



Real Estate Valuations by GSA

Office of Real Property Utilization and Disposal

Presentation Objectives



- What Can GSA Provide?
- Is an Appraisal Necessary?
- Appraisal/Review Basics
- Scope of Work Basics
- GSA's Estimated Value Analysis
- Requesting an Appraisal
- Questions

What Can GSA Provide?



What valuation services does GSA offer?

- Appraisals
- Consultation services
 - Feasibility studies
 - Highest and best use analyses
 - Market analyses
 - Asset and utilization studies
- Leveraging national expertise and organizational consistency

Appraisal Definition



As Defined in USPAP

(Uniform Standards of Professional Appraisal Practice)

“an appraisal is the **act or process** of developing an **opinion of value**. The valuation process is a systematic procedure the appraiser follows to answer a client’s question about real property value.”

Is An Appraisal Necessary?



Why an appraisal?

- Acquisition
- Disposition
- Exchanges
- Leases
- Easements
- Agency-specific requirements

GSA Appraisals: Rules and Policies

Appraisal Thresholds



Disposal Action	Anticipated value threshold requiring an appraisal	Length of time an appraisal is valid
Competitive Sale	Property value \geq \$100,000 <u>CFR threshold:</u> Property value > \$300,000 regional director's concurrence required	Generally one year
Negotiated Sale	Appraisal required for all negotiated sales unless the cost of the appraisal exceeds the property's anticipated value	Appraisal effective date to signed OTP date < one year
Federal Transfer	\geq \$100,000 unless GSA is supporting a waiver from OMB	Generally one year
Public Benefit Conveyance	\geq \$100,000	Generally one year
Exchange	Appraisal required for all exchanges unless the cost of the appraisal exceeds the property's anticipated value	Generally one year
Lease	Term of the lease is not more than 5 years and the annual rent for any year is > \$100,000; or term is more than 5 years and the rent over the term of the lease is > \$100,000	Generally one year
Abrogation	Appraisal required for all abrogations unless the cost of the Appraisal exceeds the property's anticipated value	Generally one year
Relocation	Appraisal required for all relocations unless the cost of the appraisal exceeds the property's anticipated value	Generally one year
Other Disposal Actions	\geq \$100,000	Generally one year

Is A Review Necessary?



Why do I need an appraisal review?

- Most Federal agencies require appraisals to be reviewed by a qualified government review appraiser prior to acceptance.
- What is “Qualified”?
- Unique aspects of Federal real estate

Is A Review Necessary?



Why do I need an appraisal review?

- Government appraisals are required to conform to the *Uniform Standards of Professional Appraisal Practice* (USPAP) and many are required to conform to the *Uniform Appraisal Standards for Federal Land Acquisition* (UASFLA or “Yellow Book”). GSA review appraisers understand these requirements and can insure an appraisal meets these standards.

Is A Review Necessary?



Why do I need an appraisal review?

- The GSA reviewer will comment on the appraisal's creditability, completeness, accuracy, adequacy, relevance and reasonableness so you and your agency will have a better understanding of the reliability of the appraisal's value conclusion.

Purpose of an Appraisal



The purpose of an appraisal is to estimate a specific type or types of value for a specific real property interest at a point in time. A typical purpose statement would be:

The purpose of this appraisal is to estimate the Fair Market Value of the subject property's fee-simple interest on the effective date subject to easements of record.

Purpose of an Appraisal



Other examples are estimating value for:

- A specific use
- A specific property right (such as air rights, access/utility easements, water rights, minerals, etc.)
- A specific date

Appraisal Process



The General Appraisal Process

- Defining the appraisal problem
- Data collection and analysis
- Analysis of the subject's highest and best use
- Land value (as though unimproved)
- Development of the approaches to value
 - Cost Approach
 - Sales Comparison Approach
 - Income Capitalization Approach
- Reconciliation
- Final Opinion of Value

When will GSA conduct a Disposal Appraisal?



- ▶ If a property is reported and accepted as excess (under the Property Act), GSA will be responsible for the appraisal.
- ▶ GSA may provide appraisals to Federal agencies for other purposes. This is accomplished on a reimbursable basis using GSA's Reimbursable Work Authorization (RWA) form.



Contract Scope vs Appraisal Scope and Preparing a Contract Scope of Work (Basics)



Real Property, Real Solutions



Contract Scope of Work



Scope - a Contracting Term

- Contract specifications
- Performance work statement
- Statement of work
- Scope of work

Contract Scope of Work



The Scope of Work (SOW) is the area in an agreement where the work to be performed is described. The SOW should contain any milestones, reports, deliverables, and end products that are expected to be provided by the performing party.

