

SPECIFICATIONS FOR ANALYTICAL NARRATIVE APPRAISAL REPORTS

***COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS***

FEBRUARY 13, 2015

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I. GENERAL

Valuation Methods and Standards

In undertaking an appraisal and reporting its results, the selected appraiser, ("Contractor"), shall follow accepted professional appraisal practices as defined by the then current edition of the Uniform Standards of Professional Appraisal Practice¹, or "USPAP", giving consideration to standard valuation methodology. All applicable approaches pertinent to the valuation tasks(s) at hand shall be fully developed, explained, and supported. All calculations must be shown and all assumptions fully documented. Should certain approaches or requirements covered in these specifications not be applicable to the assignment, the contractual obligation shall be fulfilled by identifying that approach or requirement and justifying its omission.

The purpose of the appraisal shall be to determine the fair market value of the appraised property, or interest to be acquired, based on highest and best use. Fair market value shall be defined as the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title to a buyer under conditions whereby: 1) buyer and seller are typically motivated; 2) both parties are well informed or well advised, and acting in what they consider their own best interests; 3) a reasonable time is allowed for exposure in the open market; 4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Appraisal reports will be subject to internal and/or professional review by the Contracting Agency ("Agency") or its designees, the Secretariat of Energy and Environmental Affairs (EEA), and, where federal funds are involved, by the Federal Government. If federal funds are involved, it shall be stated in the Contract Scope of Services and the Contractor must comply with the then current Uniform Appraisal Standards for Federal Land Acquisitions or other applicable specifications, as required by the federal granting authority. This situation will be identified by the Agency prior to initiating an appraisal project. In this case, the Contractor shall comply with both EEA and federal standards; however, if there is an inconsistency between EEA standards and the federal standards, the federal standards shall control.

Appraisal reports may also be subject to review by the Massachusetts Office of the Attorney General when an eminent domain taking by a state agency is contemplated or has occurred. The Contractor's report concerning the subject property may be subject to discovery in a land damage lawsuit filed against the Commonwealth subsequent to the taking. In order to provide for this circumstance, the appraisal report and related exhibits shall be adequately prepared and retained for trial. If an eminent domain taking is contemplated, it shall be stated in the Contractor's Project Specific Scope of Work. All reports prepared at the direction of an Agency shall be prepared in compliance with the USPAP applicable as of the effective valuation date, as well as EEA specifications outlined herein. (Note that in the event of an involuntary taking, the appraisal must be updated as of the date of the taking.) Unless directed otherwise by appropriate Agency officials, the results of all appraisals will be conveyed as self-contained reports with all pertinent items and factors clearly described, fully substantiated, and justified in every respect. A reviewer or other user of the report should have no doubt as to the conclusions set forth in the report and readily conclude that value estimates are credible. If the Agency reviewer finds deficiencies or items which, require revision, further substantiation, or justification to conform with these standards, revisions must be performed by the Contractor at his or her expense and ultimately result in a work product that is acceptable to the Agency.

Determination of Appraised Property

Acquisitions made by the Commonwealth can have many forms, and it obviously is critical that an appraisal identify the correct parcel(s) and/or property interests to be appraised. Typically, purchase of the fee ownership in an entire property is relatively straight forward in terms of identifying the appraised property. However, items such as potential severance damage or enhancement to other property under the same ownership must be considered by the Contractor. In the case of partial fee acquisitions or acquisitions of a property interest other than the fee (conservation restrictions, easements, etc.) care shall be taken not to miss severance issues or possible

¹ Uniform Standards of Professional Appraisal Practice, produced by the Appraisal Standards Board, The Appraisal Foundation, Authorized by Congress as the Source of Appraisal Standards and Appraiser Qualifications. <http://www.uspap.org/>. 2014-2015 Edition.

enhancement, as necessary. These issues may be discussed with appropriate Agency personnel at a pre-work meeting or as early as possible in the appraisal process. If the property being appraised includes water rights, mineral rights, or suspected mineral values, fixture values, crop values, or timber values these may also be discussed at the pre-work meeting. If the valuation of the property requires the use of a consulting report this may also be discussed and approvals obtained from Agency personnel at the pre-work meeting or as early as possible in the appraisal process.

