



Guidelines In Perfecting Your BPO Report

2012 Training Manual

"Autograph Your Work With Excellence!"

What Is A Broker Price Opinion? A BPO (Broker Price Opinion) is a pricing tool utilized by the real estate industry to determine a probable selling price and time of a particular piece of real estate property and provides a varying level of detail about the property's conditions, market and neighborhood and information on comparable sales, but does not include an automated valuation model. A BPO is a market value and not an appraisal.

A BPO is a local function with over 10,000 being ordered daily. Lenders think a lot about collateral risk. This type of market value report has an established track record within the financial industry as a reliable and accurate pricing tool with a relatively fast turnaround time. BPOs have been used for many years and are internet based. Once you have registered as a BPO provider, you will retrieve your client's BPO form from their website and deliver electronically once completed as described in your client's order instructions.

When a bank or asset manager obtains a refinance, a short sale request or a new REO foreclosed property to sell, they immediately need to know the home's value. Typically they will assign a BPO request to several local licensed real estate professionals in the subject property area. These companies expect each agent to submit three comparable sold and active listings as well as an estimate of what the real estate professional thinks the home will sell for and what are any challenges they will face prior to listing the property. Write this language on the BPO: "*This is a suggested listing price done in anticipation of getting the listing.*" Never use the word *value* in a BPO; instead use market value.

This report features information about the subject property, provides an exterior and/or internal photograph and identifies any adverse conditions that could negatively affect property market value and livability. A BPO is based on the "as is" condition. If minor conditions exist and does not affect the livability of the property such as minor deferred maintenance, the BPO opinion of market value must reflect the existence of these conditions.

A BPO should only be performed by a local area real estate professional "trusted advisor" that services the subject property vicinity. The BPO Specialist should provide as much information as available and reliable. It is not acceptable to use NA in some spaces and/or leave spaces blank of the BPO form without a narrative explanation of why the information is not available.

How Can You Become The BPO Specialist? Once you understand the need, the dynamics of a Broker Price Opinion, become familiar with the area where you provide service and establish a full service platform then you can begin the process of registering with various banks, lenders and asset management companies as a BPO provider. It can take a few minutes to register at each website. However the client's process may take a few weeks to complete.

Follow up with the clients often after registration. Don't give up. It does take time. Remember BPOs will serve as on the job training and leads to becoming the future REO listing agent. You will be emailed a list of 200 plus BPO companies to register with along with additional helpful tools at the end of class.

Once you receive your first assignment, commit to exceeding your client's expectations and return the BPO report prior to the due date with more information and explanations then required. It will only take a few BPO clients to keep you busy and subsidize your monthly income from \$500 - \$3,000 a month.

A BPO Specialist

- Is an independent contractor
- Holds a current active real estate license in good standing
- Is compatible with all client devices, i.e. computer, network, document sharing, communication
- Understands that there is no guarantee of any order volume
- Grants the agreement can be terminated at any time by either party
- Agrees to complete all assignments prior to due date and time
- Delivers completed and well documented BPO report, supporting documents, MLS sheets at the same time via internet
- Pledges that the BPO report content is accurate and reliable
- Consent that all client information will be kept private and not given out
- Confirmation that you have not been convicted of a crime of dishonesty or breach of contract

Various Types of Value Reports

- **Field Asset Verification** - A drive-by evaluation that includes one recent sold comparable and a full description of the market condition and supporting data
- **Exterior Property Evaluation** - A drive-by evaluation that includes three sold comps and a full description of the market condition and supporting data
- **Interior Property Evaluation** - An interior inspection that includes three sold comps, public record data and interior condition
- **Exterior "Drive By" Inspection** - A drive by evaluation that includes three sold and three current listing comps, detail marketing condition, supporting data and photos
- **Interior "Full" Inspection** - A full interior and exterior inspection that includes three sold comps and three current listing comps, detail marketing condition, supporting data and photos
- **Investment Value** - The worth to a particular investor, using a specific investor's parameters or assumption, i.e. income producing type property
- **Value in Use** - Relates to value to a specific user rather than the market in general. It does not relate to the price level most individuals would be willing to pay. For example, a homeowner with a physical disability may choose to install a \$15,000 heated swimming pool for physical therapy reasons. His value in use would be commensurate with the cost of \$15,000. The house may be located in a neighborhood where most homes are generally in the \$125,000 to \$150,000 range. In this neighborhood, the market may react to the existence of a swimming pool by paying only a \$3,000 premium. The contributory value of this pool is \$3,000, which reflects the incremental difference in market value. The value in use, however, is \$15,000.
- **Insurable Value** - Relates to the cost to reproduce improvements. Insurance proceeds for building reconstruction for damages caused by fire, flood, or other hazard, are usually based on the cost to reproduce the structure
- **Assessed Value** - Relates to the value of property established by municipalities for purposes of establishing a basis for taxation. Real estate taxes generally comprise a major source of revenues for local municipalities.
- **Automatic Value Modular (AVM)**
- **Net Present Value Test (NPV)**

