

Section 6.2

SUPPLEMENTAL STANDARDS OF APPRAISAL

TABLE OF CONTENTS

PURPOSE	6-2-1
AUTHORITY	6-2-1
SCOPE	6-2-1
REFERENCES	6-2-1
TRAINING	6-2-1
FORMS	6-2-2
ATTACHMENTS	6-2-2
6.2.1 Compliance with USPAP	6-2-2
6.2.2 Ethical Conduct	6-2-2
6.2.3 Co-Signing	6-2-3
6.2.4 Hypothetical Conditions	6-2-3
6.2.5 Confidentiality	6-2-4
6.2.6 Jurisdictional Exception	6-2-4
6.2.7 Appraisal Review	6-2-4
6.2.8 Other Appraisal Related Consulting Services	6-2-5
6.2.9 Property Owner Contact Letter	6-2-5
6.2.10 If Inspection Indicates Possible Contamination	6-2-6
6.2.11 Types of Appraisals	6-2-6
6.2.12 Update Reports	6-2-6
6.2.13 Presentation of Report	6-2-7
6.2.14 Clarity and Accuracy	6-2-8

6.2.15	Numbering System for Reporting Requirements	6-2-8
6.2.16	Collecting and Verifying Data	6-2-8
6.2.17	Sales Data Sheet	6-2-9
6.2.18	Market or Specialized Studies	6-2-12
6.2.19	Use of Listings and Contracts	6-2-12
6.2.20	Real Property Appraisal Reporting Requirements	6-2-13
6.2.21	Introduction and Premise of the Appraisal	6-2-13
6.2.22	Presentation of Data	6-2-18
6.2.23	Analysis of Data and Conclusions	6-2-24
6.2.24	Description and Valuation of Part Acquired	6-2-33
6.2.25	Valuation of Remainder as Part of Whole	6-2-34
6.2.26	Premise of the Appraisal - the Remainder Valuation	6-2-34
6.2.27	Presentation of Data - the Remainder Uncured	6-2-36
6.2.28	Analysis of Data and Conclusions - the Remainder	6-2-37
6.2.29	Addenda	6-2-45
	HISTORY	6-2-45

Section 6.2

SUPPLEMENTAL STANDARDS OF APPRAISAL

PURPOSE

To set forth procedures, requirements and standards for the real property appraisal function for the Department of Transportation, hereafter referred to as the Department.

AUTHORITY

Section 20.23(4)(a), (F.S.)
Section 334.048(3), (F.S.)

SCOPE

The principal users of this document are Central Office and District Right of Way employees.

REFERENCES

Advisory Opinion 3 (AO-3)
Florida State Road Dept. v. Stack, 231 So.2d 859 Fla., 1st DCA 1969
Right of Way Manual, Section 5.1, Contaminated Parcels
Right of Way Manual, Section 6.1, Appraisal and Appraisal Review
Section 73.071(4), (F.S.)
Section 73.071(5), (F.S.)
Section 475.628, (F.S.)
The Uniform Standards of Professional Appraisal Practice

TRAINING

None required.

FORMS

FNMA Uniform Residential Appraisal Report

Sample documents which are not official forms have been included as attachments to **Section 6.1 and Section 6.2** of this procedure. These documents can be tailored to fit specific circumstances such as, column width, number of parcels represented, etc. providing a starting point for users. However, existing language such as, certification statements, headings, etc. is required by this procedure.

ATTACHMENTS

1. FDOT Certificate of Value
2. Summary of Values
3. Value Finding Format, Certificate, and Instructions
4. Property Owner Contact Letter
5. Quick List of Appraisal Reporting Requirement Numbers

6.2.1 Compliance with USPAP

Each appraiser providing appraisal services for any purpose to the State of Florida Department of Transportation, hereinafter referred to as the Department must comply with **Section 6.2** and the **Uniform Standards of Professional Appraisal Practice (USPAP)** as promulgated by the Appraisal Standards Board of The Appraisal Foundation, and referenced in **Section 475.628, Florida Statutes, (F.S.)** Statements on appraisal standards which may be issued for the purpose of clarification, interpretation, explanation, or elaboration through The Appraisal Foundation, shall also be binding.

6.2.2 Ethical Conduct

The following applies when assignments are accepted:

- (A) The appraiser is cautioned to obtain written permission from the appropriate Deputy District Right of Way Manager - Appraisal (DDRWM-A) before proposing on or accepting an appraisal assignment from another party on property which may be on or closely related to a Department project, and on which the appraiser previously or currently has contracted with the Department to provide appraisal services.

- (B) Appraisers may accept assignments from owners or other parties, as well as from condemning agencies. However, it is considered improper for the appraiser to accept assignments within the same Department Item/Segment for which the appraiser provided appraisal services under a previous or current appraisal services contract.
- (C) Acceptance of assignment from another party may also be unethical without a prior, written release from the DDRWM-A for any property in which the appraiser would use market data, trends, adjustments or other analyses which were developed for a Department contract assignment, regardless of whether a fee was paid by the Department.

6.2.3 Co-Signing

6.2.3.1 Except for written review reports prepared for the Department, it is unacceptable for any person to co-sign the report, unless specifically permitted by contract terms or prior written agreement from the DDRWM-A.

6.2.3.2 Significant assistance must be acknowledged by naming the contributor in the certification. The appraiser and any assistant are cautioned to observe the confidentiality requirements.

6.2.4 Hypothetical Conditions

6.2.4.1 If the Department requires use of a hypothetical condition, such as the valuation of a contaminated property as if cleaned, the Department must furnish a written statement to the appraiser for inclusion in the appraisal report. Any legal advice given to the appraiser concerning these types of conditions does not have to be in writing. However, this legal advice must be noted in the appraisal report. The appraiser must state that the hypothetical condition is required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison.

6.2.4.2 In the appraisal report, the appraiser must clearly disclose the use of the hypothesis and appropriately reference the Department's statement and include it in the Assumptions and Limiting Conditions and in the Addenda. The rationale for the assumption, the nature of the hypothetical condition, and its effect on the result of the appraisal, review or consulting service, must be narratively described.

6.2.4.3 If the Appraiser assumes a hypothetical condition, not specifically requested by the Department, such as, an assumption of a design change, pending unsupported land

use, etc. the appraiser must state in the report and adequately support an opinion of the property's as is market value prior to or aside from the hypothetical condition.

6.2.5 Confidentiality

The appraiser must obtain written permission from the DDRWM-A prior to submitting any parcel information to a third party, unless the parcel information has become public knowledge. Appraisers are cautioned that release of information to a professional organization's admissions review committee may be a breach of confidentiality if any litigation is pending. Confidentiality applies to review as well as appraisal work.

6.2.6 Jurisdictional Exception

6.2.6.1 For the purpose of acquisition by the Department, all appraisals shall comply with **Section 73.071(5), F.S.**, which reads: Any increase or decrease in the value of any property to be acquired which occurs after the scope of the project for which the property is being acquired is known in the market, and which is solely a result of the knowledge of the project location, shall not be considered in arriving at the value of the property acquired. For the purpose of this section, the scope of the project for which the property is being acquired shall be presumed to be known in the market on or after the condemnor executes a resolution which depicts the location of the project. Although the resolution date should be contained in the description of appraisal services, the appraiser should contact the DDRWM-A when the date is not furnished.

6.2.6.2 To the extent that **Section 6.2** may differ from **USPAP** requirements, such differences shall be considered a jurisdictional exception. Department instructions which may lead the appraiser to conclude that a jurisdictional exception applies will be considered on a case by case basis, such as instructions based on case law.

6.2.7 Appraisal Review

6.2.7.1 All appraisal reports and studies will be reviewed either by staff or contract review appraisers for compliance with the **Right of Way Manual, Section 6.1, Appraisal and Appraisal Review, Section 6.2,** and **USPAP.**

6.2.7.2 The following applies to contract fee review:

- (A) All contract reviewers must be appropriately certified by the state of Florida to perform the work detailed in the Scope of Services.

- (B) A written review report must be prepared in accordance with the ***Right of Way Manual, Section 6.1, Appraisal and Appraisal Review, Section 6.2, and USPAP***. This written report shall include the same content as outlined in the ***Right of Way Manual, Section 6.1, Appraisal and Appraisal Review***, regarding the ***Review Appraiser's Statement (RAS)*** except for the following:
- (1) A contract reviewer may not conclude Recommended Compensation.
 - (2) The contract reviewer must conclude to a Suggested Compensation. By statute, only Department employees may conclude Recommended Compensation.
- (C) A Department staff review appraiser will evaluate the contract reviewer's ***RAS*** to monitor quality and to establish recommended compensation. A certificate will be prepared in accordance with the ***Right of Way Manual, Section 6.1, Appraisal and Appraisal Review***.

6.2.8 Other Appraisal Related Consulting Services

Consulting services include, but are not limited to, market or specialized studies performed separately from appraisal report preparation, and similar services. Contracted consulting services of an appraisal nature must be performed by an appraiser appropriately certified by the state of Florida and include a conclusion, if required by contract. Such conclusions must be reported in compliance with ***USPAP***, except that alternative courses of action must not be stated, unless required by contract. Such unauthorized statements may render the report unacceptable. Therefore, the appraiser should indicate this instruction was given and document the report accordingly.

6.2.9 Property Owner Contact Letter

The owner, or designated representative, must be given an opportunity to accompany the appraiser on the property inspection unless exempt under the provisions of an appraisal waiver. A sample ***Property Owner Contact Letter*** is included in the ***Attachment*** section. A copy of the actual letter sent to the property owner must be included in the Addenda.

6.2.10 If Inspection Indicates Possible Contamination

Immediately after a parcel inspection, the appraiser must report in writing to the DDRWM-A any indications of possible contamination of the property. Contaminated property must be appraised in accordance with the ***Right of Way Manual, Section 5.1, Contaminated Parcels***. Appropriate guidance and information will be provided by the DDRWM-A.

6.2.11 Types of Appraisals

6.2.11.1 The Department will accept the appraisal preparation and reporting options set forth by ***USPAP***.

6.2.11.2 Appraisals involving hypothetical conditions must be prepared and disclosed in compliance with Standard 1 of ***USPAP***.

