

## APPRAISAL REPORT - RESIDENTIAL INCOME PROPERTY

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

TO BE COMPLETED BY LENDER	Borrower/Client _____			File No. _____		
	Property Address _____			Map Reference _____		
	City _____	County _____	State _____	Zip Code _____		
	Legal Description _____					
Current Sale Price (if applicable) \$ _____			Date of Sale _____		Loan Requested \$ _____	
Terms of Sale _____						
Property Rights Appraised <input type="checkbox"/> Fee <input type="checkbox"/> Leasehold (attach completed Lease Analysis FHLMC Form 461)						
Lender _____			Lender's Address _____			
Instruction 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)						
<b>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.</b>						
Other Information _____						
Appraisal requested forms _____ Date _____, _____ By _____						
Items 1, 2, 4, 5 and 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 Form 461 (required if leasehold interest appraisal)		
5. <input type="checkbox"/>	Owners 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 _____ (Yr), or pro forma income and expense statement		12. <input type="checkbox"/>	_____		
			13. <input type="checkbox"/>			
Location _____ <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural			<b>OVERALL RATING</b>			
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			Employment Stability _____ Good Avg. Fair Poor			
Change in present land use _____ % Commercial _____ %			Adequacy of Utilities _____			
Change in present land use <input type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input type="checkbox"/> Taking Place (*)			Convenience of Schools _____			
(*) Form _____ To _____			Police and Fire Protection _____			
Property values _____ <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining			Recreational Facilities _____			
Housing demand/supply _____ <input type="checkbox"/> In Balance <input type="checkbox"/> Shortage <input type="checkbox"/> Oversupply			Property Compatibility _____			
Predominant occupancy _____ <input type="checkbox"/> Owner <input type="checkbox"/> Tenant _____ % Vacant			Protection from Detrimental Conditions _____			
Condominium: Price Range \$ _____ to \$ _____ Predominant \$ _____			General Appearance of Properties _____			
Age _____ yrs. to _____ yrs. Predominant _____ yrs.			Appeal to Market _____			
Single Family: Price range \$ _____ to \$ _____ Predominant \$ _____			Public Transportation _____ Distance _____ Access or Convenience _____			
Age _____ yrs. to _____ yrs. Predominant _____ yrs.						
Typical apartment: Type _____ No. Stories _____			Employment Centers _____			
No. Units _____ Age _____ yrs. Condition _____			Shopping Facilities _____			
Rent Levels <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining			Grammar Schools _____			
Estimated neighborhood apartment vacancy rate _____ % <input type="checkbox"/> Decreasing <input type="checkbox"/> Stable <input type="checkbox"/> Increasing			Freeway Access _____			
Rent Controls <input type="checkbox"/> No <input type="checkbox"/> Yes (comments 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 an financial ability to support subject property and its 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) _____						
Dimensions _____ Area _____ Sq. ft. or Acres						
Zoning (classification, uses and densities permitted) _____ Present improvements <input type="checkbox"/> do <input type="checkbox"/> do not conform to zoning regulations						
Highest and best use <input type="checkbox"/> Present use <input type="checkbox"/> Other (specify) _____						
SITE	Electricity	Public <input type="checkbox"/>	Comm. <input type="checkbox"/>	Individual <input type="checkbox"/>	Street Surface <input type="checkbox"/> Public <input type="checkbox"/> <input type="checkbox"/> Private	Ingress and Egress (Adequacy) _____
	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Storm Sewer	Topography _____
	Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Curb & Gutter	View Amenity _____
	Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/> SepTnk	<input type="checkbox"/>	<input type="checkbox"/> Sidewalk <input type="checkbox"/> Alley	Drainage and Flood Conditions _____
	<input type="checkbox"/> Underground Electricity & Telephone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Street Lights	
Is the property located in a HUD Identified Special Flood Hazard Area? _____						
COMMENTS (including any easements or encroachments or any nonconforming use(s) of present improvements) _____						

**DESCRIPTION OF IMPROVEMENTS**

Existing Approx. Year Built \_\_\_\_\_  Proposed  Under Construction  Elevator  Walk-up No. of Stories \_\_\_\_\_  Row or Townhouses  
 No. of Bldgs. \_\_\_\_\_ No. of Units \_\_\_\_\_ No. of Rooms \_\_\_\_\_ No. of Baths \_\_\_\_\_ Parking Spaces: No. \_\_\_\_\_ Type \_\_\_\_\_  
 Basic Structural System \_\_\_\_\_ Exterior Walls \_\_\_\_\_ Roof Covering \_\_\_\_\_  
 Interior Walls \_\_\_\_\_ Floors \_\_\_\_\_ Bath Floor and Walls \_\_\_\_\_  
 Insulation \_\_\_\_\_ Adequacy \_\_\_\_\_ Adequacy and Soundproofing \_\_\_\_\_  
 Heating  Central  Indivd. Type \_\_\_\_\_ Fuel \_\_\_\_\_ Condition \_\_\_\_\_  
 Air Conditioning:  Central  Indivd. Describe \_\_\_\_\_ Adequacy and Conditioning \_\_\_\_\_  
 Elevator(s): Number \_\_\_\_\_ Automatic \_\_\_\_\_ Adequacy and Conditioning \_\_\_\_\_  
 Security Features \_\_\_\_\_  
 Kitchen cabinets, drawers and counter space  Adequate  Inadequate  
 Range/Oven  Fan/Hood  Dishwasher  Disposal  
 Refrigerator  Washer  Dryer  \_\_\_\_\_  
 Hot Water Heater(s) \_\_\_\_\_  
 Plumbing Fixtures \_\_\_\_\_  
 Electrical Service \_\_\_\_\_  
 Recreational Facilities \_\_\_\_\_  
 Effective Age \_\_\_\_\_ Yrs. Estimated Remaining Economic Life \_\_\_\_\_ Yrs.  
 COMMENTS: (Special features, functional or physical inadequacies, repairs needed, modernization, etc.) \_\_\_\_\_

OVERALL PROPERTY RATING		Good	Avg.	Fair	Poor
General appearance of property		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality construction (materials and finish)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Condition of improvements		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room size and layout		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closets and storage		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing-adequacy and condition		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electrical-adequacy and condition		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amenities and parking facilities		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal to Market		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**COST APPROACH**

LAND SALES (complete ONLY if appropriate for this appraisal)	Zoning	Area	Sales Price	Date	Price per Sq. Ft. or per Unit
1.			<input type="checkbox"/> \$		\$ Per
2.			<input type="checkbox"/> \$		\$ Per
3.			<input type="checkbox"/> \$		\$ Per

Comments & Reconciliation

Estimated Land Value		\$
<b>APARTMENT BUILDING(S)-ESTIMATED REPRODUCTION COST NEW</b>		
x	=	Sq. ft. x (Stories) Sq. ft. x \$ \$
x	=	Sq. ft. x (Stories) Sq. ft. x \$ \$
x	=	Sq. ft. x (Stories) Sq. ft. x \$ \$
OTHER IMPROVEMENTS		\$
TOTAL ESTIMATED COST NEW OF IMPROVEMENTS		\$
LESS DEPRECIATION		
DEPRECIATED VALUE OF IMPROVEMENTS		\$
ADD-ESTIMATED LAND VALUE		\$
INDICATED VALUE BY THE COST APPROACH (IN FEE SIMPLE)		\$
IF LEASEHOLD DEDUCT VALUE OF FEE INTEREST (ATTACH CALCULATIONS)		\$
INDICATED VALUE BY THE COST APPROACH (LEASEHOLD)		\$

**COMPARABLE RENTAL DATA**

ITEM	COMPARABLE NO. 1				COMPARABLE NO. 2				COMPARABLE NO. 3				
	Address		Proximity to subject		Rental survey date		Brief description of property		Improvements		Utilities, furniture and amenities including rent		Comparison to subject including rental concessions, if any
	No. of Units	No. Vacant	Age	Yrs	No. of Units	No. Vacant	Age	Yrs	No. of Units	No. Vacant	Age	Yrs	
Individual unit breakdown	Rm Count	Size	Monthly Rent		Rm Count	Size	Monthly Rent		Rm Count	Size	Monthly Rent		
	Tot BR b	Sq Ft	\$	<input type="checkbox"/> Rm	Tot BR b	Sq Ft	\$	<input type="checkbox"/> Rm	Tot BR b	Sq Ft	\$	<input type="checkbox"/> Rm	

**MONTHLY RENT SCHEDULE**

Utilities included in actual rents:  Water  Gas  Heat  Electricity  Air Conditioning   
 Utilities included in forecasted rents:  Water  Gas  Heat  Electricity  Air Conditioning

No. of Units	Unit Rm Count		Total Rooms	Sq Ft Area Per Unit	No Units Vacant	ACTUAL RENTS			FORECASTED RENTS			
	Tot	BR b				Per Unit		Total Rents	Per Unit		Total Rents	Per Sq. Ft. or Room
						Unfurnished	Furnished		Unfurnished	Furnished		
						\$	\$	\$	\$	\$	\$	
<b>TOTAL</b>							\$		\$		\$	

MARKET APPROACH

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. _____		No. Units: _____ No. Vac. _____		No. Units: _____ No. Vac. _____		No. Units: _____ No. Vac. _____				
		Year Built: _____		Year Built: _____		Year Built: _____		Year Built: _____				
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		
		Total	BR	Bath		Total	BR	Bath		Total	BR	Bath
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
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 (2) Total Annual Expenses ÷ Total Gross Annual Income (3) Net Annual Income ÷ Price

RECONCILIATION:

INDICATED VALUE BY MARKET APPROACH

INCOME		EXPENSES		ACTUAL	FORECASTED
Total Monthly Apartment Forecasted Rents	\$ _____	Real Estate Taxes*	\$ _____	\$ _____	\$ _____
Other Monthly Income (itemized)	_____	Other taxes or licenses	_____	_____	_____
	\$ _____	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 & Replacement Reserves	\$ ( _____ )	Water and sewer	_____	_____	_____
Net Annual Income from Total Property	\$ _____	Trash removal	_____	_____	_____
Less Return on and Recapture of Depreciated Value of Furnishings (\$ _____ @ _____ %)	\$ ( _____ )	Pest control	_____	_____	_____
Net Annual Income from Real Property	\$ _____	Maintenance and repairs	_____	_____	_____
Capitalized as follows: _____		Interior and exterior decorating	_____	_____	_____
		Cleaning expenses and supplies	_____	_____	_____
		Management (Off-site)	_____	_____	_____
		Res. Mgr. salary & apartment	_____	_____	_____
		Janitor(s) salary & apartment	_____	_____	_____
		Miscellaneous	_____	_____	_____
*Real Est. Taxes <input type="checkbox"/> Actual <input type="checkbox"/> Est. Tax Rate Per \$100 \$ _____					
Total Assessed Value \$ _____		REPLACEMENT RESERVES			
Comments: _____		Carpeting and drapes	_____	_____	_____
		Ranges and refrigerators	_____	_____	_____
		Dishwashers and disposals	_____	_____	_____
		Individual heating and 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) 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 \_\_\_\_\_, \_\_\_\_\_ is \_\_\_\_\_

\$ \_\_\_\_\_

Date \_\_\_\_\_ Appraiser Jonathan J. Miller, CRP

If applicable, complete the following

Date \_\_\_\_\_ Appraiser \_\_\_\_\_

Date \_\_\_\_\_  Supervisor or  Review Appraiser  
 Did  Did Not Physically Inspect Property

**FOR LENDER'S USE ONLY (completion optional)**

Loan Recommendation \$ \_\_\_\_\_ @ \_\_\_\_\_ %. 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 Bldg. 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 \_\_\_\_\_