Delivery of BPO reports varies depending the type and urgency. The timeline can be as short as same day deliver, or within twenty four hours to five to seven business days once order has been accepted. Review each client's instructions.

Exterior “Drive By” Inspection BPO - You must personally visit the property site; however you are not required to get out of your car and enter the property. Conduct your inspection from a distance and take plenty of pictures. You are inspecting the exterior condition of the property, landscaping and neighborhood.

Instructions will vary by company and situation. The same attention to details are required to complete the Drive By BPO form which can be a one page with just a few questions to a five page detail report. Always provide more information than requested.

Interior “Full” Inspection BPO - More involved in tasks, photos and requires contact with the occupant of the home if not vacant. It requires the verification of square footage, room count, and value adjustments in comparables, repairs and interior features conditions. Since the interior BPO requires more tasks and time, the compensation is greater. A full inspection includes roof, foundation, grading, siding issues, garage, renovations, basement, and backyard.

Your BPO Report Should Include

- The primary indicators of the market condition for properties in the subject neighborhood by noting the trend of property values (increasing, stable, or declining)
- The supply of properties in the subject neighborhood (shortage, in-balance, or over-supply)
- The marketing time for comparables (under three months, three to six months, or over six months) as of the effective date of the BPO
- Recommendations for repairs and property revisions
- Identify major issues that prevent the property from being marketable and qualifying for financing
- Provide conclusions for the reasons a market is experiencing declining values, an over-supply of properties, or marketing times over six months

Commitment of Quality

As the local BPO Specialist you must keep up-to-date with your area market condition and trends to be able to predict as accurately as possible the effects on property value. You are the eyes and ears of your client. Make recommendations for a quick sell with the highest net return to your client.

Your client(s) will have their own specification on completing the BPO, therefore it is important to review and understand their standards and guidelines prior to completing the task. Comments and explanations are required if acting outside their guidelines. You must be aware of the following and add to the BPO report.

- Local economy: Foreclosure, bankruptcy, unemployment rate, commercial vacancies, natural disaster
- Federal, local and state laws, regulations, ordinances
- What's customary, i.e. down payment assistance, NSP program, seller concessions, days to close
- Community and neighborhood amenities

- Neighborhood condition, trends and challenges, i.e. days on the market, number of short sales, REOs, rental, HOA issues, zoning issues, Chinese Dry Wall
- Identify the buyer and financing that will be used to purchase the property
- Any property encumbrance i.e. liens, easement, assessments, encroachments, outstanding water bills, open permit, title issues, HOA issues

Information Resources - MLS, iMap, tax records, HOA, appraiser, mortgage planner, home inspector, Redlink, CRS Power Tool, MLS Pro, NAR, NAR R.P.R. (Realtor Property Reports), Chamber of Commerce, Condocerts.com, Marshal Swift, MarketCenter.com, Department of Education, Department of Labor, city and county website, county planning and zoning, state and local newspaper, TV news station(s), real estate board and industry associations.

Comments - Your comments "paint a picture" of the subject, the surrounding neighborhood and help substantiate your value conclusion. Be sure to describe the site, it's landscaping, views, upgrades or recent updates and other amenities. What is the neighborhood like? Is there easy access to employment, shopping, dining, schools and public transportation? Don't forget to include adverse influences such as traffic, noise, dilapidated properties, incompatible land use, or vacant strip malls. If there's not enough room in the comment area, continue in an email and include any scanned supporting documents, i.e. code violations as an attachment. You can also send direct to your client the MLS data sheets on properties in direct competition of the subject property that you did not use in your BPO report.

This BPO will have a significant impact on the marketing of this property. Every effort should be made to provide accurate and detail information.

