

**Sample Scope of Work:  
Areawide Market Analysis for the  
Wetlands Reserve Program (WRP)**

**1. SCOPE**

A qualified independent real estate professional must complete an areawide market analysis or survey (market analysis) for the Natural Resources Conservation Service (NRCS). For this market analysis, a qualified professional means any of the following:

- a. A State-certified general real property appraiser (meeting the qualifications in section B of the appraisal specifications for the Wetlands Reserve Program).
- b. A college-level professor or researcher of agricultural economics or similar discipline who has specialized expertise in agricultural and rural land values in the area encompassed by the market analysis.
- c. An individual employed by a national, State, or local agricultural or rural land statistics service whose job responsibilities require expertise and familiarity with agricultural and rural land values in the area encompassed by the market analysis.
- d. An individual with knowledge, expertise, and familiarity with agricultural and rural land values in the area encompassed by the market analysis.

The independent real estate professional must have at least 5 years experience and be knowledgeable about the dynamics of land sales in the specific area of the market analysis in order to make required judgments based upon available data. The work consists of performing all computations and descriptions required by this specification.

**2. QUALITY OF WORK**

The market analysis must be clear, accurate, and complete and must meet NRCS's intent to determine the fair market value of land.

The professional must select comparable properties, adjust value for property differences, and conduct a current analysis of the competitive market.

**3. SELECT COMPARABLE PROPERTIES**

In selecting comparable properties—

- a. Choose comparable sales from the entire area being analyzed.
- b. Do not include sales far above or far below the average, as any divergence likely has valid reasons.
- c. Justify comparable sales not used.
- d. Use comparable sales that are reasonably current, based on sales activity in the market area being analyzed.
- e. Use similar property types as much as possible.
- f. Ensure comparable sales are in fact arm's length transactions.

**4. ADJUST VALUE FOR PROPERTY DIFFERENCES**

When comparing similar properties, there are always differences. Adjust comparable properties for differences:

- a. Add or subtract value for differences in size.
- b. Add or subtract value for feature differences, such as soil quality, water supply, etc.
- c. Add or subtract value for location differences, including access.

Look at financing differences that could have influenced sale price. Seller financing can sometimes result in a higher price paid for a property than its true value.

#### 5. CONDUCT A CURRENT ANALYSIS OF THE COMPETITIVE MARKET

- a. Sold Listings.—Sold listings represent actual comparable sales. Sales data should be within the last 12 months.
- b. Active Listings.—Active listings are properties currently for sale. These listings matter only to the extent that they indicate the competition for buyers. They are not indicative of market value. Sellers can ask any price they want for their property, it does not mean the prices are realistic.
- c. Pending Listings.—Pending listings are formerly active listings now under contract but not yet closed. Pending sales indicate the direction the market is moving.
- d. Off-Market/Withdrawn/Cancelled/Expired.—These properties were taken off the market for a variety of reasons. The median price is almost always higher than the median price of comparable sales.

#### 6. MARKET AREA

The market area to be considered will be specified by NRCS and provided to the qualified, independent professional.

#### 7. OTHER CONSIDERATIONS

- a. Land Use, Land Quality, Soils and Topography.—The land uses and land types to be considered must be comparable to land typically enrolled in NRCS easement programs, such as the Wetlands Reserve Program (WRP) and the Emergency Watershed Program (EWP). **These are predominately level, low-lying areas of cropland** but may also include areas of pastureland and woodland. A map of potentially eligible WRP areas (based upon soil drainage class, flooding, or both) is provided.
- b. Improvements.—Do not include the value of improvements, such as homes, sheds, fences, barns, etc.
- c. Levee Protection.—Where significant, separate values must be developed for land behind Federal protection levees.
- d. Existing Easements.—Do not use sales data from lands under existing easements as comparable sales.
- e. Development Pressure.
- f. Highest and Best Use.

#### 8. PRESENTATION OF ANALYSIS

The report must be presented in a neat, easy-to-read format, free of grammatical and clerical mistakes. The supporting documentation must be presented with sufficient narrative so that the analysis can be reviewed and critiqued. At a minimum, **one representative value for agricultural land and one representative value for nonagricultural land or woodland must be provided** for each of the specified market areas.

#### 9. DELIVERABLES

The final report and supporting documentation are the deliverables for this assignment.

#### 10. CONFLICT OF INTEREST

An independent, qualified professional will not analyze a property for a spouse, child, partner, or business associate or have a financial interest in the property to be covered by the proposed easement.

#### 11. NONDISCLOSURE

Work performance required by this scope of work will involve access to potentially sensitive information about governmental and landowner issues. All contractor personnel must comply with the terms of AGAR 452.224-70, "Confidentiality of Information," as well as provisions of the Privacy Act of 1974 (5 U.S.C Section 552a). Additionally, the contractor's employees must comply with privacy of personal information relating to Natural Resources Conservation Service programs in accordance with section 1244, title II of the Farm Security and Rural Investment Act of 2002 (Public Law 1078-171).

#### 12. CIVIL RIGHTS AND PROGRAM DELIVERY

The contractor must ensure that its personnel prohibit discrimination in all aspects of programs and activities related to the contract on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status.