



# Comparable Replacement Dwelling

By Willie L. Patterson

Recently, I participated in several discussions with Headquarters Army Corps of Engineers Real Estate personnel and with the Environmental Protection Agency regarding the term “comparable replacement dwelling” (CRD). It seems to be a mystery to many, and rather abstract and vague to others. I will attempt to shed some light on the terminology and the approach one should take when selecting a CRD.

First, always refer to the Uniform Relocation Assistance and Real Property Acquisition Regulations for federal and federally assisted programs, commonly referred to as URA.<sup>1</sup> The URA is authored by the Federal Highway Administration (FHWA), Department of Transportation (DOT), and other federal agencies are given an opportunity to provide input to the regulation before the single rule is passed to all for implementation.

When you attempt to locate a CRD, I strongly encourage you to first look at

the section by section analysis of the URA. In Section 24.2 (d), you will note the comments received concerning the term CRD. A couple of important points are highlighted here:

1. Comparable style of living and functionally equivalent mean that the CRD selected for computing the replacement housing payment is:

- a. In the same or same type of residential development as the acquired dwelling.
- b. On a site typical in size for that development.

c. In the same type of dwelling, i.e., single family for single family, apartment for apartment, etc.

d. Capable of providing the same type or similar amenities within the dwelling. (The regulation uses as an example of a person who entertains large groups frequently. If the acquired dwelling is arranged to accommodate this type of living style, the comparable home should be capable of being arranged in this fashion.)

After reading the section by section analysis, refer to the appendix for more Information (Appendix A to part 24—Additional Information. Section 24.2 (d) (2). Definition of comparable replacement dwelling). The appendix addresses the portion that says the dwelling must be functionally equivalent. That means, according to the regulation:

1. It must perform the same function, provide the same utility, and be capable of contributing to a comparable style of living as the displacement dwelling. The

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principal features must be present.

The appendix gives examples of tradeoffs when looking at comparable homes. *Note: Only in unusual circumstances may a comparable home contain fewer rooms, or less living space than the displaced dwelling. One instance would be when the acquired dwelling was run down, and sub-standard. As long as the comparable replacement dwelling is adequate to accommodate the displaced family.*

After examining the beginning and end of the regulation, go to the core of the regulation, the actual section itself. Seemingly, this is not a normal practice, but it has proven beneficial when you are trying to understand a URA concept.

**Subpart A—General, Subsection 24.2 Definitions.** This section defines CRD. It is a rather extravagant and detailed definition, but in short, it means the following:

1. Decent, safe and sanitary as described in paragraph (f) of this section. Naturally, you have to go to the decent, safe and sanitary section. It addresses applicable housing and occupancy codes.

2. Functionally equivalent to the displacement dwelling. It should perform the same function, provide the same utility, and is capable of contributing to a comparable style of living. Functionally equivalent is an “objective standard.”

3. Adequate in size to accommodate occupants.

4. In an area not subject to unreasonable adverse environmental considerations.

5. In a location generally not less desirable than the location of the displaced person’s dwelling with respect to utilities and commercial and public facilities, and reasonably accessible to the person’s place of employment.

6. On a site that is typical in size for residential development.

7. Currently available to the displaced person on the private market.

8. Within the financial means of the displaced person... The regulations clearly explain within the person’s financial means in this section, so you should pay close attention to the details.

Having read all of this government jargon, most people whom I have worked with realize the importance of translating the requirements to an easy-

to-use matrix. Based on the language above, we created an easy-to-follow form to determine comparability. You establish all the factors used to determine a comparable. Always list the features of the acquired dwelling, which helps when presenting to a displaced person. It helps to remind them of their dwelling features. Sometimes they forget they only had 1,200 square feet, with a window unit, and a space heater. They tend to create features in their mind, so it is always a good idea to present your findings at their home.

You can always say, “ Let me take a look at the basement.” Only to discover

it is crawl space, with dirt! Try to get the most comparable home to be the obvious one out of the three you select. I always would review the features of the acquired dwelling, and compare with the features of the most comparable dwelling, then summarize. For example: Most comparable dwelling has 1,800 square feet; your home has 1,750 square feet. Your home is 45 years old, the comparable dwelling is 35 years old. You have a window unit, the comparable has central air; you have a carport, but the comparable has a two-car garage. You are in a Residential 4 zone; the comparable is in a Residential 4 zone. Last, but not

## Determination of Comparable

Project:

Displaced Person \_\_\_\_\_ Tract Number \_\_\_\_\_ No. in family \_\_\_\_\_  
 Bedrooms required \_\_\_\_\_ Owner \_\_\_\_\_ Tenant \_\_\_\_\_

### COMP FACTORS

Decent, Safe and Sanitary

Address

Access

Lot Size

Size of Entirety

Type Neighborhood

Approx. age

Condition

No. Stories

Type Construction

No. Rooms/Bedrooms/Baths

Living Area ( SF ) Total Area

Basement

Parking ( No. of cars )

Type Heating System

Type Heating Fuel

Type A/C System

Type Sewage System

Type Water Supply

Other

Public Transportation

Distance to Work

School Districts/Distance

Shopping-Distance

Churches/Synagogues-Distance

Adequate to accommodate DP

Available to DP

Asking Price/Rent

Est. FMV

SUBJECT

CRD

CRD

CRD



least, pay close attention to the exterior feature. If they have an all brick home, it is a difficult sell to show them a brand new vinyl siding home, although their home is 45 years old. Look for brick!

Most comparable dwelling is determined based on the factors reviewed in the matrix. This matrix addresses the comparability requirements based on the regulation. As a reminder: *Never* pre-determine a price range to start in when seeking CRDs. *Be realistic* in terms of a comparable community. *Do not* go to extreme communities to look for a comparable.

Relocation Specialists should have a checklist to help guide them when seeking a comparable community. If you want to just move the folks, and throw money at the project, you will end up in far superior communities.

The socioeconomic factors are mildly addressed in the regulation, that is, income and class of community. But the regulation does explicitly say not to seek

comparable homes “in a location subject to unreasonable adverse environmental considerations.” Some would argue they came from an adverse environment. That may be true, but you should avoid adverse environments for comparability determination. A person can obviously choose to purchase in any environment he or she desires. Whatever you do, be consistent and fair. Never let race, color, creed, or national origin interfere in your decision making.

Relocation and Comparability will always be a challenge because there are some displaced persons who view government with deep pockets, thus will wander into upscale communities for their replacement home and argue the home is in fact comparable. They are probably correct in their assertion, but we have to do our best to keep folks in a realistic frame of mind. We are not in the business to present windfalls to displaced persons, but we should make them whole. ■

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NOTES:  
 1Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally Assisted Programs as published in the Federal Register, Vol. 54, No. 40/Thursday, March 2, 1989/ Rules and Regulations.

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