individual contributory values for the impacted site improvements can be listed and totaled or the appraiser may choose to utilize the following tabulation:

|  |  |
| --- | --- |
| Contributory Value of Affected Site Improvements | |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
| Total | $ |

If the appraiser chooses not to utilize the above table it must be removed.

Estimated fair market value of the improvements in the before condition $       - Contributory value of the affected site improvements $       = Estimated value of the remainder of the subject’s improvements in the after condition $

Estimated cost to cure severance damages:

If the proposed acquisition and subsequent construction project does not result in readily identifiable severance damages this section can be eliminated in total. If the appraisal problem involves incurable or complex severance damages, or complicated cost to cure analyses, the short form template must not be used. If the proposed acquisition and subsequent construction project results in readily identifiable severance damages that can be cured with easily calculated costs to cure then a brief description of the source of the potential severance damages and the proposed cost to cure should be provided here. The discussion of the potential severance damages must include the amount of the anticipated value loss, or a description of the physical impacts to the remainder of the property that is sufficient to support a statement that the expected severance damages will exceed the cost to cure the severance damages. The appraiser must include a clear statement that “the anticipated value loss resulting from the identified severance damages will exceed the calculated cost to cure the severance damages”. The appraiser should include a description of the proposed cure, and how it will mitigate the identified severance damages. The information provided must be adequate to support the use of the prescribed cost to cure per Subsection 2.4.5.2 (Curable Severance Damages) of the REPM. The cost to cure estimate and the source of the cost information must be provided.

Estimated value of the remainder of the subject’s site in the after condition $       + Estimated value of the remainder of the subject’s improvements in the after condition $       - Estimated cost to cure severance damages $       = Estimated value of the remainder of the subject property in the after-condition $

**After value of the subject property:**

TEMPORARY LIMITED EASEMENT (Additional Compensation):

If the proposed acquisition and subsequent construction project is not expected to include any temporary limited easements, this section can be eliminated in total. The methodology for calculating a TLE is addressed in Subsection 2.4.6.4 (Temporary Limited Easement) of the REPM.

The proposed acquisition includes a temporary limited easement (TLE) that will be utilized for the proposed construction project. The appraiser must identify the location of the proposed areas of the temporary limited easement. The TLE will not result in any severance damages to the land within the TLE or the remainder of the subject property. If the TLE results in any severance damages to the land within the TLE or the remainder of the subject’s site in the after-condition, the short form template must not be used.

Information Required to Calculate TLE:

* The expiration date of the TLE
* Duration of the TLE, which is length of time between the effective date of this appraisal report and the expiration date of the TLE  years
* Size of the TLE  sq. ft. or ac. The appraiser should eliminate the unit of comparison that is not needed to make it clear to the reader what unit is used.

The appraiser will choose one of the two following OPTIONS and eliminate the OPTION not used

OPTION 1:

To be used if there is no market rental information available for land similar to the subject property.

* Unencumbered fee land value for land within the TLE $ per sq. ft. or ac. This unit value is the same as the estimated unit value of subject’s site in the before-condition. The appraiser should eliminate the unit of comparison that is not needed to make it clear to the reader what unit is used.
* Annual rate of return , which reflects the investment expectations of typical investors in the subject property’s market area. The calculation of the annual rate of return is per Subsection 2.4.6.4 (Temporary Limited Easement) of the REPM. The steps taken to calculate the annual rate of return do not need to be reported, and the analysis can be retained in the appraisal file.
* Discount Factor (time adjustment) of , which is used to calculate the present value (lump sum payment) of future annual rental payments for the use of the land contained within the TLE for the specified duration of the TLE. This factor is based upon the duration of the TLE and an annual return on investment rate (identified and retained in the appraisal file). The annual return on investment is typically the same as the annual rate of return identified above. The Discount Factor can be calculated on a financial calculator, or it may be obtained from the Discount Factor Table provided in Subsection 2.4.6.4 (Temporary Limited Easement) of the REPM.

**TLE Calculation:**

1. **Identification of an annual rental rate for the land contained within the TLE.**
2. **Size of TLE       sq. ft. / ac. × Unencumbered Fee Land Value $** **per sq. ft. or ac. =** **Value of the land contained in the TLE.** The appraiser should eliminate the unit of comparison that is not needed to make it clear to the reader what unit is used.
3. **Value of the land contained in the TLE** **$      × Annual Rate of Return = $** A**nnual rental rate**
4. **Annual rental rate $      × The discount factor (time adjustment)       =** **$** **The** **lump sum compensation for the use of the land within the TLE.**

**Compensation for the use of the land within the TLE: $**

**OPTION 2:**

To be used if there is market rental information available for land similar to the subject property.

