

# Appraisal Institute Residential Demonstration Grading Sheet: Narrative Report

Associate Member \_\_\_\_\_

Grader \_\_\_\_\_

Subject Property \_\_\_\_\_

City/State \_\_\_\_\_

Date Mailed to Grader \_\_\_\_\_

Original Submission

Revised Submission

EXPLANATION			
COLUMN	PRINCIPLES, TECHNIQUE AND THEORY	PRESENTATION AND ANALYSIS OF DATA	
5	100%	Complete understanding	Very effective and convincing
4	80%	Adequate understanding; complete in part	Good; convincing
3	70%	Marginal understanding	Adequate; acceptable
2	50%	Minimal understanding	Unacceptable; unconvincing
1	30%	Poor understanding	Poor effort; erroneous
0	0%	No understanding	No effective effort

RATING GRID								
SECTION	DESCRIPTION	COLUMN						SCORE
		5	4	3	2	1	0	
Part I	Introductory Information	4.0-3.6	3.5-3.2	3.1-2.8	2.7-2.0	1.9-1.2	1.1-0	
Part II	Area Analysis	3.0-2.7	2.6-2.4	2.3-2.1	2.0-1.5	1.4-0.9	0.8-0	
	Neighborhood Analysis	6.0-5.4	5.3-4.8	4.7-4.2	4.1-3.0	2.9-1.8	1.7-0	
	Taxes and Assessment Analysis	1.0-0.9	0.8	0.7	0.6-0.5	0.4-0.3	0.2-0	
	Site Analysis	3.0-2.7	2.6-2.4	2.4-2.1	2.0-1.5	1.4-0.9	0.8-0	
	Improvement Analysis	5.0-4.5	4.4-4.0	3.9-3.5	3.4-2.5	2.4-1.5	1.4-0	
	Highest and Best Use	7.0-6.3	6.2-5.6	5.5-4.9	4.8-3.5	3.4-2.1	2.0-0	
	Appraisal Process	1.0-0.9	0.8	0.7	0.6-0.5	0.4-0.3	0.2-0	
	Site Valuation	6.0-5.4	5.3-4.8	4.7-4.2	4.1-3.0	2.9-1.8	1.7-0	
	Cost New Estimate	4.0-3.6	3.5-3.2	3.1-2.8	2.7-2.0	1.9-1.2	1.1-0	
	Depreciation	10.0-9.0	8.9-8.0	7.9-7.0	6.9-5.0	4.9-3.0	2.9-0	
	Sales Comparison Approach	20.0-18.0	17.9-16.0	15.9-14.0	13.9-10.0	9.9-6.0	5.9-0	
	Income Approach (GRM Analysis)	14.0-12.6	12.5-11.2	11.1-9.8	9.7-7.0	6.9-4.2	4.1-0	
	Reconciliation & Final Value Estimate	6.0-5.4	5.3-4.8	4.7-4.2	4.1-3.0	2.9-1.8	1.7-0	
Part III	III. Certification and Addenda	10.0-9.0	8.9-8.0	7.9-7.0	6.9-5.0	4.9-3.0	2.9-0	
<b>TOTAL POINTS</b>								

**TOTAL POINTS/GRADE (100 maximum; 70 passing)**

Acceptable       Unacceptable

**FINAL GRADE** \_\_\_\_\_

First Submission (can revise)

First Submission (revision not recommended)

Revised Submission (cannot revise)

Instructions to staff: \_\_\_\_\_

Grader's Signature \_\_\_\_\_

Date Returned \_\_\_\_\_

# Report to Residential Associate Member: Traditional Demonstration of Knowledge Report

Associate Member \_\_\_\_\_

Subject Property \_\_\_\_\_

City/State \_\_\_\_\_

Date \_\_\_\_\_

Pass       \*Revise/Resubmit (Original Submissions)       Fail (Revised Submissions Only)

\* Is it recommended that he be revised using the same subject property?     Yes     No

EXPLANATION			
COLUMN	PRINCIPLES, TECHNIQUE AND THEORY		PRESENTATION AND ANALYSIS OF DATA
5	100%	Complete understanding	Very effective and convincing
4	80%	Adequate understanding; complete in part	Good; convincing
3	70%	Marginal understanding	Adequate; acceptable
2	50%	Minimal understanding	Unacceptable; unconvincing
1	30%	Poor understanding	Poor effort; erroneous
0	0%	No understanding	No effective effort

RATING GRID								
SECTION	DESCRIPTION	COLUMN						SCORE
		5	4	3	2	1	0	
Part I	Introductory Information							
Part II	Area Analysis							
	Neighborhood Analysis							
	Taxes and Assessment Analysis							
	Site Analysis							
	Improvement Analysis							
	Highest and Best Use							
	Appraisal Process							
	Site Valuation							
	Cost New Estimate							
	Depreciation							
	Sales Comparison Approach							
	Income Approach (GRM Analysis)							
	Reconciliation & Final Value Estimate							
Part III	III. Certification and Addenda							

**NOTE TO THE ASSOCIATE MEMBER:** This is a summary for grading purposes only, for further details of requirements see *Overview of the Demonstration of Knowledge Appraisal Report Writing: Residential*.

