

Chapter 4. Appraisal

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4.127 Conflict of Interest

The appraiser of a parcel with a value of over ~~\$2,500~~ **\$10,000** or more may not be assigned to acquire that property. Additional comments regarding conflict of interest may be seen in sections [2.120\(9\) \(5\)](#) and [5.145](#).

4.215 Chief Appraiser

The Chief Appraiser is a Senior Right of Way Agent who works under the supervision of the Project Administration Manager and functions as the lead worker for the Appraisal Reviewers. It is the responsibility of the Chief Appraiser to:

- 1. Provide technical appraisal guidance to Administration, Right of Way offices and Review Appraisers in order to support project delivery.**
- 2. Assign submitted appraisals to the appraisal review staff and fee appraisal reviewers for the timely completion of reviews.**
- 3. Have each appraisal reviewed for accuracy, completeness, and adequacy of documentation and to see that deficiencies are corrected.**
- 4. Approve appraisal review certification sheets and set just compensation on behalf of the Department.**
- 5. Develop and implement policies and procedures for the appraisal program and the appraisal review unit. Provide guidance to Section and Region staff in the interpretation of these issues.**
- 6. Recommend in-service training or other courses in appraisal principles and practices for Region and Section staff to the Right of Way Project Administration Manager. Coordinate, prepare and deliver appraisal training courses for staff, fee appraisers and local public agencies on a statewide basis to increase understanding of appraisal theory and practice.**
- 7. Establish qualifying criteria for fee appraisers and periodically evaluate each appraiser (See Sec. 4.170)**

4.330 Entire Acquisitions

Entire acquisitions involve a straightforward appraisal approach utilizing sales comparison, cost, and income approaches, as appropriate for the type of property being considered.

Whenever a parcel of real property is being acquired in its entirety, the appraisal must provide separate market value opinions of the underlying land and the improvements in addition to the market value of the whole property. The sum of the land and improvement values shall equal the market value of the whole property.

4.381 Easement Valuations

Easements provide a right to use a described property for a particular purpose for a specified length of time. The easement period could be in days, months, years or in perpetuity. An easement is distinguished from rental of the property in that it is for a specific purpose. The property owner can continue to use the property for all other purposes not specifically excluded by the terms of the easement or in conflict with its specified use. The appraiser shall utilize the Scope of Work provided by the Right of Way Project Manager for project details needed to complete the appraisal assignment.

DEFINITIONS

Permanent Easement

A permanent easement provides a permanent right to use the property of another for specified uses in perpetuity.

Temporary Easement

A temporary easement provides a temporary right to use the property of another for specific uses and for a specific period of time.

Valuation Policy

In general, all easements should be valued based on their effect on the property. The easement value should be based on the plans and specifications of the project and their effect on the property as it relates to the probable future use of the easement. The appraiser should value the easement based on the probable future use and not speculate as to the “worst case” scenario. When valuing the easements, any pre-existing easements on the property should be considered as well as Damages and Special Benefits. Easements should be valued based on a ‘Before and After’ concept. Whenever possible, the easement value should be supported by market based data. Improvements will be valued when they are affected by the easement.

- 1. Permanent Easements. Permanent easements give rights as specified in the language of the easement, including but not limited to, construction, reconstruction, and maintenance. After the initial construction, the State has the right to continue to maintain the slopes and other project improvements or facilities, but not to engage in new construction which would significantly alter the grade or condition of the easement area. Any significant alteration to what was previously constructed in an easement area may require a new easement and appraisal.**

Property Management appraisals will address the impact of the permanent easement to the State’s property, including any damages to the remainder. The scope of work will determine whether Enhancement Value will be considered when appropriate (Section 4.565).

2. **Temporary Easements. Temporary easements give rights as specified in the language of the easement for a specified period of time. The value of the Temporary Easement should reflect the period of actual use plus any other impact on the market value or loss of utility attributed to the Temporary Easement.**