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Appraiser Selection

Private appraisers contracted to complete appraisal assignments for Department of Natural Resource acquisition projects must maintain a Certified General or Certified Residential Appraisal License with the State of Wisconsin or the appraisal must be co-signed by a Certified General or Certified Residential Appraiser licensed by the State of Wisconsin. All appraisers contracted to complete appraisal assignments must meet the competency requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) before accepting an assignment. If an appraiser has not completed an appraisal assignment in the geographical area of the current assignment, then it is strongly recommended that the appraiser contact the appropriate review appraiser for that geographical area prior to commencing the assignment.

It is strongly encouraged that only appraisers maintaining a Certified General Appraisal License be contracted for appraisal assignments.

If the appraisal report is submitted for a grant of federal money, the appraiser must be a Certified General Appraiser licensed by the State of Wisconsin and have successfully completed the 16 hour “yellowbook” course (Uniform Appraisal Standards for Federal Land Acquisition). If an appraisal report is being submitted for a conservation easement, it is recommended that the appraiser hired should have attended a Conservation Easement Appraisal class.

Appraisal Project Coordination

The appraisers must contact the landowner prior to the commencement of an appraisal assignment and invite the landowner on the inspection of the property. It is also strongly recommended that the contract appraiser also contact the review appraiser responsible for reviewing the appraisal assignment to discuss the appraisal assignment. If the appraisal assignment is to value a conservation easement, the sponsor must provide the appraiser with a copy of the negotiated easement specific to the appraisal assignment prior to commencement of the appraisal. If the appraisal assignment is of such complexity, it may be necessary to also have a joint inspection with the review appraiser, contract appraiser and sponsor. Complexity may be defined as; partial acquisition assignments where questions of the “whole” versus “taking” exist, conservation easement acquisitions, uniquely improved properties, contaminated sites, assignments where the highest and best use is not clear, lack of sales or income data, etc.

Additional Requirements When Federal Funds are Used

The Department and many grant applicants utilize a variety of federal funding programs to finance land purchases. Federal policies for contracting, writing and reviewing appraisals vary considerably from program to program and from year to year. It is important to determine whether federal funding will be involved in the project and to ensure that the applicable federal requirements for appraisals are fulfilled prior to the commencement of the appraisal assignment. Some federal agencies have their own appraisal guidelines in addition to UASFLA, which must be followed. The project sponsor may not always be aware of federal requirements. Specific requirements for appraisals may sometimes be (but not always) found in the grant contract between the acquiring agency/organization and the federal agency providing the grant funds. These issues should be discussed with the DNR real estate specialist, the project manager and the grant manager and all parties should have a clear understanding of the requirements prior to contracting for the appraisal.
Appraisals Over $1,000,000: Additional requirements apply in particular to appraisals over $1,000,000 in value, which involve federal funds. In most cases, a pre-appraisal conference with the federal review appraiser is required. The scope of work and other issues will be discussed at this conference. Failure to follow proper procedures may result in the appraisal being rejected by the federal reviewer.

**Appraisal Reviewers**

Appraisals for Department Grants to Communities or Non-profit Conservation Organizations:

**South Central Region**
Greg Delwiche  608-275-3314  3911 Fish Hatchery Road  Fitchburg, 53711

**Northern Region**
Jeff Pennucci  715-365-8949  107 Sutliff Avenue  Rhinelander, 54501

**Western Region**
Bill Krochmalski  715-839-3781  P.O. Box 4001  Eau Claire, 54704

**Southeast Region**
John Tørke  414-263-8617  2300 N. Dr. Martin Luther King Jr. Dr  Milwaukee, 53212

**Northeast Region**
Terry Gardon  715-582-5025  P.O. Box 208  Peshtigo, 54157

Appraisals for Department Acquisition:

Phil Lepinski  715-421-7820  473 Griffith Avenue  WI Rapids, 54494
Ron Olson  608-785-9006  3550 Mormon Coulee Road  La Crosse, 54601
Paul Scott  920-892-8756, ext. 3007 1155 Pilgrim Road  Plymouth, 53073

**Appraisal Request Format**

Requests for appraisals should provide the following information to the appraiser or to the DNR regional real estate specialist responsible for contracting appraisals. The process for completing this form will help to determine the complexity of the appraisal assignment and the need for on site inspections.

A. Project Name:
B. Landowner Name:
C. Landowner Address:
D. Landowner Phone Number:
E. Landowner’s Representative (Realtor):
F. Representative’s Address:

G. Representative’s Phone Number:

H. Appraisal Needs: Fee or Easement? Use of Federal Funds?

I. Legal Description: (Whole)

J. Legal Description: (Subject)

K. Size: (Whole and Subject)

L. Tax Parcel Numbers:

M. Stream or Lake Frontage: Define as meandered or straight-line frontage.

N. Access:

O. Improvements:

P. Known encumbrances on the subject: (MFL, WRP, CRP, leases, rentals, etc.)

**Attachments:** County Map, Plat Map, Air Photo, Topo Map, Deed, Tax Assessments, copy of Listing (if listed), copy of Purchase Agreement (if available), copy of Encumbrance Contract. If it is an easement acquisition, a copy of the negotiated easement should be included.

**Appraisal Report General Guidelines**

These guidelines are for appraisals prepared for the Department of Natural Resources and for local communities and non-profit conservation organizations applying for grants administered by the Department of Natural Resources. All appraisals prepared under these guidelines shall adhere to the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA).

http://www.usdoj.gov/enrd/land-ack/

If the appraisal is prepared for property to be acquired by the Department of Natural Resources, the appraisal shall comply with the statutory rules governing the determination of just compensation (Chapter 32, Wis. Stats.). http://www.legis.state.wi.us/statutes/Stat0032.pdf

Appraisals prepared under these guidelines shall be presented in a narrative report format, meeting USPAP standards for self contained or summary appraisals. A "full narrative" report provides a full description of the subject, market information and appraisal methodology according to USPAP Standards 2-2(a) and 2-2(b). Restricted appraisal reports are not acceptable to the Department of Natural Resources.

Appraisals based on hypothetical conditions will not be approved. A hypothetical condition as defined by USPAP is a condition that is contrary to what actually exists (known facts).

Appraisals based on extraordinary assumptions may be approved if that assumption can be supported with data or evidence from the marketplace. An extraordinary assumption is defined in USPAP as an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinion or conclusions.
Narrative Appraisal Report

Appraisals should be detailed and comprehensive, describing the property to be acquired. The report should provide the rationale used by the appraiser to reach an opinion of market value and must be documented by market data that supports the appraiser's conclusions. The form and content of the appraisal report, including the length and detail, will depend on the nature of the appraisal problem. Generally, a full narrative report should cover the items outlined below and comply with USPAP Standards for a Self-Contained or Summary Appraisal Report.

A. Title Page (Cover)
   1) Landowner name and geographical location of property
   2) Name of appraiser
   3) Date of appraisal report

B. Table of Contents

C. Letter of Transmittal
   1) Name of Department property
   2) Ownership identification
   3) Name of appraiser and license or certification number
   4) Effective date of appraisal - estimated as of the most recent date of personal inspection by the appraiser unless instructed otherwise
   5) Interest appraised - fee, fee less minerals, fee less stumpage, fish management easement, etc., note appurtenant rights being acquired
   6) Name of the client contracting for the appraisal

D. Certification by the Appraiser. Include the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA) signed certification and include statements about the following information:
   1) That the appraiser has personally inspected the property and has invited the landowner or agent to accompany the appraiser on the inspection. If the owner or agent does not accompany the appraiser, state why; (for example, "the owner did not feel it was necessary"). The Department encourages joint inspections.
   2) That, in the opinion of the appraiser, the estimated market value of the subject project, fee title and unencumbered (state specific rights if other than fee) as of (valuation date) is $__________.
   3) That the appraiser has not discussed the property's price or value with the owner or owner's representative. The appraiser should discuss listings and sales of the subject and area sales, but not the appraiser's opinions or estimates of the subject's value or value range.
E. **Purpose and Function.** Value being sought and rights appraised. Typically, this will be as a guide for establishing just compensation and in negotiations for the purchase, sale, or exchange of the property.

1) Intended user of the report. The intended user should be identified as the Wisconsin Department of Natural Resources and any other users as required by law or agency policy.

2) Intended use of the report.

F. **Scope.** Describe the scope of investigation and analysis undertaken to complete the appraisal. Should include the geographical area and time span searched for market data, type of data researched, and extent of verification. (See USPAP Scope of Work Rule, AO-28 and AO-29.)

