

# Uniform Commercial/Industrial Appraisal Review Narrative Form—Existing Property



Lending Institution \_\_\_\_\_  
Lender's Address \_\_\_\_\_  
Name of Borrower \_\_\_\_\_ Loan Number \_\_\_\_\_  
Lender's Appraiser \_\_\_\_\_  
Appraiser's Address & Phone \_\_\_\_\_  
Review Appraiser \_\_\_\_\_  
Reviewer's Address & Phone \_\_\_\_\_  
Property Type:  Commercial  Industrial  
Property Address \_\_\_\_\_  
Building Name \_\_\_\_\_ Owner/Occupant \_\_\_\_\_  
Map Reference \_\_\_\_\_  
Legal Description \_\_\_\_\_  
Type of Appraisal Report:  Narrative  Printed Form  Other

## Purpose and Function of Appraisal

Value Sought:  Market Value  (Identify) \_\_\_\_\_  
Interests Valued:  Fee Simple  Leased Interest  Easements  Other (Identify) \_\_\_\_\_  
Real Estate Valued:  Land  Ground Lease  Improvements  Personal Property  Other (Identify) \_\_\_\_\_  
Date of Value:  Current  Future  Past  
Definitions Given For:  Value Sought  Interest to be Valued  Market Rent  Other (Identify) \_\_\_\_\_  
Assumptions & Limiting Conditions:  Standard  Consistent with Valuation Process  
 Third Party Report  Unreasonable or Excessive

Comments:

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## Review Analysis

1. Does the report contain adequate information on the property address, legal description, real estate tax information, assessments, deed restrictions, covenants, conditions, restrictions, moratoriums, owners of record, history of ownership and sales information?

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6. Does the report take the proper steps [A] to adequately determine value using cost approach, sales comparison approach, income capitalization report, discounted cash flow analysis and a final recommendation to determine the total value?

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7. Does the report contain a certification, appraisers qualifications, principal appraisers signature, appraisers concurrence with the value conclusion and verification of appraisers personal inspection of the subject property?

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8. In the reviewers final rating of the appraisal does the report have acceptable format, readability and neatness, mathematical accuracy, exhibits, property description, property valuation and acceptable overall ratings of the subject?

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[A] Proper steps should include 1) **Cost Approach** - Reproduction, replacement, cost new and improvements, 2) **Sales Comparison Approach** - property rights purchased, financing adjustments, excess land adjustments, non-realty interest and market rent adjustment, 3) **Income Capitalization Report** - fee simple, leasehold estate, leased fee, overall rate and equity dividend rate, 4) **Discounted Cash Flow Analysis** - forecast holding period, beginning NOI, NOI pattern, loan terms and before tax yield rate.

## Conclusions and Recommendations

Was the appraiser interviewed? \_\_\_\_\_

Was the subject inspected? \_\_\_\_\_

Do you concur with the soundness of the appraisers conclusions? \_\_\_\_\_

Should any action be taken regarding the information contained in the report?

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# Reviewer's Summary

- Accept as is
- Have another appraisal prepared by someone else
- Accept when revised [See item No.(s)] \_\_\_\_\_
- Other (See Comments)

	<b>Appraisers Conclusion</b>	<b>Reviewer's Concurrence</b>
Site Value (Leasehold Value) .....	\$ _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
Cost Approach .....	\$ _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
Income Approach .....	\$ _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
Direct Sales Comparison Approach .....	\$ _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
Personal Property Market Value .....	\$ _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Non-Realty Interests .....	\$ _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
Value Estimate (Real Estate) .....	\$ _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
Cost of Repairs or Additions .....	\$ _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Final Market Value</b> .....	<b>\$ _____</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Final Value Estimate</b>		
Cost Approach .....	\$ _____	
Income Approach Indication .....	\$ _____	
Direct Sales Comparison .....	\$ _____	
Reconciliation .....	\$ _____	
<b>Final Market Value</b> .....	<b>\$ _____</b>	

## Federal Regulatory Requirements

*Federal Regulatory Agencies have required that the following information be included in an Appraisal Report:*

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| <ul style="list-style-type: none"> <li>a) Uniform Standards of Professional Appraisal Practice have been followed and complied with.</li> <li>b) The Market Value conclusion is the most probable price the property should bring.</li> <li>c) The format or forms used allow the reader to understand all conclusions and analysis procedures and all supporting documentation used to arrive at the value conclusion.</li> <li>d) Prior Sales are within 1 year on 1-4 family residential, within 3 years on all other properties.</li> <li>e) Analysis on current revenues, expenses and vacancies for continuing income producing properties</li> <li>f) Marketing time is reasonably estimated, cash flow discounted for marketing times over 12 months.</li> </ul> | <ul style="list-style-type: none"> <li>g) Current market trends affecting value are analyzed.</li> <li>h) Analysis of appropriate deductions and discounts for proposed construction, partially leased or leased at other than market rent, or tract developments with unsold units.</li> <li>i) No direction was given to influence the appraiser.</li> <li>j) A legal description is included.</li> <li>k) Any items not real property that impact the market value are identified and valued.</li> <li>l) A reasonable valuation method explains approaches to market values used and not used.</li> </ul> |
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## Concluding Comments

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Reviewer's Signature \_\_\_\_\_ Date \_\_\_\_\_