



# EvaluatePro Real Estate Restricted Appraisal Report

## EvaluatePro Highlights

**Property Street:** 2000 Commerce Blvd

**City:** Anytown

**State:** NC **Zip:** 12345

**Property Owner:** Good Video, LLC

**Estimated Market Value:** \$832,000

**Appraisal Preparation Date:** 2/12/2014

**Appraisal Effective Date:** 2/12/2014

**Client:** James Lender/Brick & Mortar Bank

**Appraiser:** Mike Appraiser

**Order #:** 575132



## Appraisal Criteria

Client James Lender/Brick & Mortar Bank

Intended User James Lender/Brick & Mortar Bank

### Intended Use

The intended use of the appraisal is for collateral evaluation involving a financial institution.

### Assignment Objective

To develop an opinion of Market Value, as defined by the financial institution regulatory guidelines.

### Inspection

The appraiser performed an interior inspection of the property on 2/12/2014.

Effective Date of Appraisal 2/12/2014

Date Appraisal Prepared 2/12/2014

Real Property Interest Valued Fee Simple Estate

Value Sought Market Value

Report Type Restricted Appraisal Report

## Geographic Area Data

State NC

County Anywhere

City/Community Anytown

Population Stable

Economic Conditions Neutral

### Commentary

It was noted by the appraiser that the subjects local real estate market as a whole has been negatively impacted by a long decline. Those declining market indications were evident through the finding of several listings and confirmed closings of comparable vacant land and improved properties that have declined in value, the appraisers discussions with local real estate brokers and current and former property owners indicated a general stagnant market. Therefore, the appraiser concludes that the market value of most commercial properties in the subjects real estate market is in decline or in a neutral trend.



## Property Data

### Identification

Physical Address 2000 Commerce Blvd  
Anytown, NC 12345

Legal Description Out Parcel 6 - Anytown Shopping Center

Acreage 1.2600

### Improvement Status

The subject property is improved with a commercial building containing 6,400 square feet.

### Zoning

The property is not zoned.

### Property Tax Assessment

Assessed Land Value \$150,000  
Assessed Improvement Value \$650,000  
Total Assessed Value \$800,000

Estimated Exposure Time 36 to 42 Months

### Highest and Best Use

Current Use 4 Bay Retail Aux. Strip Center Outparcel Within a Large Strip Center  
Highest and Best Use As Vacant Retail - Strip Center Outparcel  
Highest and Best Use As Improved Retail - Strip Center  
Overall Highest and Best Use Retail - Strip Center

### Property Marketing Information

The property is not currently listed for sale.  
The property is not currently under contract for sale.  
The property has not been sold within the past five years.

### Commentary

Property last sold on 12/14/2007 for \$900,000 or  $(900,000 \div 6,400) = \$140.63$  (rounded) Sq. Ft. Improvements built in 1997.

The Subject Property is a small auxiliary retail strip center currently configured with three rental bays. The subject is located on a 1.260 +/- acre out parcel of the Anytown Shopping Center. The subject has two tenants. One of the subject's retail bays is advertised as available for rent.

An aboveground power line easement that crosses through the subject limits any additional development. Therefore, the subject has no excess land available for further development. A public record search by the appraiser did not indicate any center restrictions placed on the subject. However, the appraiser conducted a limited search typical of an appraisal.



## Valuation Analysis

Professional appraisal practice necessitates the use of one or more approaches to value, which provide value indications used to develop a final value conclusion. These approaches include the Cost Approach, the Income Approach, and the Sales Comparison Approach. The approach or approaches to be used within this appraisal are determined by the appraiser based upon the characteristics of the property. The appraiser has determined that the following approaches to value will be used to develop the value conclusion for this appraisal: Sales Comparison Approach.

**SAMPLE REPORT**



## Sales Comparison Approach

In order to develop a value indication via the Sales Comparison Approach the appraiser has located three comparable sales demonstrating similarities to the subject property. These properties are listed below in summary format, a unit sales price has been determined, it has further been adjusted and a final value indicator has been selected based upon these sales.

The unit of comparison is Square Feet.

Comparable	1	2	3
Address	183 Beau View Ct., Anytown, NC B. Broker 555-1212	249 South Strat Rd., Anytown, NC S. Broker 555-2121	248 Jones Rd., Anytown, NC R. Broker 555-1122
Date of Sale	06/25/2013	08/31/2013	04/30/2012
Area in Square Feet	11,484	8,595	6,600
Sales Price	\$1,400,000	\$1,400,000	\$1,132,000
Price Per Unit	\$122	\$163	\$172
Value Relationships	Description	Description	Description
Market Conditions	Equal	Equal	Equal
Location	Equal	Superior	Superior
Age & Condition	Equal	Superior	Superior
Size	Superior	Equal	Equal
Site	Equal	Equal	Equal
Adjustment %	5%	-20%	-25%
Adjusted Unit Value	\$128	\$130	\$129

Selected Unit Value \$130 x Area 6,400 Square Feet = Value Indication \$832,000

### Commentary

The mean value of all comparables is:  $\{(128 + 130 + 129) \div 3\} = \$129$  (rounded).

Comparable two is given weight as it is the most-recent sale. All other comparables are in support.



## Valuation Analysis Conclusion

The estimated Market Value of the subject property in the opinion of the appraiser is \$832,000.

### Commentary

The Sales Comparison Approach indicated a value of \$832,000 for the Subject Property. The comparables utilized were 3 recent sales of similar properties located within the same county as the Subject Property.

The Sales Comparison Approach was the only approach utilized. Therefore, the estimated market value of the Subject Property is \$832,000.

**This is a Restricted Use Appraisal Report. In some cases the Appraisers opinions and conclusions set forth in the report may not be understood properly without additional information in the appraisers work file.**





## General Conditions

### Assignment Conditions

#### Extraordinary Assumptions

1. It is assumed that no environmental contamination exists on the site.
2. It is assumed that the site contains at least the area of land that is stated in the report and that there are no other adverse encroachments, easements, or conditions that exist, except those stated in the appraisal.

#### Hypothetical Conditions

1. There is mineral rights connected with the Subject Property, but this appraisal assumes that no minerals exist on the property; therefore, the hypothetical condition that no minerals exist was utilized in formulating the opinion of value for the Subject Property.

### Scope of Work

As a Restricted Appraisal Report, the scope of work varies from that of a non-restricted Appraisal Report, in that the reporting format is abbreviated, however the appraiser is required to perform all of the necessary research and analysis necessary to develop a creditable and Uniform Standards of Professional Appraisal Practice (USPAP) compliant appraisal of the subject property. In addition to the reporting format offered herein, the scope of work for this appraisal is defined by the complexity of this appraisal assignment including the following definition of market value, statement of assumptions and limiting conditions and certification. The appraiser at a minimum is required to perform a visual inspection of the subject property, inspect the geographic area where the property is located, research, verify and analyze meaningful and reliable market data collected from public and private sources to be used in the development of the appraisal, and to report his analysis, opinions, and conclusions in this appraisal report.

### Definitions

#### Market Value

Market Value is defined by The Dictionary of Real Estate Appraisal as: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self interest and assuming that neither is under duress.

#### Fee Simple Estate

The Fees Simple Estate is defined by The Dictionary of Real Estate Appraisal as: Absolute ownership unencumbered by any other interest or estate, subject only to the governmental powers of taxation, eminent domain, police power, and escheat.

#### Cost Approach

The Cost Approach is defined by The Dictionary of Real Estate Appraisal as: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.



### Income Capitalization Approach

The Income Capitalization Approach is defined by The Dictionary of Real Estate Appraisal as: A set of procedures through which an appraiser derives a value indication for an Income producing property by converting its anticipated benefits (cash flows and reversion) into property value. The conversion can be accomplished in two ways. One years income expectancy can be capitalized at a market derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

### Sales Comparison Approach

The Sales Comparison Approach is defined by The Dictionary of Real Estate Appraisal as: The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons or qualitative adjustments to the sales prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

### Assumptions and Limiting Conditions

1. The property description supplied to and used by the appraiser is assumed to be correct. Where property addresses and other incomplete descriptions were supplied and falling short of complete legal descriptions, the appraiser used property tax records, local property data services and other resources available to determine an adequate property description for purposes of performing the appraisal. Neither ELLIOTT & Company Appraisers nor the appraiser assumes responsibility for damages resulting from inadequate property descriptions provided by the client.
2. No survey of the property has been made or reviewed by the appraiser, and no responsibility is assumed in connection with such matters. Illustrative material, including photos, maps, plots, plans, utilized in this report are included only to assist the reader in visualizing the property. Property dimensions and sizes are considered to be approximate.
3. No responsibility is assumed for matters of a legal nature affecting title to the property, nor is any opinion of title rendered. Property titles are assumed to be good and merchantable unless otherwise stated.
4. Information furnished by others is believed to be true, correct, and reliable. However, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, leases, property tax obligations and servitudes have been disregarded unless so specified within the report. The property is assumed to be free of all encumbrances and under responsible, financially sound ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render the property more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies which may be required to discover them.





7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. However, the appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value conclusions in this report are predicated on the assumption that there is no such materials on or in the property that would cause a loss of value. No responsibility is assumed for any such conditions, or for the expertise required to discover them. The client is urged to retain an expert in this field if desired. The analysis and value conclusions in this report are null and void should any hazardous material be discovered.
8. Unless otherwise stated in this report, no environmental impact studies were either requested or made in conjunction with this report. The appraiser reserves the right to alter, amend, revise, or rescind any opinions of value based upon any subsequent environmental impact studies, research, or investigation, all without penalty.
9. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is specified, defined, and considered in this report.
10. It is assumed that all applicable building permit requirements, building codes, zoning regulations and use restrictions have been complied with, unless non-conformity has been specified, defined and considered in this report.
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate is based.
12. The appraiser will not be required to give testimony or appear in court because of having made this report, unless arrangements have previously been made.
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the client without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety.
14. This is a Restricted Use Appraisal Report. In some cases the Appraisers opinions and conclusions set forth in the report may not be understood properly without additional information in the appraisers work file. The liability of ELLIOTT & Company Appraisers, the appraiser, employees, and subcontractors is limited to the client only. There is no accountability, obligation, or liability to any third party. It is the responsibility of the client to restrict dissemination of this report only to those within its organization on an as needed basis. If this report is placed in the hands of anyone other than the client, the client shall assume all responsibility for its use and shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions.
15. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, client, firm, or professional organization of which the appraiser is a member be identified without the written consent of the appraiser.



16. The appraiser was available to perform a complete interior inspection of the subject property. In the event such an inspection was not possible; and if a limited inspection was performed this appraisal report shall so state. In cases where the appraiser was limited in his ability to perform a thorough property inspection, assumptions were made using the best information available to him at the time relative to improvement size, quality, condition, use; and physical attributes of the land and improvements. For purposes of the appraisal these assumptions became matters of fact and were used as such. ELLIOTT & Company Appraisers; nor the appraiser; shall be held liable for conditions not apparent to the appraiser and neither assumes any liability for damages occurring there from, when the inspection opportunities were limited.
17. All protections offered the appraiser within these Assumptions and Limited Conditions also extend to and inure to the benefit of ELLIOTT & Company Appraisers as an appraisal management company.
18. Acceptance and/or use of this report constitutes acceptance of the foregoing assumptions and limiting conditions.



## Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved unless otherwise stated herein.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment unless otherwise stated herein.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I have made a personal inspection of the property that is the subject of this report as more specifically stated herein.
10. No one provided significant real property appraisal assistance to the person signing this certification unless specifically stated herein.



Appraiser Signature

Appraiser Name: Mike Appraiser

Appraiser License Number: A7264

State:

Expiration Date: 2/12/2014



Addenda



Subject Photograph











