Property Owner Appraisals

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Wisconsin Requirements
Property Owner Appraisals

The owner may obtain their own appraisal:

- Within 60 days
- Full narrative appraisal
- WisDOT will pay reasonable costs of the appraisal
- By a qualified appraiser
- Wisconsin law does not require appraiser to be licensed or certified
GUIDANCE TO PROPERTY OWNER

- Don’t use appraisers who want to be paid in advance, or will not provide an estimate of fee
- Contact appraisers right away
- Discuss fee with WisDOT before hiring an appraiser
- Have appraiser sign agreement
- Review the appraisal prior to the 60-day deadline

AASHTO ROW/Utili/OutAd  April 2013
Guidance on QUALIFIED APPRAISER

- Recommend an appraiser certified by the State of Wisconsin.

- Choice of the appraiser is property owner’s
REASONABLE FEES

- Meets all WisDOT appraisal requirements
- Analysis and presentation of data are documented
- Logical and reasonable conclusions of value
- Fees are comparable to fees charged for similar work performed by other qualified appraisers
- Consider complexity of the appraisal
Invoicing

• Appraiser must submit a detailed breakdown of fees
  • Dates, hours spent, hourly rate, etc.

• Owner’s responsibility
  • To ensure bill contains these items
  • Is submitted within the 60-day time-period
  • Pay the appraiser if WisDOT doesn’t
APPRAISER FEES

- Try to make clear fees are responsibility of Property Owner
- WisDOT usually pays all submitted fees
Issues with Property Owner Appraisals

- Use of *any* appraiser – No definition of qualified
- No State requirement to be licensed or certified
- “Reasonable” Fees - Not well defined, unwilling to refuse payment
## Property Owners’ Appraisals

<table>
<thead>
<tr>
<th>Year</th>
<th>Parcels Acquired</th>
<th>Owner Appraisal Fees</th>
<th>Average Cost per Appraisal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1349</td>
<td>$506K</td>
<td>$3,350</td>
</tr>
<tr>
<td>2012</td>
<td>1473</td>
<td>$593K</td>
<td>$4,000</td>
</tr>
</tbody>
</table>
## Property Owners’ Appraisals

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Parcels Acquired</th>
<th># Property Owner Appraisals</th>
<th>WisDOT Appraised Value</th>
<th>Owner Appraised Value</th>
<th>% Difference</th>
<th>Average Difference Per Parcel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1349</td>
<td>151</td>
<td>$12.7 mill</td>
<td>$20 mill</td>
<td>57</td>
<td>$48 K</td>
</tr>
<tr>
<td>2012</td>
<td>1473</td>
<td>148</td>
<td>$20.1 mill</td>
<td>$35.8 mill</td>
<td>78.3</td>
<td>$106 K</td>
</tr>
</tbody>
</table>

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Options

Options that require Statutory Changes:

- Require property owner appraisals be done by licensed or certified appraisers
  
  OR

- Require that all appraisals in Wisconsin be done by Wisconsin licensed or certified appraisers

Difficult to Achieve/Not sure it would resolve issues
WisDOT Options

- Develop policy on ‘qualified’ appraiser – require use of certified appraisers
- By policy, define ‘reasonable’ costs
- Establish detailed criteria for payment:
  - Set # hours to be billed, by appraisal type
  - Establish an hourly rate
Other Options

• More extensive review of owners’ appraisals – for methodology & reasonable fees

• Consider reporting certain appraisers (If certified)

• Would require More Staff Time!
Questions or Discussion?
THANK YOU!