

This Mass Appraisal Report Outline was developed by IAAO.

Mass Appraisal Report Outline

- I. Note to user: Items contained in this section should be boiler plate and not subject to change except when the underlying definitions, such as those contained in statutes change. Standard 6-8 refers to the items listed below. Also, Advisory Opinion 32 refers to ad valorem property tax appraisal and mass appraisal assignments.
- A. Identify client and intended users
The information necessary to make this determination is contained in USPAP Statement 9. Due to the fact that the mass appraisal assignment may be spelled out in statutory or other legislative requirements, the appraiser should be aware of the discussions and conclusions contained in Statement 9. (e.g., Statement 9 concludes the appraiser must have communication with the client prior to accepting the assignment, and that the intended use and intended users are to be determined prior to acceptance of the assignment.)
- B. State the intended use
Mass appraisals are generally used for ad valorem property tax purposes, but may be used for other purposes. Ad valorem applications might include a statement such as "Use of this appraisal and its conclusions is limited to the administration of property taxes according to the governing laws of this jurisdiction."
- C. State the effective date of the appraisal
- D. State the date of the report
The effective date of the appraisal establishes the context for the value opinion, while the date of the report indicates whether the perspective of the appraiser on the market and property as of the effective date of appraisal was prospective, current, or retrospective.

Statement 3 should be consulted concerning this issue as ad valorem mass appraisals are generally retrospective value opinions.
- E. State the type and definition of value and cite the source
For ad valorem mass appraisal assignments, the definition of value is often defined and found in statute or case law.
- F. Disclose all assumptions, limiting conditions and jurisdictional exceptions including any that result in deviation from recognized methods and techniques or that affect analyses, opinions and conclusions.

For illustration, the following might commonly be found in a mass appraisal report for ad valorem property tax purposes:
- 1) *The properties were assumed to be free of any and all liens and encumbrances. Each property has also been appraised as though under responsible ownership and competent management.*
 - 2) *Surveys of the assessed properties have not been provided. We have relied upon tax maps and other materials in the course of estimating physical dimensions and the acreage associated with assessed properties.*
 - 3) *We assume the utilization of the land and any improvements is located within the boundaries of the property described. It is assumed that there are no adverse easements or encroachments for any parcel that have not already been addressed in the mass appraisal.*
 - 4) *In the preparation of the mass appraisal interior inspections have/have not been made of the parcels of property included in this report. All inspections are made from the exterior only. It is assumed that the condition of the interior of each property is similar to its exterior condition, unless the assessor has received additional information from qualified sources giving more specific detail to the interior condition.*

- 5) *Property inspection dates will have ranged in time from both before and after the appraisal date. It is assumed that there has been no material change in condition from the latest property inspection, unless otherwise noted on individual property records retained in the assessor's office.*
- 6) *We assume that there are no hidden or unapparent conditions associated with the properties, subsoil, or structures, which would render the properties (land and/or improvements) more or less valuable.*
- 7) *It is assumed that the properties and/or the landowners are in full compliance with all applicable federal, state, and local environmental regulations and laws.*
- 8) *It is assumed that all applicable zoning and use regulations have been complied with.*
- 9) *It is assumed that all required licenses, certificates of occupancy, consents, or other instruments of legislative or administrative authority from any private, local, state, or national government entity have been obtained for any use on which the value opinions contained within this report are based.*
- 10) *We have not been provided a hazardous condition's report, nor are we qualified to detect hazardous materials. Therefore, evidence of hazardous materials, which may or may not be present on a property, was not observed. As a result, the final opinion of value is predicated upon the assumption that there is no such material on any of the properties that might result in a loss, or change in value.*
- 11) *Information, estimates and opinions furnished to the appraisers and incorporated into the analysis and final report was obtained from sources assumed to be reliable and a reasonable effort has been made to verify such information. However, no warranty is given for the reliability of this information.*
- 12) *The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made compliance surveys nor conducted a specific analysis of any property to determine if it conforms to the various detailed requirements identified in the ADA. It is possible that such a survey might identify non-conformity with one or more ADA requirements, which could lead to a negative impact on the value of the property(s). Because such a survey has not been requested and is beyond the scope of this appraisal assignment, we did not take into consideration adherence or non-adherence to ADA in the valuation of the properties addressed in this report.*
- 13) *Possession of this report does not carry with it the right of reproduction, and disclosure of this report is governed by the rules and regulations of the _____, and is subject to jurisdictional exception and the laws of _____.*

G. Disclose all extraordinary assumptions and/or hypothetical conditions.

H. Identify the property rights appraised.

Comment: *When the property rights to be appraised are specified in a statute or court ruling, the law must be referenced.*

Due to uniformity, most jurisdictions utilize fee simple, however need to check legal obligations through statutes, rules, regulations, etc....

