

APPRAISAL REPORT – RESIDENTIAL INCOME PROPERTY

This Form may be used for appraisal of income producing properties provided the loan requested does not exceed \$750,000.

TO BE COMPLETED BY LENDER

Borrower/Client _____ File No. _____
 Property Address _____ Map Reference _____
 City _____ County _____ State _____ Zip Code _____ Census Tract _____
 Legal Description _____

Current Sale Price (if applicable) \$ _____ Date of Sale _____ Loan Requested \$ _____
 Terms of Sale _____
 Property Rights Appraised Fee Leasehold (attach completed Lease Analysis FHLMC/Fannie Mae Form 461)
 Lender _____ Lender's address _____

Instructions to Appraiser: The purpose of this Appraisal is to estimate the Current Market Value of the Subject Property. The Definition of Market Value is as set forth in Certification And Statement Of Limiting Conditions (FHLMC 439/FNMA 1004B).
Note: FHLMC/FNMA do not consider the racial composition of the neighborhood to be a relevant factor and it must not be considered in the appraisal.

Other Information: _____
 Appraisal requested from _____ Date _____, 19____ By: _____

Items 1, 2, 4, 5 & 6 are required. Attach additional items and check box if items are considered appropriate for this appraisal or are requested by Lender.

1. <input type="checkbox"/> Descriptive photographs of subject property	7. <input type="checkbox"/> Map(s) _____
2. <input type="checkbox"/> Descriptive photographs of street scene	8. <input type="checkbox"/> Plot plan or survey
3. <input type="checkbox"/> Photographs of _____	9. <input type="checkbox"/> Qualifications of Appraiser
4. <input type="checkbox"/> Sketch or floor plan of typical units	10. <input type="checkbox"/> Lease Analysis FHLMC/FNMA Form 461 (required if leasehold appraised)
5. <input type="checkbox"/> Owner's current certified rent roll if existing, or pro forma if proposed or incomplete	11. <input type="checkbox"/> Summary of reciprocal agreements with other owners for use of parking, driveways, recreational facilities, private streets, (required if applicable)
6. <input type="checkbox"/> Owner's income and expense statement 19____, or pro forma income and expense statement	12. <input type="checkbox"/> _____
	13. <input type="checkbox"/> _____

NEIGHBORHOOD

Location _____ <input type="checkbox"/> Urban _____ <input type="checkbox"/> Suburban _____ <input type="checkbox"/> Rural Built-up _____ <input type="checkbox"/> Over 75% _____ <input type="checkbox"/> 25% to 75% _____ <input type="checkbox"/> Under 25% Present land use: _____ % Condominiums _____ % 1-Family _____ % Apartments _____ % Commercial _____ % Change in present land use. <input type="checkbox"/> Not likely _____ <input type="checkbox"/> Likely(*) _____ <input type="checkbox"/> Taking Place(*) (*) From _____ To _____ Property values _____ <input type="checkbox"/> Increasing _____ <input type="checkbox"/> Stable _____ <input type="checkbox"/> Declining Housing demand/supply _____ <input type="checkbox"/> In balance _____ <input type="checkbox"/> Shortage _____ <input type="checkbox"/> Oversupply Predominant occupancy _____ <input type="checkbox"/> Owner _____ <input type="checkbox"/> Tenant _____ % Vacant Condominium: Price Range \$ _____ to \$ _____ Predominant \$ _____ Age _____ yrs. to _____ yrs. Predominant _____ yrs. Single Family: Price range \$ _____ to \$ _____ Predominant \$ _____ Age _____ yrs. to _____ yrs. Predominant _____ yrs. Typical apartment: Type _____ No. Stories _____ No. Units _____ Age _____ yrs. Condition _____ Rent Levels: <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining Estimated neighborhood apartment vacancy rate _____ %, <input type="checkbox"/> Decreasing <input type="checkbox"/> Stable <input type="checkbox"/> Increasing. Rent Controls <input type="checkbox"/> No <input type="checkbox"/> Yes (comment on page 4 if Yes) Describe any incompatible land uses and overall property appeal and maintenance level _____ Describe any oversupply of units in area by type and rental _____ Describe any shortage of units in area by type and rental _____ Describe potential for additional units in area considering land availability, zoning, utilities, etc. _____ Is population of relevant market area of insufficient size, diversity and financial ability to support subject property and amenities? _____ If yes, specify. Describe any probable changes in the economic base of neighborhood which would favorably or adversely affect apartment rentals (e.g. employment centers, zoning) General comments including either favorable or unfavorable elements not mentioned (e.g. public parks, view, noise, parking congestion) _____	<table border="1"> <thead> <tr> <th colspan="4">OVERALL RATING</th> <th>Good</th> <th>Avg</th> <th>Fair</th> <th>Poor</th> </tr> </thead> <tbody> <tr><td>Employment Stability</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Adequacy of Utilities</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Convenience of Schools</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Police and Fire Protection</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Recreational Facilities</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Property Compatibility</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Protection from Detrimental Conditions</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>General Appearance of Properties</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Appeal to Market</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td></td> <td>Distance</td> <td>Access or Convenience</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr><td>Public Transportation</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Employment Centers</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Shopping Facilities</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Grammar Schools</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Freeway Access</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </tbody> </table>	OVERALL RATING				Good	Avg	Fair	Poor	Employment Stability								Adequacy of Utilities								Convenience of Schools								Police and Fire Protection								Recreational Facilities								Property Compatibility								Protection from Detrimental Conditions								General Appearance of Properties								Appeal to Market									Distance	Access or Convenience						Public Transportation								Employment Centers								Shopping Facilities								Grammar Schools								Freeway Access							
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SITE