6.2.11.3 Unless waived in writing by the DDRWM-A, the appraiser must also report and adequately support an opinion of market value as-is or without regard to the assumption or limitation. Failure to do so may render the appraisal unacceptable.

6.2.11.4 Although not required, whole takes of residentially improved properties may be reported on the ***FNMA Uniform Residential Appraisal Report (URAR)*** form. However, the form should not dictate the scope of the analysis. For example, if the highest and best use is no longer the existing use, an addendum with a discussion of the highest and best use must be attached. The following should also be included: Certificate of Value, land sales grid with brief explanation of direct sales comparison and adjustment support, photos and sketch, identification of fixtures and personal property included or excluded in the value opinion (severable appurtenances), property owner contact letter, vacant land and improved sales data sheets, definition of market value, qualifications of the appraiser, etc.

6.2.12 Update Reports

6.2.12.1 Updates of an appraisal report for the Department must be consistent with ***USPAP*** and should be consistent with its ***Advisory Opinion 3 (AO-3)***. Letter update appraisal reports will not be accepted if a change of value has resulted from a significant change in the nature of the appraisal problem or the market itself. In these instances, a new report including exhibits that are current as of the date of value is required.

6.2.12.2 Updates indicating no change in value or a change in value which was based on the application of an essentially mathematical extension should be done by letter incorporating the updated report by reference.

6.2.12.3 The owner should be contacted for any new information.

6.2.12.4 It is necessary to take photographs of the subject for each appraisal or update. Updated appraisal reports must include, as applicable, color copies, photographs, or digital reproductions of the whole before property, the acquisition area, each major building improvement front and rear, and street scene. Each photo shall be captioned with the date taken, name of photographer, and point of reference, or relative photo location on sketch. At least one color photograph shall accompany each sale sheet in the report.

6.2.12.5 The following applies to exhibits in updated reports:

- (A) Exhibits may be photocopied. Photocopied exhibits must be clear and legible. If photographs are copied, color copies or color digital reproductions are required.
- (B) New exhibits are required for updated appraisal reports when the cause of the change can be illustrated. Otherwise, new exhibits are not required. Examples of these type changes which may affect value include size of acquisition, number or condition of improvements, etc.

6.2.12.6 A new ***Certificate of Value*** is required.

6.2.13 Presentation of Report

6.2.13.1 Each appraisal report must be on 8½ x 11 letter size paper, bound at the top of the page by an Acco type clip, unless the district contract allows for an alternate binding style.

6.2.13.2 Narrative appraisal reports must include a table of contents with corresponding page numbers. Numbering shall begin with the ***Certificate of Value*** as page one, followed by the ***Table of Contents***, followed by the summary of salient facts and so on. While it is not a requirement that Addenda pages be numbered, a list of items in the order presented must be included just after the Addenda cover page or in the ***Table of Contents***. A divider page indicating the different elements within the Addenda is preferred.

6.2.14 Clarity and Accuracy

6.2.14.1 Where typographical errors, math errors, and incomplete, or erroneous items are found in a report, the appraiser must furnish a corrected replacement page upon discovery, or upon request of the Department.

6.2.14.2 Definitions and explanations of the approaches to value should be included in the Addenda to the report, not in the body of the report. Definitions and explanations of an approach when omitted from the report are unnecessary and undesirable; however, the reason for each omission must be explained.

6.2.14.3 Extraordinary assumptions or limiting conditions should be discussed with the Department's review appraiser or DDRWM-A as soon as they become apparent, and before finalization of the written report. Failure to do so may render the report unacceptable.

6.2.14.4 Rounding decisions within an appraisal report should not inadvertently result in an offset of severance damage amounts or result in a conclusion of severance damages that would not otherwise exist. Downward rounding of compensation components (land, improvements, and damages) should be avoided.

6.2.15 Numbering System for Reporting Requirements

Reporting requirements are identified in **Section 6.2.20** by a three digit number. A numbering system, as depicted herein, may be used for certain reporting requirements within the appraisal report. Numbering is not mandatory except as required by contract. However, any numbering system other than depicted herein will not be accepted. It is acceptable for the appraiser to omit inapplicable sections if the appraisal problem so dictates.

6.2.16 Collecting and Verifying Data

6.2.16.1 A thorough inspection of each parcel to be appraised and the appraiser's preliminary conclusion as to highest and best use of land, as if vacant, and the property as improved, will assist in identification of market data to be collected. A statement as to the extent of search, including dates and area, is to be prominently shown. When there is insufficient current market data in the project area, the search should be broadened first to the nearest similar neighborhoods for current transactions, then to older data within the project area, until sufficient data are collected.

6.2.16.2 Market data relied upon to provide a value indicator must be verified. One or more of the parties directly involved in the transaction is the preferred source. The appraiser must identify the source of verification, the verifying party's relationship to the transaction, telephone number or address, if no phone of the source of verification, name of the person who obtained the verification, appraiser or associate, and the date information was verified. The appraiser of record must personally verify all transactions relied upon when the appraisal is for use in hearings, mediations or trials.

6.2.16.3 Adjustments, trends or other analyses arrived at by analysis of confidential data must be discussed in sufficient detail to allow the reader to arrive at a conclusion similar to that of the appraiser. If a market transaction was verified on condition of confidentiality, the source of verification may indicate confidential. Confidential data must be available upon request for DDRWM-A, or review appraiser inspection in the appraiser's office. Such information shall be kept in confidence and should not be copied or reduced to writing by the Department representative without the written consent of the appraiser.

6.2.17 Sales Data Sheet

A sales data sheet must be prepared for each transaction. This way of displaying market data must also be used for rental comparables, listings, etc. No adjustments shall be made on sales data sheets. Include in the following order:

- (A) Recording data: County, O.R. book and page number
- (B) Grantor/Lessor
- (C) Grantee/Lessee
- (D) Date of transaction
- (E) Date inspected
- (F) Size/Topography/Floodplain/Wetland Information: State the dimensions and size of land and improvements. The appraiser should state the source (i.e. actual measurement, county records, survey, etc.). Reliance on county records without verification should be avoided. State the general topography (contour of the land, grading, natural drainage, soil conditions, view, etc.) and any floodplain and/or wetland information.

- (G)** Consideration
- (H)** Unit price and/or rental rate with other rental data
- (I)** Type of instrument
- (J)** Tax Identification/Folio Number
- (K)** Address, if improved. Brief legal description or physical location description if unimproved. Distance and direction to nearest cross street. Latitude/longitude is desirable.
- (L)** Zoning, including a brief discussion of impact from land use plan and/or concurrency programs at time of transaction, if applicable.
- (M)** Present use
- (N)** Highest and best use at time of transaction
- (O)** Condition of transaction
- (P)** Type of financing, terms, period of repayment, effect on price, if any
- (Q)** Encumbrances including brief discussion of those which limit highest and best use, or affected price, if any.
- (R)** Type of improvements: site and building, water/sewage, paving, number of parking spaces, on-site or off-site water retention, dimensions, units, rooms, age, condition, moveable and/or immovable furniture, fixtures, machinery, and equipment, etc., included in the transaction.
- (S)** Various on site utilities, or distance to available utilities, particularly water and sewer
- (T)** Verification information
- (U)** Motivation of parties
- (V)** Analysis of pertinent information including cash equivalency consideration

- (W)** Overall exposure time from initial asking price to time of sale
- (X)** Number of days property was on the market. Days on market (DOM) may differ from exposure time. DOM can be less than exposure time. DOM is intended to reflect the time it took to sell after the property was exposed to the market at a reasonably acceptable price. Often, a property is exposed to the market for lengthy periods because the asking price is too high. However, once the price is reduced within a range that would induce a buyer and this time frame is calculated, more meaningful analysis of demand and other trends can occur.
- (Y)** Remarks
- (Z)** The property sketch does not have to be to scale, but should be proportional. Reproduction from a tax map, right of way map, or a carefully prepared drawing is acceptable, but must be legible and show the following, as applicable:
 - (1)** Location in relationship to property boundaries, shape, and approximate size of building improvements.
 - (2)** Location and identification of significant site improvements, such as paving, parking spaces, signs, pumps, wells, etc.
 - (3)** Location, dimensions and user/type identification of any easements, jurisdictional lines and unusual natural or man-made features affecting price.
 - (4)** Distance and direction of site to locatable geographical features or intersections
 - (5)** North arrow
 - (6)** Location of camera when photographing
- (AA)** Photographs for sales sheets shall be:
 - (1)** Representative of the property depicted and show each major improvement,

- (2) Captioned with date taken and by whom,
 - (3) Photographed in color with black and white photographs only used for large aerals. Copies must contain color copies or color digital reproductions of sale photographs.
- (BB) Copy of transaction instrument.

6.2.18 Market or Specialized Studies

6.2.18.1 Studies performed by the appraiser must comply with the intent of the *USPAP* and **Section 6.2** in that:

- (A) The purpose, scope, methodology and techniques of the study must be concisely described;
- (B) Persons, other than the appraiser, who provide significant contribution to the study must be named and identified;
- (C) Market data must be verified and the source of verification should be reported as described in sales data sheet requirements;
- (D) The appraiser's analysis of information and conclusions based on the study must be described and supported to the same extent as required herein for other appraisal conclusions.

6.2.18.2 If a specialist's study or estimate is obtained, his or her report must be included in the Addenda. The appraiser's estimate of the specialty item must reflect the item's contribution to market value, which may or may not be the same as the specialist's estimate. The appraiser must explain how such an item contributes to market value.

6.2.19 Use of Listings and Contracts

6.2.19.1 Because any current listing for sale or rent, if income property, or a pending contract of any part of the subject property must be fully discussed and considered in the appraisal, it must also be included in the comparable data compilation. Also, any open market, arm's length rental of the subject property within the past five (5) years

must be considered as one of the comparable rentals selected, and must be included in the comparable data compilation.

