• **Appraisal** is defined as:
  
  • *A professional opinion of the value of a piece of property or parcel of land as of a certain date that is supportable by objective facts, data, or evidence.*

• Since appraisal is such a critical element of a real estate transaction, very strict guidelines have been enacted to maintain a high level of public trust in appraisal practice.
An appraisal is:

• Is only an **opinion** of value; **it is not a guarantee** of value.
• Must be supportable and based on objective facts and data.
• Incorporates the effects of objective facts and data on a property value estimate.
• Establishes terms, conditions, and economic circumstances as of a **certain effective date**.
• Is a tool to aid a client and any intended user make an informed decision involving the specific parcel of real estate.
What an Appraisal is NOT

An appraisal is not:

- A prediction of future worth.
- A determination of what someone will ultimately pay for a piece of real estate.
- An inspection of the property.
- A guarantee that the house is free of defects.
Appraisers

Professional certified appraisers:

- Are trained in the Uniform Standards of Professional Appraisal Practice (USPAP), the generally accepted standards for professional appraisal practice in North America.
- Are typically hired by lenders to determine property values for mortgages or investments.
- May also be hired by buyers or sellers before they buy, sell, or exchange property.
- May work on their own for, or be employed by, developers, property managers, or other companies.
- May work for governments.
Use of Appraisers

- Appraisers are used when a client needs to have a formal, supportable value estimate for a piece of property.

- For example:
  - Civil lawsuits and dispute resolution
  - Divorces
  - Bankruptcies
  - Estates and trusts
  - Zoning changes
  - Impact or feasibility studies
  - Eminent domain valuations
  - Insurance coverage or claims
  - Tax matters (donations or property exchanges)
  - Determining construction or remodeling costs
  - Consulting
Who Hires Appraisers?

• Appraisers should be objective third parties with no financial or other connection to any person involved in the transaction.

• In reality, most appraisers are contracted by Appraisal Management Companies (AMC) or Lenders.
Appraiser Independence

- HVCC went into affect in 2009
- Sets standards related to appraiser independence
- Required by Fannie Mae and Freddie Mac for 1-to 4-family home loans
- Only lender or authorized third party may select, retain, and compensate an appraiser
- Does allow brokers to initiate appraisal process with specified AMC on lender’s behalf
Rules on Valuation Independence

- Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires review of HVCC
- Interim final rule prohibits coercion
  - Seeking to influence
  - Withholding/threatening to withhold payment
  - Implying future engagement dependent
  - Excluding from future engagement
  - Conditioning compensation
Fill in the Blank

• The job of the appraiser, in a lending situation, is to form a supported opinion of the value of a particular parcel of real estate to allow a client to determine if that the property being purchased or refinanced provides adequate **collateral** to adequately support a proposed loan.
Appraisal Procedure

The steps that must be performed for all appraisals are:

- **Identify** the scope of work.
- **Define the data and sources** necessary to do the appraisal.
- **Collect and analyze** the relevant data.
- **Determine the highest and best use** for the subject property.
Appraisal Procedure (cont.)

The steps that must be performed for all appraisals are:

• Develop an opinion of the **value of the land** separate from the structures [key component of highest and best use].
• Provide an opinion of the **value of subject property** using applicable approaches.
• **Reconcile opinions of value** from the approaches developed.
• **Report conclusions** of valuation process, including all data used.
Highest and Best Use

In determining the **highest and best use**, an appraiser looks at the:

- Use that supports the highest present value for the subject property **as of the date of the appraisal**. OR
- Use that develops the highest present value for the property **over a reasonable period of time**.
What Methodology is used to develop an Appraisal Value?

Appraisers use one of three appraisal approaches for property valuation:

- Sales comparison approach
- Cost approach
- Income approach
Sales Comparison Approach

• The sales comparison approach is one of the most widely used approaches to determine value of properties, including:
  • Residential
  • Commercial
  • Industrial
  • Agricultural

• Market value of the subject property is determined by comparing it to other similar properties, called comparables or comp, which have sold recently in the same market area as the subject property.
Cost Approach

• Can provide an accurate value for replacing or reproducing buildings.

