

## **USPAP ITEMS**

### **Identifications, Statements, Inclusions, and Certification (USPAP – Standards 1 & 2)**

- Type of Appraisal Report
  - Identify Client and other Intended Users
  - Identify Intended use of appraisal
  - Identify Purpose of appraisal
  - Identify the type and Definition of market value and source: (Sec. 1263.320, C.C.P.)
  - Identify the Effective date of value and date of report
  - Identify the characteristics of the property relevant to the type and definition of value and intended use of appraisal (relevant social, physical, economic and environmental characteristics)
  - Real property interest appraised
  - Identify appraisal problem, determine Scope of Work necessary to solve the problem
  - All extraordinary assumptions, hypothetical conditions, and assumptions and limiting conditions affecting report substance
  - Information analyzed, appraisal procedures, reasoning supporting substance and conclusions
  - Existing use; support and rationale for concluded highest and best use
  - Effect on use and value of existing land use regulations; reasonable probability of regulation changes
  - Economic demand affecting subject; market trends; physical adaptability of the real estate
  - In a sales comparison approach, analysis of data to indicate a value conclusion
  - In using an income approach:
    - estimate economic rent from available rental comps
    - estimate operating expenses from available comps
    - estimate cap. rate(s) and/or discount rates from available comps
    - base future rent and expenses on reasonably clear and appropriate evidence
  - In using a cost approach:
    - value site by appropriate method or technique
    - estimate Replacement Cost New from available comps
    - estimate accrued depreciation from available comps
  - Effect on value of any of the following on subject, but not included in the appraisal:
    - any personal property
    - improvements pertaining to the realty
    - trade fixtures
    - intangible items
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- Analysis of any current Agreement of Sale, option or listing of subject (or portion)
- Analyze any sales of subject in the last 5 years (CFR 49 24.103) preceding effective date
- Any permitted departures from Std. 1; basis for excluding any of usual valuation approaches
- Reconcile the quality and quantity of data available and in the approaches used
- Reconcile the applicability or suitability of the approaches used
- Signed certification complying with Rule 2-3

**REQUIRED FORMS AND ENTRIES – (CALTRANS)**

- Right of Way Parcel Diary (RW 07-01): include when Notice of Decision to Appraise, Acquisition brochure, and Title VI questionnaire are mailed
  - Copy of Notice of Decision to Appraise letter
  - Parcel Occupancy Data form (RW 07-02): names and addresses of owners and tenants
  - Appraisal (RW 07-09): page for subject parcel(s)
  - Summary of Outdoor Advertising Structures (RW 07-08) or equivalent: Parcel Owner; Sign Company
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**APPRAISAL REPORT****General**

- Parcel number
- Photographs – identified
- Parcel inspection date(s)
- Property owner/representative present for inspection
- Rights/interest being appraised
- Names of owners of each interest valued
- General description of the public project
- Significant area, city and neighborhood data

**Property Data**

- Location
  - Plat
  - Total and subparcel areas
  - Property description
  - Unusual features
  - Site description and significant characteristics including easements
  - Utilities
  - Alquist-Priolo zone
  - Improvement description and significant characteristics
  - Zoning/General Plan – subject and vicinity
  - Present use
  - Known environmental conditions/hazardous waste and materials affecting subject's value – If known; property appraised both as if free and clear (and if known, as affected) (Market's view)
  - Highest and best use of property before; justification if different from present use
  - Highest and best use after, if partial acquisition; justification if different from before
  - Realty/improvements pertaining to the realty (1263.205 et seq)/personalty, identified and valued as appropriate; items to be acquired and parties claiming them identified
  - Description of outdoor advertising signs, sign company owners, measurements, photographs; signs valued with property unless excluded from assignment by client
  - RAP information identifying number of tenants, owners, and giving residential value if appropriate
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**Valuation**

- Property and area valued conforms with appraisal map
- All approaches used – if not, need explanation:
  - Sales comparison – comparison to subject showing each adjustment; reasoning; indication
  - Income – income, vac and loss, operating expenses, capitalization and discount rates, and economic rent supported
  - Cost – data sources used; all causes of depreciation - basis for estimates and total
  - Machinery and Equipment appraisal (secured by real estate appraiser) included – items, and valued as to Replacement Cost New, in-place value, relocation cost and salvage value; data sources cited; value conclusions reviewed/adjusted, reconciled with improvements; remaining economic life and real estate valuation, and adopted by real estate appraiser; tenant claimed improvements grouped
  - Reconciliation – with reasoning supporting conclusion of value
  - Calculations and rounding correct

**Comparable Sales and Other Market Data**

- Comparable location map; subject indicated
  - Comparable sales detail sheets
  - Assessor's parcel maps
  - Photographs showing principal features
  - Comparable number
  - Total area
  - Location
  - Type and size of improvements
  - Zoning
  - Date of Sale (lease, etc.)
  - Buyer and Seller named
  - Party(ies) confirming sale and date(s)
  - Amount and manner paid
  - Conditions of sale
  - Use and condition at sale
  - Unusual features
  - Inspection date
  - If available: what was included in sale; income/expense/lease data at sale; motivations
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**Partial Acquisitions**

- Highest and best use after explained/supported
  - California before and after method used; includes relevant comparables and market data, income approach
  - Only benefits and compensable severance damages under California law; damage analysis format used; amounts supported from market and/or reasoning; cost to cure less than related severance and supported
  - Remainder is indicated uneconomic in the market, or uneconomic remnants to the owner
  - Request by the property owner for the convenience of the property owner (tenant claim noted, if any)
  - Final valuation conclusion is supported; allocated to Part Taken, Severance Damages, and Benefits (with proper offsetting)
  - Calculations and rounding correct
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