Pre-work Meeting

A pre-work meeting between the Agency and the Contractor may be required by the Agency. If such a meeting is required, it shall be so stated in the Contract Scope of Services. The purpose of the meeting is to review the contract scope of services and address any special requirements. At this time or otherwise prior to initiating the appraisal project, any extraordinary assumptions (if known) or hypothetical conditions should be reviewed with and approved by appropriate Agency personnel. The meeting will be held at a mutually convenient location selected by the Agency. Attendance at a pre-work meeting should be considered by the Contractor in preparing his or her fee quote.

Property Inspection Procedure

The Contractor shall invite the owner of the appraised property (or designated representative thereof) to accompany the Contractor during inspection of the property. To allow the landowner time to make necessary arrangements, the invitation should be made appropriately in advance of the planned inspection date. The Contractor shall consider any information the landowner may provide and describe and account for that which is relevant to valuation. However, the Contractor must use his or her best judgment as to the usefulness of any information provided by the landowner.

The Contractor shall document the invitation to the landowner on the Owners Property Inspection Certificate form provided by the Agency (See Exhibit 1) and include this signed form in the addenda of the appraisal report.

Discrepancies

The Contractor shall immediately inform the Agency as to any discrepancies discovered between information related to the description, acreage, or pertinent characteristics of the property provided by the Agency and that gleaned from his or her research. The Contractor shall thereafter follow instructions of the Agency in addressing these discrepancies.

Record Keeping

The Contractor shall provide the Agency with an electronic searchable copy (PDF format or other format designated by the EEA Agency in the future) and the requisite number of paper copies of the appraisal report specified in the Scope of Services for each project. The Contractor shall maintain a report copy and the appraisal file in a reproducible format for seven years from the date that the report is submitted to the Agency or two years after final disposition of judicial proceedings related thereto, in accordance with the then current USPAP.

Agency Approval of Appraiser

Where the Contractor is a partnership, firm, corporation, or entity other than an individual, it shall identify, in advance of any work being initiated, the specific person(s) who will perform the appraisal. The Agency shall then have the option of approving that person or persons as the service provider or request that the Contractor designate other qualified personnel. If the Contractor and Agency cannot agree on an individual to perform the service then the Agency may select another vendor. The individual agreed upon shall be the principal researcher and author of the report and shall sign the Letter of Transmittal and the Certification. Other signatories such as junior appraisers, research staff or others who assisted in the completion of the report may not sign, but should be listed in the Reference section of the Addenda.

II. APPRAISAL REPORT FORMAT

Note: the Contractor shall comply with the both EEA Specifications for Analytical Narrative Appraisal Reports, and the then current USPAP publication. If there is an inconsistency between EEA standards and USPAP, USPAP shall control.

Report Cover and General Requirements

The report shall be bound in a durable cover with identification of the property by owner, location, and the Agency's project file number (if applicable) on the face thereof. A spiral binding or other standard method that will ensure the integrity of the report and its contents shall be used. Paper shall be a good grade/quality, white, and 8 1/2 by 11 inches in size. All pages shall be numbered consecutively, and each important heading shall be shown in the Table of Contents. To provide uniformity in submissions to the Agency, the text shall be divided and organized as outlined herein.

Title Page

Each appraisal report shall include (a) the name of the Agency for which the report was prepared, (b) the location/street address of the appraised property, (c) the Agency's project file number, (d) the land area of the subject property, (e) the name and street address of the owner(s), (f) the name of the appraiser(s), and (g) the effective valuation date.

Letter of Transmittal

Each report shall include a letter of transmittal addressed to the Agency. Included therein (at a minimum) shall be the Agency file number (if applicable), a brief description/identification of the appraised property and its location, the owners name, the land area of the property, a summary of any hypothetical conditions and /or extraordinary assumptions incorporated into the appraisal, the effective valuation date, and all value estimates. The Contractor shall sign each letter of transmittal as required under applicable regulations.

Table of Contents

A table of contents shall be provided indicating the page number on which major sections and subsections begin.