• Is well-suited for situations such as:
  • Single use or special purpose buildings for which there are few comparable sales.
  • Finding the property’s insurable value.
  • Providing supporting evidence for other appraisal methods.

• The cost approach estimates the value of real estate using the following formula:

> Replacement Cost – Accrued Depreciation + Site Valuation = Property Value
Income Approach

- The **income approach**, sometimes called the **capitalization approach**, is one of the most widely used approaches to determine value for income-producing or investment properties.
- The income approach is often used when the subject property is leased, or could reasonably be leased, producing an income stream for the owner.
- It is most useful for commercial or investment real estate.
Basics of an Appraisal Report

• Provides a general description of the subject property in question with comparable detail on similar properties in the neighborhood.

• Includes a description of the real estate market in the immediate vicinity.

• Notes negatives or adverse conditions such as poor repair or environmental concerns in the surrounding neighborhood that could impact the property’s value.
Basics of an Appraisal Report (cont.)

- Reports a final **opinion of value** for the subject property.
- Explains the appraiser's **rationale and process** used in developing the appraisal and conclusion.
- Supports any opinions with **analytical data**.
- Follows **professional standards, rules, and guidelines**.
Fundamental Guidelines

The appraisal report must

- Be clear, accurate, and not misleading.
- Contain sufficient information to be understood properly by the intended users.
- Disclose any extraordinary assumptions, hypothetical conditions, or other assignment conditions that directly affect the appraisal and indicate how their use could affect the value opinion.
Uniform Residential Appraisal Report (URAR)

• Is a standard appraisal report form used by lenders and appraisers for residential appraisals.
• Has been developed and approved by secondary mortgage market players **Fannie Mae** (Form 1004) and **Freddie Mac** (Form 70).
• Is preferred by lenders because it is standardized, allowing residential properties to be compared in a consistent manner.
Quick Check

1. An appraisal is a determination of what someone will pay for a piece of real estate.
   
   FALSE

2. An appraiser inspects the working condition of all appliance fixtures such as stoves, refrigerators, and dishwashers.
   
   FALSE

3. The goal of determining highest and best use is to determine whether or not improvements and updates made to the property add to its overall value.
   
   FALSE
URAR Form: Subject

- Property Address
- Borrower, Owner of Public Record
- Legal Description & Property Tax
- Occupant and HOA dues
- Property Rights Appraised
- Sales Information and Offering Price
URAR Form: Contract

• Was the Contract for sale analyzed?
• Results and if not, why
• Contract price, Contact date
• Is seller Owner of Record? Source
• Is there financial assistance? Explain
URAR Form: Neighborhood

• Determining the appropriate reporting responses for the **Neighborhood section** of the URAR form requires significant analysis leading to the appraiser’s conclusions during appraisal development.

• Comparing houses that have been sold and resold in recent years can be an effective way to determine **market trends**.

• To determine the status of **supply and demand** in the neighborhood, the appraiser should compare the number of houses sold to the number of houses listed for sale in a recent time period.
URAR and Fair Housing Law

• At the beginning of the Neighborhood section on the URAR form, there is a note in bold print that clearly states:
  • Race and the racial composition of the neighborhood are not appraisal factors.

• It should be further noted that this applies to all protected classes under the Fair Housing Act.
The Neighborhood section of the URAR form describes the area surrounding the subject property. The appraiser must observe neighborhood characteristics and surrounding properties to make determinations that will then be incorporated into the valuation of the subject property.

- Neighborhood Characteristics
- One-Unit Housing Trends
- One-Unit Housing Price/Age
- Neighborhood Boundaries
- Neighborhood Description
- Market Conditions
URAR Form: Site

The Site section of the URAR reports the physical and legal characteristics of the property.