* Annual Market Rental Rate for the land within the TLE $      per year, which is based upon market rental data for property similar to the subject property.
* Discount Factor (time adjustment) of , which is used to calculate the present value (lump sum payment) of future annual rental payments for the use of the land contained within the TLE. This factor is based upon the duration of the TLE and an annual return on investment rate (identified and retained in the appraisal file). The annual return on investment is typically the same as the annual rate of return identified above. The Discount Factor can be calculated on a financial calculator, or it may be obtained from the Discount Factor Table provided in Subsection 2.4.6.4 (Temporary Limited Easement) of the REPM.

**TLE Calculation:**

Annual market rental rate for the land within the TLE $ × The discount factor (time adjustment)  = The lump sum compensation for the use of the land within the TLE $

**Compensation for the use of the land within the TLE: $**

If the TLE will result in readily identifiable severance damages to the remainder of the subject’s site improvements, that can be cured with easily calculated costs to cure, the costs to cure must be described and addressed in the estimated cost to cure severance damages section above. If the TLE will result in the acquisition of site improvements, the contributory value of the acquired site improvements must be described and addressed in the contributory value of the affected site improvements section above.

TOTAL DAMAGES AND ALLOCATIONS:

If the appraiser chooses to utilize the following tables for the presentation of the before and after findings and the allocation of the proposed acquisitions and costs to cure no additional descriptions are required. If the appraiser chooses not to utilize the tables he or she must provide a tabulation or narrative description that covers the information provided in the following tables.

|  |  |
| --- | --- |
| BEFORE AND AFTER ANALYSIS | |
| Before Value | $ |
| After Value | $ |
| Total Damages | $ |
| Rounded to | $ |

|  |  |
| --- | --- |
| ALLOCATION | |
| Acquisitions | |
| Fee Acquisition | $ |
| Highway Easement | $ |
| Existing Right of Way | $ |
| Site Improvements Acquired | $ |
|  | $ |
|  | $ |
| Cost to Cure | $ |
| \*Total Damages | $ |
| Additional Compensation | |
| Temporary Limited Easement | $ |
| Appraiser Rounding | $ |
| Total Compensation | $ |
| \* This amount is the same as the Total Damages estimated in the Before and After Analysis. | |

The appraiser must proofread the completed appraisal report utilizing this template to ensure the removal of all instructions and any unused text. Upon completion of the appraisal report (excluding the Addendum), including the removal of all instructions and unused text, the appraiser should take care to ensure that the tables loaded throughout the appraisal report are not split between multiple pages.

ADDENDUM:

Remove any items on the following pages, which are not marked as “Required”, or which are not needed for the intended use of the appraisal report.

PHOTOGRAPHS (Required)

The photographs should clearly identify the areas of acquisition. Photos should also include closeups of any affected site improvements, and street views of any building improvements (affected or not).

|  |
| --- |
|  |
| (insert descriptive text) |

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| (insert descriptive text) |

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| (insert descriptive text) |

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| (insert descriptive text) |

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| Aerial Photo (Required) |
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| Parcel Sketch or Larger Parcel Map (Required) |
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| --- |
| Contour/Topographical Map |
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| Zoning Map (Required) |
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| Wetland Map |
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| Soil Map |
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| Floodplain Map (Required) |
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| --- |
| Location Map (Required) |
|  |

|  |
| --- |
| Comparable Sales Map (Required) |
|  |

Transportation Project Plat (Required)

The appraiser should provide a copy of the full TPP. If the area of the subject property is difficult to read, the appraiser should include an additional Transportation Project Plat exhibit that provides a close-up of the subject property.

Comparable Sales Data (Required)

If the appraiser chooses to insert a brief description of the comparable sales used into the body of the report, photos of the comparable sales should be inserted here. Vacant land sales should include an aerial photograph with the property boundaries and local streets identified.

If the appraiser chooses to insert sales data sheets, these should be inserted here. Comparable Sales data sheets must conform to the reporting standards established in Subsection 2.3.5 (Appraisal Reporting Standards – Content of the Appraisal Report) - Item 31 (Comparable Sales Sheets).

Subject Property Legal Description (Required)

Larger parcel description typically obtained from the available title work.

Appraiser Qualifications (Required)