6.2.19.2 Listed offers to sell must not be used as direct indications of value, because they are inadmissible as evidence of value in Florida courts. However, a history of competitive properties being offered on the market may be considered, together with factual market data, in an analysis of market trends. Listings may provide an early warning of changes in the direction of the market, and often help establish an upper limit of value.

6.2.19.3 Current contracts for purchase may be subject to certain provisions being met before the sale becomes fact. While contracts may assist in identifying trends in the market, any indication of value by them should be supported by executed/closed, open market transactions.

6.2.20 Real Property Appraisal Reporting Requirements

As previously mentioned in **Section 6.2.15**, a numbering system identifying certain reporting requirements may be used. Numbering is not mandatory except as required by contract. However, any numbering system other than listed herein will not be accepted. The number of the item shall precede the heading. An additional electronic copy of the appraisal may be required if included in the contractual **Scope of Services**.

6.2.21 Introduction and Premise of the Appraisal

The following reporting requirements must be included in the Introduction and Premise of Appraisal, as appropriate:

- (A) **Reporting Requirement 100:** The **State of Florida Department of Transportation Certificate of Value**, hereinafter referred to as the **Certificate of Value (COV)**, must be attached as the front page, followed by the table of contents and summary of salient facts. The following requirements apply to **Certificates of Value**:
 - (1) A **COV** must be used in reports contracted for by the Department and must include the language provided in **Attachment 1** of this section. The certificate is consistent with that stated in the **USPAP**. A completed reproduction or copy of this document is acceptable. The certificate shall consist of one page including the signature of

the appraiser. The signature must be on the same page as the certification language.

- (2) The date the appraiser signs the **COV** is considered the date of the report. Prior to acquisition by the Department, the date of value is typically the same as the latest date of the property inspection. When the Department has deposited funds into the court registry pursuant to an Order of Taking, title is considered to have vested with the Department. This date of deposit shall be the date of value for appraisal purposes.
 - (3) Statements supplemental to the **COV** as required by membership or candidacy in a professional organization are to be described on a separate page following the table of contents and shall be signed and dated by the appraiser see **Reporting Requirement 115**. These statements may be made a part of the certificate by reference.
 - (4) Market value allocations are limited to land, improvements, and net damages and/or cost to cure. When an Outdoor Advertising (ODA) billboard is involved, the market value allocation portion of the certificate shall state the total land value, no separation of leased fee and leasehold interests, and the total improvements value, no separation of tenant owned or billboard improvements from other real estate. The allocations to these various interests need only be shown in the body of the report as previously described in these standards.
 - (5) A letter of transmittal is not required for a Departmental report because all necessary information is contained in the **COV**. However, if a letter of transmittal is included, it should identify the date of the report transmittal, item/segment, managing district, parcel number, date of value, other pertinent comments, and appraiser's signature.
- (B) **Reporting Requirement 110:** A table of contents must be included immediately following the **COV** depicting the various sections of the appraisal report with corresponding page numbers. Sections included in the Addenda shall be listed.

- (C) **Reporting Requirement 115:** State all assumptions and limiting conditions that affect the analyses, opinions, and conclusions. Assumptions and limiting conditions must not be generic, but should be applicable to the appraisal report being prepared. Statements supplemental to the **COV**, as required by membership or candidacy in a professional appraisal organization may be described and made a part of the certificate by reference.
- (D) **Reporting Requirement 120:** The summary of salient facts and conclusions of the report must contain as a minimum, a list of the name(s) and address(es) of the owner(s) of record, the location of the subject by street address or by distance from a visibly recognizable location, the property inspection date(s), the name of person(s) who accompanied the appraiser on the inspection, the extent of the inspection, and the size of the parent tract and the area to be acquired. Other significant facts may be listed at the discretion of the appraiser.
- (E) **Reporting Requirement 130:** The appraiser shall state the type of reporting option in accordance with **USPAP**.
- (F) **Reporting Requirement 140:** The purpose of the appraisal is to develop and report an opinion of market value. The intended use of an acquisition appraisal is for the Department's staff review appraiser to use as a basis for establishing Recommended Compensation, as applicable, of the whole property, the property to be acquired, the remainder property, the damages and special benefits, if any, for acquisition by the Department for use in connection with a transportation facility. The intended user of the appraisal is the Florida Department of Transportation.
- (G) **Reporting Requirement 150:** The following market value definition is found in Florida case law, (*Florida State Road Dept. v. Stack, 231 So.2d 859 Fla., 1st DCA 1969*), and is the acceptable and preferred definition of market value:

“Value’ as used in eminent domain statute, ordinarily means amount which would be paid for property on assessing date to willing seller not compelled to sell, by willing purchaser, not compelled to purchase, taking into consideration all uses to which property is adapted and might reasonably be applied.”

It is the appraiser's responsibility to determine the validity and market representation of comparable sales used in light of this definition of market value. Typically, the willing buyer and willing seller test includes consideration of the following by the appraiser: a fair sale resulting from fair negotiations, neither party acting under compulsion (this would typically eliminate forced liquidation or sale at auction), both parties having knowledge of all relevant facts, a sale without peculiar or special circumstances, and a reasonable time to find a buyer.

While there may be other good and valid definitions of market value, the cited definition must appear or be referenced in the appraisal report. If any other definition is used, prior approval from the DDRWM-A is required.

(H) Reporting Requirement 160: For property rights or the interest appraised, the following items must be considered:

- (1)** In all appraisals the appraiser must be aware of and discuss the interests involved, and should be able to certify that such rights were considered in the appraisal. If multiple interests exist, the appraiser must consider and discuss their affect on both highest and best use and on value. If the interests have no effect on value, the appraiser should so state.
- (2)** The Department generally does not require the appraiser to provide a separate allocation of the value of the various interests in appraisals obtained for negotiation purposes except when the property is improved with a tenant owned Outdoor Advertising (ODA) billboard, or when tenant owned improvements are acquired or significantly affected.
- (3)** If the property is occupied by persons or entities other than the owner, the appraiser must consider and identify the interest implied by each occupancy.
- (4)** The appraiser should indicate the intent of the parties concerning removal, at end of lease term, of tenant-owned improvements. Lengthy descriptions of tenant-owned improvements should be discussed under **Section 6.2.22(C)**.

- (5) When the appraisal involves one or more real property interests which may have been previously conveyed such as, reservations, dedications or permanent easements to the public; mineral rights reserved to the state; Trustees of the Internal Improvement Trust Fund (T.I.I.T.F.) reservations, etc., the appraiser should consult with the DDRWM-A and request written guidance as to the appropriate handling under current law and procedure if they were not identified by the district prior to advertising for appraisal services.
- (6) The appraiser is responsible for analyzing deeds, other instruments, plats, and Attachments of record and make an inquiry of the owner to determine any encumbrances.
- (7) The appraiser must list any items of personal property which are appraised and state the reason for including them in the valuation.
- (I) **Reporting Requirement 175:** The extent of process of collecting, confirming, and reporting data shall be as follows:
 - (1) In accordance with the appraisal assignment, the appraiser shall describe, state or summarize the extent of the process of collecting, confirming and reporting data.
 - (2) Sale or lease data used in the appraisal report must be included in the Addenda in the format of the sales data sheet.
 - (3) Market or specialized studies must comply with the intent of the **USPAP and Section 6.2**. Specialist's studies must be included in the Addenda. The appraiser must estimate the contributory value of the specialty item, if any, which may or may not be the same as the specialist's estimate. The appraiser must explain how such item contributes to market value.
- (J) **Reporting Requirement 180:** Discussion of the appraisal problem shall be as follows:
 - (1) The appraiser must state the appraisal problem. The appraisal for eminent domain purposes may involve one or more separate and distinct appraisals under one cover. For example, an appraisal is

made of the parent tract in its current condition. Any remainder(s) must be appraised presuming that the transportation improvements are in place and operating. If an improved remainder is impacted and a cost to cure is developed, the remainder is then appraised as 'uncured' to ascertain damages. A cost to cure is then estimated and the remainder is then appraised 'as cured' to determine mitigated damages. Once the parent tract is appraised, the value of the part taken as part of the whole must be calculated and stated. This calculation must be based on the unit value(s) set forth in the reconciliation of the parent tract or "whole" before the taking. Likewise, when building or site improvement components are within the part taken, the value of such improvements must be based on the "before" value allocations. Damages, costs to cure, and special benefits which would offset damages must be considered.

- (2) Unique and unusual characteristics of the subject property relative to parent tract, area to be acquired and remainder, topography, size, shape, improvement design, property use, etc., requiring special consideration should be identified.
- (3) Appraisal problems should be discussed with the DDRWM-A to obtain guidance on the Department's recommended handling of such matters. Unique or unusual problems include, but are not limited to, reservations of mineral rights, deed or T.I.I.T.F. reservations, affected signs or billboards, replacement of fencing and other improvements in the take, valuation of landscaping or timber, etc., which may necessitate a specialist's estimate.
- (4) If a specialist's study or estimate is obtained, his or her report must be included in the Addenda and the professional assistance must be acknowledged in the **COV**. The appraiser's estimate of the specialty item must reflect the item's contribution to market value, which may or may not be the same as the specialist's estimate. The appraiser must explain how such items contribute to market value.

6.2.22 Presentation of Data

The following reporting requirements must be included in the presentation of data, as appropriate:

- (A) Reporting Requirement 200:** The appraiser shall provide the street address or other description of the subject property followed by the legal description. The description must be sufficient to physically locate the subject in the field. The legal description must be accurate and the source of that description must be stated, for example, last deed of record. The appraiser must indicate whether or not this is the property being appraised. If something other than what is described such as the abbreviated parent tract is being approved, the appraiser must so state. If the legal description is lengthy, reference can be made to a copy in the Addenda.
- (B) Reporting Requirement 220:** Lengthy information concerning area and neighborhood should be referenced in the Addenda. A summary must be provided in accordance with the appraisal assignment.
- (C) Reporting Requirement 230:** According to the appraisal assignment, describe or summarize pertinent features of the subject property including, but not limited to, the following:
- (1)** Property type
 - (2)** Existing use
 - (3)** Land, multiple tracts of the subject property should be separately described.
 - (a)** area
 - (b)** shape
 - (c)** dimensions
 - (d)** ingress/egress
 - (e)** topography
 - (f)** flood plain data
 - (g)** drainage

- (h)** soil characteristics
 - (i)** utilities on site
 - (j)** utilities available
 - (k)** site improvements
 - (l)** easements, encroachments or restrictions and their effect or limitation.
- (4)** Building(s), tenant owned improvements, if any, must be identified as such and described. Multiple improvements within the subject property should be individually described. The appraiser should inspect interior and exterior of each.
 - (a)** construction
 - (b)** quality
 - (c)** condition
 - (d)** physical age
 - (e)** effective age
 - (f)** remaining economic life
 - (g)** area or volume content
 - (h)** number of units
 - (i)** number/kind of rooms
 - (j)** fixtures
 - (k)** trade fixtures and equipment to be treated and appraised as real property

drain fields. Include sketch of proposed cure in the appropriate section of the report.