Dimensions _____ Area _____ Sq. Ft. or Acres
 Zoning (classification, users and densities permitted) _____ Present improvements do do not conform to zoning regulations.
 Highest and best use Present use Other (specify) _____

Public _____ Comm. _____ Individual _____ Electricity <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ Gas <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ Water <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ Sanitary Sewer <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> Underground Electricity & Telephone <input type="checkbox"/> Street Lights	Street <input type="checkbox"/> Public <input type="checkbox"/> Private Surface _____ <input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb & Gutter <input type="checkbox"/> Sidewalk <input type="checkbox"/> Alley <input type="checkbox"/> Street Lights	Ingress and Egress (Adequacy) _____ Topography _____ View Amenity _____ Drainage and Flood Conditions _____ Is the property located in a HUD Identified Special Flood Hazard Area? _____
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COMMENTS (including any easements or encroachments or any nonconforming uses) of present improvements _____

ITEM	SUBJECT	COMPARABLE No. 1	COMPARABLE No. 2	COMPARABLE No. 3												
Address																
Proximity to subject																
Map Code																
Lot size																
Brief description of building improvements	No. Units: ___ No. Vac.: ___ Year Built: 19___	No. Units: ___ No. Vac.: ___ Year Built: 19___	No. Units: ___ No. Vac.: ___ Year Built: 19___	No. Units: ___ No. Vac.: ___ Year Built: 19___												
Quality																
Condition																
Recreational facilities																
Parking																
Tenant appeal																
Unit breakdown	No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT		
		Tot.	BR	b		Tot.	BR	b		Tot.	BR	b		Tot.	BR	b
Util. paid by owner																
Data source																
Price	\$	<input type="checkbox"/> Unf. <input type="checkbox"/> F	\$	<input type="checkbox"/> Unf. <input type="checkbox"/> F	\$	<input type="checkbox"/> Unf. <input type="checkbox"/> F	\$	<input type="checkbox"/> Unf. <input type="checkbox"/> F	\$	<input type="checkbox"/> Unf. <input type="checkbox"/> F						
Sale - Listing - Offer																
Date of sale																
Terms (Including conditions of sale and financing terms)																
Complete as many of the following items as possible using data effective at time of sale																
Gross Annual Income	\$		\$		\$		\$									
Gross Ann. Inc. Mult. (1)																
Net Annual Income	\$		\$		\$		\$									
Expense Percentage (2)		%		%		%		%								
Overall Cap. Rate (3)		%		%		%		%								
Price per unit	\$		\$		\$		\$									
Price per room	\$		\$		\$		\$									
Price gross bldg. area	\$	/sq. ft. bldg. area	\$	/sq. ft. bldg. area	\$	/sq. ft. bldg. area	\$	/sq. ft. bldg. area								
(1) Sale Price + Gross Annual Income (2) Total Annual Expenses + Total Gross Annual Income (3) Net Annual Income + Price RECONCILIATION: _____ _____ _____ _____																
INDICATED VALUE BY MARKET APPROACH \$																
INCOME APPROACH	INCOME				EXPENSES				ACTUAL	FORECASTED						
	Total Monthly Apartment Forecasted Rentals				Real Estate Taxes*				\$	\$						
	Other Monthly Income (Itemize)				Other taxes or assessments											
					Insurance											
	Total Gross Monthly Forecasted Income				Unsubordinated ground rent											
	Total Gross Annual Forecasted Income				Fuel											
	Less Forecasted Vacancy and Collection Loss(____ %). \$(Gas											
	Effective Gross Annual Income				Electricity											
	Less Forecasted Expenses and Replacement Reserves ... \$(Water & sewer											
	Net Annual Income from Total Property				Trash removal											
	Less Return on and Recapture of Depreciated Value of				Pest control											
	Furnishings (\$ _____ @ _____ %). \$(Maintenance & repairs											
	Net Annual Income from Real Property				Interior & exterior decorating											
	Capitalized as follows:				Cleaning expenses and supplies											
					Management (Off-site)											
				Res. Mgr. salary & apartment												
				Janitor(s) salary & apartment												
				Miscellaneous												
*Real Estate Taxes <input type="checkbox"/> Actual <input type="checkbox"/> Est. Tax Rate Per \$100 \$				REPLACEMENT RESERVES:												
Total Assessed Value \$				Carpeting & drapes												
Comments: _____				Ranges & refrigerators												
_____				Dishwashers & disposals												
_____				Individual heating & AC units												
_____				TOTAL EXPENSES & REPL. RES. \$					\$							
INDICATED VALUE BY INCOME APPROACH \$																

