

# 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

# 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

Year	Parcels Acquired	Owner Appraisal Fees	Average Cost per Appraisal
2011	1349	\$506K	\$3,350
2012	1473	\$593K	\$4,000

# Property Owners' Appraisals

Year	Total Parcels Acquired	# Property Owner Appraisals	WisDOT Appraised Value	Owner Appraised Value	% Difference	Average Difference Per Parcel
2011	1349	151	\$12.7 mill	\$20 mill	57	\$48 K
2012	1473	148	\$20.1 mill	\$35.8 mill	78.3	\$106 K

# 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!**