

DEFINITION OF TERMS
(Contract For Appraisal Report)

INSTRUCTIONS. Definitions applicable to this contract for appraisal report are checked below:

1. HIGHEST AND BEST USE. The most profitable likely use, within the realm of reasonable probability, to which real and related personal property can be put or adapted, and for which there is a current market.
2. FAIR MARKET VALUE (MARKET VALUE). The highest price estimated in terms of money which the property will bring if exposed sale for in the open market by a seller who is willing but not obligated to sell, allowing a reasonable time to find a buyer who is willing but not obligated to buy, both parties having a knowledge of all the uses to which it is adapted and for which it is capable of being used.
3. FAIR MARKET VALUE FOR LEASING PURPOSES (FMVLP). The fair market value of a whole or part of a property to be leased by the Government, whether general purpose property or special purpose property or a combination of thereof. This heading applies to a property specially constructed or remodeled for lease to the Government.
4. SPECIAL USE VALUE. The marketable measure of the value to a known user of a specialized type property to provide usefulness, service, or profitableness above the value of the property if vacant. (Examples: This value could apply to a lessee in possession, an adjacent property holder; or a public body.)
5. SALVAGE VALUE. The price expectable for the whole improvement (for example, a building), or part of the whole improvement (for example, a plumbing fixture), for removal from the premises for use elsewhere.
6. SCRAP VALUE. The price expectable for a part of a property for sale and removal from the premises for the reclamation of the value of the basic material itself (for example, copper), and not for use as originally intended.
7. INSURABLE VALUE. The reproduction cost of insurable items (construction above ground) of all buildings and appurtenances, less accrued physical depreciation.
8. SEVERANCE DAMAGE. Loss in value to the remaining property as a result of the taking of a part of the whole property; the diminution of the market value of the remainder area as a result of the severance of the part taken.
9. JUST COMPENSATION. In condemnation, the dollar amount to which the owner is entitled for the taking of private property, as of the date of taking, to make him whole. Usually it is based on Fair Market Value plus additional awards for certain legally allowable types of damages. In partial takings it is generally measured by the difference between the Fair Market Value of the property as a whole, immediately before and unaffected by the taking, and the Fair Market Value of the remainder immediately after and as affected by the taking.
10. FAIR ANNUAL RENTAL. Annual monetary amount reasonably expectable for the rights to the agreed use of real and related personal property as established by competition in the rental market. If market information is unavailable, it is that annual amount which will amortize the value of the remaining capital investment, plus a fair rate of interest return during the remaining useful life of the rental property.
 - a. SERVICED. The same as defined above including all services as specified under the terms of the lease.
 - b. UNSERVICED. The same as above exclusive of the cost of operating services such as heat, light, cleaning, etc.