#24-05R: Real Property Acquisition – Waiver Valuation

Purpose

On June 3, 2024, the Uniform Relocation Assistance and Real Property amended the regulations to increase the thresholds for property acquisitions in 49 CFR 24.102(c)(2)(ii)(C), Subpart B-Real Property Acquisition.

The following informational link details the Federal Highway Administration (FHWA) final rule: https://www.federalregister.gov/documents/2024/05/03/2024-08736/uniform-relocation-assistance-and-real-property-acquisition-for-federal-and-federally-assisted

Policy Update

Effective June 3, 2024, the Waiver Valuation threshold was increased for property acquisitions with an estimated fair market value from $10,000 to $15,000 and Separation of Appraisal and Acquisition Functions from $10,000 to $15,000.

When the Local Public Agency (LPA) determines that the valuation problem is uncomplicated and the market value is estimated at $15,000 or less based on a review of available data, the appraisal can be waived; in this case, the LPA will prepare a Waiver Valuation. The $15,000 amount includes any damages to the remainder property but excludes any non-substantial construction contract work. This information is consistent with 49 CFR 24.102(c)(2). The Waiver Valuation cannot be used as a basis for deposit when obtaining an Order for Possession. If condemnation is needed an appraisal must be completed.

The LPA should maintain a separation of the appraisal and acquisition functions, except that the same person can appraise and acquire a parcel if the total valuation excluding non-substantial construction contract work is $15,000 or less. This dollar limit also applies to appraised revisions where the appraiser was previously assigned to negotiate the parcel. The valuation document can either be an Appraisal and Acquisition Function or Waiver Valuation.

Publication Changes

Local Assistance Procedures Manual (LAPM) Chapter 13, Section 13.8 is updated to increase the Appraisal Waiver Valuation threshold from $10,000 to $15,000 and the Separation of Appraisal and Acquisition Functions from $10,000 to $15,000.

For additional details refer to Section 7: Appraisals of the Right of Way Manual | Caltrans.

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