Signed Certification

Each appraisal report shall include a signed certification based on the form provided by the Agency (see Exhibit 2), and covered in USPAP Standards Rule 2-3, or Standards Rule 3-6 for Review Appraisals. The Contractor shall sign the Certification page(s) included in each copy of the appraisal report. Where the Contractor is a partnership, firm, or corporation, the person(s) who has been identified by the Contractor and accepted by the Agency to render appraisal services shall sign. The appraiser may attach additional information or certifications on a separate page, but may not limit, condition, or otherwise alter the meaning of the language in the Certification.

Summary of Facts and Conclusions

Each report shall include a summary of facts and conclusions. This summary shall include, in tabular or similar form, the Agency file number (if applicable), the property address, land area, property type, zoning classification, rights appraised, highest and best use conclusion(s), the effective valuation date, and all value estimates, including before and after estimates. In the case of a before and after value estimate, the conclusion of value for the property interest to be acquired shall also be stated.

The Contractor shall also provide a summary of standard assumptions and limiting conditions specific to the appraisal assignment as well as a description of any extraordinary assumptions or hypothetical conditions. Alternatively, if it would be too lengthy to summarize one or more of such matters, a reference to the point in the report where they are addressed in detail may be provided.

Photographs

Photographs of all relevant site features associated with the appraised property that may, in the Contractor's analysis, impact the value of the subject property, whether positively or negatively, must be included. The date taken and the name of the photographer shall be provided. Each photo shall be appropriately captioned including the feature shown, and the location on the subject property. In the case of improved property (including derelict

structures), exterior and interior photographs shall be included. Include photos of any evidence of solid or hazardous waste, oil or hazardous materials, or storage tanks. Include photo(s) of any suspected encroachment.

Statement of Limiting Conditions and Assumptions

Each report shall clearly and conspicuously set forth the limiting conditions and assumptions incorporated into the appraisal. In addition, all hypothetical conditions and/or extraordinary assumptions (as pre-approved by the Agency) shall be noted.

Purpose of the Appraisal

The report shall include a statement of the reason(s) for the appraisal, an identification of any unusual or atypical appraisal problems encountered, and a description of the property rights being appraised. Appraisers shall not identify the rights appraised as the fee interest in the property unless this is actually the case. All known encumbrances and appurtenant rights shall be listed or referenced appropriately. The client for whom the appraisal was undertaken shall be identified. The intended use and the intended user of the appraisal report shall also be stated. Generally, the intended user will be the client Agency, and the intended use will be to assist that Agency in determining of the amount to be paid for the property rights proposed to be acquired.

Scope of Work

The appraiser shall describe the scope of investigation and analysis undertaken in making the appraisal. The scope of work should reflect the purpose of the appraisal and intended use of the report.

The geographical area and time frame analyzed in searching for market data should be identified, along with a description of the type(s) of sales information researched and the extent of market data confirmation. Data sources relied upon in making the appraisal should also be listed.

The applicability of all standard approaches to value shall be discussed and the exclusion of any valuation approach or technique should be explained.

Legal Description and Title

The Agency will provide the Contractor a copy of the deed, recorded plan, and Attorney's Certificate of Title for the appraised property if such information is available. If not, the Contractor shall make every effort to obtain the most recent deed and any recorded plan(s). All relevant title information obtained shall be included in the appraisal report addendum. If the deed or plan indicates, or, in the event the Title Certificate prepared for the Agency is made available to the Contractor prior to completion of the Appraisal Report indicates any restrictions, encumbrances, title defects, easements, or rights of way appurtenant to and/or to which the property is subject which would have an impact on the use and/or value of the subject property, this impact on value shall be evaluated by the Contractor and noted in the report.

Area, City/Town, and Neighborhood Data

Each appraisal report shall include appropriate and meaningful discussion and analysis of area, city/town, and neighborhood factors that are relevant to the property and its appeal in the marketplace. Information presented shall be supplemented by legible regional and local mapping, including USGS topographic maps with the boundaries of the appraised property shown thereon. The report shall include a general description of the city or town and the neighborhood/market area within which the property is located. This section shall also include discussion and analysis of pertinent local population and development trends, and an assessment of the outlook for relevant property types. Data and analysis presented must be concise and pertinent to the valuation problem at hand.

Favorable and Unfavorable Factors

The appraisal report shall list and discuss favorable and unfavorable factors affecting the property and its environs, such as transportation, major industries, shopping centers, and recreation areas. Any hazards or nuisances that affect the subject property, such as obnoxious facilities, smoke, smell, noise and traffic, shall be identified and discussed. Likewise, any notable external influences, e.g. that the subject property abuts legally protected open space, that enhance the property shall be identified and evaluated.

Real Estate Market Conditions

The report shall include pertinent information related to historical and current real estate market conditions affecting the area of influence and address relevant supply and demand factors. The focus of information presented and analysis thereof shall be related to the specific type of property being appraised, and future expectations related to market trends should be considered. Data analyzed, at a minimum, would include (both on the county and local town level) the number of annual dwelling and lot sales and average sale prices over the most recent five year period, and the number of single family dwelling building permits issued in the same period. Also considered (if applicable) would be an assessment of competing active and inactive development projects, and information pertaining to projects in the planning stage. In addition, information related to current listings of property similar to the appraised property shall be presented.

Property Data

The data collected by the Contractor shall be as comprehensive as possible, and shall be acknowledged and related to the Contractor's determination of Highest and Best Use and final value conclusion(s).

1. Site - Describe the present use, access, road frontage, land contours and elevations, soils, vegetation (including timber), views, land area, shape, utilities, mineral deposits, water rights associated with the property, easements, structures, foundations, ruins, encroachments, cemeteries, quarries, dams, water or flood control devices, and any other beneficial or detrimental factors.

The Contractor shall also note obvious or suspected evidence of oil or hazardous materials, solid substances, or solid or hazardous waste on the site. Where so noted, the Contractor shall immediately notify the Agency and request instructions before proceeding further with the appraisal project. If no such evidence is apparent, this shall be stated in the report.

In the case of a partial acquisition, or less than fee acquisition, the report shall similarly describe the remainder property, including any limitations or enhancement caused by the acquisition of the subject property. (Note the section below on *Less than Fee and Partial Acquisitions*.)

2. Improvements - In the case of improved property, detailed information shall be presented including the use to which structures are put, the use for which they were designed, building dimensions, floor area calculations, chronological and effective age, dates of any significant remodeling/renovation, condition, type and quality of construction, and present use and occupancy. Floor plans sketches showing adequate detail should also be presented. All site improvements, including in-ground sewage disposal systems and wells shall also be cataloged and described.
3. Fixtures - Any fixtures are to be adequately described, along with an assessment of condition, utility, and obsolescence.
4. Use History - Include a ten-year history of the use and occupancy of the property.
5. Sales History - Include a ten-year record of all sales, listings, and offers to buy or sell the appraised property. For all transactions include the name of the seller and buyer, date of sale, price, terms and conditions of sale, and a statement as to whether the sale price represented market value at the time and the reason(s) for that conclusion.
6. Rental History - Report any rental or lease of the property during the past five years. Details pertaining to current leases or rental arrangements shall be presented, including the date of the lease, name of the tenant, rental amount, term of the lease, parties responsible for property expenses and other pertinent lease provisions. Existing rental/lease arrangements shall be evaluated by the appraiser as to whether or not the terms thereof are typical and if the rent schedule results in payment of economic/market rent with supported conclusions.
7. Assessed Value and Annual Tax Load - Include the current assessment and tax rate. If assessed value is statutorily a percentage of market value, as with property assessed under MGL Ch. 61, 61A or 61B, state the percentage. If there is a difference between the assessed value and the appraiser's estimate of market value, the apparent reason(s) for the discrepancy shall be addressed. Special Note for subject properties enrolled in Ch. 61, 61A or 61B: any roll-back taxes due upon removal of a property from these programs must **not** be

deducted from the final estimate of value. These tax classification programs involve a lien on the subject property, and therefore the lien amount is not deducted from the estimate of value.

Public Land Use Controls: Zoning and Other Land Use Regulations

The Contractor shall make a comprehensive review of laws and regulations that affect the subject property and acknowledge and relate them to the final value conclusion.

Identify all zoning district(s) within which the appraised property is located and discuss all pertinent regulations impacting its utility. The appraiser shall also note and appropriately discuss any master or comprehensive land use plan in existence that may affect the use or value of the property.