Appraisal Scope of Work



USPAP Scope of Work - The type and extent of research and analyses in an appraisal or appraisal review assignment.
(USPAP - Definitions)

- or simply-

What needs to be done to produce a credible result

Appraisal Scope of Work



“Appraisers have broad flexibility and significant responsibility in determining the appropriate scope” (USPAP - Scope of Work Rule)

Appraisal Scope of Work



Appraisal SOW includes, but is not limited to:

- The extent to which the property is identified
- The extent to which the tangible property is inspected
- The type and extent of data researched
- The type and extent of analyses applied to arrive at opinions and conclusions

Contract Scope - Development



Process of Developing Scope- Follow the Appraisal Process

Step 1 Identification of the Problem						
Identify client and intended users	Identify the intended use	Identify the purpose of the assignment (type of value)	Identify the effective date of the opinion	Identify the relevant characteristics of the property	Assignment conditions Extraordinary Assumptions	Hypothetical Conditions

Estimated Value Analysis



- Not an appraisal
- Similar to a broker's price opinion
- Performed by realty specialists
- Non-complex properties
- Valuations for GSA use only
- A logical presentation of data to support a reasonable conclusion

Estimated Value Analysis



Appropriate Property Types

- Small vacant parcels
- Improved properties with standard buildings
- Low value properties for public sale

At the Zonal Director's discretion

Estimated Value Analysis



Examples of Data Sources

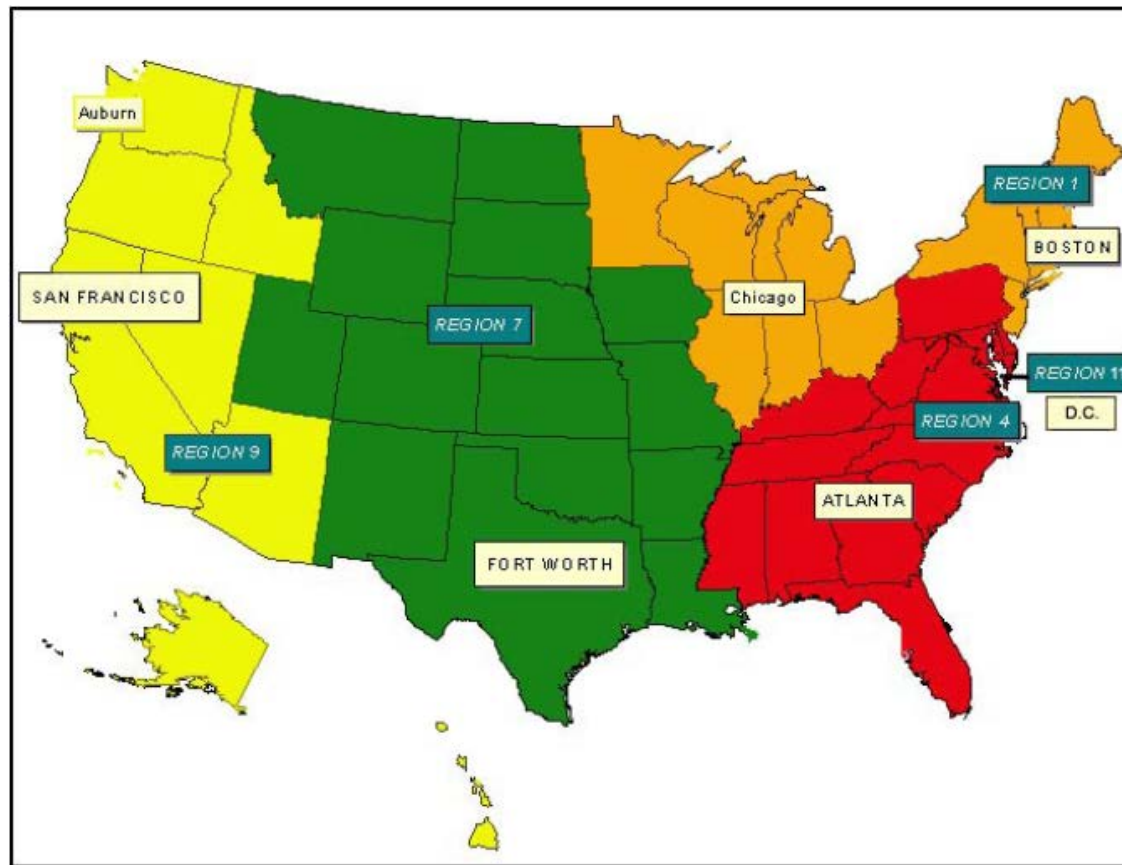
- Brokers
- Appraisers
- Tax Assessor – NOTE of CAUTION!
- County Clerk
- Local Planning Office
- Real Estate Publications
- On-Line Listing and Sales Data Sites
- Federal and State Agency Reports

Request an Appraisal



To request an appraisal from GSA, contact the Zonal Appraiser for the geographic area where your property is located (see the map on the following page):

Request an Appraisal



Request an Appraisal



Zonal Appraisers:

- Zone 1: David Kiernan
 - david.kiernan@gsa.gov; (617) 565-5078
- Zone 4: Stephen Remke
 - stephen.remke@gsa.gov; (404) 215-8762
- Zone 7: Craig Blair
 - craig.blair@gsa.gov; (817) 978-4275
- Zone 7: Linda Clemens
 - linda.clemens@gsa.gov; (817) 978-4242
- Zone 9: Tom Kitaguchi
 - tom.kitaguchi@gsa.gov; (415) 522-3423

Questions?

