



*Wisconsin Department of Transportation
Division of Transportation System Development*

APPRAISAL GUIDELINES for PROPERTY OWNERS

The Wisconsin Department of Transportation (WisDOT) or other public agency has provided you with a written offer to purchase property that is needed for a highway improvement project. WisDOT also provided you with a copy of an appraisal upon which that offer is based. Wisconsin State Statutes provide you the right to obtain your own appraisal of the proposed WisDOT acquisition. The following information is provided to assist you in understanding that right.

Wisconsin Statute, Section 32.05(2)(b), states in part: *The owner may obtain an appraisal by a qualified appraiser of all property proposed to be acquired, and may submit the reasonable costs of the appraisal to the condemnor for payment. The owner shall submit a full narrative appraisal to the condemnor within 60 days after the owner receives the condemnor's appraisal.*

QUALIFIED APPRAISER

We recommend that you select an appraiser who is certified by the State of Wisconsin. These appraisers have demonstrated that they have the experience and education to prepare an acceptable appraisal. They are also obligated to prepare an appraisal which conforms with the Uniform Standards of Professional Appraisal Practice. However, the ultimate choice of the appraiser is yours. WisDOT will not recommend appraisers, and it is your responsibility to ask for references if you would like to do so. Appraisers may be located in the phone listings under "Real Estate Appraisers".

REASONABLE COSTS

WisDOT will only reimburse fees for an appraisal which are determined to be reasonable. Fees will be considered reimburseable if :

- a. The appraisal meets all WisDOT appraisal requirements,
- b. The analysis and presentation of appraisal data are documented with logical and reasonable conclusions of value,
- c. The billed fees are comparable to fees charged for similar work performed by other qualified appraisers within the same market area, as determined by WisDOT, and
- d. The reasonableness of the fee will also be judged by the complexity of the appraisal problem and the independent analysis and data provided by the appraiser.

In order for WisDOT to determine the reasonableness of the appraisal fee, the appraiser must submit a detailed breakdown of the time involved. The appraiser must indicate the dates and hours spent inspecting the subject property, inspecting and verifying comparable sales, drafting the report, etc. and indicate the hourly rate charged. It is the owner's responsibility to ensure the appraisal invoice contains these items. The appraisal report and bill must be submitted to WisDOT within the 60-day limit as specified in the original written offer.

FEES THAT ARE NOT REIMBURSEABLE:

- Consultation with the owner or his/her representative or attorney unless it occurs during the actual property inspection or while gathering additional property data.
- Time spent reviewing the WisDOT appraisal.
- The entire payment can be denied if the appraisal does not meet the requirements under WisDOT's "Appraisal Guidelines for Appraisers."

FULL NARRATIVE APPRAISAL

A "full narrative appraisal" is a detailed and comprehensive appraisal report. It describes the property to be acquired and provides a documented conclusion of its fair market value and, if applicable, any damages to the remaining property. The appraisal report must contain the appraiser's rationale for determining the damage estimate which must be based on market data contained within the appraisal. The report will typically be similar in scope and format to the appraisal report provided you by WisDOT.

60 DAY TIME LIMIT

Wisconsin Statutes require that your appraisal must be delivered to WisDOT or be postmarked **within 60 days** after you receive the WisDOT appraisal. Receipt of the WisDOT appraisal is considered to have been accomplished either upon the date of personal delivery or three days following the date of postmark. The accompanying offer will specify the due date.

All appraisals mailed by WisDOT are sent USPS certified mail requiring a signature upon delivery. Attempted deliveries are recorded. Failure to accept or retrieve the mailing once notified will not extend the sixty day period. The sixty days run consecutively without interruption. Failure to return an appraisal within 60 days does not mean an appraisal cannot be submitted for consideration, only that it will not be paid for by WisDOT.

**WISDOT CANNOT PAY FOR THE COST OF AN APPRAISAL RECEIVED
OR POSTMARKED AFTER 60 DAYS - NO EXCEPTIONS**

REDUCE YOUR RISKS

In order to reduce your risk, you may want to consider the following:

- Avoid appraisers who want to be paid in advance or will not provide an estimate of the appraisal fee.
- Make contacts with appraisers early in the process to ensure their availability.
- Discuss the estimated appraisal fee with the WisDOT negotiator before hiring an appraiser.
- Ask your appraiser to sign a written agreement that requires them to comply with these guidelines. A sample of such an agreement is attached for your consideration and use.
- Ask your appraiser, in the agreement, to allow you adequate time to review the appraisal prior to the 60 day deadline.

Most appraisers have no trouble meeting these conditions, and the cost of the appraisal is routinely paid. There have been some instances, however, where appraisers have not followed the guidelines or have charged unreasonably high fees. When this happens, WisDOT may deny reimbursement of the fee or may pay only the portion determined to be reasonable for the appraisal service performed.

Any agreement for appraisal services is strictly between you and the appraiser. The ultimate responsibility for payment of the fee charged by the appraiser rests solely with you. WisDOT's statutory responsibility to pay the reasonable cost of an appraisal is not subject to or affected by an agreement reached between you and your appraiser.

The information contained in these guidelines is offered to help prevent any potential misunderstanding between you and WisDOT regarding the reimbursement of appraisal fees.

Your ability to obtain your own appraisal is a statutory right, to be exercised or not, at your discretion.

NOTE: If you have any questions regarding these guidelines, please contact the regional WisDOT Real Estate Section.