BPO Order Request

Type of BPO: Exterior/Curb Side Interior Interior Access Denied	Inspection Date: _____	Loan #: _____	Servicer Loan #: _____
	Reason: _____		

Subject Property Description

Property Address			Unit #
City	County	State	Zip
Is property currently listed for sale with a real estate firm? <input type="checkbox"/> Yes <input type="checkbox"/> No		Name of Listing Broker, Salesperson or Firm	Phone
Property Type: <input type="checkbox"/> Townhouse <input type="checkbox"/> SFD <input type="checkbox"/> 2 Fam <input type="checkbox"/> 3 Fam <input type="checkbox"/> 4 Fam <input type="checkbox"/> Condo <input type="checkbox"/> Mfg Home			Condo Fee \$
Occupant: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant			

Comments

Deferred exterior maintenance, overgrown grass, broken window, most likely an indication of the interior. Poor curb appeal. Amenities (Pool, fireplace, finished basement etc.) easements, zoning, incumbencies, HOA issues. County ordinances require home to be in conformity of the neighborhood.

Is the property listed for sale? ___ Yes ___ No Name of Broker: _____ Phone: _____

Square Feet - Above grade rooms are served with heating and AC

Resources - Appraisal or Tax Assessor

Property Address	Square Feet	Room Count	Bed/Bath	Secured	Occupied Occupant Status	Garage	Age
123 Bell Street	1,879	8	3/2.5	Yes	UK	2 Car - Attached	12 - 1998

GLA - Gross Living Area is the total area of finished above grade space that is heated and cooled excluding unheated areas such as porches and balconies and the standard measure for determining the amount of space in residential properties. Anything below grade either completely or partially is not counted in the GLA. For units in condominium or cooperative projects, you should use interior perimeter unit dimensions to calculate the gross living area.

Occasionally, you may encounter discrepancies in room counts, bathroom counts, and/or the actual GLA/square footage may come into question or have discrepancies. Since GLA and room counts have a significant effect on value, if a discrepancy or a question exists regarding GLA, it is important to answer the questions and/or resolve the discrepancies. It is obvious that the accurate value of a property relies on the accuracy of GLA and the numbers of rooms. At minimum, the discrepancies and remedy should be discussed in the comments section.

Finished Area - Is defined as an enclosed area in a house suitable for year-round use, embodying walls, floors, and ceilings that are similar to the rest of the house.

Room Count - Separate rooms above grade that can be used all year round. Rooms must be finished and effectively divided and have utilities such as electric outlet(s), lighting, and heating/cooling vent(s), with walls, ceiling and floor that conform to the rest of the house.

Open Style Houses - In, if you can add a wall(s) and the separated areas can still maintain their functionality with the above criteria, then they are considered separate rooms. Room counts include the kitchen, bedroom, living room, dining room, family room, office, den, and a sunroom that is heated and cooled. A comment is required if a comparable has +/- 3 overall room count compared to the subject property.

The following are not considered rooms and should not be included in the room count: Additions without a permit, sunroom that is not heated and/or cooled, loft, closets, storage rooms, entries, foyer, hallways, pantry, bathrooms, garage or porches.

Bedroom Above Grade - A bedroom is any room that you can fit a conventional bed into. Usually the local zoning, building or health codes establish minimum requirements for bedrooms. In general, bedrooms should be at least 90 square feet in size, with at least one bedroom in the house 120 square feet in size. Bedrooms should have a window which provides an emergency exit, natural light and ventilation.

Bedrooms should have direct access to a hallway, living room or other common area. You should not have to walk through one bedroom to get to another. A closet is not required for a bedroom, but lack of a closet indicates functional obsolescence.

Bathroom - Full and half baths. A full bath must have a toilet, sink, bathtub, and shower. (4 fixtures) If the bathroom has only three fixtures (toilet, sink shower) it is a 3/4 bath. If it has only two fixtures (toilet and sink) it is a 1/2 bath and if it has only 1 fixture it is a 1/4 bath. A comment is required if the comparable has more than +/- 1 bedroom and/or bath count of subject.

Example: 1/2 bath = .5, 1/4 bath = .25, 3/4 bath = .75, full bath = 1.0

Other Subject Features

Attic, Loft and Low Ceilings - Level ceilings must be at least 7 feet high, and at least 6 feet 4 inches under beams, ducts and other obstructions. There is no height restriction under stairs. If a room has a sloped ceiling, at least one-half of the finished floor area must have a ceiling height of at least 7 feet. Otherwise, omit the entire room from the floor area calculations. If a room with a sloped ceiling meets the one-half-of-floor-area-over-7-feet requirement, then include all the floor space with a ceiling height over 5 feet.

Lofts and finished attics must be accessible by a conventional stairway or other access to be counted. If you can only reach the loft by climbing a ladder, it's not part of the finished floor area regardless of the ceiling height

Detached Rooms, Guest Cottages, Granny Units and Dwelling Units - Finished areas which are not connected to the main residence by a finished hall or stairway must be listed separately. If you have to leave the house to get to the room, it's not part of the finished floor area. The detached structure should be annotated on your valuation form. There are several types of detached living areas. These will be described for what they are. Some examples are "detached bedrooms," "guest cottages," "detached offices" and "dwelling units."

Bay Windows - The area occupied by a bay window may be counted if it has a floor, a ceiling height of at least seven feet, and meets other criteria for living area.

Furnace Room - If the furnace, water heater, or other similar item is located in a small closet within the living area, it should be included in the total square footage.

Hallways and Closets - These areas are counted if they are a functional part of the living space.

When 6/3/2 is used to describe the interior room count, it designates a six room house with three bedrooms and two full bathrooms. A house with 5 rooms, 2 bedrooms, and 1.5 bathrooms is annotated 5/2/1.5. Another common shorthand convention is to only include bedroom and bathrooms. 2/1.5 annotates a house with 2 bedrooms and 1.5 bathrooms.

Secured - Indicate whether or not the property is secured against unauthorized entry and weather damage. If not secured, immediately notify your client, notate in the BPO comments, make recommendations and include estimate of cost.

Occupied/Occupancy Status Yes No Vacant Unknown Owner Tenant

Indicate whether or not someone is living at the property. It's important to confirm that the subject is occupied or vacant. This is especially true in colder regions during winter when water pipes freeze and burst. Contact the local power and/or water company to check if and when service was disconnected. Does the property appear to be occupied? Example: Newspapers in the yard, mail in the mail box, parked car, drawn blinds, garbage can running over, unattended yard maintenance.

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Garage/Car Storage - Number of car spaces and indication of covered (carport or garage) or uncovered i.e. parking pad. Example: 1, 2, 3 car garage or carport, attached, detached, parking pad.

Age - The year the subject property was built. The age of the comparables should be as close to the subject as possible. Comments and adjustments are required if the subject property is 0 - 10 years old and the comparables are +/- 5 years, if the subject property is 11-30 years old and the comparables are +/- 15 years old, etc.

Basement Type Foundation	Basement Finished Sq. Feet	Property Style	Property Type	Lot Size	Property Location	Property Condition	Property Amenities
Half	700	Split Level	SF	.50	Suburban	Poor	FP, Fenced Yard

Basement/Foundation - None, 1/4, 1/2, 3/4 - Finished/Unfinished - 25%, 50%, 75%, 100%, Unknown

Above Grade - Slab, crawl space

Below Grade - Full, partial, finished, unfinished, partially finished

Other - Concrete, dirt floor

Basement Below Grade, Floor Area - There is a strong distinction between above-grade and below-grade floor area. The above-grade floor area is the sum of all finished square footage which is entirely above ground level. The below-grade floor area includes spaces which are wholly or partly below ground level. Even if the below-grade areas are fully finished; they are not part of the finished floor areas and GLA. However, this area should still be noted in the comment section and valued, but not as part of the GLA. If the subject has a basement and below grade floor area, comparables should be sought that have similar construction i.e. a basement.

Split Entry - Gross living space for a split level, bi-level, split foyer, and top floor tends to be full height ceilings with the living room, dining room, kitchen, bedrooms and bathrooms. The lower floor often has lower ceilings and is partially below ground. What it means is "the lowest level of a home that rests on a below grade foundation, whether it be a standard, walkout or garden level is considered "basement square footage" and is prohibited from inclusion in the GLA square footage field.

Type of Ownership - Fee Simple Lease Cooperative REO Investment Corporate Other

Property Style - 1-Story 1 Story and half 2 Story 2 and a half Story 3 Story Bi-Level
 Split Level Ranch Contemporary Multi Level Vacant Lot Multiple Units

How Many Units? _____

Property Type - SFR Townhouse Condo 2 Family 3 Family 4 Family Modular
 Split Parcel Duplex Triplex Quad PUD Mobile Home Manufactured
 Multiple Properties Land

Lot Size - Provide the lot size in acres or in square feet consistent with the comparable properties and/or per your client's instructions. Always compare "apples to apples" to assure your adjustments are correct.

