

## **Informal Glossary of Right-of-Way Appraisal Terms**

**All Right, Title and Interest (All R.T. & I.):** the acquisition of any interest in the existing highway right-of-way. The acquisition of All R.T. & I. may sometimes include a site improvement such as a stone wall, curb or unused well.

**Acquisition:** The property, land, buildings or property rights that the agency proposes to acquire either in fee or by easement, either permanent or temporary.

**Appraisal:** 1) The act or process of developing a value opinion. 2) A written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

**Appraisal Review:** The process of developing and communicating a credible opinion as to the quality of another appraiser's work.

**Appraiser:** One who is expected to perform valuation services competently and in a manner that is independent, impartial and objective.

**Clear Zone:** The total roadside border area, starting at the edge of the traveled way, available for safe use by errant vehicles. This area may consist of a shoulder, a recoverable slope, a non-recoverable slope, and/or a clear run-out area. The desired minimum width is dependent upon traffic volumes and speeds and on the roadside geometry. Simply stated, it is an unobstructed, relatively flat area beyond the edge of the traveled way that allows a driver to stop safely or regain control of a vehicle that leaves the traveled way. This may be inside or outside of the existing right of way.

**Comparables:** Properties used as comparisons to estimate the value of a specific property.

**Cost-To-Cure:** It is an amount included in the appraisal which cures, or alleviates, a problem which would otherwise result in a greater loss to a remaining property.

**Easement:** An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities.

**Effective Date:** The date at which the analysis, opinions and advice in an appraisal, review, or consulting service apply. 2) The date that establishes the context for the value opinion; the date of value.

**Existing Right of Way:** The present limits of a state or a municipally owned corridor, in fee or easement, used for transportation purposes. The right to use the property of another for the construction, operation and maintenance of a highway. Also commonly used in reference to a utility right of way where power line/telephone utilities have a right to place poles on land.

**Market Value:** The most probable price, as of a specified date, in cash or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller acting prudently, knowledgeable, and for self interest and assuming that neither is under duress.

**Fee Simple Interest:** 1) The highest real estate ownership interest. 2) Absolute ownership, unencumbered by any other interest or estate.

**Highest and Best Use:** The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

**Just Compensation:** The amount of money an owner is due in exchange for the government's acquisition of his/her real property that places a property owner in the same position as before the property is acquired. It is usually the market value of the property acquired.

**Parcel:** Each ownership affected by a project is assigned and shown with a numerical number and referred to as a parcel. For project purposes the proposed acquisition of land and/or rights from a single ownership is referred as a parcel.

**Partial Acquisition:** The acquisition of a portion of an ownership, such as a strip of land, leaving a remainder.

**Permanent Easement:** An easement conveyed in perpetuity. This easement lasts forever and runs with the land. A permanent easement on the "Right-of-Way Detail Sheet" is depicted as (P).

**Project:** A planned improvement to a section of a state or municipal highway. It is usually represented on plan sheets and has definite bounds.

**Real Estate:** An identified parcel or tract of land, including improvements, if any.

**Real Property:** The interests, benefits and rights inherent in the ownership of real estate.

**Remainder:** The portion of a parcel that is retained by the owner after a partial acquisition.

**Restricted Use Appraisal Report:** These reports are used when the valuation problem is uncomplicated and the market value of the acquisition is \$10,000 or less. This report contains a brief statement of information sufficient for the solution of the appraisal problem and is for client use only. The "client" is the Vermont Agency of Transportation. The appraiser's opinions and conclusions set forth in the report cannot be understood properly without additional information in the appraiser's work file.

**Severance Damages:** A loss in value to the remaining property as a result of the acquisition. This is an amount which is in addition to the value of the acquisition as part of the entire property before the acquisition.

**Summary Appraisal Report:** These reports are used when a complicated valuation problem is involved or the market value of the acquisition is more than \$10,000. This report may be used for a total acquisition or a partial acquisition. In the process of developing an opinion of value for a partial acquisition, the appraiser will develop an opinion of value in the “before” situation (prior to the acquisition) and an opinion of value in the “after” situation (considering the effects of the acquisition). The difference in the “before” and “after” value becomes the opinion of value of the partial acquisition.

**Temporary Easement:** An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner. A temporary easement on the “Right-of-Way Detail Sheet” is depicted as (T).

**Sources:**

- The Uniform Act, Section 101(13), and Title 49 of the Code of Federal Regulations, Part 24.
- Vermont Agency of Transportation Right-Of-Way Manual, approved by the Federal Highway Administration in 2006.
- Uniform Standards of Professional Practice (USPAP), 2008-2009 Edition
- The Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition, by the Appraisal Institute, 2002, various pages.