

Sample Scope of Work Language for Appraisers Valuing High Performance and Energy Efficient Buildings

The text below includes sample language and potential resources that may be used to complete appraisals of a green or high performance building. It is not intended to serve as a complete or comprehensive list, and should be utilized as a guide aid in the development of the appraisal report. Highlighted sections represent those that require specific attention from appraisers, and should be customized as necessary to reflect the actual resources and information used during the appraisal process.

This appraisal report is intended to comply with the reporting requirements outlined under the Uniform Standards of Professional Appraisal Practice, or USPAP. It was also prepared to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title XI Regulations. Additionally, and at the appraiser's discretion, this appraisal report has followed the guidance provided in the Appraisal Foundation and Appraisal Practices Board (APB)¹ Valuation Advisory #6: Valuation of Green and High Performance Property: Background and Core Competency, Valuation Advisory #8: Valuation of Green and High-Performance Property: Commercial, Multi-family and Institutional Properties, and the following recognized industry resources [name additional guidance documents used to frame the Green and High-Performance aspects of the appraisal].

The subject is [select applicable: LEED, ENERGY STAR, BOMA 360, other] certified and characterized as a high performing building as compared to required code and/or other similar use buildings. As such, its design and construction, as well as a number of its components and systems may be unique in its market. We have specified any/all of the building's energy efficient and or high performance characteristics, including those related to tenant space improvements or submetering, in a Detailed Description of Improvements in a later section of this report. The potential impact of these characteristics on the property's operations, maintenance and/or marketability have been researched and considered in the analyses presented in this report. In addition, the subject's characterization as "energy efficient" or "high performing" has also been analyzed in relation to its specific market and consideration of whether or not this factor has an impact on our estimate of Market Value has been concluded.

We also reviewed the subject's plans and architectural renderings, as well as additional items specific to its design and projected performance, including²:

- An energy modeling analysis conducted by [modeling firm] on [MM/DD/YYYY].
- A LEED checklist completed by [LEED certifying firm] on [MM/DD/YYYY], to reflect the various strategies undertaken to achieve LEED [select one: BD+C, ID+C, O+M, ND, Homes] certification
- Statement of Energy Performance generated from utility consumption data benchmarked in ENERGY STAR® Portfolio Manager®.
- Additional, available, and appropriate documentation or data for the analysis, including: [energy audit report, property assessment, commissioning report, Asset Score, etc.]

The scope of this appraisal required that we collect primary and secondary data relevant to the subject property, and conduct interviews with industry professionals who hold expertise in fields such as energy and/or fuel efficiency, architecture and design, and other areas specific to the building's unique characteristics.

The subject's position within its specific market was thoroughly investigated, including the discovery and consideration of improved sales, listings and rental data in the subject market, along with the input of buyers, sellers, brokers, property developers and public officials. Investigation of comparable buildings in this market included analysis of green building certifications and ratings (e.g., LEED Rating and ENERGY STAR Score) for similar properties. A

¹ Note: The APB is one of three boards found within The Appraisal Foundation

² Note: This list of suggested inclusions is for exemplary purposes only and is not intended to represent a complete list of factors that should be included in every appraisal of a high performance, energy efficient building. Specific factors will vary from property to property.

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physical inspection of the property was conducted. In addition, the general regional economy, as well as the specifics of the subject's local market were researched and analyzed accordingly.

Any and all data collected have been thoroughly analyzed and confirmed to the extent possible with sources believed to be reliable. The valuation process applied uses generally accepted market-derived methods and procedures appropriate to the assignment.

Further discussion of which approaches and why they were used is presented in the paragraphs/sections that follow.