G. **Summary of Appraisal Problem.** Describe the principal problems addressed in the appraisal. Discuss any special instructions provided by the client. Provide a summary of the subject property and if it is a partial acquisition, the following must also be included; a description of the entire ownership, a description of what the appraiser is considering the larger parcel, and a map clearly indicating the larger parcel. The following details should be included:

1) Type of ownership and use of both the whole property and subject

2) If a partial acquisition, clearly identify the whole ownership and subject property. Consideration must be given to unity of ownership, unity of use, and physical contiguity. A "before and after" valuation technique should be used if necessitated by the appraisal problem. If the "before and after" valuation technique is used, the appraiser must also appraise the market value of the taking as an independent parcel.

Note: The lack of a clear discussion on what is the whole property and the partial acquisition and the need for a before and after valuation is one of the most significant reasons for rejecting an appraisal during the review process. Please consider this and contact the respective review appraiser if you have questions.

3) Describe the type of transaction being appraised, fee or easement, transaction, etc.

4) Brief summary of unique attributes or detriments of the property that may affect value

5) Availability of comparable sales as they relate to the subject property

H. **Legal Description.** Provide the exact legal description of the property to be acquired. Reference to a legal description on a deed is not acceptable unless the whole property is being acquired. Partial acquisitions should include legal descriptions of the larger parcel and the part to be acquired. If the description will be subject to survey, make that a condition of the value. Include copies of any surveys, plats, deeds, and other legal descriptions referenced in the subject’s legal description.

I. **Property Location.** Describe the proximity to communities, services, major highways, and other pertinent features influencing the subject property if any.

J. **Area and Neighborhood Data.** This should be a brief market analysis limited to social, environmental, economic, and physical data pertinent to the valuation of the subject property and its highest and best use. Include information on trends, land use patterns, and market conditions if pertinent. Identify elements or factors in the local market that are affecting similar properties.
Property Information

K. Property Data. If the subject property is part of a larger ownership, the data shall be provided for the larger parcel, the acquisition, and the remainder.

1) Property size and shape. Include the dimensions of small parcels.

2) Site. Describe land cover types, use and acreage, soils (include class and limitations for septic systems and other uses), topography, mineral deposits and merchantable timber (if any), road frontage and access, water frontage (include frontage distances), easements, accreted and receded lands, and other pertinent physical characteristics. Include land improvements such as fencing, ponds, ditches, dikes, etc. Describe wells and private sewage disposal systems.

3) Improvements. Describe the type, size (dimensions), rooms, composition, age, condition and utility of buildings and other land improvements. Include a floor plan of the residence. An interior inspection of the improvements is required unless the appropriate review appraiser waives the requirement.

4) Identify and discuss any observed environmental problems concerning wells, septic systems, underground storage tanks, hazardous waste spills, or other conditions existing on the property. If none is observed, state so.

5) Personal Property, Trade Fixtures and Equipment. Describe the type, utility, and condition and whether they are included in the valuation of the property.

6) Describe the type and quality of the access to the site.

7) Describe the availability of utilities including telephone, electric, gas, water, sanitary sewer, etc.

8) Special amenities or adverse conditions.

9) Present Use. Provide a brief history of the subject’s current use and if that use conforms to existing zoning ordinances.

10) Tax Parcel Numbers, Assessed Values, and Annual Taxes. Indicate the most recent real estate tax assessment, equalized estimate of full market value, and annual tax load. If tax exempt, the appraiser should estimate these amounts. Identify if the subject is enrolled in a Forest Tax Incentive Program or is assessed as special use agricultural lands.

11) Zoning. Describe the present zoning classification of the subject. Include significant permitted uses, prohibited uses, and minimum lot size requirements. If shoreland, floodplain, or wetland zoning affects the subject, this should be discussed. If there is a reasonable probability of a zoning change, this should be discussed and adequately supported (e.g., the number of similar zoning changes in the municipality in the recent past or sales of similar property, which have been rezoned as a condition of sale). Verification of the likelihood of a zoning change from zoning officials is not adequate to serve as sole support.

