

APPRAISAL REQUIREMENTS: 202 & 811

All 202 & 811 sites:

- All appraisals must be performed by a Certified General Appraiser located in the State of New York. A Certified General Real Estate Appraiser in the State of New York can be identified by the ID #46followed by the digits assigned to them by the State.
- A copy of the appraisers certification must be attached to the appraisal report.
- The appraisal report must be in compliance with the Uniform Standards of Appraisal Practice (USPAP).
- The appraisal must include the last arms-length sales transaction for the subject site.
- The appraisal report must include a detailed, narrative description of the subject neighborhood to include maintenance, marketability and services offered. Proximity of the site, in distance, to shopping, public transportation, recreational facilities, local hospitals, police and fire protection must also be included.
- Zoning and Deed restrictions, if any, must be considered.
- Appraisal report should include a 3 - 5 Comparable sales. Sales should be located within areas of similar zoning, and located within reasonable proximity to the site.
- Appraisal is to include color photographs of the subject site and comparable sales.
- Appraisal is to include a map indicating locations of subject site and comparable sales.

Additional requirements for Vacant Land Appraisals:

In addition to the requirements for all appraisals, appraisal reports of vacant land sites must also meet the following requirements:

- **The Highest and Best Use of the subject vacant is based upon the proposed use of the site, developed by HUD.** This limit is based upon the fact the construction of the HUD project upon the land, will tend to fix the value of the land for the remaining economic life of the improvements, irregardless if another use could realize higher returns to the site.

- The site is compared to other sites which have recently sold, and offer similar elements of utility and desirability for the type and size of the proposed development. Significant differences between each comparable and the subject site are noted and adjustments are made to indicate the degree of superiority or inferiority the subject has in relation to the comparable sale. The comparables must be competitive to the subject in that they offer:
 - (a) Adequate size to meet generally the requirements of the proposed project.
 - (b) Comparable appeal to tenants of the household type and rent paying capacity contemplated for occupancy of the proposed project.
 - (c) Sufficient other similar attributes of utility and desirability to make the comparison reasonable and true.
- The appraiser is to provide a narrative explanation of the basis for selection of comparable sales, the adjustment process and basis of the amounts used in the adjustment process.
- The appraisal must include a grid, illustrating the Comparable Sales Price, adjustments for value related differences in relation to the subject, and the final indicated value for each comparable sale after mathematical computations have been made for the adjustment process.
- The final estimate of value for the subject vacant land may be developed either on a Per Unit basis, or Per Square Foot of land basis. The appraiser must provide a narrative explanation for the selection of either unit of value as the basis of the final estimate of value for the subject site.
- The appraiser is to provide a narrative explanation of the final reconciliation of estimated value for the subject site.

811's Improved With Existing Dwellings

In addition to the requirements for all appraisals, appraisals reports for 811 sites that are improved with existing dwellings must also meet the following requirements:

- The estimate of value for the improved site, will be based upon the Market Value of the Fee Simple estate, in it's entirety, land and existing improvements, as of date of valuation.
- The appraisal report should be written on the appropriate report format. The use of standard FNMA URAR forms Single Family residences, and SRIP forms for 2 - 4 Family dwellings are acceptable.

- A minimum of 3 - 5 comparable sales must be cited.
- For the best measure of market value, the Comparable sales should be as recently closed as possible. Closings that have occurred within 6 months prior to the date of valuation are most preferable.
- Comparable Sales must be located within reasonable proximity to the subject, within similar type neighborhoods.
- The Comparable Sales must be similar style and utility, located within neighborhoods similar in maintenance, marketability and zoning.
- The appraisal is to provide an explanation of the basis for selection of comparable sales, the adjustment process and basis of the amounts used in the adjustment process.
- The appraisal is to provide an explanation of the final reconciliation of estimated value for the subject site.

If you have any questions, please contact Lisa L. Annunziato, Senior Appraiser, at 212-542-7725.