

# SAMPLE APPRAISAL INSTRUCTIONS

---

*This is a list of appraisal assignment instructions for use by project applicants or recipients when hiring an appraiser to conduct a real property valuation for an OCB- funded acquisition project. These are minimum conditions and instructions that the applicant/recipient should include in the solicitation for hiring an appraiser to ensure that the appraisal document meets Ecology requirements.*

*This list is not meant to be a comprehensive list but includes pertinent information to assist applicants and recipients in preparation of an appropriate scope of work for the appraisal assignment. The applicant/recipient should feel free to add additional information and instructions as deemed necessary to ensure the development of a credible appraisal.*

## Assignment Description

Provide a description of the appraisal assignment and the property to be valued. State whether the appraisal is for fee simple interest in the property or for less than fee simple rights, such as a conservation easement, and describe all reservations.

## Property Information

- a) Legal Description - Include the legal description from the preliminary title and report. If only a portion of the ownership listed on the preliminary title report is to be appraised, clearly identify the area to be acquired in the property description.
- b) Property Information - Include the parcel number(s), acreage to be acquired and a map. If the acreage is different from the county assessment records, state source for the acreage estimate.
- c) Property Access - Describe the existing physical access to the property and the location of legal access to the public roadway, if known.
- d) Ownership and Occupant Information - Include any information you have about the current ownership of the property and any tenants. Note other adjacent property under the same ownership if the acquisition is for less than the entire ownership.
- e) Preliminary Title Report - Provide a copy of the preliminary title report with existing easements and encumbrances.
- f) Special Property Characteristics - Identify or describe any special attributes or conditions affecting the property (i.e. threatened or endangered species, geologic hazards, etc.)

## Appraisal Criteria

- a) Client - The client must be the recipient of OCB grant funds. It cannot include the landowner or other third party unless approved by OCB.

- b) Intended Users - The intended user must always include the client (i.e., the recipient of OCB grant funds), Ecology, and may also need to include other parties contributing funding to the transaction (i.e. land trusts, federal grant sources).
- c) Intended Use - The intended use must include a statement regarding the voluntary acquisition of the identified property.
- d) Appraisal Standards - The required standards will vary depending upon whether the grant is funded with state or federal money, so refer to the Chehalis Basin Strategy Voluntary Acquisition Handbook for details.
- e) Definition of Market Value - The appraiser must employ the definition of market value in the UASFLA if conducting an appraisal to the federal standards. For USPAP compliant appraisal, Ecology recommends the use of the UASFLA definition of market value. The market value must be expressed as a point value.
- f) Date of Value - This typically should be the same as the date of the last property inspection unless otherwise instructed or justified.
- g) Property Owner Contact - The appraiser must contact the landowner or landowner's representative and invite them to accompany the appraiser on the property inspection. The appraisal must include a description of the efforts to contact the landowner including dates, methods of contact, whether the landowner accompanied the appraiser during the inspection and any other general communication between the appraiser and landowner.
- h) Report Format - Chehalis Basin Strategy Voluntary Acquisition Handbook
- i) Report Copies - Specify the number of printed copies (if any) of the appraisal report that the appraiser will be required to submit. Provide any electronic (only) copy of the final report to Ecology at the conclusion of the appraisal process.
- j) Participation in the Appraisal Review Process - The appraiser should be informed that the appraisal report will be reviewed by an independent licensed review appraiser. The appraisal contract should require that the appraiser respond to the review appraiser's inquiries and questions and provide clarifications and corrections as necessary to enhance the credibility of the appraisal report.

## **Appraisal Instructions**

- a) Encumbrances - Instruct the appraiser that when determining the property's market value, they must consider encumbrances and reservations that will be on the property as it is to be conveyed, which may be different than characterized on the preliminary title report. If the appraiser becomes aware of unrecorded encumbrances (including but not limited to leases) through the course of their work, those should also be addressed as to whether they would impact the market value of the property.
- b) Extraordinary Assumptions - The appraiser may not assume any extraordinary assumptions without the client's written pre-approval. Ecology strongly recommends that the recipient seek Ecology's pre-approval of any atypical assignment conditions under which the appraisal is conducted to ensure compliance with OCB policies and the grant

project agreement. This recommendation does not extend to extraordinary assumptions regarding commonly occurring circumstances (such as final terms and conditions of a conservation easement if the appraisal is made before recording).

- c) Hypothetical Conditions - The appraiser may not use any hypothetical conditions without the client's written pre-approval. Ecology strongly recommends that the recipient seek Ecology's preapproval of any special assignment conditions under which the appraisal is conducted to ensure compliance with Ecology policies and the grant project agreement. This recommendation does not extend to hypothetical conditions regarding commonly occurring circumstances (such as the conditions of a property in the "before" or "after" premise).
- d) Other Interests - Any other interest, such as a life estate or leases must be provided. If the appraisal is for less than fee simple, such as an easement, provide the appraiser with, at a minimum, an outline of the easement terms and approximate location within the proposed acquisition area it is preferable to provide the appraiser with a complete negotiated easement (with language approved by OCB) to ensure all terms of the easement are addressed in the appraisal.
- e) Other Reports - If needed, the appraiser may complete or procure a timber cruise or other species reports to help establish value.

## **Appraisal Qualifications (see CBS Voluntary Acquisition Handbook)**

- f) Level of Licensure - The appraiser must have the appropriate level of state licensure based upon the appraisal assignment in order to conduct the appraisal. Ecology strongly recommends that the principal appraiser be a State Certified General Real Estate Appraiser for all complex property types and partial acquisitions.
- g) Competency - The appraiser should indicate to the applicant/recipient as part of their fee quote proposal their competency in appraising properties of the type and geographic location of the subject property. Demonstration of competency must also be included in the appraisal report.
- h) UASFLA training - If conducting an appraisal to UASFLA standards, the appraiser must identify their experience and qualifications for conducting an appraisal to meet these standards. Ecology recommends the appraiser provide evidence of recent training (within the past 5 years) in the UASFLA standards.

## **Attachments to Solicitation**

- i) Property information materials
- j) Preliminary title report and any existing or proposed encumbrance documents
- k) Chapter 4, Appraisal Requirements, of Chehalis Basin Strategy Voluntary Acquisition Handbook
- l) Other supplemental standards (i.e., program specifics, matching fund rules, etc.)