

SAMPLE
Scope of Work for Easement Appraisals

The following tasks will be expected from the APPRAISAL FIRM completing conservation easement appraisals for landowners conveying easements to (name of organization). While the Appraisal may be commissioned by the landowner for the purpose of establishing the conservation easement value, the primary intended client should be the county or town applicant for the project or a land trust that has been identified in a Memorandum of Understanding with the municipality. Such appraisals must meet the following standards and shall be reviewed and approved by both (name of organization) and New York State Department of Agriculture and Markets Staff.

1. Generally:
 - a. The Appraisal must be provided by a licensed New York State Appraiser Certified in General Real Estate. The Appraiser shall provide a Summary Appraisal Report that adheres to USPAP.
 - b. Update appraisals as requested by (name of organization) Staff.
 - c. Modify completed appraisal reports to reflect changes to project configurations as directed by (name of organization) Staff.
2. Meet with (name of organization) Staff or Consultants, as requested, to discuss the development of the appraisals and methodology to be used, with the goal of producing fair, consistent and clear appraisals for use in the program.
3. Details of specific tasks:
 - a. APPRAISALS
 - i. Based on a land plan and proposed deed of conservation easement supplied by (name of organization) Staff, and a site inspection, the APPRAISAL FIRM shall prepare and complete, at a minimum, a summary appraisal report. The report must be substantive, sensible and clearly present and adequately explain the estimated market value of the property before and after the imposition of the proposed conservation easement deed. The difference between these values will be the value of the conservation easement.
 - ii. The APPRAISAL FIRM shall adhere to the Uniform Appraisal Standards for Federal Land Acquisition if requested by the client and (name of organization).
 - iii. The APPRAISAL FIRM shall consider the total diminution of value to the

property caused by the conservation easement deed and shall not merely value the development rights being granted to the easement holder.

- iv. Buildings may be included in the before and after valuation, to allow for the consideration of any net effect on value as a result of the imposition of the conservation easement.
- v. The direct sales comparison approach¹ should be used to value the property in both the before and after condition. The cost and income approaches should be considered and may be utilized, if appropriate.
- vi. Other approaches may be used in the APPRAISAL FIRM'S discretion to determine the value of the conservation easement, but only if standard methodologies are not available or appropriate.
- vii. The following shall be included in the Summary Report which must be submitted in a spiral bound report, a 3-ring binder, or as a PDF²:
 1. state the identity of the client and any intended users by name or type,
 2. state the intended use of the appraisal,
 3. summarize information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment,
 4. state the real property interest appraised,
 5. state the type and definition of value and cite the source of the definition
 6. state the effective date of the appraisal and the date of the report
 7. summarize the scope of work used to develop the report,
 8. summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions and conclusions; exclusions of the sales comparison, cost approach, or income approach must be explained,
 9. state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal; and when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion,
 10. state all extraordinary and hypothetical assumptions, and state that their use may have affected the assignment results and
 11. include a signed certification.

¹ Where possible, the sales comparison approach in the "After" appraisal should incorporate land sales encumbered with agricultural conservation easements to serve as a direct comparison from market data.

² From USPAP Standards Rule 2-2.2008-2009. For the most current information on USPAP standards, visit: www.appraisalfoundation.org

Deliverables

The APPRAISAL FIRM shall provide (organization name) Staff with three (3) copies of each Complete Appraisal Report within (60) days of the site visit but no later than (90) days of receiving the request for such report by the landowner.