4. Street or road name and ingress/egress to parcel,
5. Other significant natural or manmade features,
6. Directional pointer,
7. Location of camera when photographing,
8. Location, size and user/type of any easements, whether affecting value, or not.
9. The proposed site of any on-premise sign to be relocated.

(c) A floor plan sketch for each significant building showing exterior dimensions, general layout of interior including all entry/exit doors, other significant or affected features.

(d) Other pertinent exhibits may be added.

(7) Personal property and other items that are not real property and not considered to be a part of the appraisal problem must be identified.

(D) Reporting Requirement 235: The appraiser shall briefly discuss the existing transportation facility or improvement.

(E) Reporting Requirement 240: The appraiser shall discuss the following items concerning zoning, land use plans and concurrency:

(1) State the present zoning of the subject property and explain how the zoning regulations affect the use of the property.

(2) State whether the investigation revealed any probable change in zoning. If so, the probability of change and its effect on highest and best use must also be discussed if such change will affect the market value.

- (3) State whether there are any existing land use planning, concurrency programs, or issues involving impact fee credits which affect the subject. If so, describe and discuss their impact. Appraisers must use caution in evaluating the effect on otherwise restrictive concurrency issues that may be relieved due solely to the proposed transportation facility improvement.
 - (4) If, without convincing local market documentation, the appraiser assumes a probability of change that will result in a value different from that which would be estimated if the assumption or limiting condition is not applied, the appraiser must also report, and adequately support, an estimate of market value without regard to the assumption or limitation. Failure to do so may render the report unacceptable.
- (F) **Reporting Requirement 250:** The appraiser shall identify:
- (1) The taxing authority and tax item/folio number,
 - (2) Assessed value, including assessor's breakdown as to land and improvements. **Note:** If the value estimate in the before situation falls below the assessed value, the appraiser should justify this difference.
 - (3) Amount of property tax,
 - (4) Year to which the tax applies, most recent year for which recorded data is available,
 - (5) Special assessments, including amount, purpose and identification of levying authority.
- (G) **Reporting Requirement 260:** For each transfer of title within the past five years, or for the last transfer of record if older than five (5) years, identify the following, grantor, grantee, date of transaction, official record book and page, consideration and with whom verified, and conditions of sale. Verification and conditions of sale may be omitted if the last transaction occurred over five (5) years ago. The subject's history is also to include any current listing activity of the property. See **Reporting**

Requirement 345 for use/non-use of subject sale in Sales Comparison Approach.

- (H) **Reporting Requirement 270:** The appraiser shall identify the exposure time for the subject. Exposure time is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.
- (I) **Reporting Requirement 280:** According to the appraisal assignment, the appraisal shall describe, summarize, or state any public and private restrictions affecting the subject property.

6.2.23 Analysis of Data and Conclusions

The following reporting requirements must be included in the analysis of data and conclusions, as appropriate:

- (A) **Reporting Requirement 300:** The appraiser shall comply with the following:
 - (1) The appraiser shall define highest and best use, and in accordance with the appraisal assignment, describe or summarize the highest and best use analyses and conclusion. This analysis shall include the information considered, the appraisal procedures followed, and the reasoning that supports the analyses, opinions, and conclusions.
 - (2) The appraiser must clearly explain and support the conclusion that the stated highest and best use, as vacant and as improved, meets four criteria; physically possible, legally permissible, financially feasible, and maximally productive. Failure to properly analyze, explain and support each conclusion renders the premise inadequate. The Department considers one of the key elements to be sufficient market demand for the estimated use. Market demand must be considered and discussed as part of the feasibility and productivity analysis.
 - (3) In the case of improved property, a comparison of the highest and

best use of the site, as if vacant, with the highest and best use of the property as improved, may identify obsolescence or, in the case of a legal nonconforming use, a price premium attributable to the improvements. Such obsolescence or premium must be identified and reflected in the appropriate approaches to value. The estimate of highest and best use as improved also helps identify the comparable properties.

- (4) A brief statement, consistent with a proper neighborhood analysis, emphasizing surrounding land uses, the type, age, and condition of neighborhood improvements, neighborhood zoning, and the relationship to the subject property is required.
 - (5) An opinion of use that is different from the present use of the property requires a clear reporting of the extent of investigation and an analysis of the documentation or reasoning supporting such conclusion. The appraiser must obtain written documentation from the local government authorities saying that the differing use is legally feasible and/or that it is reasonably probable that permits will be granted. In the absence of such documentation, the appraiser shall identify steps taken to obtain such documentation, and explain why the appraiser is concluding the different highest and best use is legally feasible.
- (B) **Reporting Requirement 302:** In a separate sentence or paragraph, the appraiser must state the conclusion of highest and best use of the land as if vacant and ready for such use, and if appropriate, the property as improved.
- (C) **Reporting Requirement 305:** In accordance with the appraisal assignment, identify the approaches to value used and excluded. Explain and support the exclusion of any of the usual valuation approaches.
- (D) **Reporting Requirement 310:** This section should precede the other approaches to value in the appraisal of an improved parcel. The value of the land must be appraised as if vacant and available for its highest and best use and should be estimated by directly and individually comparing competitive market, same highest and best use as subject vacant land sale properties to the subject land. For appraisal of land only, the appraiser must follow the procedures, as applicable, of the sales

comparison approach.

(E) Reporting Requirement 315: The appraiser shall comply with the following:

- (1)** For significant building improvements, regardless of value contribution, a statement that salvage value offsets demolition cost must be supported by a specialist's estimate. An unsupported statement that salvage value offsets demolition cost is unacceptable.
- (2)** The cost approach is often significant when appraising special purpose properties, or when comparable sales data are insufficient to develop the sales comparison and income capitalization approaches. The appraiser should refer to his or her discussion in highest and best use analysis as documentation for lack of recent market activity, and must reflect such limited or depressed market conditions in the other approaches to value.
- (3)** When significant weight is given to the cost approach in the reconciliation of final value estimate, cost new of improvements provided by at least two of the sources listed in **Section 6.2.23(F)**, and depreciation must be fully developed in the report.

(F) Reporting Requirement 320: The appraiser shall comply with the following:

- (1)** When the cost approach is one of the indications considered in reconciliation to the final value estimate, the appraiser must identify the sources from which building and major improvement costs were obtained. Acceptable sources are:
 - (a)** Contractor's estimate,
 - (b)** Cost data services, furnish name of service, reference to section, page and effective date. If obtained through electronic sources, the print-out must include sufficient information to identify source, effective date and calculations and,

- (c) Cost extraction from market. Subject's cost new within the past five (5) years must be considered.
 - (2) When primary reliance is placed on the cost approach, the appraiser's final conclusion of cost new of building and major improvements must be derived by a reconciliation of estimates obtained from at least two of the sources listed above. For an appraisal of ODA billboards, a contractor's estimate only is sufficient.
 - (3) All detailed cost estimates are to be included in the Addenda to the appraisal report, and must identify significant quantities and unit prices considered in arriving at the total estimate.
 - (4) The DDRWM-A may waive, in writing, the requirement of two estimates of a relatively low value improvement. Minor improvements such as paving, fencing, etc., do not require two cost estimates.
 - (5) Trade fixtures and equipment considered to be real property must be separately identified and their contribution to value itemized. Such items may require a specialist's estimate. Often, special use properties have moveable and/or immoveable furniture, fixtures, machinery and equipment etc. These items may be pertinent to the appraisal assignment.
 - (6) Entrepreneurial profit or loss estimates must be supported. Entrepreneurial profit or loss is the difference between the cost of development, including builder's profit, and the value of a property after completion. For Departmental purposes, adequate support is the reporting of the difference between sale price of a newly constructed property and the sum of the cost new of the improvements, inclusive of builder's profit but exclusive of entrepreneurial profit, and current land value, for each sale studied. Statements of opinions or expectations of profit or loss unsupported by sales evidence are unacceptable. Entrepreneurial profit or loss must be considered when performing the cost approach.
- (G) **Reporting Requirement 325:** In accordance with the appraisal assignment, the appraiser must discuss the elements of accrued

depreciation recognized by the market. These are physical deterioration curable, physical deterioration incurable, functional obsolescence curable, functional obsolescence incurable and external obsolescence. Each of the five elements, or their omission, must be addressed in the report and shown in the calculations. A zero amount must be shown for any element that does not contribute to total accrued depreciation. The breakdown method is acceptable. The age-life method of estimating depreciation is acceptable only for minor buildings and structures.

- (H) Reporting Requirement 330:** The calculation of this figure should be summarized as follows:

Reproduction/Replacement specify Cost New	\$xx,xxx
Less Total Accrued Depreciation	x,xxx
Depreciated Value of the Improvements	\$xx,xxx
Plus Contributory Value of Site Improvements	x,xxx
Plus Estimated Site/Land Value	\$xx,xxx
Indicated Value by the Cost Approach	\$xx,xxx

- (I) Reporting Requirement 335:** Sales comparison approach, general market information, analyses and explanations must be presented in this section or must be incorporated by reference in the Addenda.

- (J) Reporting Requirement 340:** Sales data sheets and location maps of transactions used in direct comparison shall be included in the Addenda in the order introduced within the appraisal report. While original color prints or color digital prints of photos are desired, color reproductions may be utilized in the report.

