

FORM REPORT CHECKLIST

General

- Is the date of appraisal 5 years or less from the date of grading submission?
- Has the subject property ever been used before in another demonstration appraisal report?
- Is the report an example of the candidate's best work? Is it the candidate's own original work?
- Do all sections of the report tie together? Do conclusions drawn in the various sections of the report tie to data presented in other sections?
- Are conclusions logical?
- Are the data and descriptions contained in the report of sufficient quality and quantity to afford the grader a clear picture of the subject property and its surroundings?
- Are exhibits or addenda referenced in the text?

Part 1

Title Page (1 page)

- Does it include the subject address, the property type, the date of the appraisal, and the name and address of the appraiser?

Letter of Transmittal (1 page)

- Is the legal description short enough to be included?
- Is definition of market value acceptable and is source referenced?
- Is the letter signed and dated?

Table of Contents (1 page)

- Are all major sections listed?

Introduction (approx. 4 pages)

- Is the scope of work defined?
- Is it stated if interior or exterior inspection?
- Are the intended use and intended users of the appraisal included?
- Are the effective date of the appraisal and the date of the report stated?
- Is the definition and source of market value given?
- Are assumptions and limiting conditions included?
- Does the identity of the subject property include the property type, address, legal description, year built, square footage, style, rooms, site size and exterior pictures?
- Does the “Property History” section conform to USPAP?
- Are the property rights appraised identified?
- Does the Assessment and Tax Analysis include a three year assessment history and address the level of assessments for the comparable sales?
- Is the subject’s level of assessment discussed in relationship to the appraised value?
- If the subject was recently sold, is the sales ratio discussed? Is the recent sale discussed in relationship to the appraised value?

Area Description and Analysis (2 pages)

- Does the City or Area Data include the City’s (or Area’s) relationship to the subject property or is it merely a list of many facts about the city?
- Are the various elements of the four forces affecting value adequately covered?
- Is the data relevant to the property being appraised?

Neighborhood Description and Analysis (2 pages)

- Is an appropriate definition, along with a quoted source, included?
- Are the defined boundaries adequately described? Do the four forces appear to affect all properties within the defined neighborhood in a similar manner (does the defined neighborhood appear to include properties not truly comparable to the subject property?)
- Is the neighborhood's stage in the life cycle (growth, decline, etc.) adequately discussed?
- If economic obsolescence is present, is it discussed adequately?
- Are apparent future trends of the neighborhood referred to and their effect on the value of the subject property discussed adequately?

Site Description and Analysis (2 pages)

- Is the site identified by address and legal description? Are these the same as those contained in other sections of the report? Are topography, drainage, and soil conditions addressed?
- Are site improvements, including those offsite and onsite, discussed?
- Are the adequacies and providers of utilities listed?
- Are zoning and subdivision covenants fully described, including all uses to which the subject property can be put (can be addressed in H & B Use Analysis), as well as the limitations and their effect on the subject property? Is a copy of the applicable zoning ordinance included in the exhibits? Are easements, and their possible effect on value, discussed?
- Do any encroachments exist and are they discussed?
- Is the site's location with respect to various amenities (shopping, transportation, schools, churches, etc.) clearly described (can be part of the Neighborhood description)? If economic obsolescence is present, is a discussion included?
- Are all elements of comparison analyzed in the site valuation section of the cost approach addressed?

Highest and Best Use Analysis (3 pages)

- Does the analysis adequately describe appraisal principles?
- Is the highest and best use analyzed as if vacant?
- Is the highest and best use analyzed as if improved?
- Are the four criteria adequately analyzed in both analyses?

Improvement Description and Analysis (3 pages)

- Is the physical description of the improvements (including quality of construction) of sufficient detail needed to support the estimate of cost new? Are building areas, room counts, etc. the same as those listed or illustrated in other sections of the report?
- Is the assessment of the condition of the various components (building and equipment) adequate for estimation of physical depreciation and effective age? Is this assessment reflected in the depreciation section of the cost approach?
- Is functional utility discussed and analyzed sufficiently to address possible functional obsolescence?
- Are conclusions drawn in the economic life analysis logical? If effective ages and chronological ages diverge substantially, is adequate support provided? (can be addressed in the Cost Approach Depreciation analysis)
- Are all improvements, included in the description, addressed in the cost approach?
- Are actual age, effective age, and remaining economic life defined, analyzed and stated?

Appraisal Process (1 page)

- Is the Appraisal Process Illustration included? Is there discussion about the process? Is each approach described here or at the introduction to each appraisal approach?
- Are definitions and quoted sources included?
- Are principles and procedures consistent with those found in recognized appraisal texts?

Part 2

COST APPROACH

- Is the process and principles of the Cost Approach discussed?
- Is the correct process for developing the cost approach followed? Is the assembly of the all cost approach components accounted for in the final cost approach value?

