

Definition of Appraisal Grades

GRADE – 5

- The appraisal report includes appropriate appraisal methodology for the subject property-type with clear descriptions of the subject property, its market area and services available. The subject's immediate neighborhood is adequately described. The comparable sales appear to be the best available based on our external databases, their location, date of sale and similarity to the subject property. The adjustments made to the comparable sales are reasonable and necessary with appropriate comments and/or support. There is an adequate explanation of how the appraiser reconciled the final estimate of value, and it is acceptable. If the subject property is an income producing entity, there is adequate information about the subject units, comparable rental units and the value supported by the Income Approach is reasonable. If the subject property is a condominium, there is a clear description of the subject complex with information about current listings and rented units (if applicable on the form being reviewed).

GRADE – 4

- The appraisal report includes appropriate appraisal methodology for the subject property-type, with adequate descriptions of the subject property, its market area and services available. The subject neighborhood is briefly described but you can make a determination that it is in a residential area. The adjustments made to the comparable sales appear to be reasonable and necessary but there is limited support for them. Even though there is no discussion about how the final value was reconciled, it is reasonable based on the data in the report. If the subject property is an income producing entity, there is adequate information about the subject units, comparable rental units and the value supported by the Income Approach is supported by the data in the report. If the subject property is a condominium, there is a description of the subject complex with current listing information and sales data within the complex (if applicable on the form being reviewed).

GRADE – 3

- The appraisal report includes adequate data that can be analyzed to estimate market value for the subject. A complete description of the subject's quality and condition is provided in the report, plus the quality and condition of the comps. The comps appear to be in the same neighborhood as the subject and they are similar in improvement size and age but the adjustments are not reasonable. By re-analyzing the sales data in the report, market value for the subject can be estimated.

GRADE – 2

- The appraisal report includes inadequate information about the subject, its market area and the comparable sales. There is not enough information to support market value for the subject. The sales that were included as comps do not appear reasonable based on data found in available external databases.

GRADE – 1

- The information in the appraisal report is inadequate to acquaint the reader with the subject or its market. The information is inconsistent, there are numerous errors and the adjustments are unreasonable and inconsistent. The sales included in the report do not appear to be reasonable based on the subject's description, are not reasonable based on information found in our external databases and market value cannot be determined based on the information in the report even when it combined with out external database data.