

Condo...not *complicated*



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Learning Objectives

- Define a condo and what makes it unique?
- Discuss condo considerations:
 - Ineligible projects
 - Project status
- Evaluate key sections of a condo appraisal
- Review agency criteria

What is a Condo?

A real estate project where unit owners hold:

- Title to an individual unit in a multi-unit property
- An undivided interest in common areas within project



Project Types

Condo

- Unit owner owns space inside unit
- Unit owner has undivided interest in common areas

PUD

- Unit owner owns space inside AND outside unit
- Unit owner owns land beneath unit – and possibly land in front/back of unit
- Common areas are owned by an association of unit owners

Co-Op

- Corporation owns the complex
- Owners purchase shares of stock allocated to a specific unit and rights to a long-term lease for occupancy of unit



Ineligible Projects

Projects not salable to the agencies:

- Excessive single investor concentration
- Excessive commercial space
- Hotel/motel projects (transient in nature)
 - daily, weekly, monthly rentals
- Timeshare projects
- Continuing Care Facilities (CCFs)
- Houseboat projects

Check investor/agency guidelines

Project Status

ESTABLISHED Project – All true

- ❑ 100% complete
- ❑ Not subject to phasing or add-ons
- ❑ % of units conveyed to purchasers:
 - ▣ $\geq 90\%$ * Fannie Mae
 - ▣ $\geq 75\%$ Freddie Mac
- ❑ HOA controlled by unit owners

NEW Project – 1 or more true

- ❑ Not fully complete
- ❑ Subject to phasing or add-ons
- ❑ % of units conveyed to purchasers:
 - ▣ $< 90\%$ * Fannie Mae
 - ▣ $< 75\%$ Freddie Mac
- ❑ HOA not controlled by unit owners

*See investor guidelines for requirements

Condo Appraisal Forms

- Fannie Mae/Freddie Mac
 - 1073/465 – Interior/Exterior
 - 1075/466 – Exterior Only

Individual Condominium Unit Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	Unit #	City	State	Zip Code
Borrower	Owner of Public Record		County	
Legal Description				
Assessor's Parcel #	Tax Year		R.E. Taxes \$	

Project Name

Occupant ☐ Owner ☐ Tenant ☐ Vacant

Property Rights Appraised ☐ Fee Simple

Assignment Type ☐ Purchase Transaction

Lender/Client

Is the subject property currently offered for sale?

Report data source(s) used, offering price(s), and date(s).

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

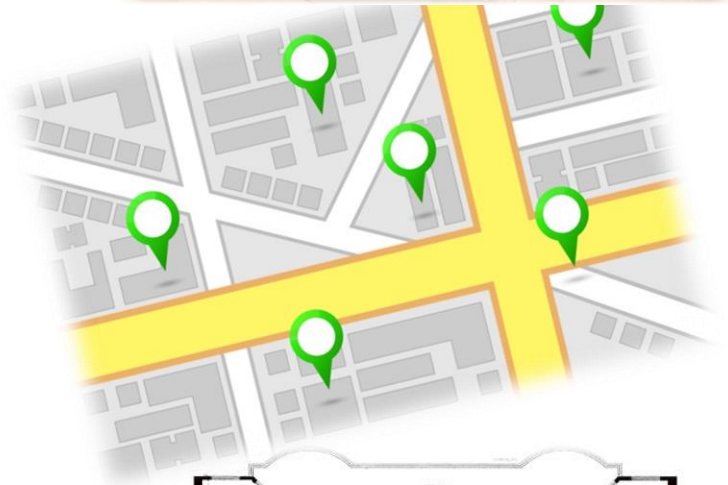
Property Address	Unit #	City	State	Zip Code
Borrower	Owner of Public Record		County	
Legal Description				
Assessor's Parcel #	Tax Year		R.E. Taxes \$	
Project Name	Phase #	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month	
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)				
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)				
Lender/Client	Address			
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Report data source(s) used, offering price(s), and date(s).				