In addition to standard zoning regulations, the appraiser shall identify all other land use and environmental regulations and/or requirements that may shape or affect the highest and best of the appraised property. The Contractor shall make an exhaustive review of pertinent land use laws and regulations and assess their impact. Examples include, but are not limited to, local Subdivision Rules and Regulations, federal, state or local Wetland Regulations, Floodplain Regulations, Water Resource or Aquifer Protection Districts, other Overlay or Floating Zones, State Sanitary Code (Title 5)/Local Board of Health Regulations, the Watershed Protection Act, the Massachusetts Endangered Species Act and the Massachusetts Rivers Protection Act.

This information shall be discussed in detail, with adequate information provided relevant to the present use of the appraised property and any likely adaptation/development thereof.

Highest and Best Use

Determination of highest and best use is a critical element in the appraisal process and the appraiser must clearly justify his or her highest and best use conclusion. In evaluating highest and best use, standard criteria including physical possibility, legal permissibility, financial feasibility, and maximal productivity must be evaluated and discussed. If the highest and best use conclusion is based on a zoning change, variance, special permit, or subdivision plan approval, the Contractor shall have demonstrated and supported his or her assertion that there is a reasonable probability that any required zoning relief or approvals would be granted.

If the highest and best use of a property is determined to be some form of development, such as subdivision or creation of ANR lots, a sketch or plan depicting the proposed lot layout should be provided in order to allow a reader to visualize the potential associated with the site and fully understand the appraiser's conclusion.

In the case of improved property, highest and best use both as is and as if vacant shall be evaluated and appropriately discussed.

Valuation Analysis

Valuation analyses presented in the report shall be consistent with the conclusion of highest and best use. All analyses must be clearly documented, orderly, and easy to follow. If in the case of improved property it is not clear that improvements afford contributory value, land value shall be estimated separately based on its highest and best use. Note that "accepted appraisal practices" or "standard appraisal practices" refers to practices detailed in the then current USPAP publication.

Sales Comparison Approach – This valuation methodology shall be utilized in a manner consistent with accepted appraisal practices. The appraiser's analysis must be thorough, detailed, and documented to the extent that it can be readily understood by a reader of the report. All comparable sales used in applying this approach should have the same economic highest and best use as the appraised property; and, if not, the Contractor must explain why the comparable sales are relevant as an indicator of value. In general, a minimum of five comparable sales involving nearby property should be analyzed. If circumstances dictate that a lesser number is utilized, adequate explanation must be provided. Conveyances analyzed shall have occurred within a reasonable time relative to the effective valuation date (typically not more than three years) except under unusual circumstances, and as documented in the report.

All comparable sales presented in the report or otherwise presented or relied upon must be personally inspected and the terms thereof confirmed with the buyer, seller, broker, or attorney for either the buyer or the seller by the Contractor. Verification with secondary sources such as public records, MLS listings, deeds or municipal

assessor's offices is not sufficient. Comparable sales of questionable nature and/or admissibility shall be avoided, except under unusual circumstances as documented in the report. However, comparable sales to the Commonwealth, another government entity or conservation group may be used provided special care is taken in the verification of the circumstances of the sale, particularly if the sale to the Commonwealth was a bargain sale with a charitable intent.

Adequate details outlining each transaction and all of the important features and factors associated with the comparable sale properties must be provided. A legible sales adjustment chart must appear in the report that includes relevant details pertaining to the appraised property and all comparable sale properties. This chart must clearly indicate all necessary adjustments.

Standard transactional adjustments for items such as property rights conveyed, financing, sale conditions, and time should appear first, followed by property adjustments for typical factors such as location, size, utilities, amenities, etc. All adjustments must be adequately supported in such a way that a reader can be certain that the appraiser's analysis and logic is credible. Adequate discussion to support all adjustments is required.

Income Approach – This valuation methodology, if applicable, shall also be utilized in a manner consistent with accepted appraisal practices. Adequate available factual data shall be presented supporting all figures and factors, and all analyses must be thorough and detailed. Presentation of all data and analysis must be clear, organized, and documented in such a way that it can be readily understood by a reader and found to be credible.