General Comments (including comments on any items rated poor or fair) _____

CONDITIONS AND REQUIREMENTS OF APPRAISAL (include required repairs, replacements, painting, termite inspections, etc.): _____

RECONCILIATION AND VALUE CONCLUSION

Indicated Value by the Cost Approach\$ _____

Indicated Value by the Market Approach\$ _____

Indicated Value by the Income Approach\$ _____

FINAL RECONCILIATION _____

I certify, that to the best of my knowledge and belief, the statements made in this report are true and I have not knowingly withheld any significant information; that I have personally inspected subject property, both inside and outside, and have made an exterior inspection of all comparable sales listed herein; that I have no interest, present or contemplated, in subject property or the participants in the sale; that neither the employment nor compensation to make said appraisal is contingent upon any value estimate; and, that all contingent and limiting conditions are stated herein. Certification and Statement of Limiting Conditions (FHLMC Form 439 Rev. 9/75/Fannie Mae Form 1004B) applies (On file with client Attached).
 As a result of my investigation and analysis, my estimate of Market Value of the subject property as of _____, 19____ is

\$ _____

Date _____ Appraiser _____

If applicable, complete the following

Date _____ Appraiser _____

Date _____ Supervising or Review Appraiser _____
 Did Did not physically inspect property.

FOR LENDER'S USE ONLY (completion optional)

Loan Recommended: \$ _____ @ _____ % . Term _____ yrs. Principal & Interest \$ _____ /mo. \$ _____ /annually
 Subject to: _____

Borrower's Cost or Purchase Price \$ _____ Appraised Value \$ _____ Loan to Appraised Value _____ %
 Loan: Per Unit \$ _____ Per Room \$ _____ Per Sq. Ft. of Building Area \$ _____
 Gross Annual Forecasted Income \$ _____ Gross Annual Income Multiplier _____ Overall Capitalization Rate _____ %
 Forecasted Annual Expenses and Replacement Reserves \$ _____ (_____ % of Gross Annual Forecasted Income)
 Break-even Point (this loan): (Annual Exp. & RR \$ _____ + Annual P&I pymts \$ _____) + (Gross Annual Income \$ _____) = _____ %
 (All financing): (Annual Exp & RR \$ _____ + Annual P&I pymts. for all financing \$ _____) + (Gross Annual Inc. \$ _____) = _____ %
 Borrower's Return on Appraised Equity: (Net Annual Inc. \$ _____ (-) Annual P&I pymts \$ _____) = \$ _____ (1)
 (Appraised Value \$ _____ (-) Loan Amt. \$ _____) = \$ _____ (2)
 \$ _____ (1) + \$ _____ (2) = _____ %

Comments or Committee action _____

