

APPRAISAL REPORT FOR MULTI-UNIT HOUSING

TYPE OF LOAN:
RRH
RCH
LH

PART A. PROPERTY IDENTIFICATION

Borrower _____
Property Address _____
City _____ County _____ State _____ Zip Code _____

Current Sale Price (if applicable) \$ _____ Date of Sale _____ Loan Requested \$ _____

Terms of Sale _____

Property Rights Appraised: Fee Leasehold Other

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 the highest price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he/she considers his/her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in cash or its equivalent; (5) typical financing in the community, as provided by Government subsidized loan/grant rates and terms or conventional lending rates and terms; (6) the price represents a normal consideration for the property sold, utilizing conventional or Government financing, unaffected by other special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction.

NOTE: Rural Development does not consider the racial composition of the neighborhood to be a relevant factor and it must not be considered in the appraisal.

Other Information: _____

PART B. ATTACHMENTS

Attach information for items 1, 2, 5, 6, 7, 8, 9, attach additional items and check box if considered appropriate for this Appraisal.

- 1. Descriptive photographs of subject property
- 2. Descriptive photographs of street scene in neighborhood
- 3. Photographs of _____
- 4. Aerial photograph
- 5. Sketch or floor plan of typical units
- 6. Owner's current certified rent roll if existing or, pro forma if proposed or incomplete
- 7. Owner's income and expense statement 20 _____ or pro forma income and expense statement
- 8. Map(s) _____
- 9. Plot plan or survey with legal description
- 10. Summary of reciprocal agreements with other owners for use of parking, driveways, recreational facilities, private streets (required if applicable)
- 11. _____
- 12. _____
- 13. _____

PART C. SUMMARY OF SALIENT FEATURES

TOTAL NUMBER OF APARTMENT UNITS _____

CONSTRUCTION: Existing Property, Approx. Year Built _____ Proposed Construction Under Construction

DATE OF APPRAISED VALUE _____

ESTIMATED MARKET VALUE (SEE PAGE 10 FOR CONDITIONS AND REQUIREMENTS) \$ _____

Value: Per Unit \$ _____, Per Room \$ _____, Per Sq. Ft. of Building Area \$ _____

GROSS ANNUAL INCOME MULTIPLIER _____

OVERALL CAPITALIZATION RATE _____ %

FORECASTED GROSS ANNUAL ECONOMIC INCOME \$ _____

VACANCIES: Actual No. Vacant _____ Percentage of Total Units _____ %

Projected Percentage of Forecasted Gross Annual Economic Income % \$ _____

FORECASTED ANNUAL EXPENSE AND REPLACEMENT RESERVES (_____ % of Forecasted Gross Annual Economic Income) \$ _____

FORECASTED NET ANNUAL INCOME FROM REAL PROPERTY \$ _____

PARKING RATIO _____ spaces/unit

PART D. SUMMARY OF NEIGHBORHOOD AND PROPERTY

Neighborhood	Good	Aver.	Fair	Poor
Employment Stability of Immediate Location				
Convenience to Employment Centers				
Protection from Detrimental Conditions				
Adequacy of Shopping Facilities				
Adequacy of Public Transportation				
Adequacy of Utilities				
Police and Fire Protection				
Recreational Facilities				
Property Compatibility				
General Appearance of Properties				
Appeal to Market				

Property	Good	Aver.	Fair	Poor
Architectural Attractiveness				
Landscaping				
Quality of Construction (Materials & Finish)				
Condition of Exterior				
Condition of Interior				
Room Size and Layout				
Closets and Storage				
Light and Ventilation				
Overall Livability				
Compatibility to Neighborhood				
Overall Appeal and Marketability				

PART E. AREA DATA

The city County Area population is approximately _____

Population: Increasing _____ % per year Stable Decreasing _____ % per year

Describe the economic base which contributes a major influence on the stability of real estate _____

Discuss employment stability _____

Rent Control: Yes No Comment _____

Are local Government agencies discouraging apartment development? Yes No Comment _____

General comments, if applicable _____

PART F. NEIGHBORHOOD AND MARKETING AREA

Type Urban Suburban Rural Property Values: Increasing Stable Declining

Present Land Use: Built up _____ % Condominiums _____ % Apartments _____ % Commercial _____ % Industrial _____ %
_____ %

Change in Present Land Use: Not Likely Likely or Taking Place From _____ to _____

Comment, if applicable _____

Describe overall property appeal and maintenance level _____

Describe any incompatible land uses (if none, so state) _____

Single Family: Price range \$ _____ to \$ _____ Predominant \$ _____ Age _____ yrs. to _____ yrs. Predominant _____ yrs.

Apartments: Predominant range in immediate area (excluding extremes) Walk-up Elevator

Number of units in each building _____ units _____ units

Age _____ years _____ years

Height (number of stories) _____ stories _____ stories

Condition _____

Rental range by unit type:

Unit Types: _____ \$ _____ \$ _____
 _____ \$ _____ \$ _____
 _____ \$ _____ \$ _____
 _____ \$ _____ \$ _____

Comment on any unusual aspects of the above ranges _____

Est. neighborhood apartment vacancy rate _____ % Decreasing Stable Increasing. Rent Levels are Increasing Stable Decreasing.

Describe the unit type(s) by number of bedrooms and rental range that are in the greatest tenant demand _____

Describe the unit type(s) by number of bedrooms and rental range that are in oversupply _____

Describe potential for additional units in area considering land availability, zoning, utilities, etc. _____

Describe the unsatisfied demand for additional units in area by type and rental _____

Is population of relevant market area of insufficient size, diversity and financial ability to support subject property and its amenities? _____
 If yes, specify _____

Item	Distance from Subject Property	Access or Convenience			
		Good	Aver.	Fair	Poor
Public Transportation	_____				
Employment Centers	_____				
Shopping Facilities	_____				
Grammar Schools	_____				
Freeway Access	_____				

Describe any probable changes in the economic base of neighborhood which would either 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) _____

PART G. SITE

Dimensions _____ Area _____ Sq. Ft. or Acres
 Zoning (classification, uses, and densities permitted) _____

Present improvements do do not conform to zoning regulations
 Highest and best use: Present use Other (specify) _____

- Site Improvements:
- Public Water Private Well Public Sewer Septic Tank Storm Sewer Sidewalk
 - Curb Gutters Alley Street Lights Electricity Gas
 - Underground Electricity & Telephone _____

Access By: Public Street Private Road Street Surface: _____
 Maintained By: Municipality Private Association (attach summary of Association documents)

Ingress and egress (adequacy and safety) _____

Topography, view amenity, lot drainage, flood-condition, slopes, etc. _____

Easements or encroachments on site and off site (if any) _____

Is the property located within a HUD Identified Special Flood Hazard Area? _____
 Favorable or unfavorable conditions not mentioned above including any nonconforming
 use(s) of present improvements. _____

Lot sketch showing lot dimensions, distance to nearest corner, and the location of any nearby detrimental conditions.

N

PART H. DESCRIPTION OF IMPROVEMENTS

ITEM	DESCRIPTION
Foundation	
Basic Structural System	
Exterior Walls	
Roof Covering	
Interior Walls	
Floor Covering	
Ceiling Heights of Units	Finished Floor to Finished Ceiling is _____ Ft.
Bath Floor and Walls	
Insulation	
Soundproofing	
Heating System, Central or Individual & Fuel	
Air Conditioning System, Central or Individual & Fuel	
Hot Water Heater(s)	
Built-in Kitchen Appliances	
Elevator (No.)	
Plumbing Fixtures	
Security Features	

Construction: Existing Approx. Year Built _____
 Proposed Under Construction
 Type Project: Walk-Up Elevator Row or Townhouse
 Other (*Specify*) _____
 No. of Bldgs. _____ No. of Stories _____ No. of Units _____
 Gross Bldg. Area _____ Sq. Ft _____ Density _____ Units per Acre

OVERALL IMPROVEMENT RATING

	Good	Aver.	Fair	Poor
Architectural Attractiveness				
Quality of Construction				
Condition of Exterior				
Condition of Interior				
Rooms Size and Unit Layout				
Kitchen Facilities				
Closets and Storage				
Soundproofing Adequacy				
Insulation Adequacy				
Electrical Service Adequacy				

Comment on items rated fair or poor and items not covered above _____

Effective Age _____ Years Est. Remaining Economic Life _____ Years

PARKING: Total Spaces _____ Covered (*on-site*) _____ Open (*on-site*) _____
 Parking Ratio _____ Space(s) per Unit. Discuss parking adequacy and convenience to apartment units _____

Driveways, curbing, sidewalks, lighting (*adequacy and condition*) _____

Describe recreational facilities _____

Describe basement, lobby, laundry, and other building items not described above _____

Comment if any of the above items or other building items are inadequate or are below average condition _____

Recommended observable repairs: (*List repairs, painting, termite treatment, etc. you recommend be made to the improvements to make the property readily marketable; if none, so state.*) _____

General comments, if applicable: _____

PART I. COST APPROACH

LAND VALUE ESTIMATE: (Include comparable land data if available and appropriate for this appraisal)

ITEM	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address or Location			
Proximity to subject			
Zoning			
Dimensions or Size			
Shape			
Topography			
Utilities			
Location			
Sale Price			
Date of Sale			
Price per sq. ft. or unit			
Comparison to subject			
Indicated per sq. ft. or per unit value of subject			
Comments and Reconciliation:			

Estimated Land Value: \$ _____ per _____ or \$ _____

IMPROVEMENTS-ESTIMATED REPRODUCTION COST NEW

Source of Cost Data: (Optional)

_____	Sq. Ft. @ \$	_____	\$ _____
_____	Sq. Ft. @ \$	_____	\$ _____
_____	Sq. Ft. @ \$	_____	\$ _____
_____	Sq. Ft. @ \$	_____	\$ _____
_____	Sq. Ft. @ \$	_____	\$ _____
Carports	_____	Sq. Ft. @ \$	_____
Porches, patios, balconies, stairs, etc.	_____		\$ _____
Fences, walls	_____		\$ _____
Paving, walks and lighting	_____		\$ _____
Landscaping	_____		\$ _____
Recreational facilities	_____		\$ _____
			\$ _____
			\$ _____
Total Estimated Reproduction Cost New of			
Improvements	_____		\$ _____
Less Total Obsolescence	_____		\$ _____
Add Estimated Land Value	_____		\$ _____
Indicated Value by the Cost Approach			\$ _____
Rounded to			\$ _____

Comment, including explanation of obsolescence: _____

PART J. COMPARABLE RENTAL DATA

Comparables selected are the most recent rentals, similar and proximate, known to the undersigned, that a tenant of subject property would have given consideration to renting.

ITEM	COMPARABLE NO. 1			COMPARABLE NO. 2			COMPARABLE NO. 3		
Address									
Proximity to subj.									
Map code									
Date of rental survey									
Brief description of property improvements	No. Units	No. Vac	Yr. Blt	No. Units	No. Vac	Yr. Blt	No. Units	No. Vac	Yr. Blt
Quality & condition	Quality:		Condition:	Quality:		Condition:	Quality:		Condition:
	Unit Rm. Count Tot BR b	Size Sq. Ft.	Monthly Rent \$ per sq. ft.	Unit Rm. Count Tot BR b	Size Sq. Ft.	Monthly Rent \$ per sq. ft.	Unit Rm. Count Tot BR b	Size Sq. Ft.	Monthly Rent \$ per sq. ft.
Individual unit breakdown									
Utilities, appliances and amenities included in rent									
Comparison to subject									

General comments (including any rental concessions) if applicable: _____

PART K. MONTHLY RENT SCHEDULE - SUBJECT PROPERTY

*Rental schedule is shown by type of units. Scheduled rents are actual rents for an existing property, or projected rents for a proposed or incomplete building.

**Economic rents are forecasted rents to indicate the fair market rental the subject units would command if available for rent on the open market.

No. of Units	Unit Rm. Count	Total Rooms	Sq. Ft. Area Per Unit	No. Units vacant	*SCHEDULE RENTS		**ECONOMIC RENTS		
	Tot. BR b				Per Unit	Total Rents	Per Unit	Total Rents	Per Sq. Ft. or Room
					Unfurnished		Unfurnished		
					\$	\$	\$	\$	\$
	TOTAL					\$		\$	

OTHER MONTHLY INCOME

Parking	\$ _____	\$ _____
Laundry Income	\$ _____	\$ _____
Commercial Space	\$ _____	\$ _____
.....	\$ _____	\$ _____
.....	\$ _____	\$ _____
.....	\$ _____	\$ _____
Total Gross Monthly Income	\$ _____	\$ _____
Total Gross Annual Income	\$ _____	\$ _____

Utilities included in scheduled (actual) rents: Water Gas Heat Electric Air Conditioning _____
 Utilities included in economic rents: Water Gas Heat Electric Air Conditioning _____

If proposed project or project under construction, the rent up time necessary, after completion, to lease 80% of the units at the projected economic rents is estimated to be _____ months.

Comments (including any rental concessions in scheduled rents, or anticipated in economic rents; if none, so state)

PART L. MARKET APPROACH

The market data selected are the most recent sales of properties, similar and proximate to subject, known to the appraiser, that a buyer of subject property would have given consideration to purchasing. In the absence of actual sales, listings of comparable properties may be used but an explanation must be included in the "Comments" section below.