Condominium Appraisal

- **Page 1**
 - Subject property, contract, neighborhood and project information
- **Page 2**
 - More project detail
 - Subject unit description
 - Prior sales history of subject and comparables
- **Page 3**
 - Comparing subject to comparable sales
 - Sales comparison and income approach
 - Final value
- **Pages 4-6**
 - Official disclosures/disclaimers
 - Appraiser signature/licensure info

Required Exhibits

- Interior sketch of unit dimensions
- Street map of subject & comps
- Exterior photos of subject
 - Front, back and street scene
- Interior photos of subject
 - Kitchen, bathroom(s), main living area
- Exterior front photos of comps



Form 1073

Page 1

Subject ▶

Contract ▶

Neighborhood ▶

Project Site ▶

Project Information ▶

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Individual Condominium Unit Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	Unit #	City	State	Zip Code
Borrower	Owner of Public Record		County	
Legal Description				
Assessor's Parcel #	Tax Year		R.E. Taxes \$	
Project Name	Phase #	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$		HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)				
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)				
Lender/Client Address				
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Report data source(s) used, offering price(s), and date(s).				
<input type="checkbox"/> I did <input type="checkbox"/> I did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.				
Contract Price \$ Date of Contract Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s)				
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, report the total dollar amount and describe the items to be paid.				
Note: Race and the racial composition of the neighborhood are not appraisal factors.				
Neighborhood Characteristics		Condominium Unit Housing Trends		Condominium Housing
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE \$ (000)	AGE (yrs)	One-Unit %
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply			2-4 Unit %
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths		Low	Multi-Family %
Neighborhood Boundaries			High	Commercial %
Neighborhood Description			Pred.	Other %
Market Conditions (including support for the above conclusions)				
Topography Size Density View				
Specific Zoning Classification Zoning Description				
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming - Do the zoning regulations permit rebuilding to current density? <input type="checkbox"/> Yes <input type="checkbox"/> No				
<input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)				
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe				
Utilities Public Other (describe)	Public Other (describe)	Off-site Improvements—Type Public Private		
Electricity <input type="checkbox"/> <input type="checkbox"/>	Water <input type="checkbox"/> <input type="checkbox"/>	Street <input type="checkbox"/> <input type="checkbox"/>		
Gas <input type="checkbox"/> <input type="checkbox"/>	Sanitary Sewer <input type="checkbox"/> <input type="checkbox"/>	Alley <input type="checkbox"/> <input type="checkbox"/>		
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input type="checkbox"/> No FEMA Flood Zone		FEMA Map # FEMA Map Date		
Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe				
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe				
Data source(s) for project information				
Project Description <input type="checkbox"/> Detached <input type="checkbox"/> Row or Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input type="checkbox"/> Other (describe)				
General Description		Subject Phase		If Project Completed
# of Stories	Exterior Walls	# of Units	# of Phases	# of Planned Phases
# of Elevators	Roof Surface	# of Units Completed	# of Units	# of Planned Units
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking	# of Units For Sale	# of Units For Sale	# of Units For Sale
<input type="checkbox"/> Under Construction	Ratio (spaces/units)	# of Units Sold	# of Units Sold	# of Units Sold
Year Built	Type	# of Units Rented	# of Units Rented	# of Units Rented
Effective Age	Guest Parking	# of Owner Occupied Units	# of Owner Occupied Units	# of Owner Occupied Units
Project Primary Occupancy <input type="checkbox"/> Principle Residence <input type="checkbox"/> Second Home or Recreational <input type="checkbox"/> Tenant				
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Management Group - <input type="checkbox"/> Homeowners' Association <input type="checkbox"/> Developer <input type="checkbox"/> Management Agent - Provide name of management company.				
Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe				
Was the project created by the conversion of an existing building(s) into a condominium? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the original use and the date of conversion.				
Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe				
Is there any commercial space in the project? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe and indicate the overall percentage of the commercial space.				