12) History of Ownership. The Sales History shall conform to A-13e of the USFLA. Appraisers should also review AO-1 of USPAP on this subject. The Department of Natural Resources requires a history of all sales and transfers of the subject in the last ten years. If none, provide the tenure of the current owner. If listed with a broker, provide listing information. In the valuation section, analyze any sale of the subject within the last three
years or explain why it is not appropriate. If the subject property is listed for sale, discuss listing price and analyze this market information. If the property has been leased or rented, provide a three-year historical lease and rent.

Discuss easements, encumbrances, existing land use regulations, and other restrictions impacting property. If property is under lease or contract, discuss terms and conditions of lease or contract. Include governmental contracts such as Conservation Reserve Program, Wetland Reserve Program, conservation easements, Managed Forest Law, etc.

**Evaluation Analysis and Conclusions**

I. **Highest and Best Use.** Analysis and conclusion of highest and best use should be discussed. A public use conclusion of Highest and Best Use is not considered to be a most profitable use. Therefore, public use is not an acceptable Highest and Best Use. If there is a reasonable probability of a zoning change, this should be discussed and adequately supported (e.g., the number of similar zoning changes in the municipality in the recent past or sales of similar property, which have been rezoned as a condition of sale). Verification of the likelihood of a zoning change from zoning officials is not adequate to serve as sole support. If the subject property is part of a larger ownership, the Highest and Best Use of the whole property, acquisition and remainder should be discussed. Four criteria should be addressed.

1) The use must be physically possible.
2) The use must be legally permissible.
3) The use must be economically feasible, appropriate, and supported by demand. It should maximize productivity.
4) The use must be profitable.

M. **Severance Damages.** Applies only to appraisals prepared for property to be acquired by a governmental agency with eminent domain powers. Severance damages and offsetting special benefits should be explained and supported in every appraisal, even if no damages occur. Consideration must be given to unity of ownership, unity of use, and physical contiguity. A "before and after" valuation technique should be used if necessitated by the appraisal problem. If the "before and after" valuation technique is used, the appraiser must also appraise the market value of the taking as an independent parcel. If there is a question of severance damages, the appropriate review appraiser should be contacted prior to completion of the appraisal.

Department lands appraised for sale or exchange are not subject to eminent domain. The rules governing just compensation do not apply. Appraisals of department-owned lands should state that the consideration of severance is not applicable. Severance is not applicable to transactions by non-government agencies.

N. **Appraisal Approaches to Value.** Each of the three approaches to value must be considered. The appraisal problem at hand will dictate those approaches best suited to logically support a market value estimate. The Sales Comparison Approach will be completed for all appraisal assignments. The appraiser should discuss the reason for selecting the approach(es) used in the valuation process and the reason for rejecting any of the approaches. Both cost and market approaches are expected for improved property, unless the age and/or condition of the improvements render the Cost Approach unreliable.
1) The Sales Comparison Approach is based on an analysis of recent sales of comparable properties and other market data. The sales comparison approach is considered the most desirable method of valuation. Market sales nearby, comparable to the subject, and recent to the date of appraisal are the best evidence of market value. All comparable sales must have the same economic highest and best use as the property under appraisal. However, the other approaches may be useful in supporting the value conclusion and for allocation purposes. Sales to the Department or other units of government are not considered acceptable sales. Sales to non-profit organizations are generally considered to be unacceptable, except as supporting evidence.

The Sales Comparison Approach should include:

a) A complete description of comparable sales cited in the analysis. Generally, include a description of each sale similar to the subject property description factors outlined previously. This data can be presented on a Sale Data Information Form (2200-63) or similar form and inserted as an addendum. Discuss extent of market search including areas searched and data sources. If sales are not current, discuss lack of sales and use of older sales data. Include the following:

   (i) Grantor and Grantee names.

   (ii) Full legal description from deed or transfer return. Copies of any plats, surveys, or deeds referred to in the sales’ legal descriptions should be included.

   (iii) Date of sale, recording data (volume and page), and type of instrument. Provide and analyze the terms of any other-than-cash-at-closing financing arrangements, and make appropriate adjustments to the sale price.

   (iv) Sale price, financing terms and/or conditions including personal property, if any, and buyer motivation. All sales must be "arms-length transactions."

   (v) Verification by grantor, grantee, or other party with direct knowledge of the transaction (e.g., broker or attorney). Should include information on marketing of the property including broker involvement, listing price, circumstances of sale, and how price was established. The name of the person contacted shall be provided.

