SET IT AT ZERO

ESTABLISHING YOUR DEFAULT BEFORE YOU START

BY

Delaware Department of Transportation
3 ROADHOUSE RULES

• 1) NEVER UNDERESTIMATE YOUR OPPONENT
   EXPECT THE UNEXPECTED
   • THE CLIENT DOESN’T WANT TO SELL/MOVE

• 2) TAKE IT OUTSIDE
   • MEET THE CLIENT WHERE/WHEN THEY WANT

• 3) BE NICE (UNTIL IT’S TIME NOT TO BE NICE)
   • WORK THE PROBLEM PROFESSIONALLY BUT REMEMBER
     THE JOB IS TO CLEAR THE RIGHT OF WAY
SIMPLEST SOLUTION IS THE BEST

• CASES GET MORE COMPLEX AS TIME GOES ON
• NEW INFORMATION IS DEALT WITH PIECEMEAL
• OWNER/OCCUPANTS ARE MOTIVATED TO MAXIMIZE THEIR RETURN, NOT YOURS
• KEEP CONTROL OF THE SITUATION
• IT’S BUSINESS NOT PERSONAL
A LITTLE BACKGROUND

- ENTIRE TAKE OF A SINGLE FAMILY HOME ON 10 ACRES
- 1 OWNER/OCCUPANT, ZONED S (SUBURBAN)
- ACCESS: 16.5 WIDE 1,335 FOOT LONG EASEMENT
- OLDER, VERY FRIENDLY AND SOFT SPOKEN GENTLEMAN
THE PROPERTY
LARGE SINGLE FAMILY HOME
3 BEDROOMS, 3 FULL BATHS 4,025 SF HOUSE
AVERAGE CONDITION
SOME FUNCTIONAL OBSOLESCENCE
QUESTIONS ARISE ACQUISITION

- OWNER BUYS PROPERTY 1981
- 2008 OWNER PREPARES SITE PLAN FOR DEVELOPMENT
- 2010 OWNER REQUESTS EARLY ACQUISITION
- OWNER STATES THERE IS AN “ALTERNATE” ACCESS
- 2⁰ND APPRAISAL 2014
- VALUE NOT ACCEPTABLE TO OWNER
PROPOSED DEVELOPMENT
THE START OF PROBLEMS

• REVERSE MORTGAGE, REALLY UNDERWATER
• OWNER FEELS RIPPED OFF
• BLAMES STATE FOR DENYING DEVELOPMENT
• OWNER HAS NO APPRAISAL PREPARED
QUESTIONS ARISE RELOCATION
• MOST MAIL GOES TO ANOTHER ADDRESS
• OWNER ALWAYS MEETS OUTSIDE
• RELATIVE ALWAYS ANSWERS THE DOOR
• “SWEARS” HE OCCUPIES THE PROPERTY
• DELDOT HAS SERIOUS CONCERNS, BUT NO “PROOF” HE IS NOT AN OCCUPANT
PREDICTABLE RESULTS

• MANY OPTIONS DUE TO REVERSE MORTGAGE AND RELOCATION
• SIGNIFICANT SETTLEMENT OFFER
• CONTINUED LENGTHY NEGOTIATIONS
• DEMAND IN EXCESS OF 4X FMV
• RELOCATION NO LONGER DISCUSSED
WHERE THE WHEELS CAME OFF
RULE #1
NEVER UNDERESTIMATE YOUR OPPONENT

• ENTIRE TAKE.
  • EASIEST VALUE GOING

• SINGLE FAMILY DWELLING OWNER/OCCUPANT
  • MOST COMMON RELOCATION AKA EASIEST

• VERY ACCOMMODATING
  • “HE SEEMS REALLY NICE”

• SEEMINGLY OPEN AND FORTHCOMING
  • SHARES EVERYTHING

• TELLS A LONG TALE OF WOE
  • DOT HAS TREATED HIM BAD
RULE #2  TAKE IT OUTSIDE
• REALLY SHOULD BE TAKE IT INSIDE
  • ALL APPEARANCES WERE HE DIDN’T LIVE THERE
    • WHY DOES HE NEVER GO INTO THE HOUSE?
• VERY EVASIVE WHEN TRY TO PIN DOWN
  • NEVER THE SAME REASON FOR NOT GOING IN THE HOUSE
• PUSHED RELOCATION AT THE START
• THEN HASN’T MENTIONED IT IN 4 YEARS
  • ONCE RELOCATION BENEFITS WERE IDENTIFIED END OF STORY
• NEVER HELPED IN THE RELOCATION PROCESS
  • DIDN’T LOOK FOR REPLACEMENT PROPERTY AT ALL
RULE #3  BE NICE....UNTIL

• FOLLOWED THE FIRST PART
  • AGENTS INVARIAFLY NICE, TOO NICE
• NEVER GOT TO THE “UNTIL”
  • DIDN’T RAISE THE ISSUE UP THE ORG. CHART
• STAFF TRIED TO PLACATE OWNER
  • OWNER NEVER BUDGED FROM HIS POSITION
• OWNER REFUSED TO NEGOTIATE
  • NEVER WAIVERED FROM HIS INITIAL POINT
• STATE AVOIDED TAKING A STRONG POSITION
  • OWNER WAS NEVER “TOLD” A FIRM POINT
PUTTING ON THE SWAYZ
SET IT AT ZERO
DEFAULT BEFORE WE STARTED

➢ BEFORE WE MET

• RESEARCH POSSIBLE SUBDIVISIONS FIRST
• DO A DETAILED RELOCATION STUDY UP FRONT
• REVIEW PUBLIC HEARING NOTES AND DISCUSSIONS
• REVIEW OLD DESIGNS
• DISCUSS IN DETAIL THE APPRAISAL WITH REVIEW
• EXPECT THE UNEXPECTED
SET IT AT ZERO
DEFAULT BEFORE WE STARTED

➢ AFTER WE MET

• REVERSE MORTGAGE? STOP EVERYTHING
• HAVE POSSIBLE ISSUES RESEARCHED (ACCESS ETC.)
• ASK FOR ADDITIONAL PROOF OF OCCUPANCY
• DISCUSS WITH SUPERVISORS, FHWA AND OTHERS
• MAKE ONE DETERMINATION AND STICK TO IT
• EXPECT AN APPEAL
• RESIST WAVERING FROM PLAN
CONCLUSION

• USE THE UNIFORM ACT AS YOUR STARTING POINT
• DON’T LOOK FOR INNOVATIVE WAYS AT THE START
• MANAGE RISK
• START WITH A PLAN AND AVOID DEVIATING
• CONSIDER OPTIONS BEFORE ACTING BUT MAKE DECISIONS

AND
BE NICE!