This section of the Report shall include adequate factual data to support each figure and factor used and shall be arranged in detailed form to show at least (a) estimated gross economic rent or income, (b) allowances for vacancy and credit losses; and (c) itemized estimate of total expenses, including reserves for replacements. All data must be market derived when possible, and in any case its source documented. Capitalization of net income shall be based upon the type of property and location similar to the subject property. Development of the capitalization rate shall be fully documented and market derived when possible.

In the case of land having development potential, the Cost of Development Technique must be applied. Again, standard appraisal practices and methodology must be employed. All factors estimated by the appraiser such as lot prices, absorption rates, development expenses, profit allocations, and discount rates must be adequately explained, documented, and supported so that this analysis is credible.

Cost Approach – When applicable, this methodology shall also be utilized in a manner consistent with accepted appraisal practices. Land value shall be estimated following the process outlined in discussion related to the Sale Comparison Approach. Presentation of details related to this approach should be sequential, detailed, and well documented. All factors shall be derived from market data when possible.

Correlation and Final Value Estimate

The Contractor shall evaluate all estimates of value, explaining how the results of each approach utilized were ranked given the appraisal problem at hand. A clear explanation of how each approach was interpreted, weighted and mathematically treated to reach the value conclusion shall be provided. The final value conclusion shall be reported.

Less than Fee and Partial Acquisitions

In cases where the proposed acquisition by the Agency is a *less than fee interest* (e.g., conservation restrictions, watershed preservation restrictions, or agricultural preservation restrictions or easements), the “before and after” appraisal method shall be utilized. First, the subject property is appraised as unencumbered by a Conservation Restriction, or whatever partial interest the Agency proposes to acquire. Then the property is appraised subject to the effects of that less than fee interest acquisition. All applicable valuation approaches and highest and best use analyses are developed and documented. All data and supporting information, including comparable sales data must also be verified and summarized. The before and after value estimates must have the same effective date. The difference between the “Before Value” (value of the unencumbered subject property) and the “After Value” (value after the Restriction is applied) is equivalent to the loss in value caused by the proposed less-than-fee acquisition, and inherently addresses any severance damage or enhancement to the remainder property.

In cases where the proposed acquisition by the Agency affects only a portion of the property, (i.e. a fractional interest, physical subdivision, or a partial holding), the Contractor shall appraise the value of the proposed conveyance by using the before and after method, including a review of any severance damages or possible enhancement scenarios, unless directed otherwise by the Agency or by applicable federal grant program specifications pertaining to a particular project. If the Contractor believes or determines that a before and after appraisal is warranted for a particular project, it should first be discussed with the appropriate Agency contact. In the event of a non-consensual eminent domain taking, the Contractor shall use the before and after method, including a review of any severance damages or possible enhancement scenarios.

Report Exhibits

Exhibits can appear in the body of the appraisal report or its addenda section. All maps must be legible and contain a legend or captions, a scale and north arrow, and identify the source of the information. At a minimum, include the following exhibits:

1. Property Inspection Certificate
2. Area Map – a regional, county, or other similar scale plan showing the location of the subject municipality.
3. Location Map – a municipal road map or other similar scale plan showing the boundaries of the appraised property.
4. Topographic Map – a topographic map showing the appraised property boundaries.
5. Subject Property Map – Ideally, a recorded survey plan, if available, otherwise usually based on assessors maps. If possible and relevant this subject property map or a separate plan should depict the location of any improvements, easements, rights of way, flood plain, zoning lines, and/or other pertinent property features or encumbrances that exist on the property.
6. Aerial Photograph – showing subject property boundaries.
7. Natural Resource Maps – where applicable and relevant, depicting rare species habitat, wetlands, soils, etc.
8. Comparable Sales Location Map – showing geographic location of the appraised property and the comparable sale properties.
9. Highest and Best Use Map – such as a sub-division plan of the subject property, as necessary.
10. Comparable Sale Write-Ups – Information provided shall include pertinent sale details adequate to assist a reader in evaluating analyses presented in the report. At a minimum, include the following:
 - a. The location of the sale property
 - b. Grantor
 - c. Grantee
 - d. Date of sale
 - e. Deed reference
 - f. Sale Price
 - g. Terms of Sale
 - h. Description of property
 - i. Size
 - ii. Amount of frontage
 - iii. Topography
 - iv. Utilities
 - v. Amenities
 - i. Description of improvements, if any
 - j. Use of property at time of sale
 - k. Proposed use
 - l. Zoning
 - m. Verification source
 - n. Comments
11. Title Information – copy of deed, recorded plans, and any other title information for appraised property
12. Floor Plans/Building Sketches – if applicable.
13. Zoning Bylaw Excerpts – relevant pages only.
14. Other Pertinent Exhibits – e.g., timber cruise, engineering report, soil data, etc.
15. Appraiser Qualifications – for all contributing appraisers.