Form 1073 – Page 2

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Project Information ►

Project Analysis ►

Unit Description ►

Individual Condominium Unit Appraisal Report					File #
Describe the condition of the project and quality of construction.					
Describe the common elements and recreational facilities.					
Are any common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.					
Is the project subject to ground rent? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, \$ per year (describe terms and conditions)					
Are the parking facilities adequate for the project size and type? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe and comment on the effect on value and marketability.					
I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed.					
Are there any other fees (other than regular HOA charges) for the use of the project facilities? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, report the charges and describe.					
Compared to other competitive projects of similar quality and design, the subject unit charge appears <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Low If High or Low, describe					
Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe and explain the effect on value and marketability.					
Unit Charge \$ per month X 12 = \$ per year Annual assessment charge per year per square foot of gross living area = \$					
Utilities included in the unit monthly assessment <input type="checkbox"/> None <input type="checkbox"/> Heat <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Cable <input type="checkbox"/> Other (describe)					
General Description		Interior materials/condition	Amenities	Appliances	Car Storage
Floor #	Floors		<input type="checkbox"/> Fireplace(s) #	<input type="checkbox"/> Refrigerator	<input type="checkbox"/> None
# of Levels	Walls		<input type="checkbox"/> Woodstove(s) #	<input type="checkbox"/> Range/Oven	<input type="checkbox"/> Garage <input type="checkbox"/> Covered <input type="checkbox"/> Open
Heating Type	Trim/Finish		<input type="checkbox"/> Deck/Patio	<input type="checkbox"/> Disp <input type="checkbox"/> Microwave	# of Cars
<input type="checkbox"/> Central AC <input type="checkbox"/> Individual AC	Bath Wainscot		<input type="checkbox"/> Porch/Balcony	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Assigned <input type="checkbox"/> Owned
<input type="checkbox"/> Other (describe)	Doors		<input type="checkbox"/> Other	<input type="checkbox"/> Washer/Dryer	Parking Space #
Finished area above grade contains:		Rooms	Bedrooms	Bath(s)	Square Feet of Gross Living Area Above Grade
Are the heating and cooling for the individual units separately metered? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe and comment on compatibility to other projects in the market area.					
Additional features (special energy efficient items, etc.)					
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).					
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe					
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe					
I <input type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain					
My research <input type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.					
Data source(s)					
My research <input type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.					
Data source(s)					
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).					
ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Date of Prior Sale/Transfer					
Price of Prior Sale/Transfer					
Data Source(s)					
Effective Date of Data Source(s)					
Analysis of prior sale or transfer history of the subject property and comparable sales.					

Subject Section

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Project name

Phase #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	12345 Summer Street	Unit #	2	City	Season	State	CA	Zip Code	99999	
Borrower	Smart, John	Owner of Public Record	Smart, John	County						Orange
Legal Description	TR 9999 LOT 9 UNIT NO. 2, TOGET WITH AN UND 1/99 INT IN LOTS 1-99 INC									
Assessor's Parcel #	999-99-999			Tax Year	2012		R.E. Taxes \$	1,767.00		
Project Name	Sunset		Phase #	1		Map Reference	Fa 999-F9			
Census Tract	0123.45									
Occupant	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant			Special Assessments \$	0.00		HOA \$	255.00 <input type="checkbox"/> per year <input checked="" type="checkbox"/> per month		
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)									
Assignment Type	<input type="checkbox"/> Purchase Transaction <input checked="" type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)									
Lender/Client	ABC Lending, Inc.			Address						123 Anywhere, CA 99999
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No										
Report data source(s) used, offering price(s), and date(s). Per MLS, the subject property is not currently being offered for sale. Per MLS, the subject property has not been offered for sale within the twelve months prior to the effective date of this appraisal report.										

Unit occupancy

Property rights

HOA fee

Neighborhood Section

Neighborhood Characteristics

Condo Unit Housing Trends

Condo Housing Price and Age

Present Land Use %

Note: Race and the racial composition of the neighborhood are not appraisal factors

NEIGHBORHOOD

Neighborhood Characteristics				Condominium Unit Housing Trends				Condominium Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	75 %
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	%
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	130 Low	34	Multi-Family	%
Neighborhood Boundaries The neighborhood boundaries are considered to be Orange County to the North, Happy Valley to the South, the 99 Hwy to the East and Apple Valley to the West.								275 High	48	Commercial	25 %
								205 Pred.	40	Other	%
Neighborhood Description The subject's neighborhood consists of average quality condos, attached homes, single family detached homes and commercial facilities. The subject property is located within a close proximity of all public support facilities. Employment stability and appeal to market is average and typical for the area.											
Market Conditions (including support for the above conclusions) General marketing conditions in the subject's neighborhood appears stable. Typical financing exists, predominantly consisting of conventional. Marketing/exposure times appear to be similar at this time. An analysis of comparative properties in the area indicate that values are stable/stabilizing and supply/demand appears to be in balance at this time.											