• Dimensions
• Area
• Shape
• View
• Specific Zoning Category
• Zoning Description
The Site section of the URAR reports the physical and legal characteristics of the property.

- Zoning Compliance
- Highest and Best Use
- Utilities
- Off Site Improvements:
  - Federal Emergency Management Agency (FEMA) Information
- Utilities and Off-Site Improvements
- Adverse Site Conditions or External Conditions
URAR Form: Improvements

The Improvements Section of the URAR form contains information that is fairly self-explanatory, but this information must be reported by an appraiser using very specific UAD designators and descriptions.
URAR Form: Improvements (cont.)

• # of Stories
• Design (Style
• Year Built
• Estimation of Year Built
• Basement Area and Finish
• Heating and Cooling
• Amenities
URAR Form: Improvements (cont.)

- Exterior Description:
- Interior
- Car Storage
- Appliances
- Finished Area-Rooms/Bedrooms/Baths
- Above Grade Gross Living Area
- Quality and Condition
URAR Form: Sales Comparison Approach

• The Sales Comparison Approach section of the URAR report is has numerous fields with very specific criteria/standards for data and descriptors to be included.

• Current Comparable Offerings and Sales

• Feature/Subject/Comparable Sales:
  • Address
  • Proximity to Subject
  • Sale Price
  • Data Source
URAR Form: Value Adjustments

- The Value Adjustments portion of the Sales Comparison Approach section of the URAR has numerous fields with very specific criteria/standards for data and descriptors to be included.
- This information is used to make adjustments when the subject property and the comparables have differences that impact value.
URAR Form: Value Adjustments (cont.)

- Sales or Financing Concession
- Location
- Site
- View
- Quality of Construction
- Actual Age
- Condition

Proprietary information, do not distribute or use without permission of MBBA-NH.
URAR Form: Value Adjustments (cont.)

• Adjustments to comparable properties
• Net adjustment
Prior Sales of Comparables

• In this portion of the Sales Comparison Approach section, there are various statements that require a response and certain information that must be provided.

• Prior sales include other transfers, such as non-arm’s length transactions, transfers between related parties, transfers related to foreclosure, etc.
• Indicated Value By the Sales Comparison Approach
  • The appraiser must enter the reconciled value of the Sales Comparison Approach in whole dollars.
Reconciliation

In the Reconciliation section of the URAR form, the appraiser provides four key pieces of information:

- Indicated Value By
- Appraisal is made: As Is or Subject To
- Opinion of the market value
- Date of inspection and effective date of appraisal
Scope of Work Defined

- Intended use & User
- Definition of Market Value
- Statement of Assumptions & Limiting Conditions
- Modifications, additions or deletions to the intended use, intended user to include any additional research or analysis necessary based on the complexity of the appraisal assignment
Appraiser’s Certification

In the final reconciliation, appraisers must:

- Reconcile the reasonableness and reliability of each applicable approach to value.
- Reconcile the reasonableness and validity of the indicated values.
- Reconcile the reasonableness of available data.
- Select and report the approach or approaches that were given the most weight.
- Commentary should elaborate on the logic used and relevance of the data, as well as the approaches developed.
Condition Ratings and Definitions

- **C1** Very recent improvements, all components are new
- **C2** no deferred maintenance, little or no physical depreciation
- **C3** limited physical depreciation due to normal wear & tear
- **C4** some minor deferred maintenance
- **C5** Obvious deferred maintenance
- **C6** Substantial damage
Quality Ratings and Definitions

• Q1 Unique structures that are individually designed
• Q2 Often custom designed or in high quality developments
• Q3 Higher quality built from readily available plans
• Q4 Meet or exceed building code, standard design
• Q5 Economy of construction and basic
• Q6 Basic quality and low cost, may not be year round
Market Conditions Addendum

• The Market Conditions Addendum is required to accompany the URAR form for all appraisals for use by Fannie Mae and Freddie Mac (and others).