III. REVISIONS and UPDATES

The need for Updates results from the passage of time after submission of an appraisal report. Revisions often become necessary for a variety of reasons, such as changes to an appraised property, completion of a survey that shows a different acreage or property configuration, or changes to language in conservation easement documents. Revisions and updates can occur simultaneously.

Unless the revision is minor and can be addressed in a one to two page letter, the results of an Update or more extensive Revision shall be transmitted in a bound supplemental report that references the original appraisal report. In any case, care shall be taken to provide a detailed explanation as to the reason for the Update and/or Revision so that it is clear to a reader that the original appraisal and the supplemental report are integrated and that one does not invalidate the other.

Unless a minor revision, value estimates set forth in a supplemental report must be adequately prepared and reported in compliance with USPAP and any additional specifications contained herein. In terms of format, the following shall be included along with any other documentation required under USPAP and/or necessary to convey credible appraisal results:

1. Title Page – Include the same information as in the original report.
2. Letter of Transmittal – Include the same information as in the original report, outlining pertinent original information and value estimates along with a brief description of changes and the new opinion(s) of value. Also cite and discuss any prior supplemental reports.
3. Changes – Explain the reason for the appraisal changes and supplemental report.
4. Valuation – Document revised valuation analyses in such a way that the results and analyses are credible.
5. Certification – Provide a signed certification as outlined previously herein.
6. Addenda – Include all supporting information such as new sales data write-ups, plans, conservation restriction documents, etc.

(This section is not meant to address the circumstance of a deficient appraisal report. As mentioned in Article I, General: All deficiencies or items that, in an Agency appraisal reviewer's opinion require revision, further substantiation, or justification must be performed by the Contractor at his or her expense and ultimately result in a work product that is acceptable to the Agency.)

IV. APPRAISAL REVIEW REPORTS

Development of an Appraisal Review and the reporting of its results must comply with the then current USPAP currently published as Standard 3: Appraisal Review, Development and Reporting. Standard 3 clearly describes what can be included in an Appraisal Review Report. In addition, a project specific scope of work will be provided to the Contractor by the Agency.

The Agency may require the Review Appraiser to:

1. Determine if the report was done to both EEA Specifications for Analytical Narrative Appraisal Reports and the then current USPAP standards;
2. Provide an independent opinion of value;
3. Provide an opinion of the quality of work done on by the previous appraiser; or
4. Provide some combination of the above.

As with the original appraisal report, a review appraisal report will:

1. Identify the client and other intended users;
2. Identify the intended use of the reviewer's opinions and conclusions;
3. Identify the purpose and the extent of the appraisal review;
4. Identify the work under review and the characteristics of that work that are relevant to the intended use and purpose of the appraisal review;
5. Include the effective date of the review's opinions and conclusions;
6. Identify any extraordinary assumptions necessary to the assignment;
7. Identify any hypothetical conditions necessary to the assignment; and

8. Determine the scope of work necessary to produce credible results, i.e.
 - a. Information that should have been considered by the original appraiser
 - b. Information that was not available to the original appraiser. (*Note: the reviewer cannot use such information in the development of an opinion as to the quality of work under review.*)

V. RESTRICTED APPRAISAL REPORTS

Restricted Appraisal Reports may be used with the approval of the appropriate Agency official as detailed in the project specific scope of work.

Restricted Appraisal Reports must meet the then current USPAP guidelines for said reports and cover all the essential requirements of a restricted appraisal report as described in the USPAP specifications. While appraisals prepared with this format contain descriptions, discussions, and analyses that are more summary in nature, they shall still address and comply with all the essential requirements of an appraisal report as described in these specifications and include at a minimum sale price, property size, recording data, and highest and best use for at least three (3) comparable sales. Reports shall also include a brief narrative comparing the comparable sales properties with the subject property, highlighting the principal elements considered in arriving at the value indicated by the Sales Comparison Approach.