   (vi) A brief description of the sale property including location, size, soil types, topography, road frontage, access, water frontage, mineral deposits, merchantable timber, cover types, improvements, utilities, and zoning. Indicate intended use by grantee.

   (vii) Date of sale inspection by appraiser.

   (viii) Highest and Best Use (must be similar to subject).

   (ix) Captioned photographs of each sale. Aerial photographs with property boundaries outlined should be utilized for vacant land sales five acres and larger.

   Note: The Department has sale data forms available for describing the sales.

b) A minimum of three verified sales that are as recent as possible shall be cited. These should be the most recent, similar, and proximate arms length sales available. If older than three years, the appraiser should explain the reason for using the sales as a basis for comparison. Competitive listings may be cited as additional support. The appraiser
must discuss the extent of his/her market analysis including a definition of the market area, quantity of sales examined, and market data source. Before use of a sale involving a government agency, municipality, land trust or non-profit conservation organization the appraiser is required to contact the respective review appraiser.

c) An identification of the significant elements of value for the subject and sale properties. A pairing of sales may provide a quantification of the value differences attributed to specific elements of value. Quantitative adjustments are strongly preferred. Single adjustments greater than 25% or net adjustments greater than 25% should be fully explained and supported. Qualitative adjustments may be used, but must follow USFLA standards. Appraisers must bear in mind that quantitative and qualitative adjustments are not mutually exclusive methodologies. Because one element of adjustment cannot be quantified by market data, this does not mean that all elements of adjustment must be qualified. All factors that can be quantified should be adjusted accordingly.

d) A direct comparison of the sales with the subject. Discussion should focus on the principal elements of value. A clear, concise market comparison should lend itself to concluding a value through the market approach. The use of a grid (and tables, charts or graphs) to augment the narrative can be very effective and is strongly recommended.

e) Explain any adjustments made to the sales. Each adjustment should be discussed and supported. The larger the adjustment, the more detail needed in the explanation and support narrative.

f) An analysis of the last sale of the subject if it occurred within the past five years. If the last sale of the subject occurred within five years and is not analyzed, explain why not.

If the subject is presently listed for sale, provide the listing price and analyze this information.

g) The sales selected should bracket the value of the property both before and after adjustments.

h) A conclusion of value from the market approach. The discussion should present the reasoning behind the final value.

Note: Provide adequate explanation if the sales do not bracket the estimated value for the subject both before and after the applications of the adjustments, any sale is older than 3 years, there are no current year sales, sales are over 10 miles from the subject or any single adjustment exceeds 25%.

2) The Cost Approach estimate of value, if relevant and reliable. The cost approach is most applicable to improved properties with minimal depreciation or special purpose properties. The cost approach should not be used alone unless discussed with the appropriate review appraiser prior to completion of the assignment. Provide the following:

a) Complete market approach to support the land value. Include at least three vacant land comparable sales. Provide sales data information as required for sales cited in the market approach.

b) Estimate the replacement or reproduction cost new of each improvement. Cite the source of the cost data used in this analysis. The calculations should be included as part of the report.
c) Explain and estimate all forms of depreciation including physical deterioration and functional and economic (location or environmental) obsolescence. Estimates of depreciation should be supported by market data when available.

d) The depreciated replacement cost analysis may be omitted on improvements, both real and personal, for which a salvage, scrap, or nominal value contribution is estimated.

3) The Income Approach estimate of value, if relevant and reliable. A value estimate by the income approach shall include adequate factual market data to support each figure and factor used and shall be arranged in detail form. It should at least include these steps:

a) Estimate net operating income. Explain and support with actual or estimated income/rental and expense data, economic rents, and vacancy factors.

b) Estimate and support the capitalization rate and technique.

c) A subdivision analysis is considered an Income Approach. If a subdivision analysis is used, provide a sketch of the proposed plat and sales data to support retail lot prices. The appraiser must also include the sales comparison approach using bulk land sales. The subdivision analysis should be in addition to and support a bulk land sales comparison approach.

Capitalization of net income shall be at the rate prevailing for this type of property and location. The capitalization technique, method, and rate used shall be explained in narrative form supported by a statement of sources of rates and factors.