Project Site

Topography Level		Size Average		Density Average		View N: Pos		
Specific Zoning Classification R-1/Condo				Zoning Description Condominium				
Zoning Compliance		<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming – Do the zoning regulations permit rebuilding to current density?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
<input type="checkbox"/> No Zoning		<input type="checkbox"/> Illegal (describe)						
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		If No, describe. _____		
PROJECT SITE	Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
	Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street Asphalt/Typical	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley Asphalt/Typical	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone X		FEMA Map # 12345C6789J		FEMA Map Date 12/03/2009	
	Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. <u>There were no apparent adverse external factors or site conditions present on the site or in the vicinity of the subject. Please note that the appraiser is not an expert in the field of environmental conditions. Flood determination data for the subject was derived from NDCdata.com, no warranty given/implied. See attached limiting conditions. The subject and all comparables suffer from train noise.</u>								

- View
- Zoning
- Adverse site conditions/external factors

Project Information

Valuation green/interim: See attached listing conditions. The subject and all comparables suffer from train noise.

Data source(s) for project information ☐ Owner, HOA, Local MLS Services, Public Records and/or Visual Observation.

Project Description ☐ Detached ☐ Row or Townhouse ☐ Garden ☐ Mid-Rise ☐ High-Rise ☒ Other(describe) Condo

General Description	General Description	Subject Phase	If Project Completed	If Project Incomplete
# of Stories 2	Exterior Walls Stc/Wd	# of Units	385	# of Phases 1
# of Elevators 0	Roof Surface Comp.	# of Units Completed	385	# of Units 385
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking 2	# of Units For Sale	2	# of Units for Sale 2
<input type="checkbox"/> Under Construction	Ratio (spaces/units) 2:1	# of Units Sold	385	# of Units Sold 385
Year Built 1974	Type Garage	# of Units Rented	198	# of Units Rented 198
Effective Age 30-35	Guest Parking Ample	# of Owner Occupied Units	187	# of Owner Occupied Units 187

Project Primary Occupancy ☐ Principal Residence ☐ Second Home or Recreational ☒ Tenant Occupancy info provided by the HOA 123-456-7899.

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☒ No

Management Group - ☐ Homeowners' Association ☐ Developer ☒ Management Agent - Provide name of management company. Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? ☐ Yes ☒ No If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium? ☐ Yes ☒ No If Yes, describe the original use and the date of conversion.

Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? ☒ Yes ☐ No If No, describe

Is there any commercial space in the project? ☐ Yes ☒ No If Yes, describe and indicate the overall percentage of the commercial space.

Freddie Mac Form 465 March 2005 Produced using ACI software, 800.234.8727 www.aciweb.com Fannie Mae Form 1073 March 2005
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Individual Condominium Unit Appraisal Report

File No. Condo 1073

Describe the condition of the project and quality of construction. The subject's project appears to be in average condition and consists of average quality condos of average quality construction. Unit mix and appeal to market is average and typical for condos of this type in this area.

Describe the common elements and recreational facilities. The subject's project common elements and recreational facilities consist of pools, spas, a park/playground, streets and greenbelt areas.

Are any common elements leased to or by the Homeowners' Association? ☐ Yes ☒ No If Yes, describe the rental terms and options.

Is the project subject to a ground rent? ☐ Yes ☒ No If Yes, \$ per year (describe terms and conditions)

Are the parking facilities adequate for the project size and type? ☒ Yes ☐ No If No, describe and comment on the effect on value and marketability.

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Project Information – Page 1

warranty given/implied. See attached limiting conditions. The subject and all comparables suffer from train noise.

Date source(s) for project information: Owner, HOA, Local MLS Services, Public Records and/or Visual Observation

Project Description ☐ Detached ☐ Row or Townhouse ☐ Garden ☐ Mid-Rise ☐ High-Rise ☒ Other(describe) Condo

General Description		Subject Phase		If Project Completed		If Project Incomplete	
# of Stories 2	Exterior Walls Stc/Wd	# of Units	385	# of Phases	1	# of Planned Phases	
# of Elevators 1	Roof Surface Comp.	# of Units Completed	385	# of Units	385	# of Planned Units	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking 2	# of Units For Sale	2	# of Units for Sale	2	# of Units for Sale	
<input type="checkbox"/> Under Construction	Ratio (spaces/units) 2:1	# of Units Sold	385	# of Units Sold	385	# of Units Sold	
Year Built 1974	Type Garage	# of Units Rented	198	# of Units Rented	198	# of Units Rented	
Effective Age 30-35	Guest Parking Ample	# of Owner Occupied Units	187	# of Owner Occupied Units	187	# of Owner Occupied Units	

Project Primary Occupancy ☐ Principal Residence ☐ Second Home or Recreational ☒ Tenant Occupancy info provided by the HOA 123-456-7899.