Site Valuation (3 pages)

- Are there a minimum of 3 land sales used in the Site Valuation?
- Do site sale comparables exhibit differences in characteristics (elements or units of comparison) sufficient to demonstrate adjustments?
- Is there at least 1 market derived adjustment applied? (not including the adjustment for market conditions)
- **Are matched pairs appropriately adjusted** (e.g. time terms, other differences) prior to measuring any resulting adjustment? (Sites other than the comparable sales can be analyzed in the adjustment process.)
- Are the various methods used to value the site adequately described? Is the conclusion as to the method utilized consistent with the market data available?
- Do descriptions of sale comparables contain sufficient data for proper analysis, particularly with respect to units of comparison and elements of comparison? Is the reader able to readily assess comparability among the sales, as well as to the subject property?
- Are multiple units of comparison discussed and analyzed? Does the concluded choice of units of comparison appear to be logical and relevant in the market? Are ranges of unit values discussed and are differences calculated?
- Are market (time) adjustments as concluded in the sales comparison approach utilized? NOTE: Given the fact that multiple sales of the same site are typically unobtainable, it is acceptable to utilize sales of identical sites, which sold at different times to perform market (time) adjustments. It is acceptable to use the time adjustment derived from improved properties the Sales Comparison Approach and apply it to the Site Valuation. Must discuss if vacant and improved markets are similar.

- Is data in the descriptions in agreement with the data used in grids? Are mathematical computations accurate?
- Are adjustments performed in the proper sequence (financing, time, etc.)?
- Do Net and Gross Adjustments include Market/Time adjustments? (Net and gross adjustments include all transactional and property adjustments).
- Are units of comparison analyzed by dividing the adjusted sale price by the subjects units of comparison?

Building Cost and Justification (1 page)

- Is the source of the cost estimate stated? (Recommend using industry standard cost manual – other sources can be used to support RCN, but not as primary source.)
- Are costs of landscaping and site improvements included and depreciated separately from primary improvements?
- Are appliances included in RCN?

Depreciation Analysis (2 pages)

- Is depreciation defined and the three categories identified?
- Is the difference between curable and incurable depreciation addressed?
- Is it stated that the subject does or does not suffer from all types of depreciation? Is its effect on value identified?
- Is the overall physical depreciation reflective of data derived from the economic life analysis? (Economic Age Life Method is recommended – other methods are Modified Age Life or Breakdown)
- Is economic obsolescence (if it exists) adequately supported in the neighborhood analysis and in the site analysis?
- Are the depreciated values of all site improvements included in the summary?

Summary/Conclusion of the Cost Approach

INCOME APPROACH (2 pages)

- Is the process and principles of the Income Approach discussed?
- Is the correct process for developing the income approach followed?
- Are there a minimum of 3 rental/sales used in the analysis?
- Are all possible units of comparison discussed and analyzed? Does the concluded choice of units of comparison appear to be logical and relevant in the market? Are ranges of unit values discussed?
- Are elements of comparison discussed in the subject improvement description and those detailed in the descriptions of comparables analyzed?
- Are indicated GRM's averaged or reconciled according to the subject property's comparability to the rental sales analyzed?
- Note – if there are no data available of rentals at the time of sale, it is acceptable to use rental of exact house and rent of a non-sold property.

Summary/Conclusion of the Income Approach

SALES COMPARISON APPROACH (6 pages)

- Is the process and principles of the Sales Comparison Approach discussed?
- Is the correct process for developing the sales comparison approach followed?
- Are there a minimum of 3 comparable sales used.
- Do improved sale comparables exhibit differences in characteristics (elements of comparison) sufficient to demonstrate proficiency in performing adjustments?
- Is there at least 2 market derived adjustment applied? (not including the adjustment for market conditions)
- Do descriptions of improved sale comparables contain sufficient data for proper analysis, particularly with respect to units of comparison and elements of comparison? Is the reader able to readily assess comparability among the sales, as well as to the subject property?
- Are multiple units of comparison discussed and analyzed? Does the concluded choice of the unit of comparison appear to be logical and relevant in the market? Are ranges of unit values discussed?
- Are elements of comparison discussed in the subject improvement description and are those detailed in the descriptions of comparables analyzed?

- Are adjustments to account for differences in living area performed employing the matched pairs method or by using indicated values per square foot? NOTE: The contributory value for differences in above grade living area may be different than the developed indicated value per square foot.
- Do adjustments developed using matched pairs appear reasonable?
- **Are matched pairs appropriately adjusted** (e.g. market conditions, other differences) prior to measuring any resulting adjustment?
- Are adjustments performed in the proper sequence (financing, Market conditions, etc.)?
- Note – The range of unadjusted sale prices should be a wider range when compared to range of adjusted sale prices.

Summary/Conclusion of the Income Approach

Part 3

Reconciliation/Certification (2 pages)

- Does the review of developed data include a summary of the indicated values by the three approaches? Is data contained in the body of the report as well as that utilized in the approaches reviewed?
- Are the strengths and weaknesses of each approach analyzed from a theoretical standpoint as well as applied to the subject property? Is appraisal theory contained in recognized appraisal texts considered? Is the quality and quantity of data presented in each approach thoroughly analyzed?
- Is the selection of the final value estimate consistent with the analysis of the strengths and weaknesses of each approach?

Appendix (10 pages & up)

- Are the Qualifications of the Appraiser included?
- Do all maps reference the subject property with an arrow and are north arrows included?
- Are the plot plan and the building sketches drawn in a professional manner? Are sufficient dimensions included as well as north arrows? Do the dimensions, when multiplied together, tie to data presented in the report?
- Do photographs adequately supplement the written descriptions of the subject property as well as the comparables?
- Are items revealed in the photographs reflective of data contained in the report? Example: The elements of comparison analysis states that Sale No. 1 does not have central air conditioning yet the photograph reveals the presence of a central air condenser.

Structure

- Are the various sections of the report generally presented in the order that they appear in the Guide and the Grading Sheet?
- Are heading schemes correctly utilized?
- Is the same writing style utilized throughout the report?
- Are spelling, grammatical, punctuation, and typographical errors **prevalent**?