



GSA APPRAISALS

Real Estate Valuations for Government Agencies

Office of Real Property Utilization and Disposal

February 1, 2018

Today's Question



How can GSA help
Federal Agencies with their
Real Estate Valuation
needs?

Presentation Objectives



- What Can GSA Provide?
- Is an Appraisal Necessary?
- Purpose of an Appraisal
- Appraisal Process
- Appraisal Results
- 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

Is An Appraisal Necessary?



Why do I need an appraisal?

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

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.

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 your 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 appraisal process generally followed is:

- 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, GSA will be responsible for the appraisal.
- ▶ GSA may also agree to provide approved appraisals to federal agencies for other than disposal purposes. This is accomplished on a reimbursable basis using GSA's Reimbursable Work Authorization (RWA) form.
- ▶ Federal agencies which “contract” with GSA for appraisals through an RWA **must** provide the GSA regional appraiser with any agency-specific appraisal 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

Appraisal Results



When you get the appraisal---READ IT.....

But read the review first!

It will:

- Summarize the main points of the appraisal
- Help you better understand the appraisal
- Give you an indication of the quality and reliability of the appraisal.

Appraisal Results



What questions does an appraisal answer?

- What's the property's value? (obviously)

But also.....

- What should we be doing with this asset? (see Highest and Best Use)
- Why not just tear it down? (see Land Value)
- How long will it take us to sell it? (see Exposure / Marketing Time)
- Other property concerns?

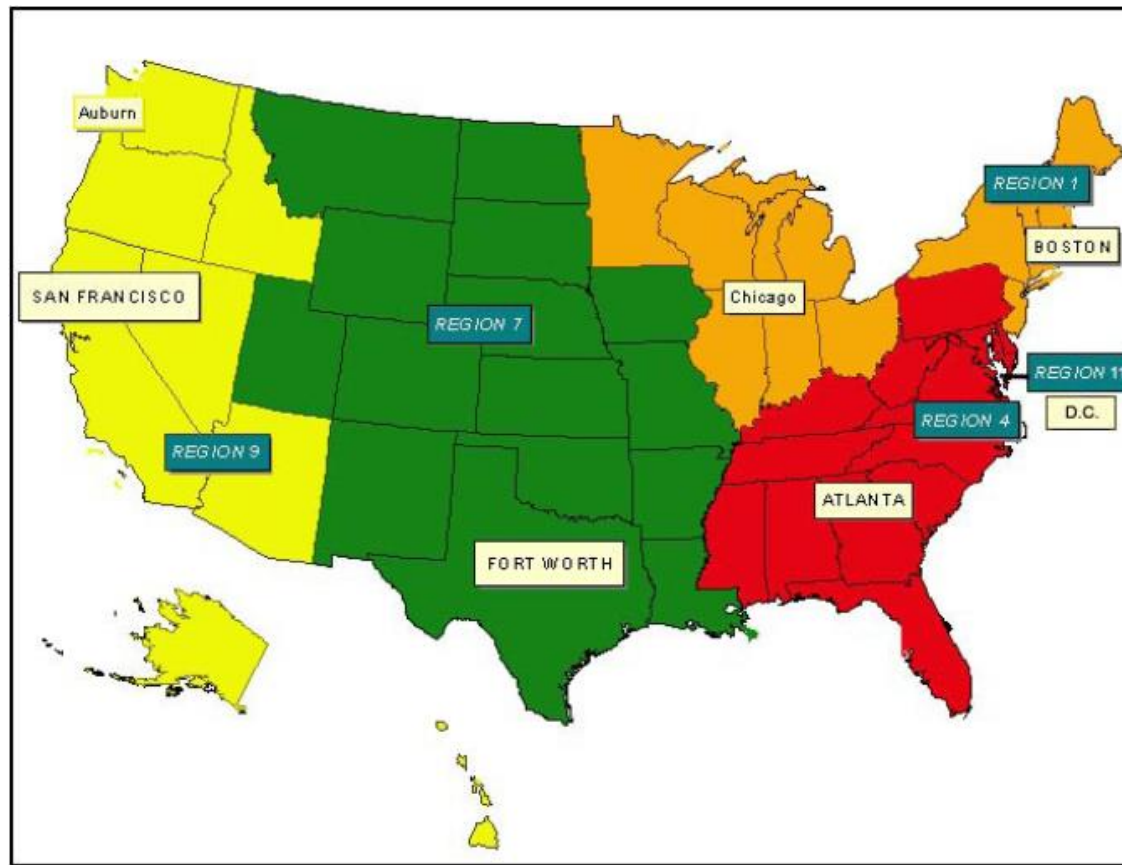
Discuss them with your GSA appraiser.

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?



Contact Information



Name	Email	Phone
John Dreswick	John.Dreswick@gsa.gov	<u>202-501-1179</u>
Lisa Tangney	Lisa.Tangney@gsa.gov	<u>312-886-9480</u>
Steve Remke	Stephen.Remke@gsa.gov	<u>404-215-8762</u>

- For project specific questions please contact John Dreswick

- Presentation slides will be posted to the GSA website at
<http://propertydisposal.gsa.gov/Training>