

1. CERTIFICATE OF APPRAISER

The original and each copy of the appraisal shall have a signed and dated certificate attached. The date of valuation should be the last date of physical inspection of the property or that date set by the-agency. All revisions require a new certificate.

2. EXHIBIT A - LEGAL DESCRIPTION

The Exhibit A - Legal Description is the description of the property to be appraised. This description needs to be discussed in the body of the appraisal report and included as an attachment to the report itself. The cover page to the legal description are not to be included in the appraisal report.

3. PHOTO PAGES

Sufficient photographs must be supplied to portray a picture of the Subject property. Particular attention should be given to any improvements, and the effect of the acquisition on the remainder should be captured insofar as is possible. Interior photos of each room of improvements potentially affected by the acquisition are mandatory.

The appraiser should use photos:

- To make an appraisal more meaningful, more convincing, more understandable to all persons who make use of it.
- To relate the right of way line to improvements and to picture features having positive and negative economic impact to the value of the real estate.
- To provide the type of pictures that will make good court exhibits.
- To assist others in locating and identifying the property.

Requirements

The Number Of Pictures Varies

A vacant lot requires at least three. One frontal (the frontal view needs to show as much of the property and adjoining parcels as possible) and one each direction along the right of way line as indicated in Figure #1 on the next page.

Improved parcels require the three taken for a vacant lot, also at least one picture of each major improvement (e.g. wells, canals, houses, garages, main structures, auxiliary

structures, etc.). If the improvement is to be acquired, have full coverage of the exterior and interior.

Extreme negative features and features of unusual value are to be photographed. For example: a remodeled kitchen or bath, new furnace, finished basement on the positive side; falling plaster, cracked basement foundation, highly obsolete or defective fixtures on the negative side are all subjects to be photographed.

A Look To The Future:

Take pictures as indicated by Figure #1, so that after the project is completed subsequent pictures can be taken from the same location. This will provide the completed photography for a graphic "Before" and "After" study or exhibit.

Identify Location From Which Each Picture Was Taken:

Every appraisal shall include a section of the R/W map indicating the exact location from which each photo is taken. These locations are to be marked with symbols indicating the direction the photo was taken.

Composition

- a. When photographing a house be sure to include the edge of the road or street, curb, and sidewalks that exist in front of the house.
- b. When photographing buildings or other appurtenances, move away from the building only far enough so that the entire building will show in the picture.
- c. When photographing some particular element or feature of value or depreciation, move in close enough so that the picture will have the best possible detail of the story you are trying to tell.
- d. Views showing two sides of an improvement are generally better than those showing only one side. Capture as many views as necessary to tell your story.
- e. Pictures indicating the location of the existing right of way line are just as essential as for new right of way line locations on widening projects.

4. MAPS

Maps indicating the subject's location in relation to regional and neighborhood characteristics are required, as are maps showing the location of the comparables in relation to the subject. The sales map must have enough detail to allow the review appraiser to locate the sales (actual street names, directions, and location in relation to regional access).

5. COMPARABLE SALES AND RENTAL SHEETS

The comparable sales used to establish market data within the various valuation approaches used in the appraisal are to be reported using Oregon Department of Transportation comparable sales sheets attached to the report. It is mandatory that properly verified sales sheets be attached to Reports 7 through 14, Report 17, and Report 20. Under certain circumstances Reports 15, 16 & 19 will require that sales sheets be attached.

The various comparable sales sheets are:

- Report 2: Unimproved Land
- Report 3: Residential (SFR)
- Report 4: Commercial/Industrial, improved or unimproved
- Report 5: Apartment Property
- Report 6: Farm/Ranch, improved or unimproved

These reports are designed to record the normal aspects of a comparable sale under these uses. For example the Farm/Ranch Comparable Sale form provides space for land classification, water rights, and building descriptions. This form is appropriate for both vacant and improved farm and ranch properties. Oregon Department of Transportation consultant appraisers can obtain these forms, and all the appraisal forms, from the Oregon Department of Transportation Right of Way internet site: <http://www.oregon.gov/ODOT/HWY/ROW/publications.shtml>

The appraiser should get clarification from the Region Right of Way Project Manager if there is confusion over which sales sheet forms are appropriate for the appraisal assignment.

Throughout the sales sheets the appraiser should fill in the blank spaces with an appropriate response. If something does not apply, state so or state "N/A". In some cases the reason a something does not apply should be explained and documented. In others, further explanation is expected; for instance if the sale is not cash equivalent then the appraiser is expected to supply the analysis and explanation of what value is cash equivalent.

Sales Verification

The Right of Way Manual states: *"The appraiser must verify sale amounts, the terms and conditions of the sale, and whether it is representative of the market. Verification of sales data should be done with the buyer, seller or the real estate broker or salesperson actually involved in the transaction and in that order of preference."* Verification by the writer of the report or persons of the same staff is required. The following is a suggested list of issues which should be addressed in verifying sales:

Terms of Sale

- Price
- Contract
- Down Payment
- Interest Rate
- Contract term

What did the Sale include

- Furniture
- Fixtures and equipment
- Assessments
- Have changes been made since the sale
- Did the sale include other real property

Why did the Seller sell

- Do you believe it was a "good deal"
- How long was the property on the market
- Did you list the property

Why did the Buyer purchase this particular property

- Do you believe it was a "good deal"
- What other properties did you look at
- How long did you look before you bought

How was the price determined

Is the property rented or leased

- What are the existing rental rates
- What are the lease terms
- What were the rates at the time of sale

What type of income does the property produce

- Is the rent set on a base figure
- Is there a percentage or overage clause
- Are increases set in the terms

This list is not to be considered all inclusive but is meant only to indicate the various areas which should be explored.

6. PROJECT SALES BOOK (a.k.a. PROJECT DATA BOOK)

A project sales book, sometimes called a project data book, is a compilation of all the comparable sales and market data pertinent to the specific project being worked on. A project sales book may be used by Oregon Department of Transportation staff appraisers as a reference in lieu of attached individual sales sheets on the Value Finding Appraisal (Rpt. 15) and the Appraisal Waiver Valuation form (Rpt 1). The following conditions must be met:

- a. The sales and market data in the sales book must be verified by one or more Oregon Department of Transportation staff appraisers. Sales verified by fee appraisers may not be used.

- b. All Oregon Department of Transportation staff appraisers who will use the sales book data must view the sales and sign-off on the book that they are in agreement with the verification information.
- c. The project sales book must be submitted to the project Appraisal Reviewer for review and approval prior to use.
- d. Adjustments that address current market conditions (time, cash-equivalence) may be discussed and applied to the sales within the project sale book. Adjustments addressing differences between the sales and the specific properties being appraised (e.g. size, shape, condition, etc.) must be discussed and applied within the appraisal report.

7. OTHER DESCRIPTIVE MATERIALS

Charts, plans, estimates, and other materials used in the valuation of the subject and referred to in the appraisal are to be attached to the report in the addendum.