• The Market Conditions Addendum form is intended to provide the lender with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood.
Typically Required Exhibits

- An **exterior building sketch**.
- If the floor plan is atypical or functionally obsolete, a **floor plan sketch** is required.
- Calculations demonstrating how the estimate for **gross living area** is derived.
- A **street map** that shows the location of the subject property and of all comparables that the appraiser used.
Required Exhibits (cont.)

- Clear, descriptive, original **photographs showing the front, back, and a street scene** of the subject property and the front of each comparable sale.
- The **subject property** and all **comparables** must be appropriately identified.
- Acceptable photographs include clear, descriptive, original images from photographs or electronic images, copies of photographs from an MLS, or copies from the appraiser’s files.
Required Exhibits (cont.)

Interior photographs that must, at a minimum, include:

• The kitchen
• All bathrooms
• Main living area
• Examples of physical deterioration, if present
• Examples of recent updates, such as restoration, remodeling, and renovation, if present
Required Exhibits (cont.)

• Any other pertinent information related to the property.
• Any other data—as an attachment or addendum to the appraisal report form—that are necessary to provide an adequately supported opinion of market value.
Quick Check

1. In the Reconciliation section of the URAR form, the appraiser may indicate that the appraisal is made subject to a required inspection.
   
   **TRUE**

2. Under the Sales Comparison Approach section of the URAR form, a value adjustment may be made if the subject property has a beneficial view rating that the comparable properties do not have.
   
   **TRUE**

3. The appraiser typically obtains the information reported in the Current Comparable Offerings and Sales information for the appraisal report by driving around the neighborhood and making notes.
   
   **FALSE**
Low Appraisals

There are a number of reasons why appraisals come in low. Here are a few:

- Artificially inflated prices resulting from multiple offers.
- Declining market values due to fewer buyers shopping among a larger inventory of homes.
- Fallout from an abundance of foreclosure or short sales in the neighborhood, especially when no other comparable sales exist.
- Buyer receives cash back from the seller, causing lender to believe the price has been inflated.
- Overpricing by the seller.
An Ounce of Prevention...

- Evaluate any home improvements and property information before the appraisal takes place. Give the appraiser a list of significant improvements to make sure they are not overlooked.
...Is Better Than A Pound of Cure

Provide appraisers with information they will need in advance or at appraisal appointment, such as:

- Copy of blueprints
- List of home improvements
- Copy of most recent survey
- Print-out of tax records
- If comparable sales were used to identify the asking price, provide the details for the comparable homes used including square footage and date closed

Proprietary information, do not distribute or use without permission of MBBA-NH.
Indisputable Unless Error is Made

Examples of errors

• Square footage of the home.
• Number of bedrooms, bathrooms and finished basements.
Things to Keep in Mind

• The **condition of the home** is an important factor, any markedly bad repairs will be noted.

• **Home improvements** are NOT always home value boosters, since the increase or decrease in price is largely based on how your home compares to others in your area.

• **Best Practice:** Examine recent home sales in the same neighborhood and see how the listing price and home amenities compare.
What to Do

• In considering whether to challenge an appraisal:
  • Try to think like an appraiser.

• That starts with understanding things like:
  • How to measure a home
  • What constitutes gross living area (GLA)
  • How to consider positives and negatives
A Few Things to Know

- Finished basements are finished basements – *not living area.*
- Home improvement return is *not dollar for dollar.*
- Appraisers measure *the outside of homes*; some use lasers, some tapes, some wheel, some round...others don’t. **No two appraisers will measure a home the same way.**
- Condition and maintenance level **matter:**
  - Good condition is expected
  - Poor condition will be detailed.
A Few More Things to Know

• If a home was listed for 100K and failed to sell, the appraiser will see that. **Don’t expect a 100K appraisal if that is the case.**

• If a home has been on the market for a longer than usual time, the appraiser will try to determine why.