O. Reconciliation of Approaches and Final Estimate of Value. One of the final steps in the analyses and conclusions portion of the report will be a narrative correlation of the indications of value into a final estimate of value. When only one approach is used, the correlation will serve as:

1) A summary of the most pertinent data from that particular approach.

2) The appraiser’s final conclusions of market value.

When correlating two or three approaches, take into account the type of property in relation to the adequacy of the data processed in each approach. This summary should explain the strengths and weaknesses of each approach and influence the weight to be given each one. UASFLA does not permit the estimation of the value of the whole solely by adding together the individual values of the various estate or component parts.

Do not obtain a final estimate of value by averaging the individual indications. Instead, examine the quantity and quality of data available. Place the greatest emphasis on the approach that most reliably reflects local thinking and marketability. Then consider tempering this estimate with any reliance placed on the other approaches. Make a final estimate of market value. Final values should be rounded. Provide an allocation of the final estimate of market value among the following:
a) Land

b) Improvements (allocate a dollar amount to each improvement)

c) Personal Property (equipment, trade fixtures, etc.). Only if assigned in the appraisal request.

d) Severance Damages

P. **Statement of Limiting Conditions and Critical Assumptions.** If there are no limiting conditions or critical assumptions, state so.

Q. **Exhibits and Addenda.** Include maps, plats, photographs, sale data forms, and other supportive information as needed. A subject aerial photo, subject location map, and sale data sheets are often placed in the body of the report. Other items typically appear as addenda. At a minimum, include the following:

1) Maps of the subject property, section map or tax parcel map, or similar. Identify the location of any improvements. Other maps to consider for inclusion if pertinent to the valuation problem include soils maps, zoning maps, floodplain maps, wetland zoning maps, and topographic maps.

2) Location map(s) of subject and sales such as county, township, city or village.

3) Photographs of the Subject. Include both aerial and ground level photographs. Ground level photographs should include exterior and interior (major improvements) photos of each improvement of value and the property's important physical features (water frontage, cover types, road frontage, etc).

4) Documents and survey maps referenced in the subject's legal description.

5) A sketch showing the layout of the buildings and improvements on the site.

6) Floor plans of the primary buildings.

7) Comparable sale information. Include captioned photographs of each sale. Photographs shall include the improvements and important physical features. An aerial photo is acceptable if access to the sale is difficult and the sale is vacant land. The aerial photo should be of sufficient quality to distinguish various cover types, water features, and accesses. The sale boundaries should be clearly indicated on the aerial photo. A township map identifying the sale boundaries should be provided.

8) Timber cruise data if available.

9) Survey maps of subject and sales when required to ascertain property location.

10) Qualifications of the appraiser.
**Abbreviated Narrative Appraisal Reports for Uncomplicated Appraisals**

Abbreviated Narrative Appraisal Reports or form appraisal reports may be used for uncomplicated appraisals up to $50,000. Uncomplicated appraisals are considered to include appraisals of unimproved property where good market data is available. Good market data exists when the three sales generally comparable to the subject can be located within same market place, have the same highest and best use as the subject, are less than three years old, and the final estimate of value is bracketed by sale prices.

Abbreviated narrative appraisals for properties over $50,000 may be prepared for uncomplicated appraisal assignments with the approval of the appropriate review appraiser. Please contact the appropriate review appraiser if you have questions about which assignments qualify for abbreviated narrative appraisals.

Appraisals prepared with this format should cover all the essential requirements of the full narrative appraisal report as described in these guidelines. The abbreviated narrative report is a USPAP Standard 2-2(b) Summary report. The descriptions, discussions, and analyses are more summary in nature than the full descriptions provided in a full narrative report. Sale data information sheets are not required. Provide the sale date, sale price, property size, recording data (volume and page), and highest and best use for a minimum of three comparable sales. Provide a brief narrative comparing the sales with the subject. The comparison should highlight the principal elements considered by the appraiser in comparing the subject to the comparable sales in order to arrive at a value indication by the Market Data Approach. If the comparable sales are over one year old, show the appropriate time adjustments.

**Appraisal Report Update Guidelines**

An update of an appraisal is discussed by USPAP in (AO-3) as the current appraisal of a property that was the subject of a prior assignment and is the practice covered by this Advisory Opinion. Update appraisal assignments are required to follow the guidelines for development and reporting as described in AO-3.

The updating of a previous appraisal assignment requires the re-inspection of the subject property.