II. This is the body of the report that will change with each mass appraisal.

- A. Describe the appraisal assignment dictated either by statutes or local practice. Describe the scope of work used to develop the appraisal; exclusion of the sales comparison approach, cost approach, or income approach must be explained.

Comment: *Because intended users' reliance on an appraisal may be affected by the scope of the work, the report must enable them to be properly informed and not misled. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.*

When any portion of the work involves significant mass appraisal assistance, the appraiser must describe the extent of that assistance. The signing appraiser must also state the name(s) of those providing the significant mass appraisal assistance in the certification, in accordance with Standards Rule 6-9.

The scope of work can be contained throughout the document and, therefore, does not require its own section. Its specificity should meet peer and client expectations.

Advisory Opinion 28 and 29 provide further discussion and guidance for an acceptable scope of work. The disclosure requirements apply to scope of work performed rather than the scope of work initially planned.

- B. Identify the properties to be appraised
This identification may include political boundaries, topography, classification, number and type of properties.
- C. When an opinion of highest and best use was developed, discuss how that opinion was determined;

Comment: *The mass appraisal report must reference case law, statute, or public policy that describes highest and best use requirements. When actual use is the requirement, the report must discuss how use-value opinions were developed. The appraiser's reasoning in support of the highest and best use opinion must be provided in the depth and detail required by its significance to the appraisal.*

If not addressed in case law or statute, the four tests should be applied for an appropriate analysis:

- 1) Physically possible*
- 2) Legally permissible*
- 3) Financially feasible*
- 4) Maximally productive*

- D. Results of preliminary testing
Ratio studies including performance measures should be used to support the mass appraisal decision.
- E. Describe and justify the model specification considered, data requirements, and model(s) chosen.

Land Valuation

Model Specification

Describe which of the following approaches were utilized and why

Abstraction

Sales comparison

Allocation

Capitalization of ground rent

Land residual

Data Requirements:

Number of total sales and percentage of sales used

Sale date range

Data Collection Procedures:

What we have done is:

The characteristics that we can rely upon are:

The characteristics that may present data inaccuracy are:

Model Calibration [Describe calibration methods considered and chosen, the mathematical form of the final model]

Ratio study
Review of model coefficients
Review of model estimates
Individual value estimates

Model Validation

[Describe the appraisal performance tests used and the performance measures attained such as ratio studies, measures of central tendency, appraisal level and appraisal bias.]

Cost Approach

Model Specification

Describe the source of cost model

Data Requirements:

Data Collection Procedures:

What we have done is:

The characteristics that we can rely upon are:

The characteristics that may present data inaccuracy are:

Model Calibration

[Describe calibration methods considered and chosen, the mathematical form of the final model]

Ratio study

Review of model coefficients

Review of Model Estimates

Individual Value Estimates

Model Validation

[Describe the appraisal performance tests used and the performance measures attained such as ratio studies, measures of central tendency, appraisal level and appraisal bias.]

Sales Comparison Approach

Model Specification

Data Requirements:

Data Collection Procedures:

What we have done is:

The characteristics that we can rely upon are:

The characteristics that may present data inaccuracy are:

Model Calibration

[Describe calibration methods considered and chosen, the mathematical form of the final model]

Ratio study

Review of model coefficients

Review of model estimates

Individual value estimates

Model Validation

[Describe the appraisal performance tests used and the performance measures attained such as ratio studies, measures of central tendency, appraisal level and appraisal bias.]

Income Approach

Model Specification

Describe which of following models were used and why:

Direct capitalization

GIM

GRM

Yield capitalization

Data Requirements:

Data Collection Procedures:

What we have done is:

The characteristics that we can rely upon are:

The characteristics that may present data inaccuracy are:

Model Calibration

[Describe calibration methods considered and chosen, the mathematical form of the final model]

- Ratio study
- Review of model coefficients
- Review of model estimates
- Individual value estimates

Model Validation

[Describe the appraisal performance tests used and the performance measures attained such as ratio studies, measures of central tendency, appraisal level and appraisal bias.]