• If the home was recently purchased, the value is unlikely to increase.
Review for Accuracy First

• When reviewing an appraisal, make sure **facts** about the home are correct, including the number of rooms and bathrooms.

• Also look for **omissions**, such as a recent addition or significant improvement that should have increased the value of the home.

• Ensure that all of the “**positives**” about the home are noted as amenities and/or value adjustments when applicable.
Value Characteristics: (D-U-S-T)

• Demand: Need or desire for a specific good or service
  • Effective demand (purchase ability): Prospective buyer has available disposable income

• Utility: Ability of a good or service to satisfy human wants, needs, or desires
  • Restrictions that impact perceived usefulness impact value
Value Characteristics: (D-U-S-T)

- **Scarcity**: Perceived supply of a good or service relative to the demand for the item
  - Limited supply of land makes it valuable
  - Uniqueness of specific property also a scarcity factor
- **Transferability**: Ability to freely buy, sell, encumber, or dispose of property in any way that the owner sees fit
  - Fewer restrictions = more perceived value
  - Person receiving property must be able to pay for it
Physical Characteristics

- **Uniqueness**: Each piece of land/structure is different piece of real estate
  - No two are exactly alike (non-homogeneous)
  - Location makes “same” structure unique
  - Uniqueness contributes to scarcity

- **Immobility**: Real estate can’t be moved from one place to another
  - Helps value in a good market
  - Could hurt value in a bad market
  - Housing customers tend to be less mobile
Arm’s Length Transaction

- Transaction that occurred under typical conditions in the marketplace with each party acting in his own best interest:
  - Buyer paid cash or obtained a conventional mortgage
  - Seller did not grant any unusual payment concessions
  - Buyer and seller are not related in any way
  - Both acting in their own best interests
  - Neither acting out of undue haste or duress
  - Both reasonably informed about property, market value and conditions
  - Property has been on the market a reasonable period of time
- Important for determining a typical buyer’s actions
Finding Comparable Sales

- Typically between 3 and 5 comps
  - Secondary market requires 3 minimum
- Should be recent sales (within 6 months)
- Ideally, from same neighborhood
- Close in style and other features
- Same transfer of rights
- Part of an arm’s length transaction
  - Typical conditions in marketplace
  - Buyer and seller acting in own best interest
### Principles of Mortgage Banking – Appraisal Adjustments

<table>
<thead>
<tr>
<th>Feature</th>
<th>Subject Property</th>
<th>Comparable 1</th>
<th>Comparable 2</th>
<th>Comparable 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-car garage</td>
<td>No garage</td>
<td>1-car garage</td>
<td>2-car garage</td>
</tr>
<tr>
<td>Adjustment Needed</td>
<td>NEVER ADJUST</td>
<td>ADD $5,000</td>
<td>NO CHANGE</td>
<td>SUBTRACT $5,000</td>
</tr>
<tr>
<td>Pre-Adjustment Value</td>
<td>$91,000</td>
<td>$100,000</td>
<td>$110,000</td>
<td></td>
</tr>
<tr>
<td>Final Value</td>
<td>???</td>
<td>$96,000</td>
<td>$100,000</td>
<td>$105,000</td>
</tr>
</tbody>
</table>
Adjustment Considerations

• Time Adjustments made only as of day comp is placed under agreement
• Adjustments made only for significant features:
  • Physical features
  • Features of the transaction
• Only features contributing to difference in price are included
Adjustment Limits

• Adjustments to comps guidelines by Fannie Mae
  • Provides benchmark on how close the comps are to the subject
  • Adjustments outside guidelines require explanation
  • Individual line adjustments should not exceed 10%
• Total net should not exceed 15% of the comp sale price
  • All adjustments added and subtracted
• Total gross should not exceed 25% of the comp sale price
  • All adjustments added without regard to sign
Adjustment Limits

Property #1
• Comp sold for $85,000. Positive adjustments for garage (+$3,000) and half bath (+$1,500); negative adjustment for basement (-$2,500).
  • $3,000 + 1,500 - 2,500 = $2,000; $2,000 / $85,000 = 2.4%, acceptable
• Property #2
• Comp sold for $55,000. Positive adjustment for half bath (+$1,500); negative adjustments for owner financing (-10% = -$5,500), basement (-$2,500) and garage (-$3,000).
  • $1,500 - 5,500 - 2,500 - 3,000 = -$9,500; $9,500 / $55,000 = 17.3%, exceeds
Adjustment Limits

Property #3:

- Comp sold for $55,000. Positive adjustments for garage (+$3,000), half bath (+$1,500); negative adjustments for owner financing (-$5,500), basement (-$2,500), bedroom (-$2,000).
- \[3,000 + 1,500 + 5,500 + 2,500 + 2,000 = 14,500\]. Total absolute value of all adjustments exceeds 25% limit:
- \[($55,000 \times 25\% = 13,750)\]

Property #4:

- Comp sold for $95,000. Positive adjustments for basement (+$2,500), bedroom (+$2,000); negative adjustment for garage (-$3,000).
- \[2,500 + 2,000 + 3,000 = 7,500\]. Total absolute value of all adjustments (without regard to sign) is less than 25%:
- \[($95,000 \times 25\% = 23,750)\]
Adjustments: Property Rights

• Most transactions are fee simple
  • All property rights transferred with ownership
• Some exceptions, such as leasehold interest
  • Detailed analysis required to determine appropriate percentage adjustment
Adjustments: Market Conditions

• Must consider date of sale and market conditions
• Survey market to determine if adjustment required
• Property value increase/decrease reflected as percentage

• Fannie Mae guidelines:
  • At least 3 comps that have closed
  • Comps older than 6 months require explanation
  • May use older or pending sales with justification
Adjustments: Location

• Market area where the comparable is located
  • Same established subdivision is best comp
• Exact position within a neighborhood a factor
• View
• Rural properties a challenge
  • Can use outside of market area with explanation
• Adjustment made as a dollar value
• Fannie Mae guidelines:
  • Very specific description of location proximity required, even if no adjustment

<table>
<thead>
<tr>
<th>FEATURE</th>
<th>SUBJECT</th>
<th>COMPARABLE SALE # 1</th>
<th>COMPARABLE SALE # 2</th>
<th>COMPARABLE SALE # 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>22 OAKWOOD DRIVE</td>
<td>21 VALLEYVIEW COURT</td>
<td>337 CHRIS COURT</td>
<td>321 PEARSON DRIVE</td>
</tr>
<tr>
<td></td>
<td>WESTERVILLE, OH 43081</td>
<td>WESTERVILLE, OHIO</td>
<td>WESTERVILLE, OHIO</td>
<td>WESTERVILLE, OHIO</td>
</tr>
<tr>
<td>Proximity</td>
<td>0.37 MILE NORTHEAST</td>
<td>0.33 MILE NORTH</td>
<td>0.62 MILE SOUTHEAST</td>
<td></td>
</tr>
<tr>
<td>Sale Price</td>
<td>$178,000</td>
<td>$180,000</td>
<td>$185,000</td>
<td>$172,000</td>
</tr>
<tr>
<td>Sale Price/Gross Area</td>
<td>$81.10 sq. ft.</td>
<td>$89.82 sq. ft.</td>
<td>$89.16 sq. ft.</td>
<td>$99.48 sq. ft.</td>
</tr>
</tbody>
</table>
Adjustments: Physical Characteristics

- Documented even if no adjustment needed
- Ideally, comps should have few adjustments
- Condition Ratings C1 through C6
- Quality Ratings Q1 – Q6
- Adjustment made as a dollar value
- Fannie Mae guidelines:
  - Only contributory features should be adjusted
  - Below grade areas considered separately from gross living area (finished, heated, above grade)
  - Bathrooms and foyers not included as rooms
  - Bedrooms must have a closet
## Adjustments: Physical Characteristics

<table>
<thead>
<tr>
<th>Design (Style)</th>
<th>COLONIAL/2ST</th>
<th>COLONIAL/2ST</th>
<th>COLONIAL/2ST</th>
<th>COLONIAL/2ST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Construction</td>
<td>AVERAGE</td>
<td>AVERAGE</td>
<td>AVERAGE</td>
<td>AVERAGE</td>
</tr>
<tr>
<td>Actual Age</td>
<td>6 YEARS</td>
<td>5 YEARS</td>
<td>6 YEARS</td>
<td>8 YEARS</td>
</tr>
<tr>
<td>Condition</td>
<td>GOOD</td>
<td>GOOD</td>
<td>GOOD</td>
<td>AVERAGE</td>
</tr>
<tr>
<td>Above Grade</td>
<td>Total Bdrms.</td>
<td>Total Bdrms.</td>
<td>Total Bdrms.</td>
<td>Total Bdrms.</td>
</tr>
<tr>
<td></td>
<td>Baths</td>
<td>Baths</td>
<td>Baths</td>
<td>Baths</td>
</tr>
<tr>
<td>Room Count</td>
<td>7</td>
<td>6</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Gross Living Area</td>
<td>1,952 sq.ft.</td>
<td>2,004 sq.ft.</td>
<td>-1,250</td>
<td>1,904 sq.ft.</td>
</tr>
<tr>
<td>Basement &amp; Finished</td>
<td>642 Sq.Ft.</td>
<td>1,002 SQ. FT.</td>
<td>-2,000</td>
<td>700 SQ. FT.</td>
</tr>
<tr>
<td>Rooms Below Grade</td>
<td>2 RMS, F BA</td>
<td>UNFINISHED</td>
<td>+3,000</td>
<td>1 RM, FIN</td>
</tr>
<tr>
<td>Functional Utility</td>
<td>AVERAGE</td>
<td>AVERAGE</td>
<td>AVERAGE</td>
<td>AVERAGE</td>
</tr>
<tr>
<td>Heating/Cooling</td>
<td>GFA/CENTRAL</td>
<td>GFA/CENTRAL</td>
<td>GFA/CENTRAL</td>
<td>GFA/CENTRAL</td>
</tr>
<tr>
<td>Energy Efficient Items</td>
<td>TYPICAL</td>
<td>TYPICAL</td>
<td>TYPICAL</td>
<td>TYPICAL</td>
</tr>
<tr>
<td>Garage/Carport</td>
<td>2-C ATT GAR</td>
<td>2-C ATT GAR</td>
<td>2-C ATT GAR</td>
<td>2-C ATT GAR</td>
</tr>
<tr>
<td>Porch/Patio/Deck</td>
<td>PORCH, PATIO</td>
<td>PORCH, DECK</td>
<td>PORCH, PATIO</td>
<td>PORCH, DECK</td>
</tr>
<tr>
<td>B-I SPA</td>
<td>NONE</td>
<td>+500</td>
<td>IN-GRD POOL</td>
<td>-500</td>
</tr>
<tr>
<td>WD PRIV FNC</td>
<td>WD PRIV FNC</td>
<td>WD PRIV FNC</td>
<td>WD PRIV FNC</td>
<td>WD PRIV FNC</td>
</tr>
<tr>
<td>FIREPLACE</td>
<td>FIREPLACE</td>
<td>2 FIREPLACES</td>
<td>FIREPLACE</td>
<td>FIREPLACE</td>
</tr>
<tr>
<td>Net Adjustment (Total)</td>
<td>$ + 250</td>
<td>$ -5,750</td>
<td>$ + 250</td>
<td>$ 9,000</td>
</tr>
</tbody>
</table>

Proprietary information, do not distribute or use without permission of MBBA-NH.
Please complete module evaluation