- (K) Reporting Requirement 345:** The appraiser shall comply with the following:

- (1)** The appraiser shall depict all sales used in direct comparison on a grid. Sale comparisons, adjustments and adjusted prices must be summarized in chart form, grid, in the appraisal report. Subject property information must be included on the chart.
- (2)** If relevant to current market conditions, any open market, arm's length sale(s) of the subject property within the past five years must be considered as one of the comparable sales selected, and must

be included in the sales data compilation. Reasons for not using a subject sale occurring within the last five (5) years should be explained.

- (3) Adjustments for differences must be included in the report by percentage or dollar amounts and supported by an analysis of market data.
- (L) **Reporting Requirement 350:** Specific comparative adjustments to sale prices should be made in the appraisal report as appropriate.
 - (1) On direct comparison of sales the appraiser must comply with the following:
 - (a) Each comparable sale property selected must be directly and individually compared to the subject property. Comparable properties selected for direct comparison should be those which a potential buyer would consider to be an alternative for the subject property. Units of comparison should be relatively similar and not require excessive adjustments.
 - (b) Similarities and dissimilarities between each comparable property and the subject must be narratively discussed using standard elements of comparison such as financing, conditions of sale, changes in market conditions over time, location, physical and economic characteristics.
 - (c) No adjustments shall be made on sales sheets. Any adjustments shall appear on the grid and be discussed in accordance with the appraisal assignment.
 - (d) In the absence of factual data, the appraiser must fully explain his or her reasoning for each adjustment.
 - (e) Treatment of market recognized differences between comparable sale properties and the subject property must be addressed in this approach. Delay of such discussion until the reconciliation of the approach is unacceptable. Fixtures and equipment, moveable and/or immovable, are to be

included, as appropriate. The improved sales and rental analysis should include line adjustments for any moveable and/or immovable item differences. Any adjustments shall appear on the grid and be discussed in accordance with the appraisal assignment.

- (2) When listings and contracts are used, the appraiser must comply with the following:
 - (a) A current offering for sale, or listing of the subject property must be thoroughly discussed in relationship to the current market situation. Other listings, offers to sell, must not be considered as direct indications of value, because they are inadmissible as evidence of value in Florida state courts. However, a history of competitive properties being offered on the market may be considered, together with factual market data, in an analysis of market trends. Listings may provide an early warning of changes in the direction of the market, and often help establish an upper limit of value.
 - (b) Current contracts for purchase may be subject to certain provisions being met before the sale becomes fact. While contracts may assist in identifying trends in the market, any indication of value by them should be supported by executed, closed, open market transactions.
 - (c) A current listing for sale, or a pending contract of any part of the subject property must be fully discussed and considered in the appraisal.
- (M) **Reporting Requirement 355:** The appraiser must provide a complete discussion of the reasoning leading to the single indication of value.
- (N) **Reporting Requirement 360:** Income must be attributable to the real property and not to the owner, manager, or the business operating on the subject property. A statement is required as to whether the subject property is leased or rented. If so, the appraiser should provide in the report:
 - (1) The name of each tenant,

- (2) A summary of the terms of each lease or rental agreement, and
 - (3) A copy, in the Addenda of each instrument, if available.
 - (4) The appraiser should address any moveable and/or immoveable fixtures having an impact on the rents received.
- (O) **Reporting Requirement 365:** The appraiser must comply with the following:
- (1) Property data considered comparable in the Income Capitalization Approach must be included in the compilation of market data, and each property's information presented in a format similar to the sales data sheet and included in the Addenda but summarized in chart or grid format within this reporting area.
 - (2) Any open market, arm's length rental of the subject property within the past five (5) years must be considered as one of the comparable rentals selected, and must be included in the comparable data compilation. A current offering, listing for rent of the subject property must be thoroughly discussed in relationship to the current market situation.
 - (3) When market and contract rent differ, the reason for such divergence must be discussed.
- (P) **Reporting Requirement 370:** The vacancy rate applied to the subject's gross income must be based on a study of similar properties vacancy rates. The study should be included in the Addenda. It should also reflect the type and condition of the property, the financial ability of the tenant, neighborhood factors, business conditions and the remaining term of any lease.
- (Q) **Reporting Requirement 375:** Expenses experienced by comparable properties reported on a sales data sheet and compiled with other market data, must be concisely discussed in the report to support the reasonableness of the subject property's projected expenses, and to provide support for the subject's reconstructed income and expense

statement. The appraiser must analyze and reconstruct an income and expense statement on an annual accrual basis for the subject property.

- (R) Reporting Requirement 380:** The appraiser must comply with the following:
- (1)** Direct capitalization of net annual income into a value indication using a market-derived rate is preferred by the Department. It is essential that comparables from which rates are calculated reflect similar physical and locational characteristics, similar ratios of income to expense, land to building ratios, and similar risk attributes as the subject.
 - (2)** A capitalization rate that is established by means other than derivation from comparable sales is acceptable provided:
 - (a)** The rate and any component is related to factual market data, and
 - (b)** The derivation is fully discussed.
- (S) Reporting Requirement 385:** Net Operating Income is divided by an appropriately derived capitalization rate to produce a value indication by the Income Capitalization Approach. Calculations must be summarized.
- (T) Reporting Requirement 390:** The discussion must include the appraiser's reasoning which led to the final value estimate. Indicate which approach was given the most weight, explain why, and discuss any other conditions which influence the market value estimate.
- (U) Reporting Requirement 395:** The appraiser must comply with the following:
- (1)** The final opinion of value must be allocated between land and improvements (building and site). The allocation must indicate a total value for any improvements that are to be totally or partially acquired. The district assignment may also require an allocation of individualized value contributions for affected improvements in this before situation in order to properly address them later in the analysis. Affected items should be accurately valued so that each

component can be consistently addressed along with damages and potential costs to cure, if any. When tenant owned buildings, structures or other improvements are involved, the allocation to the various interests must be shown in the body of the report. The **COV**, however, must not reflect a separation of leased fee and leasehold interests, nor an allocation for the tenant owned interest.

- (2) In the case of tenant owned buildings, structures other than ODA billboards or related improvements, the appraiser must present opinions of value reflecting these two premises and conclude to the higher:
 - (a) contributory value to the whole property as though not leased, and;
 - (b) salvage value.

6.2.24 Description and Valuation of Part Acquired

The following reporting requirements must be included in the description and valuation of part acquired, as appropriate:

- (A) **Reporting Requirement 400:** If the acquisition is of the whole property, a statement to that effect will suffice. If land, or land and improvements are partially acquired, the appraiser must:
 - (1) Describe the topography, shape, and area of land acquired in appropriate units,
 - (2) Discuss the extent of access and frontage acquired,
 - (3) Identify and describe all improvements to be acquired which are considered to be real property,
 - (4) Describe the partial acquisition of a building improvement, and
 - (5) To avoid uncertainty, identify any non-realty items which are not considered to be a part of the appraisal problem. The appraiser shall identify such items if there is any possibility that a market participant may perceive an item of personal property as realty.

- (B) Reporting Requirement 450:** The appraiser shall report the opinion of value for the land to be acquired and also report the contributory value, even if zero, of each improvement, or part thereof, (including landscaping items, fences, etc.). The reported opinions must be based on the appropriate unit value(s) for land, building and site improvement components applicable to the parent tract as set forth in the reconciled approaches used. If the Cost Approach is not developed in the before valuation of the parent tract, a cost analysis can be performed to conclude to the contributory value of minor items impacted by the acquisition. This is appropriate for reasonable analysis and is acceptable. The appraiser shall allocate the value of any tenant owned improvements, if acquired. The total value of the part acquired must be shown.

6.2.25 Valuation of Remainder as Part of Whole

The following reporting requirement shall be included in the valuation of remainder as part of whole, as appropriate:

Reporting Requirement 500: The appraiser must show the calculation of the difference between the value of the whole property and the value of the part acquired. The result should be identified as the value of the remainder as a part of the whole property.

6.2.26 Premise of the Appraisal - the Remainder Valuation

Appraisals of the remainder cured and uncured generally are not necessary when the cost to cure represents a minor expenditure to assure continued operation or use of the remainder. It is, however, incumbent on the appraiser to consider whether the remainder after the taking would realistically recognize a loss in value or interruption of operation or use to the extent of the cost to cure. Examples of when a minor cost to cure methodology can be utilized include, but are not limited to, restriping a parking area, restoring fencing on agriculturally zoned land where cattle are grazing, restoring fencing around a residential pool, etc. As in any assignment, good judgment should be used by the appraiser when implementing this methodology. It is not appropriate to use the methodology when the existence of severance damages is not readily apparent and when feasibility for mitigation of damages in effecting the cure is not readily apparent.

Use of the cost to cure damages technique is appropriate when such cost is less than the difference between the remainder value cured and the remainder value uncured.

When significant damages are involved, the appraiser must report the estimated value of the remainder as severed, before application of the cure, and the estimated value of the remainder as severed, after application of the cure.

The following reporting requirements shall be included in the premise of the appraisal, the remainder valuation, as appropriate.

- (A) Reporting Requirement 640:** The appraiser shall explain that the appraisal of the remainder is made uncured under the assumption that the transportation facility has been completed according to the construction plans and that said facility is open for public use (a hypothetical condition). The appraiser should explain further that the market value of the parent tract before the taking has been estimated, the value of the part taken has been subtracted. This results in the estimated value of the remainder as part of the whole. The purpose of the appraisal of the remainder un-cured is to estimate its market value to discover if there are any damages caused by the taking or special benefits caused by reason of the construction or improvement made or contemplated in accordance with **Section 73.071(4), F.S.**
- (B) Reporting Requirement 680:** The appraisal problem shall be defined considering the following:
- (1)** As previously mentioned, the purpose of the appraisal is to estimate the market value of the remainder un-cured. This is done by appraising the remainder before any cure is applied and comparing this after value estimate with the value of the remainder as a part of the whole property to determine whether there is any reduction, damage, enhancement, or special benefit, as a result of the acquisition. The appraisal of the remainder property must be made presuming the transportation facility has been completed according to construction plans and is open for public use.
 - (2)** The un-cured remainder appraisal must be supported to the same extent as the whole/before property appraisal. Although some of the information contained in the appraisal of the whole property may be applicable to the appraisal of the remainder, the intent is to appraise the remainder as a marketable entity without regard to the whole property or the acquisition.

