



2.2 - APPRAISAL FIELD WORK

This section of the Real Estate Program Manual (REPM) is intended to address the activities of an appraiser when he or she conducts their inspection of the property that is the subject of their appraisal assignment.

2.2.1 - Contacting Property Owners to Arrange Inspection

49 CFR Part 24.102(c)(1) requires that before the initiation of negotiations the real property to be acquired shall be appraised, except as provided in § 24.102 (c)(2), and the owner, or the owner's designated representative, shall be given an opportunity to accompany the appraiser during the appraiser's inspection of the property." (see REPM/Subsection 2.0.1.2)

s.32.05(2)(a), Wis. Stats. The condemnor shall cause at least one, or more in the condemnor's discretion, appraisal to be made of all property proposed to be acquired. In making any such appraisal the appraiser shall confer with the owner or one of the owners, or the personal representative of the owner or one of the owners, if reasonably possible. (see REPM/Subsection 2.0.1.6)

The Yellow Book states that during the course of inspecting the subject property, the appraiser is expected to meet with the property owner or, in the owner's absence, the owner's agent or representative. If a property owner is represented by legal counsel, all owner contact and property inspections must be arranged through the owner's attorney, unless the attorney specifically authorizes the appraiser to make direct contact with the owner. Owners are generally a prime source of detailed information concerning the history, management, and operation of the property. Under the Uniform Act, the owner or the owner's designated representative must be given an opportunity to accompany the acquiring agency's appraiser during the appraiser's inspection of the property.

When performing appraisals for the WisDOT, the assigned appraiser is expected to take the appropriate steps when attempting to invite the property owner on the inspection of the subject property. The following efforts must be made by the assigned appraiser to invite the property owner, or their representative, to inspect the subject property with him or her.

- If the appraiser has the telephone number of the property owner, he or she should call to arrange an inspection time with them.
 - If the owner accepts, the appraiser must document who was contacted and who will be accompanying them on the inspection.
 - If the owner does not accept, the appraiser must document the call, who they talked to and when, and then report the refusal to accompany the appraiser in the appraisal report.
- If the appraiser does not have access to a telephone number, or if he or she is unable to reach the property owner at the number that they have, then the appraiser must attempt to contact the property owner by mail. The letter should invite the owner to accompany the appraiser at a time that is convenient to the property owner, and not simply state that the appraiser will be at the site at a specific date and time, if the owner wishes to join

them. The letter containing the invitation should be sent by priority mail with a notification of delivery to document the appraiser's efforts to contact the owner. Possible sources for an address for the property owner would be:

- The Real Estate Automated Data System (READS)
- The mailing address for the property taxes
- For corporations; the Wisconsin Department of Financial Institutions might have an address for the property owner or their registered agent
- The appraiser should visit the site and attempt to contact the owner directly, or in the case of a commercial occupant, he or she may be able to talk with the manager.

If after the initial inspection of a subject property, there is a change to the proposed acquisition, the appraiser will contact the property owner to inform them of the change. This notification must be made whether the property owner accompanied the appraiser on the initial inspection or not. The subject property need not be re-inspected by the appraiser if:

- The property owner has no desire to inspect the changes with the appraiser;
- The changes are minor in nature;
- The changes result in a reduction of the proposed acquisition.

The subject property must be re-inspected by the appraiser if:

- The property owner wishes to re-inspect the property with the appraiser;
- The changes are significant in nature;
- The changes result in an increase in the proposed acquisition.

The efforts to contact the property owner must be documented within the appraisal report. If the appraiser is unable to contact the property owner or their representative, they must inform the assigned review appraiser to determine an acceptable conclusion to the search for the property owner.

2.2.2 - Owner Interview and Comments

The appraiser's inspection of the subject property is an opportunity to gain trust and respect of the owner, plus obtain information not always readily apparent. 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 the right of way (R/W) plat and plans associated with project and take them on the appraisal call.
- Be familiar with overall project design, purpose and schedule.
- 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, soils information (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 the 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 owner's concerns, if any. If buildings are to be acquired, close-up photos of any deferred maintenance would be helpful. When taking photos, staff (appraiser, acquisition agent, relocation agent) should exercise caution to avoid including individuals in these photos. Appraisal reports and parcel files will eventually become a matter of public record and could be made public. Staff should endeavor to preserve the privacy of the property owners. Special care should be taken to avoid photographing minor children. Staff should also exercise caution with interior photos of homes / offices to avoid sensitive information and personal possessions.
- 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 nots 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:

- When an appraiser is faced with an appraisal assignment involving a total taking of an improved commercial property, or a partial acquisition from a commercial property that includes the acquisition of: a commercial building; a portion of a commercial building; or a mixed-use building that includes commercial activity, their first action should be to contact the relocation advisor assigned to the parcel. If no relocation advisor has been assigned to the parcel, then the appraiser should contact the project manager and alert them to the need to assign a relocation advisor. Parcels involving the possible displacement of a commercial activity require close coordination between the appraiser and the relocation advisor to avoid double payments to displacees and an appropriate accounting/inventory of affected trade fixtures.
- 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, to provide relocation assistance and accomplish the move in a timely manner.

2.2.3 - Inspection of Site Improvements and Structures

Adequate notes should be taken as to the type of material, size, age, condition and location of each site 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.

2.2.3.1 - Residential Improvements and Structures

Site improvements - The inspection of the residential site 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 affected 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. 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 site improvements on residential properties are paved driveways, patios, planter boxes, on premise signs, lanterns and ornamental fences. Some typical site 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. 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.

When the appraiser anticipates the need to value the structures located on a property being appraised, a complete inspection of the interior of the structures should be conducted. Items to be considered during an interior inspection include, but are not limited to:

- 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.
- 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.
- 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.
- 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.

- Insulation- The appraiser should attempt to ascertain the condition and amount of insulation in the walls and attic. This information does not need to be obtained through a personal inspection. Information from the property owner is adequate.
- 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.

2.2.3.2 - 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 some 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)

2.2.3.3 - 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 and ceiling heights
- 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.

2.2.3.3.1 - Determination of Fixtures

Fixture – The definition of a fixture is 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 is a fixture and may be considered real estate. 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 appraiser and the relocation advisor will coordinate to ensure that the services of a FF&E appraiser are secured to handle the actual identification and valuation of the affected commercial fixtures. When the FF&E appraiser completes the report, it will be reviewed by the relocation advisor, the review appraiser and the project's lead worker/acquisition agent. If there is a disagreement, as to the designation of a specific item, the assigned review appraiser, in conjunction with BTS relocation staff, will make the final determination. Once the FF&E report is accepted, the report will be provided to the assigned RE appraiser. The appraiser will not be asked, nor should they attempt, to identify or value any of the personal property, or commercial trade fixtures contained within the subject property. Possession of the approved

FF&E report will enable the RE appraiser to properly exclude the identified fixtures from his or her appraisal analysis and the physical characteristics of the property being appraised.

2.2.4 - 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.