ITEMS	SUBJECT		COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3					
Address												
Proximity to subj.												
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 desirability												
Unit breakdown	No. of Units	UNIT RM. COUNT			No. of Units	UNIT RM. COUNT			No. of Units	UNIT RM. COUNT		
		Tot.	BR	b		Tot.	BR	b		Tot.	BR	b
Util. paid by owner												
Data source												
Sale Price	\$			\$			\$					
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. Multi. (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
COMMENTS				
COMPARISON TO SUBJECT				
VALUE INDICATORS FOR THE SUBJECT PROPERTY	Indicated Gross Income Multiplier _____ X Gross Annual Economic Income \$ _____ \$ _____			
	Indicated Value Per Unit \$ _____ X _____ Units \$ _____			
	Indicated Value Per Room \$ _____ X _____ Rooms \$ _____			
	Indicated Value Per Sq. Ft. of Gross Bldg. Area \$ _____ X _____ sq. ft. Bldg. Area \$ _____			
	Indicated Overall Capitalization Rate %			

(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 \$ _____
 Rounded to \$ _____

COMMENTS:

PART M. ANNUAL EXPENSE ANALYSIS

ITEM	<input type="checkbox"/> ACTUAL 20____	APPRAISER'S FORECAST	APPRAISER'S CALCULATIONS OR COMMENTS	
	<input type="checkbox"/> PROPOSED			
Annual Operational & Maintenance Expenses:				
1. Caretaker				
2. Supplies			<input type="checkbox"/> Actual <input type="checkbox"/> Est.	Total Assessed Value \$
3. Painting and Decorating (<i>Interior only</i>)			% of Value	Tax Rate Per \$100 \$
4. General Maintenance and Repairs				
5. Grounds Maintenance				
6. Services				
7. Appliance and Furnishing Replacements				
8. Miscellaneous Operating Expenses				
9. Sub-total Maintenance & Operating				
(Total lines 1 thru 8)				

10.	Electricity	\$	\$	
11.	Water			
12.	Sewer			
13.	Heating fuel/other			
14.	Garbage and Trash Removal			
15.	Sub-total Utilities (Total lines 10 thru 15)			
16.	Manager (Salary _____ Apt. Allowance _____)			
17.	Management Fees			
18.	Accounting-Auditing			
19.	Legal			
20.	Other Administrative Expenses			
21.	Sub-total Administrative (Total lines 16 thru 20)			
22.	Real Estate Taxes			
23.	Special Assessments			
24.	Other Taxes, Fees and Permits			
25.	Sub-total Taxes (Total lines 22 thru 24)			
26.	Property Insurance			
27.	Compensation			
28.	Bond Premiums			
29.	Sub-total Insurance (Total lines 26 and 28)			
30.	Interest Expense (Other than Rural Development)			
31.	Other Expenses			
32.	_____			
33.	_____			
34.	_____			
35.	_____			
36.	_____			
37.	Sub-total Other Expenses (Total lines 30 thru 34)			
38.	TOTAL Operational and Maintenance Expenses (Total lines 9, 15, 21, 25, 29 and 37)	\$	\$	

Comments (identify items by number): _____

PART N. INCOME APPROACH

Total Gross Annual Economic Income (See Rent Schedule)	\$ _____
Less Forecasted Vacancy and Collection Loss (_____ %)	\$ (_____)
Effective Gross Annual Income	\$ _____
Less Forecasted Annual Expenses and Replacement Reserves (_____ % of Total Gross Annual Economic Income)	\$ (_____)
Net Annual Income from Total Property	\$ _____
Less Return on and Recapture of Depreciated Value of Furnishings (\$ _____ @ _____ %)	\$ (_____)
Net Annual Income from Real Property	\$ _____
Detail clearly method and mathematics of capitalizing Net Annual Income from Real Property _____	

INDICATED VALUE BY INCOME APPROACH \$ _____
 Rounded to \$ _____

PART O. RECONCILIATION AND VALUE CONCLUSION

Indicated Value by the Cost Approach \$ _____
 Indicated Value by the Market Approach \$ _____
 Indicated Value by the Income Approach \$ _____

FINAL RECONCILIATION _____

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

VALUATION: This Appraisal is based upon the definition of Market Value, the Certification, the Contingent and Limiting Conditions, and the requirements that are stated in this report

As a result of my investigation and analysis, my estimate of Market Value of the subject property as of _____, 20__ is

\$ _____

Date _____ Appraiser _____

If applicable, complete the following:

Date _____ Appraiser _____

Date _____ Supervising or Review Appraiser _____

Did Did not physically inspect property

CONTINGENT AND LIMITING CONDITIONS: The certification of the Appraiser appearing in this Appraisal Report is subject to the following condition and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made this Appraisal with reference to the property in question unless arrangements have been previously made therefor.
4. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other Appraisal and are invalid if so used.
5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in this report were obtained from sources considered reliable believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of this Appraisal report is governed by the By-laws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.
8. Neither all nor any part of the contents of this report or copy thereof (*including conclusions as to property value, the identity of the Appraiser professional designations, reference to any professional appraisal organizations*) shall be used for any purposes by anyone but the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department agency, or instrumentality of the United States or of any State or of the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all Appraisals involving proposed construction, the Appraisal Report and value conclusion are contingent upon completion of the proposed improvements in accordance with the plans and specifications prepared by _____

_____ with a last revision date of _____ which have been initialed and dated by the Appraiser.