- (3) The appraisal problem involves considering the impact of the taking on the remainder. Identification of an abbreviated parent tract does not relieve the appraiser from consideration of the remainder as a part of the entire ownership.

6.2.27 Presentation of Data - the Remainder Uncured

The following reporting requirements shall be included in the presentation of data for the remainder uncured, as appropriate:

- (A) **Reporting Requirement 730:** It is unacceptable to describe or approach the valuation of the remainder by reference of its relationship to, or as a part of, the before tract. It must be described and considered as a separate tract. However, reference may be made to descriptive data contained in the before valuation. It is not necessary to repeat descriptions of improvements, methods of valuation, or grids.
- (B) **Reporting Requirement 740:** In accordance with the appraisal assignment, the appraiser shall describe, summarize, or state the zoning, current, existing, level of service on roadway, impact fees or impact fee credits, if appropriate, land use plan, and concurrency of the remainder as of the date of value.
- (C) **Reporting Requirement 750:** The appraiser shall briefly discuss the proposed transportation facility or improvement.
- (D) **Reporting Requirement 775:** In accordance with the appraisal assignment, the appraiser shall describe, summarize or state the effect of the acquisition on the remainder including, but not limited to the following:
 - (1) Partially remaining buildings and site improvements.
 - (2) Compliance with present zoning. Reasons for noncompliance must be discussed.
 - (3) Probability of obtaining a variance because of the threat of eminent domain.
 - (4) Change of access or circulation, if pertinent.

6.2.28 Analysis of Data and Conclusions - the Remainder

The following reporting requirements shall be included in the analysis of data and conclusions - the remainder, as appropriate:

- (A) Reporting Requirement 800:** A change in use, or a use premised on the probability of rezoning or some other occurrence requires a fully developed highest and best use analysis considering and explaining the remainder in light of the following four criteria: physically possible, legally permissible, financially feasible, and maximally productive. Market demand must also be considered in the feasibility and productivity analysis.
- (B) Reporting Requirement 802:** In a separate sentence or paragraph, the appraiser must state the conclusion of highest and best use of the remainder land as if vacant and ready for such use, and if appropriate, the property as improved.
- (C) Reporting Requirement 805:** In accordance with the appraisal assignment, identify the approaches to value used and excluded. Explain and support the exclusion of any of the usual valuation approaches. This item may also be included in the reconciliation of approaches or in a separately identified paragraph.
- (D) Reporting Requirement 810:** In accordance with the appraisal assignment the appraiser shall describe, summarize or state the methodology used to value the land. If the remainder size and overall characteristics are similar as before the taking, land sales used to value the parent tract may be referenced and an indicated value shown as a line item. Repeating the sales grid is unnecessary. However, if the remainder size and overall characteristics are significantly different, a grid with accompanying analysis must be depicted illustrating comparable sales for direct comparison.
- (E) Reporting Requirement 815:** Please refer to **Section 6.2.23(E)**.
- (F) Reporting Requirement 820:** Please refer to **Section 6.2.23(F)**.
- (G) Reporting Requirement 825:** Please refer to **Section 6.2.23(G)**.

- (H) Reporting Requirement 830:** Please refer to **Section 6.2.23(H)**.
- (I) Reporting Requirement 835:** A major consideration is identification of the market in which the remainder property would be competitive. Comparable sales and rental data must be selected from those properties which a knowledgeable buyer would consider as alternatives to the remainder property. To the greatest extent practicable, the comparables should have the same characteristics as the remainder property.
- If the appraiser's analysis of the market for the remainder after an insignificant acquisition indicates that the comparable data and adjustments used in the appraisal of the whole property are also the most comparable to the remainder, it is not necessary to repeat the sales analysis and comparison in this section. Reference to the appropriate page location of the analysis must be stated, and the reasoning for such conclusion must be fully explained.
- (J) Reporting Requirement 840:** A significant acquisition requires that the remainder be analyzed as a separate appraisal. All market data pertinent to the remainder, considering the transportation facility to be complete as per plan, must be addressed in this section. Determination of whether an acquisition is significant or insignificant must be made or concurred in by the DDRWM-A.
- (K) Reporting Requirement 845:** If additional adjustment is necessary to compare comparables used in appraisal of the whole property to the remainder, a sales grid must be included in this section with adjustments adequately supported. Adjustments necessary to compare each comparable individually to the remainder must be made using standard elements of comparison such as financing, conditions of sale, changes in market conditions over time, location, physical and economic characteristics. The remainder information must be included on the grid.
- (L) Reporting Requirement 850:** Please refer to **Section 6.2.23(J)**.
- (M) Reporting Requirement 855:** The appraiser must explain reasoning leading to a single indication of value. An indication of value outside the range of adjusted comparable sales generally is not acceptable without substantial support.

- (N) **Reporting Requirement 860:** Please refer to **Section 6.2.23(J)**.
- (O) **Reporting Requirement 865:** Please refer to **Section 6.2.23(O)**.
- (P) **Reporting Requirement 870:** Please refer to **Section 6.2.23(P)**.
- (Q) **Reporting Requirement 875:** Please refer to **Section 6.2.23(Q)**.
- (R) **Reporting Requirement 880:** Please refer to **Section 6.2.23(R)**.
- (S) **Reporting Requirement 885:** Please refer to **Section 6.2.23(S)**.
- (T) **Reporting Requirement 890:** The reconciliation and final value estimate shall comply with the following:
 - (1) The discussion shall include the appraiser's reasoning which led to the final value estimate. The appraiser should indicate which approach was given the most weight, explain why, and discuss any other conditions which influence the market value estimate.
- NOTE:** The Department will compare the reasoning stated in the reconciliation of before value with that stated in reconciliation of remainder value. If there is a significant difference, such as a change in highest and best use, a different analysis of market data or conditions, a changed emphasis on approaches given most weight, etc., the reconciliation of remainder value must state or reference the reasons and support for the change of emphasis. The omission of an approach to value must be discussed, if not previously explained.
- (2) The total value estimate must be allocated to the remainder value contributions of land and improvements which were included in the Before Valuation. Tenant owned buildings, structures and other improvements and their contributory values must be separately identified.
- (U) **Reporting Requirement 900:** Support for damages/no damages to the remainder shall comply with the following:
 - (1) The appraiser should describe and explain the marketability of the remainder. If it is obvious no damages are indicated as a result of

the acquisition, the appraiser should so state and complete a **Summary of Values** similar to the format indicated in **Attachment 2**. However, if there is any question as to the non-existence of damages, the appraiser must fully explain the reasoning leading to a conclusion of no damages. This explanation shall be supported to the same extent as a finding of damages.

- (2) If damages are indicated, the amount is to be supported by market evidence to the extent reasonable and adequate. Market evidence may take several forms, such as paired sales, cost analyses, surveys, narrative discussion, etc. The best supported method is preferred.
- (3) If damages cannot be mitigated and there are no special benefits, the difference between the value of the remainder as a part of the whole property and the value of the remainder after the acquisition is the amount of total damages.
- (4) The remainder could be subject to a possible loss in value due to a cause considered legally noncompensable. Supportable evidence of effect on value from such cause must be brought to the DDRWM-A's attention, immediately upon discovery.
- (5) Following are examples which may represent noncompensable causes of loss in value:
 - (a) Loss in value not resulting from the acquisition.
 - (b) Circuity of travel.
 - (c) Proximity to the completed facility, noise, dust, fumes, vibration, light.
 - (d) Re-routing, diversion of traffic, or other exercise of police power.
 - (e) Conjectural damages.
 - (f) Landowner's speculative future use of property.

equipment (FF&E), the salvage value of such FF&E should be addressed by either deducting it from the severance damages or including it in the remainder value.

- (V) Reporting Requirement 910:** Analysis of cost to cure damages shall be as follows:
- (1)** Use of the cost to cure damages technique is appropriate when such cost is less than the difference between the remainder value cured and the remainder value uncured.
 - (2)** Appraisals of the remainder cured and uncured generally are not necessary when the cost to cure represents a minor expenditure to assure continued operation or use of the remainder. It is, however, incumbent on the appraiser to consider whether the remainder after the taking would realistically recognize a loss in value or interruption of operation or use to the extent of the cost to cure.
 - (3)** When significant damages are involved, the appraiser must report:
 - (a)** The estimated value of the remainder as severed, before application of the cure, and
 - (b)** The estimated value of the remainder as severed, after application of the cure.
 - (4)** The independent appraisal of the remainder uncured, before application of the cure, is one of the most critical parts of the cost to cure analysis. A mathematical subtraction is unacceptable. Undesirable marketability features, if any, of the remainder resulting from the taking must be described and explicitly detailed in the report so that each item of potential damage reflected by the reduced value of the remainder is identified.
 - (5)** The valuation of remainder cured shall be as follows:
 - (a)** When the valuation of the remainder uncured is complete, the expertise of a specialist may be required to determine if all or a significant portion of the damages may be cured economically, and to estimate the cost to cure. The

appraiser and specialist must ensure that a proposed cure is not in conflict with the Department's construction plans.