**\*ORIGINAL SUBMISSION—FAILING REPORTS ONLY:** Any section or subsection receiving a rating of 2 or less needs to be revised in order to meet the criteria for that section described in *The Official Guide To Demonstration Appraisal Reporting: Residential*.

## I. Introductory Information

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Title Page						
Letter of Transmittal						
Table of Contents						
Subject Photographs						
Summary of Important Facts and Conclusions						
Description of the Process/Scope						
Purpose of the Appraisal						
Intended Use and User of Appraisal						
Property Rights Appraised						
Date of Value and Report						
Definition of Value						
Identification of the Property						
History of the Property						

## II. Area Analysis

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Description of Area						
Discussion of Four Forces						
Analysis/Conclusions Relative to Property Appraised						

## II. Neighborhood Analysis

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Boundaries defined and justified						
Predominant types of improvements						
History/Development						
Price range and rental rates						
Typical age and condition of improvements						
Life stage and trends						
Percent built-up						
Typical financing						
Location and accessibility						
Land usage						
Homogeneity of surrounding properties						
Vacancy						
Turnover in ownership						
New construction activity						
Utilities/Adequacy						
Nuisances and/or hazards						
Support facilities						
Analysis/Conclusions relative to property appraised						

## II. Tax and Assessment Analysis

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Subject Assessment/Mileage Rates/Taxes						
Subject Assessments						
Subject Compared to Competing Properties, if applicable						
Taxing Trends and Conclusions						

## II. Site Analysis

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Dimensions, area and shape						
Topography and drainage						
Soil and sub-soil conditions						
Access						
Utilities/Adequacy						
Walks, curbs and drives						
Landscaping						
Nuisances and/or hazards						
Flood zone						
Easements and encroachments						
Zoning/Allowable uses/Conformity or non-conformity						
Conclusion relating to use						

## II. Improvement Analysis

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Current use						
Architectural style						
Type and quality of construction						
Dimensions/GLA						
Interior layout/floor plan						
Structural and construction details						
Mechanical equipment						
Built-in equipment						
Porches, stoops, etc.						
Physical condition/Deferred maintenance						
Actual and effective age						
Economic life (market support)						
Functional utility or inutility						

## II. Highest and Best Use Analysis

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Definition and source						
Land as if vacant						
<ul style="list-style-type: none"> <li>• Legally permissible</li> <li>• Physically possible</li> <li>• Financially feasible</li> <li>• Maximally productive</li> <li>• Consideration of ideal improvement</li> <li>• Conclusion "as vacant"</li> </ul>						
Property As Improved:						
<ul style="list-style-type: none"> <li>• Legally permissible</li> <li>• Physically possible</li> <li>• Financially feasible</li> <li>• Maximally productive</li> <li>• Comparison of ideal use with actual use</li> <li>• Conclusions and support for obsolescence</li> </ul>						

## II. Appraisal Process

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Beginning of each approach or as a separate section						

## II. Site Valuation

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Description of comparable sales						
Quality of comparable sales						
Market supported adjustments – matched pairs						
Adequate demonstration of adjustments						
Other valuation methods (if applicable)						
Reconciliation of value opinion						

## II. Cost New Estimate

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Sources						
Development and support						
Reconcile final cost estimate						

## II. Depreciation

DESCRIPTION	COLUMN						
	5	4	3	2	1	0	na
Physical							
• Curable – deferred maintenance							
• Incurable short lived							
• Incurable long lived							
Additional method of depreciation (required)							
Functional							
• Curable (support)							
• Incurable (support)							
External (support)							
Cost Approach summary							

## II. Sales Comparison Approach

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Description of comparable sales						
Quality of comparable sales						
Market supported adjustments—matched pairs						
Adequate demonstration of adjustments						
Depreciation consistency: Physical, functional, external						
Reconciliation of values						

## II. Income Approach (GRM Analysis)

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Description of sales and rentals						
Quality of comparables						
Selection and support of market rent						
Selection and support of GRM						
Adequate demonstration of adjustments						
Depreciation consistency: Physical, functional, external						
Reconciliation of values						

## II. Reconciliation & Final Value Estimate

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Discussion of strengths and weaknesses						
Quantity and quality of data presented						
Logical conclusion						

**III. Certification and Addenda**

DESCRIPTION	COLUMN					
	5	4	3	2	1	0
Certification of Value						
Assumptions and Limiting Conditions						
Photographs						
Quality of maps						
Floor and site plans						
Presentation and organization						
Appearance, grammar, punctuation, spelling and math						