Comment: The appraiser must provide sufficient information to enable the client and intended users to have confidence that the process and procedures used conform to accepted methods and result in credible value conclusions. In the case of mass appraisal for ad valorem taxation, stability and accuracy are important to the creditability of value opinions. The report must include a discussion of the rationale for each model, the calibration techniques to be used, and the performance measures to be used.

- F. Final testing – similar to the preliminary only final
- G. Describe the reconciliation performed, in accordance with Standards Rule 6-7.

***The reconciliation should clearly summarize the quantity and quality of data, the applicability and relevance of the approaches considered, and the methods and techniques employed to ensure accuracy (including recognized testing procedures).
“Considering the quantity and quality of data and the reliability of the various models as shown in the performance tests above, we have concluded that the _____ approach is the best estimate of market value.”***

- H. Public disclosure
Disclosure to the taxpaying public of values of individual properties should be administered through normal jurisdictional processes. The value in this report may change as a result of processes following that disclosure.
- I. Include a signed certification in accordance with Standards Rule 6-9;

I certify that, to the best of my knowledge and belief:

- ___ the statements of fact contained in this report are true and correct.***
- ___ the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professionally analyses, opinions, and conclusions.***
- ___ I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved.***
- ___ I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.***
- ___ Any services regarding the subject performed by the appraiser within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity is identified in the body of the report.***
- ___ my engagement in this assignment was not contingent upon developing or reporting predetermined results.***

- *my compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
- *I have (or have not) made a personal inspection of the properties that are the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)*
- *no one provided significant mass appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant mass appraisal assistance must be stated.)*

Comment: *The above certification is not intended to disturb an elected or appointed assessor's work plans or oaths of office. A signed certification is an integral part of the appraisal report. An appraiser, who signs any part of the mass appraisal report, including a letter of transmittal, must also sign the certification.*

See Standards Rule 6-9 for more discussion on this topic.

_____ **County Assessor**

Mass Appraisal Report

20__ Mass Appraisal of _____ for 20__
Property Taxes

Model Mass Appraisal Report Form

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Model Mass Appraisal Report Form

Client and Intended Users:

This report is prepared for _____ . Other intended users include _____ , No one else may rely on this report for any purpose.

Intended Use:

Use of this appraisal and its conclusions is limited to the administration of property taxes according to the governing laws of this jurisdiction.

Effective Date of the Appraisal: _____

Date of Report: _____

Type and Definition of Value:

Assumptions, Limiting Conditions and Jurisdictional Exceptions:

Extraordinary Assumptions and/or Hypothetical Conditions:

Property Rights Appraised:

Scope of Work:

{Describe the appraisal assignment dictated either by statutes or local practice. Describe the scope of work used to develop the appraisal; exclusion of the sales comparison approach, cost approach, or income approach must be explained.

There's no requirement for the scope of work description to be in a particular or separate section of the report.}

Identification of Properties:

Highest and Best Use:

Preliminary Testing Results:

Land Valuation:

Model Specification:

Model Calibration:

Model Validation:

Improved Property Valuation:

Cost Approach

Model Specification

Model Calibration

Model Validation

Sales Comparison Approach

Model Specification

Model Calibration

Model Validation

Income Approach

Model Specification

Model Calibration

Model Validation

Final Testing:

Reconciliation:

Final value determinations were based on a careful analysis of the quantity and quality of data available to each estimation approach as well as validation through the performance statistics produced at the conclusion of each of the approaches used and the final testing validation.

Public Disclosure:

Certification

I certify that, to the best of my knowledge and belief:

- *the statements of fact contained in this report are true and correct.*
- *the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professionally analyses, opinions, and conclusions.*
- *I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest with respect to*
- *Any services regarding the subject performed by the appraiser within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity is identified in the body of the report.*
- *I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.*
- *my engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *my compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
- *I have (or have not) made a personal inspection of the properties that are the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)*
- *no one provided significant mass appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant mass appraisal assistance are shown below.)*

Signature: _____ Date: _____

Individuals providing significant mass appraisal assistance and work performed:
