

COMMERCIAL APPRAISAL REVIEW

For Use by a State Certified or Licensed Appraiser

Parties Involved		Review Appraiser		Client (Intended User)	
Name					
Firm Name					
Phone					
Email					
Fax					
Other Intended Users; Intended Use, Type and Purpose of Review					
Other Intended User(s)					
Intended Use of Review	<input type="checkbox"/> Quality Control	<input type="checkbox"/> Audit	<input type="checkbox"/> Other _____		
Type of Review	<input type="checkbox"/> Desk Review	<input type="checkbox"/> Field Review	<input type="checkbox"/> Compliance Review		
Purpose of Review	<input type="checkbox"/> Concur With Value or Report New Value	<input type="checkbox"/> Determine Compliance with USPAP	<input type="checkbox"/> Determine compliance with _____		
Identification of Subject Property (Subject of the Appraisal under Review)					
Project Name		Property Address			
City		State		Zip Code	
Assessor's Parcel #		Owner Occupied or Leased			
Interest Appraised	<input type="checkbox"/> Fee Simple	<input type="checkbox"/> Leased Fee	<input type="checkbox"/> Leasehold		
Brief Property Description	_____ Sq. Ft. Site zoned for _____ use improved (to be improved) with a _____ . The improvements do represent the highest and best use.				
Other Items Valued					
Identification of Appraiser & Type of Report					
Appraiser		Firm Name			
City		State			
Zip Code		Certified in Property State?			
Type of Report Format		Effective Date of Report			
Report Type Reviewed	<input type="checkbox"/> Self-Contained	<input type="checkbox"/> Summary	<input type="checkbox"/> Restricted Use		
Appraiser's Reported Value & Assignment Conditions					
		\$ Value		Effective Date	
Market Value "As-Is"					
Hypothetical Conditions					
Extraordinary Assumptions					
Prospective Market Value "Upon Completion"					
Hypothetical Conditions					
Extraordinary Assumptions					
Prospective Market Value "Upon Stabilization"					
Hypothetical Conditions					
Extraordinary Assumptions					

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Scope of Work of the Appraisal Review

- This scope of this review included a review of the entire appraisal report. Alternatively, the review appraiser:
- Reviewed only portions of the report including: ___ Land Valuation; ___ Cost Approach; ___ Income Approach; ___ Sales Comparison Approach; ___ Market Study; ___ Highest & Best Use; ___ Reconciliation
 - Checked all mathematical functions in the sections reviewed;
 - Inspected ___ exterior of the subject property; inspected ___ units; ___% of interior; other _____
 - Reviewed ___% of ___ leases lease abstracts or ___ rent roll affecting the subject property;
 - Reviewed historical income and expense data for ___ years;
 - Reviewed any sale contract/closing statement for the property within last three years;
 - Inspected ___ some or ___ all comparable data (land sales, rent comps, improved sale comps);
 - Verified transactional data reported in the report with ___ MLS or Comp Service; ___ Party to transaction; or ___ Public Records
 - Researched market for additional comparable data
 - The scope of this review ___ did ___ did not include an opinion about the appraiser's value (i.e., concurrence, non-concurrence, or development of reviewer's value opinion.)
 - Other (specify) _____

Describe information available to the Reviewer that was Not Available to the Appraiser on which Reviewer relied

REVIEWER'S CONCLUSIONS	\$ Value	Effective Date
Value "As-Is"		
Hypothetical Conditions		
Extraordinary Assumptions		
Prospective Value "Upon Completion"		
Hypothetical Conditions		
Extraordinary Assumptions		
Prospective Value "Upon Stabilization"		
Hypothetical Conditions		
Extraordinary Assumptions		

Review Appraiser Checklist

Note: S.R. Citations Refer to Specific USPAP Standards Rules, Statements and Advisory Opinions

	Question	USPAP SR SMT or AO	Yes	No	N/A	PG	Acceptable?
INTRODUCTION							
1.	Was the appropriate report format utilized and prominently stated?	SR2-2; AO11; AO12					
2.	Did the report state the identity of the client and any intended users?	SR2-(a)(i); SMT 9					
3.	Did the report state the intended use of the report?	SR2-2(a)(ii); SMT					
4.	Was the real estate sufficiently described including the physical and economic property characteristics relevant to the assignment?	SR2-2(a)(iii); AO2; AO23					

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5.	Was an accurate legal description included from appropriate documentation such as a title policy, deed, survey plat or loan documentation?	SR2-2(a)(iii)						
6.	Was the legal description verified with a survey to be sure they coincide?	SR2-2(a)(iii)						
7.	Was the appropriate interest defined and appraised?	SR2-2(a)(iv)						
8.	Was the type and definition of value defined and sourced?	SR2-2(a)(v); SMT6; AO7, AO22						
9.	Did the report contain an appropriate analysis of any prior and current sales, options or listing for the last 3 years?	SR2-2(a)(v); SMT6; AO7, AO22						
10.	Was the effective date of the appraisal and date of report included?	SR2-2(a)(vi); SMT3; SMT4						
11.	Was the scope of work used to develop the appraisal disclosed?	SR2- 2(a)(vii); AO28; AO29						
12. W	Did the report include a description of the information analyzed, appraisal methods and techniques employed and the reasoning that supports the analyses, opinions, and conclusions?	SR2- 2(a)(viii); AO31, AO1						
13.	Did the report state the use of the real estate existing as of the date of value and the use reflected in the appraisal; and when an opinion of highest and best use was developed by the appraiser, describe the support and rationale for that opinion?	SR2-2(a)(ix)						
14.	Did the report include an acceptable list of general assumptions and limiting conditions (for example, an assumption which effectively removes the appraiser's responsibility, or limits the extent of liability to the amount of the appraisal fee, is unacceptable)?	SR2-2(a)(x)						
15.	Did the report clearly and conspicuously include any special assumptions or limiting conditions?	SR2-2(a)(x)						
16.	Did the report include any hypothetical conditions?	SR2-2(a)(x)						
17.	Did the report include a signed certification similar in content to SR 2-3?	SR2-2(a)(xi); SR2-3						
REGIONAL, NEIGHBORHOOD AND MARKET DESCRIPTION INFORMATION								
18.	Was the Regional/Area data relevant to subject property?							
19.	Was the Neighborhood data relevant to subject property?							
20.	Was the Market Analysis / Absorption study relevant to the subject property?							
21.	Were appropriate exhibits for Regional, Neighborhood etc. maps included?							
22.	Remarks:							
SITE DATA								
23.	Were the site characteristics adequately described?							

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24.	Was any excess or expansion land identified and its contributory value to value considered?						
25.	Was the zoning description adequate?	SR 1-3(a)					
26.	Was the description of the improvements adequate?						
27.	Do any improvements conform to existing zoning? If not, describe in remarks?	SR 1-3(a)					
28.	If the improvements are proposed (or there is a proposed addition, proposed repairs, renovations, etc. to be made), did the appraiser have plans appropriate to reflect the kind and character of such improvements?	SR 1-2(a)					
29.	Was a tax and assessment analysis included and adequate?						
30.	Are the taxes reasonable?						
31.	Were appropriate exhibits including a copy of survey, plat map, assessor's plat, photographs, etc. included?						
32.	Remarks						
HIGHEST AND BEST USE							
33.	Has a meaningful highest and best use analysis relevant to subject characteristics been included for both the "as if vacant" and "as improved/proposed"?	SR 1-3(b)					
34.	Remarks						
VALUATION SECTION – LAND VALUATION							
35.	If the sales comparison method was employed, was sufficient detail provided on each sale including write-up, verification of sale, analysis of sale and adjustments as required by scope of work decision?	SR 1-4(a)					
36.	Was an adjustment grid included?						
37.	If another method of estimating land value, was it adequately documented and reasonable?						
38.	Was the land value considered well supported and reasonable?	SR 1-4(a)					
39.	Were appropriate exhibits including land sale maps, MLS printouts, included?						
40.	Remarks						
VALUATION SECTION – COST APPROACH							
41.	Were the direct and indirect components, entrepreneurial profit and depreciation from all causes appropriately estimated for either reproduction cost or replacement cost?	SR 1-4(b)(ii)(iii)					
42.	Was Marshall Valuation the source of the cost estimate?						
43.	For proposed projects, was the developer's cost estimate compared with another source?	SR 1-2(a)					

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44.	For proposed projects, was the developer's cost estimate considered reasonable?						
45.	Was an analysis of effective age, remaining economic life and total economic life reasonable?						
46.	Was the value estimated by the Cost Approach reasonable?	SR 1-4(b)					
47.	Was the value estimated by the Cost Approach one of the approaches relied heavily upon by the appraiser?						
48.	Were appropriate exhibits including a Marshall Valuation Cost Breakdown, etc. included?						
49.	Remarks:						
VALUATION SECTION – SALES COMPARISON APPROACH							
50.	If the sales comparison method was employed, was sufficient detail provided on each sale including write-up, verification of sale, analysis of sale and adjustments as required by scope of work decision?	SR 1-4(a)					
51.	Was an adjustment grid included?						
52.	Was the property value considered well supported and reasonable?	SR 1-4(a)					
53.	Was the value estimated by the Sales Comparison Approach one of the approaches relied heavily upon by the appraiser?						
54.	Were appropriate exhibits including location maps, photographs, MLS printouts, etc. included?						
55.	Remarks						
VALUATION SECTION – INCOME APPROACH							
Income Projection							
56.	Was the analysis of any leases encumbering the property (i.e., contract rent) adequate?	SR 1-4(c)(d)					
57.	Was the conclusion of contract rent appropriate and was the impact of any above or below market rate leases considered?	SR 1-4(c)(d)					
58.	Was the analysis of market rent for any vacant space including , sufficient detail provided on each rent comparable including write-up, verification of lease, analysis of lease (i.e. net to gross adjustments made) and adjustments as required by scope of work decision?						
59.	Were all of the rent comparables completed transactions and not "asking rents"?						
60.	Was the rental estimate considered well supported and reasonable?	SR 1-4(c)(d)					
61.	Was a rent comparable adjustment grid included?						
62.	Was consideration given to the projection of any "other" sources of income BEFORE vacancy allowance, i.e., expense reimbursements, CAM charges, parking, laundry or other fee income?	SR 1-4(c)(i)					

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63.	If this is a proposed project, were the developer's projected rental projections considered reasonable?	SR 1-2(e)						
64.	In the event of all "net" or "triple net" leases, were expense reimbursements shown as "other income" and a full burden of expenses projected?							
65.	Was the Potential Gross Income estimate adequate?							
66.	Were appropriate exhibits including rental location maps, photographs, MLS printouts, etc. included?							
67.	Was an appropriate deduction for vacancy and collection loss made, and is it in line with current market conditions?							
68.	Was the effective gross income estimate well supported?	SR 1-4(c)(i)						
69.	Remarks							
VALUATION SECTION – INCOME APPROACH								
Expense Projection								
70.	If this is an existing property, were a minimum of two years of historical data along with year to date data analyzed?							
71.	If this is a proposed property, was the developer's proforma expenses analyzed?							
72.	Were existing or proposed expenses compared with an appropriate source of published comparable expense data?							
73.	Were existing or proposed expenses compared with an appropriate source of private comparable expense data?							
74.	Were expenses analyzed on the basis of at least two units of comparison, i.e., per square foot, % of EGI, per unit, etc?							
75.	If this is a proposed project, were the developer's proforma expenses considered reasonable?							
76.	Were total expenses considered reasonable?	SR 1-4(c)(ii)						
77.	Remarks							
VALUATION SECTION – INCOME APPROACH								
Direct Capitalization (Rate or Factor) Methodology								
78.	If utilized, were at least three methods of developing a capitalization RATE analyzed and included (for example, survey data, extraction from sale comparables, band of investment, debt service ratio method)?							
79.	If utilized, was at least one method of developing a capitalization FACTOR analyzed and included (for example, GIM, GRM, EGM)?							
80.	Was the capitalization rate or income factor reasonable?	SR 1-4(c)(iii)						
81.	Was the value conclusion by the Income Approach using Direct Capitalization well supported?							

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82.	Was the value estimated by the Income Approach utilizing Direct Capitalization one of the approaches relied heavily upon by the appraiser?						
83.	Remarks						
VALUATION SECTION – INCOME APPROACH							
Yield Capitalization Methodology							
84.	If utilized, was an appropriate software program utilized based on the complexity of the project (i.e., Excel, Argus, Project, etc.)?						
85.	Was a software electronic file included?						
86.	Was lease data correctly input?						
87.	Were assumptions made concerning number of projection periods, income and expense growth, market rental rates on renewal, replacement reserve estimates, rollover expense estimates (for retrofit and broker expenses) considered reasonable?						
88.	Was the discount rate considered reasonable?	SR 1-4(c)(iii)					
89.	Was the value conclusion by the Income Approach using Direct Capitalization well supported?						
90.	Was the value estimated by the Income Approach utilizing Direct Capitalization one of the approaches relied heavily upon by the appraiser?						
91.	Remarks						
RECONCILIATION							
92.	Did the reconciliation take into account the approaches used, listing the strengths and weaknesses of each?						
93.	Was the value reconciliation appropriate and supported?						
94.	Was an estimate of reasonable exposure time made?						
95.	Was an estimate of reasonable marketing time made?						
96.	Was the exclusion of any approaches adequately explained?						
97.	Would the reviewer have excluded the approaches?						
98.	Were deductions relevant to proposed construction, completed properties that are partially leased, or subdivision tract developments with unsold units (or lots) projected and deducted (for example deductions for lease-up and holding costs, marketing costs, real estate taxes and other expenses likely to be incurred)?						
OTHER USPAP RULES							
99.	Based on a review of the report, does the appraiser appear to have been impartial, objective and independent without advocating the cause or interest of any party?	Ethics Rule					
100.	Does the appraiser appear to have reported predetermined opinions and conclusions?	Ethics Rule					

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101.	Did the appraiser use or rely on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance, income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value?	Ethics Rule					
102.	Is the reviewer aware of the payment of any undisclosed fees, commissions or things of value in connection with procurement of this assignment?	Ethics Rule					
103.	Based on a review of credentials and the report, does the appraiser have the “geographic” and “specific property type” competence for this type of appraisal?	Ethics Rule					
104.	Does the appraiser’s scope of work decision appear to be reasonable in light of the complexity of the project and the intended use of the report?	Scope of Work Rule					
105.	Did the appraiser gather and analyze sufficient data to properly identify the appraisal problem to be solved?	Scope of Work Rule					
106.	Are the appraiser’s assignment results credible?	Scope of Work Rule					
107.	Is there sufficient data and information within the report to allow the intended user to understand the scope of work performed?	Scope of Work Rule					
108.	Did the appraiser comply with the engagement letter?						
109.	Does the report comply with USPAP?	FIRREA					
110.	Were there any editing issues (ghosts), redundancies, math errors, boilerplate, frequency of inconsistencies between narrative and the summaries?	USPAP					
111.	If this is an appraisal for a “federally related real estate transaction”, (a) does it comply with USPAP, (b) is it written and contain sufficient information analysis; (c) does it contain appropriate deductions and discounts; (d) is based on the interagency definition of Market Value; and (e) is prepared by an appropriate appraiser who is licensed in the state in which the property is located?	FIRREA					
112.	If personal property, trade fixtures, other intangibles or items that are not real property that constitute a significant portion of value separately valued and labeled?	SR 1-4(g)					
113.	If the property is a lodging facility (hotel or motel, senior care facility), health care facility or a special use property, and has an element of value referred to as Business Enterprise Value as part of the Going Concern Value, was it separately labeled?	SR 1-4(g)					

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Standards Rule 3-1 Review Appraiser Queries

Were there any portions of the work the reviewer concluded were not complete? (if yes, reviewer must provide details and/or additional analysis)	
Does the Reviewer believe that the data contained in the report is adequate and relevant with appropriate adjustments? (if no, reviewer must provide details)	
Does Reviewer believe the appraisal methods and techniques used were appropriate (if not, reviewer must develop reasons for disagreement)	
Were there any special market risks identified that the user should be aware of?	

Review Appraiser's Certification

I certify that, to the best of my knowledge and belief:

- The facts and data reported by the reviewer and used in the review process are true and correct,
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions,
- I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the subject property of the work under review.
- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.

Review Appraiser

Date of Review

Note. A member of the Appraisal Institute must include the following additional language in the certification:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. (This exact statement must be used.)

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- Each written report of a Designated Member must contain a certification that includes one of the following statements: (The exact statements must be used.)
Either
--As of the date of this report, I (or Member's name or Members' names) have/has completed the continuing education program of the Appraisal Institute.
Or
--As of the date of this report, I (or Member's name or Members' names) have not/has not completed the continuing education program of the Appraisal Institute.