- (b)** The appraiser must ensure that the cure does not create an otherwise avoidable enhancement of value which did not exist previously.
- (c)** If a cure involves reestablishment of an improvement, or portion thereof, which was paid for in the part taken, the amount paid or the proportionate share paid must be deducted from the reestablishment cost in order to calculate the amount of the net cost to cure.
- (d)** A copy of a bid detailing the work to be done, together with any architectural or plan drawings, must be referenced in the report and included in the Addenda. The bid must identify significant quantities and unit prices considered in arriving at the total. The bid must be obtained from a qualified and licensed source and must include a statement indicating the time period that the bid is valid. Further, the appraiser must obtain written documentation from the local governmental authorities that the cure is legally feasible, that permits for all aspects of cure will be granted. In the absence of such documentation, the appraiser shall identify steps taken to obtain such documentation and explain why the appraiser is concluding the cure to be legally feasible.
- (e)** A cure may eliminate only a part of the monetary damages, or may result in a loss in value of the remainder. Therefore, a valuation of the cured remainder is required for comparison with the uncured remainder value to assure that compensable damages from all causes have been estimated. When a cure is applied, the appraisal report must indicate that the appraiser considered the effect of the cure on the remaining property for the purpose of determining if the cure causes additional damages to the remainder. It is improper to automatically pay for remainder land used to effectuate the proposed cure.

- (f) A cure must not require the owner to go partially or wholly outside the remainder of the parent tract as defined in the before valuation, to effect the cure. A cure based on such premise, without specific legal instruction to the contrary, renders the appraisal report unacceptable.
 - (g) The appraiser should request from the DDRWM-A, identification of the parent tract if the proposed cure will affect any portion of the property from which rights have been conveyed such as, lease, easement, etc. Legal guidance may be necessary to properly assess the pertinence of court decisions which may be applicable. Identification by the appraiser of a parent tract is considered an issue of highest and best use and is a unilateral assumption.
- (W) **Reporting Requirement 920:** Analysis of special benefits shall be as follows:
- (1) Special benefits are the result of an enhancement in value which has advanced the market value of the remainder beyond the mere general appreciation of property in the neighborhood. The taking must be for a road, canal, levee, or water control facility right of way in accordance with **Section 73.071(4), F.S.**
 - (2) Special benefits may only offset damages to the subject remainder, and only if the increase is by reason of the construction or improvement made or contemplated in accordance with **Section 73.071(4), F.S.**
 - (3) The appraiser must support an estimate of special benefits to the same extent as required for other value conclusions. The appraiser should consult with the DDRWM-A if there is any question as to type and amount of support required, or of whether a benefit is of a special or general nature.
 - (4) If there are no special benefits the appraiser shall so state.

- (X) **Reporting Requirement 995:** The appraiser must summarize all final value estimates. A **Summary of Values** outline is included as **Attachment 2**.

6.2.29 Addenda

Information too lengthy to be included in the body of the report or of supplemental use should be placed in the Addenda. A table of contents must indicate items placed in the Addenda in the order in which they appear, such as:

- (A) Lengthy legal description
- (B) Neighborhood map, show project
- (C) Maps of comparable sales and/or leases show project and subject
- (D) Copies of comparable sales and/or leases data sheets used in direct comparison
- (E) List of trade fixtures and equipment considered to be real property, both moveable and immovable, and contributory value of each item
- (F) Contractor's or specialist's estimate
- (G) Copy of last instrument of conveyance deed, easement, lease
- (H) Copy of proposed deed to FDOT to be furnished by the Department
- (I) Property Owner Contact Letter
- (J) Appraiser's Qualifications
- (K) Interview sheet with zoning officer
- (L) Letters pertaining to zoning variances
- (M) Special instructions given to the appraiser

HISTORY

4/15/99; 11/30/00; 9/30/02; 8/28/03; 4/12/04; 7/1/06; 12/3/07, 3/20/09, 10/20/11, 1/1/12, 1/1/14.

**STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
(SAMPLE) CERTIFICATE OF VALUE**

Attachment 1

Item/Segment: _____
 State Road: _____
 County: _____
 Managing District _____
 FA No.: _____
 Parcel No.: _____

(Delete the appropriate bracketed word)

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased, professional analyses, opinions, and conclusions.
3. I have [no / a] present or prospective interest in the property or bias with respect to the property that is the subject of this report, and I have [no / a] personal interest or bias with respect to the parties involved. Describe fully the interest or bias on an addendum to this certificate.) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
4. 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.
5. My compensation for completing this assignment is not contingent upon the development or 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 this appraisal.
6. My analyses, opinions, or conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, and the provisions of Chapter 475, Part II, Florida Statutes.
7. I have made a personal inspection of the property that is the subject of this report and I have afforded the property owner the opportunity to accompany me at the time of the inspection. I have also made a personal field inspection of the comparable sales relied upon in making this appraisal. The subject and the comparable sales relied upon in making this appraisal were as represented by the photographs contained in this appraisal.
8. No persons other than those named herein provided significant real property appraisal assistance to the person signing this certification. (The name of each individual providing significant assistance must be stated on an addendum to this certificate, together with a statement of whether such individual is a state registered, licensed or certified appraiser and, if so, his or her registration, license or certification number.)
9. I understand that this appraisal is to be used in connection with the acquisition of right-of-way for a transportation facility to be constructed by the State of Florida with the assistance of Federal-aid highway funds, or other Federal or State funds.
10. This appraisal has been made in conformity with the appropriate State laws, regulations, policies and procedures applicable to appraisal of right-of-way for transportation purposes; and, to the best of my knowledge, no portion of the property value entered on this certificate consists of items which are non-compensable under the established law of the State of Florida.
11. I have not revealed the findings or results of this appraisal to anyone other than the proper officials of the Florida Department of Transportation or officials of the Federal Highway Administration and I will not do so until so authorized by State officials, or until I am required by due process of law, or until I am released from this obligation by having publicly testified as to such findings,
12. Regardless of any stated limiting condition or assumption, I acknowledge that this appraisal report and all maps, data, summaries, charts and other exhibits collected or prepared under this agreement shall become the property of the Department without restriction or limitation on their use.
13. Statements supplemental to this certification required by membership or candidacy in a professional appraisal organization, are described on an addendum to this certificate and, by reference, are made a part hereof.

Based upon my independent appraisal and the exercise of my professional judgment, my opinion of the market value for the part taken, including net severance damages after special benefits, if any, of the property appraised as of the _____ day of _____, _____, is: _____.

Market value should be allocated as follows:

LAND	\$ _____	LAND AREA: (Ac/SF)	_____
IMPROVEMENTS	\$ _____	Land Use (HABU as vacant):	_____
NET DAMAGES &/OR COST TO CURE	\$ _____		
TOTAL	\$ _____		

DATE

APPRAISER

SUMMARY OF VALUES

WHOLE PROPERTY ACQUISITION:

SUMMARY OF COMPENSATION

Land	\$ _____
Improvements	\$ _____
 Total Compensation	 \$ _____

PARTIAL ACQUISITION: Show following: (if amount for any item marked *, is zero dollars, go to SUMMARY OF COMPENSATION below)

1. Before Property	\$ _____
2. Part Acquired (Land/Improvements)	\$ _____
3. Remainder (As Part of Whole) [1]-[2]	\$ _____
4. Remainder (Appraised, Uncured)	\$ _____
5. Damages (Total, Uncured) [3]-[4]	\$ _____*
6. Special Benefits	\$ _____
7. Damages [5]-[6]	\$ _____*

FEASIBILITY OF COST TO CURE DAMAGES

8. Remainder (Appraised as Cured)	\$ _____	(or [3], whichever is less)
9. Remainder (Appraised, Uncured) [4]	\$ _____	
10. Damages, Curable [8]-[9]	\$ _____*	
11. Damages, Incurable [7]-[10]	\$ _____	
12. Cost to Cure (or Reestablish)	\$ _____	
13. Improvements Cured but Paid For in [2]	\$ _____	
14. Net Cost to Cure [12]-[13]	\$ _____	

(*If [14] is equal or greater than [10], cure is not feasible; use [7] in Summary)

SUMMARY OF COMPENSATION – partial acquisition

Part Taken [2]	\$ _____
Damages, Incurable [11]	\$ _____
Cost to Cure, Net [14], or Minor	\$ _____
TOTAL COMPENSATION	\$ _____

VALUE FINDING

Property Owner _____ Parcel Number _____
 Address of Property _____ Managing District _____
 _____ Item/Segment _____
 County _____ FA Number _____
 Location of Subject's Legal Description _____
 Real Property Interest Appraised:
 Fee Simple () Permanent Easement () Temporary Construction Easement ()

Brief Description of Parent Tract:

State the Highest and Best Use:

Before Value: (Land Only)
 _____ AC/SF @ \$ _____ / AC/SF = \$ _____
 _____ \$ _____
Total Land \$ _____

Brief Description of Property Being Acquired:

Land _____ AC/SF @\$ _____ / AC/SF = \$ _____
 _____ \$ _____
Total Land \$ _____

Improvements* _____ \$ _____
 _____ \$ _____
 _____ \$ _____
Total Improvements \$ _____

*Give Marshall Valuation Service or other reference and indicate unit values and depreciation factors. The Cost Approach is used to value site improvements that are nominal in relation to overall value.

Brief Description of the Remainder Property: (if applicable)

State Highest and Best Use:

After Value: (Land Only)
 _____ AC/SF @ \$ _____ / AC/SF = \$ _____
 _____ \$ _____
Total Land \$ _____

Brief Description of Severance Damages or Cost to Cure the Remainder Property: (if applicable)

Before Value	\$ _____
Part Taken	\$ (_____)
Value as Part of Whole	\$ _____
After Value	\$ (_____)
Severance Damages	\$ _____
Cost to Cure	\$ _____
Total Damages	\$ _____

Summary of Compensation:

Land	\$ _____
Improvements	\$ _____
Damage and/or Cost to Cure	\$ _____
Total	\$ _____

[Data for (item/segment) _____ by (Name) _____ was relied upon as the source for sales information and unit value. Refer to that Data for specifics regarding the collection, verification, and reporting of the market data. The Sales Comparison Approach is the sole approach to value utilized, as the Cost and Income Capitalization Approaches are not considered applicable to the valuation of the subject property as vacant. Comparable sales data may be attached to this form.] More specific data regarding the valuation of this parcel is located in the appraiser's files.

