

Property Value

FEMA and the State require that the payment for the property be based on the “Pre-Flood Fair Market Value” of the property to be purchased under a “Voluntary Buyout Project”. Fair market value is an estimate of the amount of money that a property could sell for on the open market. The “Market Value” estimate used by the Appraisal District for tax purposes is not used in determining the “Current Fair Market Value”.

DEFINITION OF MARKET VALUE: The most probable price which 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, 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 from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;
- (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.

Here are the steps that will be taken to assess your property’s value:

1. The State’s authorized representative will order an appraisal of the property to be performed by a DEP Blue Acres Approved, State Certified Real Estate Appraiser. The appraiser will estimate the value of the property to include the land and all buildings and improvements located on the property.
2. The owner of the property will receive a call from the appraiser to schedule an appointment for the appraiser to visit the property.
3. The owner should be present at the time of the inspection and should provide information to the appraiser describing the condition of the property immediately prior to the flood(s).
4. The appraiser will prepare an appraisal report that meets State and FEMA requirements and will submit that report to the Case Manager for use in preparing a proposed Contract for Sale for the property.
5. The property owner will be given a copy of the appraisal.
6. The property owner may appeal the appraiser’s estimate of value by obtaining another appraisal. This must be done by a DEP Blue Acres Approved, State Certified Real Estate Appraiser at the property owner’s expense.
7. Because the appraisal process estimates the Pre-event fair market value of the house and land, any Post-event insurance or grants received for repairs to the damaged/destroyed structure will be deducted from the offer amount. Additional information regarding Duplication of Benefits can be found in Section 312 of the Stafford Act and is set forth in 44 CFR 206.191, or in FEMA’s Duplication of Benefits Guide 2013.

What Drives Value

Lot Size

Square footage of home

Number of bedrooms and baths

Age of home

Type and Quality of Construction

Condition of Home

Fireplace

Pool

Garage

Built-ins

Out-Buildings

Fences

Unusual landscaping

What Can I do to assist the appraiser?

Many of the key elements that influence a value estimate remain regardless of damage

- Lot Size, Square footage of home, number of bedrooms and baths

The key is to provide information for those items no longer there or not obvious

- Flooring type, age, and location
- Appliances type and age
- Bathroom and kitchen finishes and age
- Upgrades to the home beyond standard
- Major maintenance items in the past three to five years
 - Hot water heater replacement
 - Interior or exterior paint
 - Roof repair/replacement
 - Window replacement/upgrades

What documentation would be helpful to provide

- If gutted, pictures of the interior of the home
- Picture of the pre-damaged exterior of the home
- Plat map
- Tax Card – indication if tax card is not accurate, proof of difference and explanation

- Proof of recent maintenance/upgrades, if not visibly obvious
 - Receipts or photos

INFORMATION ABOUT OUR HOME

OWNER NAME: _____

ADDRESS: _____

HOW LONG HAVE I OWNED THE PROPERTY? WHEN WAS THE HOME BUILT?

ARE THERE ANY SPECIAL OR UNUSUAL EASEMENTS SUCH AS: PIPELINE, POWER LINES, DRAINAGE, ETC?

UTILITIES (PLEASE CIRCLE): PUBLIC WATER, PUBLIC SEWER, SEPTIC SYSTEM, WELL, NATURAL GAS.

HEAT WITH ELECTRIC OR GAS?

HOW OLD IS THE HEATING/AIR CONDITIONING SYSTEM?

HOW OLD IS THE HOT WATER HEATER?

HOW OLD IS THE ROOF COVER/SHINGLES?

AGE OF MAJOR APPLIANCES (NOTE REFRIGERATOR, WASHER AND DRYER ARE NOT CONSIDERED REAL PROPERTY).

NUMBER OF BEDROOMS (NOTE: BEDROOMS, ABOVE GRADE, WITH CLOSETS AND WINDOWS)

NUMBER OF BATHS

UNUSUAL UPGRADES – DESCRIBE:
