

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. 71B

TO BE COMPLETED BY LENDER

Borrower/Client _____	File No. 71B
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 <input type="checkbox"/> Fee <input type="checkbox"/> Leasehold (attach completed Lease Analysis FHLMC Form 461)	
Lender _____ Lender's Address _____	
<i>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)</i>	
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 _____ 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 Form 461 (required if leasehold interest 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 _____, 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	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">OVERALL RATING</th> <th style="text-align: center;">Good</th> <th style="text-align: center;">Avg</th> <th style="text-align: center;">Fair</th> <th style="text-align: center;">Poor</th> </tr> </thead> <tbody> <tr><td>Employment Stability</td><td></td><td></td><td></td><td></td></tr> <tr><td>Adequacy of Utilities</td><td></td><td></td><td></td><td></td></tr> <tr><td>Convenience of Schools</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></tr> <tr><td>Recreational Facilities</td><td></td><td></td><td></td><td></td></tr> <tr><td>Property Compatibility</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></tr> <tr><td>General Appearance of Properties</td><td></td><td></td><td></td><td></td></tr> <tr><td>Appeal to Market</td><td></td><td></td><td></td><td></td></tr> <tr> <td></td> <th style="text-align: center;">Distance</th> <th colspan="3" style="text-align: center;">Access or Convenience</th> </tr> <tr><td>Public Transportation</td><td></td><td></td><td></td><td></td></tr> <tr><td>Employment Centers</td><td></td><td></td><td></td><td></td></tr> <tr><td>Shopping Facilities</td><td></td><td></td><td></td><td></td></tr> <tr><td>Grammar Schools</td><td></td><td></td><td></td><td></td></tr> <tr><td>Freeway Access</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				
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																																																																																	
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 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) _____																																																																																	

SITE

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) _____																																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Electricity</td> <td style="width: 15%;">Public <input type="checkbox"/></td> <td style="width: 15%;">Comm. <input type="checkbox"/></td> <td style="width: 15%;">Individual <input type="checkbox"/></td> <td style="width: 15%;">Street <input type="checkbox"/> Public <input type="checkbox"/> Private</td> <td style="width: 30%;">Ingress and Egress (Adequacy) _____</td> </tr> <tr> <td>Gas</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Surface _____</td> <td>Topography _____</td> </tr> <tr> <td>Water</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Storm Sewer</td> <td>View Amenity _____</td> </tr> <tr> <td>Sanitary Sewer</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Sep. Tnk. <input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Curb & Gutter</td> <td>Drainage and Flood Conditions _____</td> </tr> <tr> <td><input type="checkbox"/> Underground Electricity & Telephone</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Sidewalk <input type="checkbox"/> Alley</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/> Street Lights</td> <td></td> </tr> </table>	Electricity	Public <input type="checkbox"/>	Comm. <input type="checkbox"/>	Individual <input type="checkbox"/>	Street <input type="checkbox"/> Public <input type="checkbox"/> Private	Ingress and Egress (Adequacy) _____	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Surface _____	Topography _____	Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Storm Sewer	View Amenity _____	Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/> Sep. Tnk. <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Curb & Gutter	Drainage and Flood Conditions _____	<input type="checkbox"/> Underground Electricity & Telephone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Sidewalk <input type="checkbox"/> Alley						<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) _____
Electricity	Public <input type="checkbox"/>	Comm. <input type="checkbox"/>	Individual <input type="checkbox"/>	Street <input type="checkbox"/> Public <input type="checkbox"/> Private	Ingress and Egress (Adequacy) _____																																
Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Surface _____	Topography _____																																
Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Storm Sewer	View Amenity _____																																
Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/> Sep. Tnk. <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Curb & Gutter	Drainage and Flood Conditions _____																																
<input type="checkbox"/> Underground Electricity & Telephone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Sidewalk <input type="checkbox"/> Alley																																	
				<input type="checkbox"/> Street Lights																																	

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: _____	No. Units: _____ No. Vac.: _____ Year Built: _____	No. Units: _____ No. Vac.: _____ Year Built: _____	No. Units: _____ No. Vac.: _____ Year Built: _____
Quality				
Condition				
Recreational facilities				
Parking				
Tenant appeal				

	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
Unit breakdown																
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)																

MARKET APPROACH

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 Rents	\$ _____	Real Estate Taxes*	\$ _____	\$ _____	\$ _____
Other Monthly Income (Itemize)	\$ _____	Other taxes or licenses	_____	_____	_____
Total Gross Monthly Forecasted Income	\$ _____	Insurance	_____	_____	_____
Total Gross Annual Forecasted Income	\$ _____	Unsubordinated ground rent	_____	_____	_____
Less Forecasted Vacancy and Collection Loss (_____%)	\$(_____)	Fuel	_____	_____	_____
Effective Gross Annual Income	\$ _____	Gas	_____	_____	_____
Less Forecasted Expenses & Replacement Reserves	\$(_____)	Electricity	_____	_____	_____
Net Annual Income from Total Property	\$ _____	Water and sewer	_____	_____	_____
Less Return on and Recapture of Depreciated Value of Furnishings (\$ _____ @ _____%)	\$(_____)	Trash removal	_____	_____	_____
Net Annual Income from Real Property	\$ _____	Pest control	_____	_____	_____
Capitalized as follows:		Maintenance and repairs	_____	_____	_____
		Interior and exterior decorating	_____	_____	_____
		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 and drapes	_____	_____	_____
Comments: _____		Ranges and refrigerators	_____	_____	_____
		Dishwashers and 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) 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 _____

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 _____

SUPPLEMENTAL COMPARABLE RENTAL DATA	ITEM	COMPARABLE No. 4					COMPARABLE No. 5					COMPARABLE No. 6				
	Address															
	Proximity to subj.															
	Rental survey date															
	Brief description of property improvements	No. Units	No. Vacant	Age	yr		No. Units	No. Vacant	Age	yr		No. Units	No. Vacant	Age	yr	
	Individual unit breakdown	Rm. Count	Size	Monthly Rent			Rm. Count	Size	Monthly Rent			Rm. Count	Size	Monthly Rent		
		Tot BR b	Sq. Ft.	\$	∅	Rm	Tot BR b	Sq. Ft.	\$	∅	Rm	Tot BR b	Sq. Ft.	\$	∅	Rm
	Utilities, furniture and amenities included in rent Comparison to subject including rental concessions, if any															

SUPPLEMENTAL MARKET APPROACH	ITEM	SUBJECT			COMPARABLE No. 4			COMPARABLE No. 5			COMPARABLE No. 6					
	Address															
	Proximity to subject															
	Map code															
	Lot size															
	Brief Description of building improvements	No. Units: _____	No. Vac.: _____	Year Built: _____	No. Units: _____	No. Vac.: _____	Year Built: _____	No. Units: _____	No. Vac.: _____	Year Built: _____	No. Units: _____	No. Vac.: _____	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			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				
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									

