



Appraisal Waiver Valuation Questions and Answers

What is meant by “appraisal waiver valuation?”

The term appraisal waiver valuation means the valuation process used and the product produced when the acquiring agency determines that an appraisal is not required, pursuant to §24.102(c)(2).

Is the use of appraisal waiver valuation mandatory for the acquiring agency?

The use of an appraisal waiver valuation is an option for the acquiring agency. It is not mandatory.

What factors should be considered in determining if the appraisal waiver option is appropriate?

Those interested in using the appraisal waiver option should consider whether the option is permitted under state law. The acquisition(s) in question should be simple and uncomplicated. The estimated amount of just compensation should also be below the dollar threshold set forth in the State Department of Transportation’s right-of-way (ROW) manual.

What are the dollar thresholds for waiver valuations set forth in 49 CFR?

As set forth in §24.102(c)(2)(C), “the Federal Agency funding the project may approve exceeding the \$10,000 threshold, up to a maximum of \$25,000, if the Agency acquiring the real property offers the property owner the option of having the Agency appraise the property.”

More Information

For more information about functional replacement or other types of flexibilities in ROW, visit FHWA’s Every Day Counts website (www.fhwa.dot.gov/everydaycounts/projects/toolkit/row.cfm) or contact Virginia Tsu, FHWA Office of Real Estate Services, at (202) 366-2042 or virginia.tsu@dot.gov.

Is an appraisal waiver valuation subject to appraisal review?

No. The waiver valuation is not an appraisal and is not subject to an appraisal review; moreover, the waiver valuation is not subject to The Uniform Standards of Professional Appraisal Practice.

Should appraisers prepare waiver valuations?

No. One of the benefits of the appraisal waiver option is that it allows appraisers to focus on addressing more complicated valuation assignments. The person performing the appraisal waiver valuation must have sufficient understanding of the local real estate market to be qualified to make the waiver valuation.

Is there an obligation to have the property owner accompany the waiver valuation preparer during the property inspection?

No. The waiver valuation is not an appraisal as defined by the Uniform Act, and therefore there is no owner accompaniment requirement.