VI. FOR COMMONWEALTH EXPENDITURES OF \$20,000 OR LESS

For acquisitions with a total Commonwealth expenditure of \$20,000 or less, the EEA agency head may, at his or her discretion, obtain one certified restricted appraisal report, or use any of the following methods as an indication of the fair market value of the property:

Municipal Assessor's Valuation Data

The "Net Total Appraised Parcel Value" from the subject property's current tax year Property Record Card on file at the municipal assessor's office.

Realtor's Market Analysis

A contracted Realtor's Market Analysis.

Land Agent Analysis

A written report prepared by an Agency Land Agent or Land Protection Specialist, which includes a description of the subject property, an analysis of at least three comparable sales, and an estimate of the fair value of the property.

EXHIBIT 1

*COMMONWEALTH OF MASSACHUSETTS
OWNERS PROPERTY INSPECTION CERTIFICATE*

1. _____
Name of Supposed Owner(s) Telephone No. w/Area Code

Address

Town/City State Zip Code

2. Please check appropriate line:

___ I wish to accompany the appraiser on an inspection of my property.

___ I wish to have my representative accompany the appraiser(s) on an inspection of my property.
(Please fill in Item 3.)

___ I do not wish to accompany the appraiser(s) on an inspection of my property.

3. _____
Name of Authorized Representative Telephone No. w/Area Code

Address

Town/City State Zip Code

4. The following individuals and/or entities occupy the premises in accordance with an agreement as indicated (lease, life estate, etc.):

| | |
|--|--|
| a) _____ Name of Individual or Entity | b) _____ Name of Individual or Entity |
| _____ Occupied Premises | _____ Occupied Premises |
| _____ Type of Agreement | _____ Type of Agreement |

5. I certify that I have given the above-referenced tenants or occupants notice of the appraiser's inspection of the property.

6. I hereby authorize the appraiser to enter and inspect the property, after reasonable notice, for the purpose of preparing an appraisal.

Owner/Representative's Signature Date

*THANK YOU FOR YOUR COOPERATION
PLEASE RETURN THIS FORM IN THE ENVELOPE PROVIDED*

EXHIBIT 2

CERTIFICATION OF VALUE

OWNER:
FILE NO.:
ADDRESS/LOCATION OF PROPERTY:

I, _____ HEREBY CERTIFY THE FOLLOWING: THAT ON _____ I PERSONALLY MADE A FIELD INSPECTION OF THE PROPERTY HEREIN APPRAISED AND HAVE AFFORDED THE OWNER THE OPPORTUNITY TO ACCOMPANY ME ON THIS INSPECTION; THAT DURING _____ I PERSONALLY MADE A FIELD INSPECTION OF THE COMPARABLE SALES RELIED UPON IN MAKING SAID APPRAISAL;

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed herein are based is correct, subject to the limiting conditions therein set forth;

That I understand that such appraisal may be used in connection with acquisition of the subject property or rights associated therewith by the Commonwealth of Massachusetts;

That such appraisal has been made in conformity with appropriate state laws, regulations, policies, specifications and procedures;

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein;

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised;

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the agency of the Commonwealth of Massachusetts for whom this appraisal was undertaken, and I will not do so until so authorized by an appropriate representative thereof, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified in a court of law as to such findings; and

That, to the best of my knowledge and belief I certify that:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the most current *Uniform Standards of Professional Appraisal Practice* and *EEA Specifications for Analytical Appraisal Reports*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification, unless such parties are listed below.

THAT MY OPINION OF THE VALUE OF THE PROPERTY AFFECTED BY THE PROPOSED ACQUISITION OR TAKING, AS OF THE ____ DAY OF _____ WAS _____, AND THAT THE CONCLUSIONS SET FORTH IN THIS APPRAISAL ARE BASED UPON THE EXERCISE OF MY INDEPENDENT PROFESSIONAL JUDGMENT.

DATE _____

SIGNATURE _____