

Appraisal Report Checklist

Department of Natural Resources

Bureau of Facilities and Lands, Box 7921, Madison, WI 53707, 608-266-0823, 3/2008

This is not a full list of appraisal requirements. Rather it is a checklist of some of the most important elements and commonly overlooked areas.

Property: _____ Date: _____

Letter of Transmittal:

Table of Contents:

Identification of Property:

- a. Provide names of all owners: _____
- b. Provide legal description of the entire ownership and the part to be acquired (attach). Include in the addendum copies of all survey maps or other documents cited in the legal description.

Certification by the Appraiser. In addition to the standard USPAP Rule 2-3 certification, the certification should include that the appraiser:

- a. has contacted the owner and invited them to accompany the appraiser on the inspection. If the owner was not present, state why.
- b. has not discussed the property's price or value with the owner or owner's representative.
- c. that in the opinion of the appraiser the estimated market value of the subject property, fee title and unencumbered (state rights if other than fee) as of valuation date is \$_____.

Purpose and Function of the Appraisal. Market value for agency or organization acquisition.

Definition of Market Value.

Scope of Appraisal. Include extent of sales search conducted, both area and sources.

Location, Area and Neighborhood. Brief and pertinent.

Subject Property Data. If a before and after appraisal is necessary, data and description shall be provided for the larger parcel, the acquisition and the remainder.

- a. Site. Describe size, soil types (productivity and septic limitations), topography, acreage of each cover type, timber, road frontage, access, water frontage including distances, mineral deposits if any, etc. Discuss any amenities or adverse conditions.
- b. Improvements. Describe type, size and dimensions, rooms, age, condition and utility. Include land improvements. Discuss well and septic systems, condition, and problems.
- c. Identify possible environmental, health or safety problems with wells, septic systems, underground storage tanks, hazardous wastes, etc. State if problems were or were not observed.
- d. Availability of utilities. Phone, electric, gas, water, sewer, etc., what and where available.
- e. Equipment, fixtures and personal property. Identify any included or excluded.
- f. Zoning. including shoreland/floodplain and wetland zoning. Identify classifications and discuss pertinent permitted and prohibited uses. Any zoning change, conditional or special use permit required for Highest and Best Use should be identified and the probability of such change discussed and supported by verification from knowledgeable officials.

- g. State present use and indicate whether it conforms to zoning.
- h. Tax information: Include parcel numbers, assessed and equalized values, and annual real estate taxes. Estimated values should be provided if the property is not taxed or is part of larger tract.
- i. Ownership history. Include all transactions in the last **five** years plus listing data if currently offered for sale. Sales in last 5 years should be considered in value estimate.

Analysis and Conclusion of Highest and Best Use. A public use conclusion is not considered to be a most profitable use. Comparable sales analyzed in the report must have a use similar to the subject.

Severance Damages. Applies only to appraisals for property to be acquired by a governmental agency with eminent domain powers, does not apply to private organization acquisition. Explain and support why damages (or offsetting special benefits) do or do not apply to the remainder. Provide a "before and after" valuation if required by the appraisal problem. If severance does not apply, so state;

Consideration of All Approaches. If the market, cost and income approaches are not used, provide adequate justification. A cost and market approach should be provided on all improved property. A market approach using similar bulk land sales should be included with any subdivision approach.

Market Approach: Minimum three sales.

- a. Provide a complete description of the most recent similar and proximate comparable sales. If sales are not current or good comparables are not available, please discuss extent of market research and note lack of sales.
- b. Include the following for all sales cited:
 - 1. Grantor and Grantee.
 - 2. Full legal description, may be copy of deed or transfer return.
 - 3. Date of sale, recording data (volume and page) and type of instrument.
 - 4. Sale price, financing terms and/or conditions.
- c. Verification by grantor, grantee or knowledgeable party, include if sold through broker, and circumstances of sale, such as how price was established and reason sold/purchased.
- d. Brief description of the sale including size, acreage of each cover type, soils, topography, road frontage, access, water frontage, zoning, mineral deposits, timber, improvements, and utilities.
- e. Captioned photo(s) of each sale, aerial photos desirable for sales over 5 acres.
- f. Plat maps of sales and sale location map, and survey or subdivision map if appropriate.
- g. Highest and Best Use (should be similar to subject).
- h. Compare sales with subject. Narrative discussion should focus on principal elements of comparison which affect value. Adjustments should be considered for significant value differences and supported by narrative rationale and market data when possible. Adjustments should be consistent.
- i. Analyze any sale of the subject within the last 5 years or explain why it is not appropriate. If the subject property is listed for sale, discuss listing price and analyze this market data.
- j. Explain selection of a value from the range suggested by the sales.
- k. Provide adequate explanation if: the sales do not bracket the estimated value for the subject, 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%.

Cost Approach: If relevant and reliable. Even if improvements are highly depreciated, the vacant land market approach is important to establish land value.

- a. Provide market approach land value including at least 3 vacant land sales in the market approach. Include sales data information for each sale.
- b. Estimation of reproduction or replacement cost of each improvement. Cite source of the cost data.
- c. Explanation and estimation of depreciation from all causes for each improvement.

Income Approach: If relevant and reliable.

- a. Estimate net operating income. Explain and support with actual estimated income/rental and expense data, economic rents and vacancy factors.
- b. Estimate and support the capitalization rate and technique.
- c. If subdivision analysis, provide a sketch of the proposed plat and sales data to support retail lot prices. Must also include a market approach on land based on similar raw land sales.

Reconciliation of Approaches - Final Estimate of Value. The final estimate of value shall be allocated between land, individual improvements, personal property, and severance damages.

Assumptions and Limiting Conditions. If none, so state.

Other Materials: To help explain and document the appraisal. Include at least the following:

- a. Subject map (section or tax map or similar if available). Identify the location of improvements.
- b. Documents and survey maps referenced in the subject's legal description.
- c. ASCS or other aerial photograph of subject.
- d. Floor plans of primary buildings and a sketch showing the layout of the buildings on the site.
- e. Photographs of subject showing the main property features and each improvement.
- f. Town, village or city location map for subject and sales sufficient to locate sales in the field. If part of a subdivision, include a subdivision plat map or similar map identifying individual lots.
- g. County map - locate subject and sales.
- h. Other descriptive material to consider for inclusion: soils maps, zoning maps, floodplain maps, wetland zoning maps, topographic maps, timber cruise data, etc.

Qualifications of the Appraiser.