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☒ No

Management Group – ☐ Homeowners' Association ☐ Developer ☒ Management Agent – Provide name of management company. Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? ☐ Yes ☒ No If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium? ☐ Yes ☒ No If Yes, describe the original use and the date of conversion.

- Detached
- Row or Townhouse
- Garden
- High-Rise
- Other

Project Information – Page 1

warranty given/implied. See attached limiting conditions. The subject and all comparables suffer from train noise.

Data source(s) for project information: ☐ HOA, ☐ Local MLS Services, ☐ Public Records and/or ☐ Visual Observation.

Project Description: ☐ Detached ☐ Mid-Rise ☐ High-Rise ☒ Other(describe) Condo

General Description		Subject Phase	If Project Completed		If Project Incomplete	
# of Stories	2		# of Phases	1	# of Planned Phases	
# of Elevators	1	Completed	385	# of Units	385	# of Planned Units
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed		For Sale	2	# of Units for Sale	2	# of Units for Sale
<input type="checkbox"/> Under Construction		Sold	385	# of Units Sold	385	# of Units Sold
Year Built	1974	Rented	198	# of Units Rented	198	# of Units Rented
Effective Age	30-35			# of Owner Occupied Units	187	# of Owner Occupied Units
Type	Garage					
Guest Parking	Ample					
# of Owner Occupied Units	187					

Project Primary Occupancy: ☐ Principal Residence ☐ Second Home or Recreational ☒ Tenant Occupancy info provided by the HOA 123-456-7899.

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☒ No

Management Group – ☐ Homeowners' Association ☐ Developer ☒ Management Agent – Provide name of management company. Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? ☐ Yes ☒ No If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium? ☐ Yes ☒ No If Yes, describe the original use and the date of conversion.

Project status

- Established
- New

- Construction status
- Year built
- Parking



Project Information – Page 1

warranty given/implied. See attached limiting conditions. The subject and all comparables suffer from train noise.

Data source(s) for project information Owner, HOA, Local MLS Services, Public Records and/or Visual Observation.

Project Description ☐ Detached ☐ Row or Townhouse ☐ Garden ☐ Mid-Rise ☐ High-Rise ☒ Other (describe) Condo

General Description		Subject Phase		If Project Completed		If Project Incomplete	
# of Stories 2	Exterior Walls Stc/Wd	# of Units	385	# of Phases	1	# of Planned Phases	
# of Elevators 1	Roof Surface Comp.	# of Units Completed	385	# of Units	385	# of Planned Units	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking 2	# of Units For Sale	2	# of Units for Sale	2	# of Units for Sale	
<input type="checkbox"/> Under Construction	Ratio (spaces/units) 2:1	# of Units Sold	385	# of Units Sold	385	# of Units Sold	
Year Built 1974	Type Garage	# of Units Rented	198	# of Units Rented	198	# of Units Rented	
Effective Age 30-35	Guest Parking Ample	# of Owner Occupied Units	187	# of Owner Occupied Units	187	# of Owner Occupied Units	

Project Primary Occupancy ☐ Principal Residence ☐ Second Home or Recreational ☒ Rental Occupancy info provided by the HOA 123-456-7899.

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☒ No

Management Group – ☐ Homeowners' Association ☐ Developer ☒ Management Agent – Provide name of management company. Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? ☐ Yes ☒ No If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium? ☐ Yes ☒ No If Yes, describe the original use and the date of conversion.

Indicators for level of review:

- Number of phases
- Complete/incomplete
- Number for sale, sold, rented



Project Information – Page 1

PROJECT INFORMATION

Project Primary Occupancy ☐ Principal Residence ☐ Second Home or Recreational ☒ Tenant Occupancy info provided by the HOA 123-456-7899.

Is the development under the control of the Homeowners' Association (HOA)? ☐ Yes ☒ No

Management Group ☐ Homeowners' Association ☐ Developer ☒ Management Agent - Provide name of management company. Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? ☐ Yes ☒ No If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium? ☐ Yes ☒ No If Yes, describe the original use and the date of conversion.

Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? ☒ Yes ☐ No If No, describe

- Project occupancy
- Who is in charge of HOA?
- Does any single entity own > 10% of units?
 - Freddie Mac 25%
 - Fannie Mae 20%*

☐ Ineligible
☐ Project status
 ☐ Established
 ☐ New

☐ Ineligible project?

*See investor guidelines for exceptions

Project Information – Page 1

PROJECT INFORMATION	Project Primary Occupancy	<input type="checkbox"/> Principal Residence	<input type="checkbox"/> Second Home or Recreational	<input checked="" type="checkbox"/> Tenant	Occupancy info provided by the HOA 123-456-7899.
	Is the developer/builder in control of the Homeowners' Association (HOA)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	Management Group –	<input type="checkbox"/> Homeowners' Association	<input type="checkbox"/> Developer	<input checked="" type="checkbox"/> Management Agent – Provide name of management company.	Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*
	Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If Yes, describe	
	Was the project created by the conversion of an existing building(s) into a condominium?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If Yes, describe the original use and the date of conversion.	
	Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	If No, describe	

- Is the project a conversion?
- Are all common elements complete?

☐ Project status
☐ Established
☐ New

Project Information – Page 1

Is there any commercial space in the project? ☐ Yes ☒ No If Yes, describe and indicate the overall percentage of the commercial space. _____

- Is there any commercial space?
 - Agencies will allow up to 35%*

☐ Ineligible project?

*See investor guidelines for specific calculations

Project Information – Page 2

MGIC

Individual Condominium Unit Appraisal Report

File No. Condo 1073

Describe the condition of the project and quality of construction. The subject's project appears to be in average condition and consists of average quality condos of average quality construction. Unit mix and appeal to market is average and typical for condos of this type in this area.

Describe the common elements and recreational facilities. The subject's project common elements and recreational facilities consist of pools, spas, a park/playground, streets and greenbelt areas.

Are any common elements leased to or by the Homeowners' Association? ☐ Yes ☒ No If Yes, describe the rental terms and options.

Is the project subject to a ground rent? ☐ Yes ☒ No If Yes, \$ _____ per year (describe terms and conditions)

Are the parking facilities adequate for the project size and type? ☒ Yes ☐ No If No, describe and comment on the effect on value and marketability.

- Condition & construction quality of project
- Common elements & recreation facilities – any leased?
- Is project subject to ground rent?
- Are parking facilities adequate?

Project Analysis

I ☐ did ☒ did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed. The subject's Condo Project Budget for the current year was not reviewed by the appraiser as it was not provided to the appraiser for review. This information is typically not made available to appraisers. It should also be noted that the typical appraiser is not an expert in this field. *The appraiser is not aware of any project litigation.*

Are there any other fees (other than regular HOA charges) for the use of the project facilities? ☐ Yes ☒ No If Yes, report the monthly facility charges and describe. _____

Compared to other competitive projects of similar quality and design, the subject unit charge appears ☐ High ☒ Average ☐ Low If High or Low, describe. _____

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser? ☐ Yes ☒ No If Yes, describe and explain the effect on value and marketability. There are no apparent special or unusual project characteristics based on a visual observation of the subject property by the appraiser. The Condo Documents were not reviewed by the appraiser as this information is typically not made available to appraiser.

- Was condo project budget analyzed?
- Any fees other than HOA fees for use of project facilities?
- Are HOA fees in line with competitive projects?
- Anything special or unusual about the project?

Unit Description

Unit Charge \$ 255.00 per month X 12 = \$ 3,060.00 per year Annual assessment charge per year per square feet of gross living area = \$ 2.89

Utilities included in the unit monthly assessment ☐ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☒ Water ☒ Sewer ☐ Cable ☒ Other (describe)

Hot water heating.

GENERAL DESCRIPTION	INTERIOR materials/condition	AMENITIES	Appliances	CAR STORAGE
Floor # 2-story	Floors Wood/Tile/Average	<input type="checkbox"/> Fireplace(s) # 0	<input type="checkbox"/> Refrigerator	<input type="checkbox"/> None
# of Levels 2	Walls Drywall/Average	<input type="checkbox"/> Woodstove(s) # 0	<input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Garage <input type="checkbox"/> Covered <input type="checkbox"/> Open
Heating Type FAU Fuel Gas	Trim/Finish Wood/Average	<input checked="" type="checkbox"/> Deck/Patio Patio	<input checked="" type="checkbox"/> Disp <input checked="" type="checkbox"/> Microwave	# of Cars 2
<input type="checkbox"/> Central AC <input type="checkbox"/> Individual AC	Bath Wainscot Fiberglass/Average	<input checked="" type="checkbox"/> Porch/Balcony Porch	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Assigned <input type="checkbox"/> Owned
<input checked="" type="checkbox"/> Other (describe) None	Doors Hollow Core/Avg.	<input type="checkbox"/> Other None	<input type="checkbox"/> Washer/Dryer	Parking Space #

Finished area above grade contains: 6 Rooms 3 Bedrooms 1.1 Bath(s) 1,058 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? ☒ Yes ☐ No If No, describe and comment on compatibility to other projects in the market area.

Additional features (special energy efficient items, etc.). See attached addendum for subject features.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C3;Kitchen-updated-one to five years ago; Bathrooms-updated-one to five years ago;The subject property is of average quality construction and appears to be in average condition with no apparent repairs or modernization needed.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe

There are no apparent physical deficiencies or adverse conditions that would affect the liability, soundness or structural integrity of the subject property.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe. The subject property does generally conform to the neighborhood in respect to functional utility, style, condition, use, construction, etc...

Reconciliation ►

Sales Comparison Approach

- **Established projects:**
 - Comparable sales within project
 - If comparable sale outside; explanation required



Sales Comparison Approach

- **New projects:**
 - One comparable sale from inside project
 - One comparable sale from outside project
 - Third comparable sale from inside or outside project

- If no closed sale(s) inside project:
 - 2 contract sales + 3 closed sales from outside project
 - If no contract sales
 - 3 closed sales from outside project

Sales Comparison Approach

Value Adjustments:

Date of Sale/Time	00/11/10, 00/11/10	00/11/10, 00/11/10	00/11/10, 00/11/10	00/11/10, 00/11/10	00/11/10, 00/11/10	00/11/10, 00/11/10
Location	N;Res	N;Res		N;Res;		N;Res;
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple
HOA Mo. Assessment	\$255.00	\$235.00	0	\$254.00	0	\$255.00
Common Elements and Rec. Facilities	Pool/Spa	Pool/Spa		Pool/Spa		Pool/Spa
	Common Area	Common Area		Common Area		Common Area
Floor Location	2-story	2	0	2-Story	2	0
View	N;Res,	N;Res,		N;Res		N;Res
Design (Style)	Condo/Avg.	Condo/Avg.		Condo/Avg.		Condo/Avg.
Quality of Construction	Q4	Q4		Q4		Q4
Actual Age	39	42	0	39		35
						0

- HOA monthly assessment
- Common elements/Recreation facilities
- Floor location

Sales Comparison Approach cont...

View	N;Res;			N;Res;				N;Res				N;Res			
Design (Style)	Condo/Avg.			Condo/Avg.				Condo/Avg.				Condo/Avg.			
Quality of Construction	Q4			Q4				Q4				Q4			
Actual Age	39			42			0	39				35			0
Condition	C3			C3				C3				C3			
Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths		Total	Bdrms.	Baths		Total	Bdrms.	Baths	
Room Count	6	3	1.1	5	3	1.0	+2,000	6	3	1.1		5	3	2.0	-2,000
Gross Living Area	1,058 sq. ft.			864 sq. ft.			+4,000	1,057 sq. ft.				1,011 sq. ft.			0
Basement & Finished Rooms Below Grade	0sf			0sf				0sf				0sf			
Functional Utility	Average			Average				Average				Average			
Heating/Cooling	FAU/None			Fau/None				Fau/None				Fau/None			
Energy Efficient Items	None Noted			None Noted				None Noted				None Noted			
Garage/Carport	2 Car Garage			2-Garage				2-Garage				1-Gar/1-Space			0
Porch/Patio/Deck	Porch/Patio			Porch/Patio				Porch/Patio				Porch/Patio			
Misc.	None			None				None				None			
Built-Ins	Built-Ins			Built-Ins				Built-Ins				Built-Ins			
Additional Items	None			None				None				None			

- View
- Parking
- Additional items; boat docks, etc.

Did the appraiser:

- ✓ Complete all required sections of the appraisal?
- ✓ Provide appropriate narrative to sections that required an explanation?
- ✓ Use comparable sales from inside project?
- ✓ Use comparable sales from competing projects and appropriate adjustments?
- ✓ Include all supporting documentation (photos, street map, building sketch)?

And, in the end...

Did the appraiser provide an
opinion of market value
based on market data,
logical analysis & judgment?



Summary

- Defined what is a condo and why it's unique
- Discussed condo considerations:
 - Ineligible projects
 - Project status
- Evaluated key sections of a condo appraisal
- Reviewed agency criteria

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**Thank you
for your business!**