

Properties having a HUD concurred-in acquisition price or approved valuation of more than \$100,000 have also been excepted from the requirement because the determination of the proper valuation and compensation at such value levels is likely to require negotiation to reach a fully objective determination of value.

Other exceptions have been made, as noted, where the policy would be inappropriate or unnecessary.

NEGOTIATING PRACTICE

The negotiations with an owner of property, which the local agency would acquire by condemnation if an agreement with the owner as to the purchase price cannot be reached through negotiation, shall be started as soon as feasible after the required appraisals of the property have been completed and the price determined to represent the fair compensation for the property has been concurred in by the HUD Regional Office.

In every case for which the prescribed negotiating policy is applicable, the owner shall be offered initially the full measure of compensation authorized by the HUD price concurrence. In making the initial offer, the local agency or its real estate representative shall explain to the owner in a personal interview, if feasible, the policy of offering owners initially, and without any bargaining, the full price determined on the basis of competent appraisal to be the fair compensation for the property. Before, or preferably during, the first interview, each owner shall be furnished a written statement of the amount and the terms and conditions of the offer and an explanation of the steps the local agency will take if the owner elects to reject the local agency's offer. Merely sending a letter to an owner-occupant or a nonoccupant owner residing in the same locality is not enough. Effective personal negotiations are as necessary, if not more essential, under a full-fair-offer procedure, as when using the conventional trading method of negotiation.

The local agency's real estate representatives and staff members who will have dealings with property owners must be able to explain the local agency's acquisition policies and practices, including the full-fair-offer policy, and be able to assure owners that the local agency's policy is to protect the interests of the owners as well as the public interest. The real estate representative who negotiates with an owner must understand thoroughly the steps taken and the method used to determine the price offered to the owner, and he must be able to explain the process convincingly to the owner. His approach to the owner must never be an arbitrary one. But he must make it clear to the owner, on the other hand, that the offer is the full amount determined by the local agency, and concurred in by HUD, to be the compensation that the owner is entitled to receive for his property and that the offer will not be changed unless evidence that the offered price is not sound is furnished by the owner or otherwise found by the local agency to exist.

The policy must never be regarded or explained by negotiators, or anyone else, as requiring or establishing an inflexible one-price system. Because the objective is the payment of fair and proper compensation, price adjustments can be made, and they should be proposed by the local agency whenever needed to correct a previously concurred-in acquisition price for a property. If an error of appraisal or other justification for revising a concurred-in acquisition price is discovered, the local agency shall submit a request for a revision to the HUD Regional Office, with appropriate explanation and justification.

OBJECTIVES OF REAL ESTATE ACQUISITION POLICY

The principal objective of the Department's policies on real estate acquisition has been, and will continue to be, to make HUD-assisted land acquisition programs models of fairness and efficiency. The adoption, on a national scale for all HUD-assisted programs, of a uniform practice of offering each owner the full amount of the HUD concurred-in acquisition price at the outset of negotiations is believed to be an important further step toward full realization of the goals of fairness and efficiency, not only for HUD, but also for all local agencies participating in HUD programs.