

APPRAISAL REPORT - RESIDENTIAL INCOME PROPERTY

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

W.C. Lewis & Associates

TO BE COMPLETED BY LENDER

Borrower/Client _____	File No. _____
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 Fee 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)

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: left;">OVERALL RATING</th> <th>Good</th> <th>Avg.</th> <th>Fair</th> <th>Poor</th> </tr> </thead> <tbody> <tr><td>Employment Stability</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Adequacy of Utilities</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Convenience of Schools</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Police and Fire Protection</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Recreational Facilities</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Property Compatibility</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Protection from Detrimental Conditions</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>General Appearance of Properties</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Appeal to Market</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr> <td></td> <td>Distance</td> <td>Access or Convenience</td> <td></td> <td></td> </tr> <tr><td>Public Transportation</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Employment Centers</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Shopping Facilities</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Grammar Schools</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td>Freeway Access</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> </tbody> </table>	OVERALL RATING	Good	Avg.	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Estimated neighborhood apartment vacancy rate _____% Decreasing Stable Increasing Rent Controls No 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) _____

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) _____

Electricity <input type="checkbox"/> Public <input type="checkbox"/> Comm. <input type="checkbox"/> Individual <input type="checkbox"/> Gas <input type="checkbox"/> _____ Water <input type="checkbox"/> _____ Sanitary Sewer <input type="checkbox"/> _____ <input type="checkbox"/> Underground Electricity & Telephone	Street <input type="checkbox"/> Public <input type="checkbox"/> Private Surface <input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb & Gutter <input type="checkbox"/> Sidewalk <input type="checkbox"/> Alley <input type="checkbox"/> Street Lights	Ingress and Egress (Adequacy) _____ Topography _____ View Amenity _____ Drainage and Flood Conditions _____ Is the property located in a HUD Identified Special Flood Hazard Area?
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COMMENTS (including any easements or encroachments or any nonconforming use(s) of present improvements) _____

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 _____ **Cal Lewis, Cert. General 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 _____