

# NON-RESIDENTIAL RESTRICTED APPRAISAL REPORT

{THIS SAMPLE NON-RESIDENTIAL RESTRICTED APPRAISAL REPORT COMPLIES WITH USPAP STANDARDS RULE 2-2(b)}



Use of this report is limited to the client(s). The rationale for how the appraiser arrived at the opinions and conclusions set forth in this report may not be understood properly without additional information that is in the appraiser's workfile.

**Subject Address:** 456 Central Boulevard, Anytown, New Hampshire, 11111  
**Property Type:** 100,000 square foot, 5-story owner-occupied office building on 15± acres  
**Client:** Jones Widget, Inc., 123 Main Street, Washington, DC, 99999  
**Intended Use:** Internal Asset Management. No other uses of this appraisal are intended by the appraiser.  
**Intended User:** Jones Widget, Inc. No other users of this appraisal are intended by the appraiser.  
**Property Rights:** Fee Simple  
**Type of Value:** Market Value

**Definition of Market Value:** Although the appraisal communicated in this report was not prepared for a financial institution, the commonly-used definition of market value found in the federal regulations of the agencies that regulate financial institutions has been used in this assignment.

**Conditions of Appraisal:** The appraisal was performed as is; no extraordinary assumptions or hypothetical conditions were used.

**Sale & Listing History:** There is no current agreement of sale, listing, or option regarding the subject property. There have been no sales or other transfers of the subject property within three years prior to the effective date of this appraisal.

**Scope of Work:** Subject description was obtained from interior and exterior inspection, building plans, municipal records, and discussions with the property owner.

As detailed below, all three approaches to value were developed: Cost; Sales Comparison; and Income Capitalization. Comparable sales data, for both improved and unimproved properties, was taken from the local MLS, CoStar, and company records. Sales were confirmed via public records and discussions with parties to the transactions. Construction costs were obtained from Marshall-Swift Valuation online service, SwiftEstimator. Market rent, expenses, and investment rates were forecast based upon data provided by area professionals, including investors, real estate agents, and building managers.

## OPINIONS AND CONCLUSIONS

**Highest and Best Use:** The existing use is the highest and best use.

**Exposure Time:** The appraiser's opinion of reasonable exposure time for the subject property is 3 to 6 months.

**Effective Date of Value:** May 11, 2016

### Result of Approaches to Value:

Cost Approach	\$35,000,000
Sales Comparison	\$34,000,000
Income Approach	\$31,500,000

**Reconciliation:** Due to the difficulty associated with developing a credible estimate of accrued depreciation, the cost approach is employed only as a test of reasonableness.

The market is driven primarily by owner occupants, although the high caliber of the tenant mix draws some investor interest. Therefore, the income approach has been developed, but given minimal weight.

Because the strongest demand for the subject is by owner users, most weight was placed on the sales comparison approach. A sufficient number of comparable sales were available in the subject neighborhood to develop a credible indication of value by the sales comparison approach. This value is also supported by the other two approaches to value.



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The supporting documentation for the analyses and the development of the approaches to value is retained in the appraiser's workfile.

**Opinion of Market Value:           \$34,000,000**

## ASSUMPTIONS AND LIMITING CONDITIONS

This assignment was conducted, and the report presented, subject to the following assumptions and limiting conditions. The use and acceptance of this report indicates that the client accepts these assumptions and limiting conditions.

**{Assumptions and limiting conditions will vary by appraiser and by assignment.}**

## CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- 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.
- 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.
- 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.

**{Appraiser may insert additional certifications as needed, such as those required by a professional association}**

Xxxxxxxx Y. Zzzzzz

Appraiser's Signature

July 1, 2016

Date of Report/Certification

**These samples are not intended to be used as templates for appraisal assignments. They are intended only to be examples. Please see Standards Rule (SR) 2-2(b) for guidance. Some highlights are presented below:**

- 1) These samples of a Restricted Appraisal Report on an office building and a single unit residence following SR 2-2(b) do not address all possible alternatives that may need to be addressed in the report.
- 2) The supporting documentation for the appraiser's research and analysis that is retained in the workfile in an assignment with a Restricted Appraisal Report will be the same as, or perhaps greater than, the documentation retained for an Appraisal Report.
- 3) Restricted Appraisal Reports are specifically restricted to use by the client(s) only; however, the client can be more than one person and/or entity, such as, a husband and wife, multiple partners, Bank A and Bank B, etc.
- 4) In a Restricted Appraisal Report most of the content must be stated; however, the Comment to S.R. 2-2(b)(vii) states "Because the client's reliance on an appraisal may be affected by the scope of work, the report must enable them to be properly informed and not misled. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed."
- 5) One topic where it is necessary to summarize, rather than state, in a Restricted Appraisal Report is addressed in the Comment to SR 2-2(b)(viii), which states: "When reporting an opinion of market value, a summary of the results of analyzing the subject sales, agreements of sale, options, and listings in accordance with SR 1-5 is required. If such information is unobtainable, a statement on the efforts undertaken by the appraiser to obtain the information is required. If such information is irrelevant, a statement acknowledging the existence of the information and citing its lack of relevance is required."
- 6) It is also important for the appraiser to "state the appraisal methods and techniques employed, state the value opinion(s) and conclusion(s) reached, and reference the workfile; exclusion of the sales comparison approach, cost approach, or income approach must be explained" as required by SR 2-2(b)(viii).

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