Attachments:

Legal description of property being acquired
Last deed of record and five year sales history
Property Inspection Letter
Photos
Sketch/survey
Other _____

CERTIFICATE OF VALUE FOR VALUE FINDING

Parcel No.: _____ Item/Segment: _____ Managing District _____ State Road: _____ County: _____ FAP No.: _____

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased, professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property or bias with respect to the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
4. 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.
5. My compensation is not contingent upon the development or 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 this appraisal.
6. This is an appraisal communicated in a restricted appraisal report format. This report is intended for use only by the Florida Department of Transportation, the client. Use of this report cannot be relied upon without access to the additional information contained in the appraiser's work files.
7. I have made a personal inspection of the property on _____ [date(s)] that is the subject of this report and I have afforded the property owner the opportunity to accompany me at the time of the inspection. I have also on _____ [date(s)] made a personal field inspection of the comparable sales relied upon in making this appraisal.
8. No persons other than those named herein provided significant real property appraisal assistance to the person signing this certification.
9. The purpose of this appraisal is to estimate market value as of the effective date of the report. The definition of market value can be found in the FDOT Supplemental Standards, Section 6.2, Right of Way Manual. The intended use is in connection with the acquisition of right-of-way for a transportation facility to be constructed by the State of Florida with the assistance of Federal-aid highway funds, or other Federal or State funds. This report is not intended for any other use.
10. This appraisal has been made in conformity with appropriate State laws, regulations, policies and procedures applicable to appraisal of right-of-way for highway purposes; and, to the best of my knowledge, no portion of the property value entered on this certificate consists of items which are non-compensable under the established law of the State of Florida.
11. I have not revealed the findings or results of this appraisal to anyone other than the proper officials of the Florida Department of Transportation or officials of the Federal Highway Administration and I will not do so until authorized by State officials or until I am required by due process of law, or until I am released from this obligation by having publicly testified as to such findings.
12. Regardless of any stated limiting condition or assumption, I acknowledge that this appraisal report and all maps, data, summaries, charts and other exhibits collected or prepared under this agreement shall become the property of the Department without restriction or limitation on their use. Additional supporting information may be found within the appraiser's work file.
13. Statements supplemental to this certification required by membership or candidacy in a professional appraisal organization, are described on an addendum to this certificate and, by reference, are made a part hereof.

Based upon my independent appraisal and the exercise of my professional judgment, my opinion of the market value for the part taken, including damages, if any, of the property appraised as of the _____ day of _____, _____, is: \$ _____

Market Value should be allocated as follows:

Land: \$ _____ Land Area (Ac/SF) _____
 Improvements: \$ _____ Land Use (HABU as vacant) _____
 Severance Damages/
 Cost to Cure: \$ _____
 Total: \$ _____

Date Appraiser

Date Review Appraiser
Administrative Review*
Field Inspected? Yes/No

*Standard Number 3 of USPAP does not apply and a Certification is not required for this review.

Value of Acquisition Including Uneconomic Remainder	Partial/Whole P/W
Land Area: SF/AC	
Land:	\$
Improvements:	\$
Damages and/or Cost to Cure	\$
Total	\$

Comments on Uneconomic Remnant:

VALUE FINDING FORMAT INSTRUCTIONS TO APPRAISER

- (1) The Value Finding Format may be used on vacant or land only, non-complex appraisals. The Before and After format is provided to accommodate those situations where: (1) the After value is the same unit value as the Before value (e.g. no severance damages) or (2) the After situation represents a Highest and Best Use having little or no utility to the owner or the market in general, and results in the assignment of a nominal remainder value.
- (2) Parcel sketches are necessary.
- (3) Photographs are required.
- (4) A property owner contact letter regarding property inspection is required.
- (5) Refer to location of subject's legal description, such as in files; attached, etc.
- (6) Briefly describe parent tract in the Before situation: A brief description of location, size, shape, access, etc., will generally suffice.
- (7) Reference source of unit values. with Sales Data Sheet being attached. In the preparation of a Value Finding, it is necessary to describe the extent of the collection, confirming and reporting of data.
- (8) Briefly describe property being acquired: One or two sentences will generally suffice.
- (9) List improvements being acquired: e.g. Identify source of value estimate, reference section and page, if from a cost service manual, and list contributory value for each.
- (10) Briefly describe the remainder: A brief description of size, shape, access, utility, etc. will generally suffice. If there is no change in the unit value from the Before situation so state; If the remainder is of a nominal use, briefly discuss why and state the nominal value.
- (11) Briefly describe damages to the remainder: One or two sentences as to the specific cause(s) of the damages will generally suffice. The provided process will accommodate both severance and cost to cure damages.
- (12) Summarize the estimate of just compensation and allocate between Land, Improvements and Damages.

The Certificate of Value Finding complies with requirements of the Uniform Standards of Professional Appraisal Practice (USPAP).

If any significant real property appraisal assistance is provided to the appraiser, the name of each individual providing significant assistance must be stated on an addendum to this certificate. If such individual is a state registered, licensed or certified appraiser, his or her status and license number must be stated.

Documentation must be commensurate with the complexity of the valuation.

PROPERTY OWNER CONTACT LETTER

The appraiser must contact the property owner by letter. The letter shall give adequate notice prior to the scheduled inspection date and provide the property owner a reasonable opportunity to accompany the appraiser. Suggested adequate notice is 7 days for owners residing locally, and 14 days for those living out of state.

(SAMPLE) PROPERTY OWNER CONTACT LETTER

RE: Parcel No.:
Item/Segment:
State Road:
County:
Managing District

Dear {PROPERTY OWNER}:

As you may be aware, the Florida Department of Transportation is planning construction of the above referenced highway project. FDOT has engaged me to make an appraisal of _____ located at/in _____ Florida, which is reportedly owned by_____.

The purpose of the appraisal is to state an opinion of market value of the portion of the property needed for right of way at this particular location for {BRIEFLY DESCRIBE PROJECT} (e.g. widening and improving State Road No.____.)

I have scheduled a field inspection of the above described property on {DATE}. If you or your designated representative would like to accompany me on this inspection, please call me at {A/C-PHONE NUMBER} so that we can schedule a mutually agreeable time and meeting place.

Any information you can provide concerning surveys, building plans, names of tenants, leases, rents, real estate taxes, operating expenses, and factors which affect the value of the property will be helpful in estimating the market value of your property.

You may contact me at my office Monday through Friday between {GIVE DAY AND TIME PARAMETERS}. Should you find it necessary to call long distance, please call collect. Please advise me of your wishes at your earliest convenience.

Very truly yours,

QUICK LIST

APPRAISAL REPORTING REQUIREMENT NUMBERS

INTRODUCTION AND PREMISES OF THE APPRAISAL

- 100 Certificate of Value
- 110 Table of Contents
- 115 Qualifying and Limiting Conditions
- 120 Summary of Salient Facts and Conclusions
- 130 Type of Report Format
- 140 Purpose, Intended Use, Intended User of the Appraisal
- 150 Definition of Market Value
- 160 Property Rights (Interest) Appraised
- 175 Scope (Extent of Process of Collecting, Confirming and Reporting Data)
- 180 Appraisal Problem

PRESENTATION OF DATA

- 200 Identification of Property and Legal Description
- 220 Description of Area and Neighborhood
- 230 Description of Property, Photographs, and Sketches
- 235 Existing Transportation Facility Description
- 240 Zoning, Land Use Plan, Concurrency
- 250 Assessed Value, Taxes and Special Assessments
- 260 History of Property
- 270 Exposure Time
- 280 Public and Private Restrictions

ANALYSIS OF DATA AND CONCLUSIONS

- 300 Highest and Best Use Analyses
- 302 Highest and Best Use Conclusion
- 305 Approaches to Value Used and Excluded
- 310 Land Valuation
- 315 The Cost Approach
- 320 Building Cost Estimate
- 325 Accrued Depreciation Estimate
- 330 Indicated Value by Cost Approach
- 335 Sales Comparison Approach
- 340 Collection of Comparable Sales
- 345 The Sales Adjustment Grid
- 350 Analyses of Comparable Sales and Explanation of Adjustments
- 355 Indicated Value by the Sales Comparison Approach
- 360 The Income Capitalization Approach
- 365 Gross Rent Estimate
- 370 Vacancy and Collection Loss
- 375 Expenses and Net Operating Income Estimate
- 380 Capitalization Rate
- 385 Indication of Value by the Income Capitalization Approach
- 390 Reconciliation of Value Indications and Final Value Opinion
- 395 Allocation of Land, Site Improvements, Structures, and Other Improvements

DESCRIPTION AND VALUATION OF PART ACQUIRED

- 400 Description of the Part Acquired
- 450 Valuation of the Part Acquired

VALUATION OF REMAINDER AS PART OF WHOLE

- 500 Value of Remainder as Part of Whole Property

PREMISES OF THE APPRAISAL - THE REMAINDER VALUATION

- 640 Purpose of Appraisal of Remainder after the Acquisition
- 680 Appraisal Problem

PRESENTATION OF DATA - THE REMAINDER

- 730 Description of Remainder Uncured
- 740 Zoning, Land Use Plan, Concurrency
- 750 Proposed Transportation Facility Description
- 775 Effect of Acquisition on Remainder Uncured

ANALYSIS OF DATA AND CONCLUSIONS - THE REMAINDER

- 800 Highest and Best Use
- 802 Highest and Best Use Conclusion
- 805 Approaches to Value Used and Excluded
- 810 Land Valuation
- 815 The Cost Approach
- 820 Building Cost Estimate
- 825 Accrued Depreciation Estimate
- 830 Indicated Value by Cost Approach
- 835 The Sales Comparison Approach
- 840 Collection of Comparable Sales
- 845 The Sales Adjustment Grid
- 850 Analyses of Comparable Sales and Explanation of Adjustments
- 855 Indicated Value by the Sales Comparison Approach
- 860 The Income Capitalization Approach
- 865 Gross Rent Estimate
- 870 Vacancy and Collection Loss
- 875 Expense and Net Operating Income Estimates
- 880 Capitalization Rate
- 885 Indicated Value by the Income Capitalization Approach
- 890 Reconciliation Value Indications and Final Value Estimate
- 900 Support for Damages/No Damages to the Remainder
- 910 Cost to Cure Damages
- 920 Special Benefits
- 995 Summary of Values

ADDENDA