

SCOPE OF WORK: The appraiser must, at a minimum:

1. Provide an appraisal meeting the agency's definition of an appraisal. The definition of appraisal should be in the State DOT's FHWA-approved Right-of-Way or Appraisal Manual. For Federal-aid projects the definition must be compatible with the definition found at 49 CFR 24.2(a)(3).
2. Afford the property owner or the owner's designated representative the opportunity to accompany the Appraiser on the inspection of the property. How this is to be handled should be in the State DOT's FHWA approved Right-of-Way or Appraisal Manual.
3. Perform an inspection of the subject property. This should be specified in the State DOT's FHWA-approved Right-of-Way or Appraisal Manual. The inspection should be appropriate for the appraisal problem, and the Scope of Work should address:
 - The extent of the inspection and description of the neighborhood and proposed project area,
 - The extent of the subject property inspection, including interior and exterior areas,
 - The level of detail of the description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, the remaining property),
4. In the appraisal report, include a sketch of the property and provide the location and dimensions of any improvements. Also, it should include adequate photographs of the subject property and comparable sales and provide location maps of the property and comparable sales as called for in the State DOT's FHWA approved Right-of-Way or Appraisal Manual.
5. In the appraisal report, include items required by the acquiring agency, usually including the following list:

This should be in the State DOT's FHWA-approved Right-of Way or Appraisal Manual.

 - The property right(s) to be acquired, e.g., fee simple, easement, etc.
 - The value being appraised (usually fair market value), and its definition
 - Appraised as if free and clear of contamination (or as specified),
 - The date of the appraisal report and the date of valuation,
 - A realty/personality report is required per 49 CFR 24.103(a)(2)(i),
 - The known and observed encumbrances, if any,
 - Title information,
 - Location,
 - Zoning,
 - Present use, and
 - At least a 5-year sales history of the property.

6. In the appraisal report, identify the highest and best use. If highest and best use is in question or different from the existing use, provide an appropriate analysis identifying the market-based highest and best use.

7. Present and analyze relevant market information. Specific requirements for market information should be in the State DOT's FHWA-approved Right-of-Way or Appraisal Manual and should include research, analysis, and verification of comparable sales. Inspection of the comparable sales should also be specified.

8. In developing and reporting the appraisal, disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired or by the likelihood that the property would be acquired for the project. If necessary, the appraiser may cite the Jurisdictional Exception or Supplemental Standards Rules under USPAP to ensure compliance with USPAP while following this Uniform Act requirement.

9. Report his or her analysis, opinions, and conclusions in the appraisal report.

Additional Requirements for a Scope of Work:

INTENDED USE: This appraisal is to estimate the fair market value of the property, as of the specified date of valuation, for the proposed acquisition of the property rights specified (i.e., fee simple, etc.) for a federally assisted project.

INTENDED USER: The intended user of this appraisal report is primarily the acquiring agency, but its funding partners may review the appraisal as part of their program oversight activities.

DEFINITION OF FAIR MARKET VALUE: This is determined by State law, but includes the following:

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

CERTIFICATION: The required certification should be in the State DOT's FHWA-approved Right-of-Way or Appraisal Manual.

ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser shall state all relevant assumptions and limiting conditions. In addition, the acquiring agency may provide other assumptions and conditions that may be required for the particular appraisal assignment, such as:

- The data search requirements and parameters that may be required for the project.
- Identification of the technology requirements, including approaches to value, to be used to analyze the data.
- Need for machinery and equipment appraisals, soil studies, potential zoning changes, etc.
- Instructions to the appraiser to appraise the property "As Is" or subject to repairs or corrective action.
- As applicable include any information on property contamination to be provided and considered by the appraiser in making the appraisal.