0.125 = 1/8 Acre, 0.25 = 1/4 Acre, 0.50 = 1/2 Acre, 0.75 = .34 Acre, 1.00 = 1 Acre

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Comparables should be as close to the subject as possible. Comments are required if beyond these limits.

Subject	Comparables
Lot Size	Comment required if more than:
<1 acre	Greater than 1 acre
1-2 acres	+/- .5 acres
3-5 acres	+/- 1 acres
6-10 acres	+/- 2 acres
10+ acres	+/- 20%

Property Location

- **Urban** - Within 1 to 5 miles. Inside city limits. If a comparable is used beyond 1 mile, an explanation must be provided and an adjustment may be warranted.
- **Suburban** - Outside city limits (2 miles) but the property has some kind of city amenities (water, sewer, bus service, cable, TV, etc.). Explain how the comparable was located.
- **Rural** - Having no public utilities and fire protection farther than 5 miles and no local police protection, no visible neighbors. Comparables beyond 10 miles will need a comment.
- **Resort** - A place to which people go often for rest or recreation, as on a vacation.

Property Condition Ratings

- **Poor** - Home is boarded up or has broken and missing windows, obvious signs of exterior neglect, peeling or missing siding, older damaged roof, vacant. Unsound condition. Unsuitable for occupancy.
- **Fair** - Appears occupied, but ignored. Beginning stages of neglect, such as older windows and older roof, yet functional. Example: Home has termites; it will not qualify for financing. Signs of deferred maintenance relative to its age, primarily intact.
- **Average** - No apparent recent updates, such as roof, windows or siding, but no signs of any significant neglect either. The exterior features and property appear generally maintained. Shows normal signs of wear and tear for its age.
- **Good** - There are recent improvements observed, such as newer siding, windows, roof, or it appears to have been recently painted, very well maintained and/or a younger home, thus features are newer, yet no obvious signs of neglect.
- **Excellent** - All major features appear to be recently replaced, and appear this way as well. Like new condition. Shows no evidence of physical deterioration. Or the home is newer (less than 5 years old) and well maintained. Visually shows as having been remodeled in a workmanship like manner.

When the subject property is in an average, good, or excellent condition there should be no variance in the "As Is" and "As Repaired" values.

When the subject property is in damaged, fair or poor condition, there must be a variance in values. In this case, the "As Is Sales Price" is less than the "As Repaired Sale Price".

The Subject Property Is Over improvement Under improvement Appropriate improvement for the neighborhood

Property Amenities - Swimming pool, Jacuzzi, tennis court, fenced yard, guest house, sculpture garden, sprinkler system, basketball court, lake access, boat dock, playground, ocean front

Listing and Sold Details

Property Listed	Date Last Sold	Sold Price	Current Original List Price	Current List Price	Last Price Reduction	DOM	Under Contract	Pending Date or Sales Price	Seller Concessions
Yes	3-03-08	\$128,000	\$142,000	\$138,000	02-01-11	62	Yes	\$135,000	CC \$3,000

Property Listed - Yes No

Date Last Sold - The date the sale closed and title was transferred. **Resources:** MLS, local tax records

Sold Price - Review MLS or tax records for the sale price of the most recent sale.

Current Original List Price - Review MLS history to determine if property has been on the market with another company within the past 24 months.

Current List Price - Exact dollar amount noted today on MLS. Whenever possible, provide relevant (prior 2 years) listing and sales history in the comments section.

Last Price Reduction - Review MLS for last price reduction.

Days on Market - The number of days the house has been on the market today or number of days the home was listed prior to the sale.

Under Contract - As referenced on MLS today

Pending Date or Sales Date - Is the agreed upon sales date that a home is scheduled to close. This is determined by the agreement of sale.

Seller Concessions - All concession, whether seller or third-party of any kind, **must** be mentioned in your BPO report. **Example:** If in a given market, it is within the “norm” or “typical” that seller concessions are offered up to 3%. Dollar adjustments should be made for concessions such as: seller-paid points, buyer's closing costs, interest rate buy downs, seller financing, or any other terms that influence the final sale price. These adjustments are not necessarily dollar for dollar and should reflect the effect on the sales price resulting from the concession.

Subject Property Inspection and Repairs

BPO Specialists are not experts in the field of repairs, actual cost may vary from those provided in their BPO report and are not guaranteed. Any recommended inspections i.e. code compliance, structural, environmental, etc. will require an explanation why the inspection is recommended, and comment on the effect of marketability and market value. When no inspections are recommended, provide a statement to that effect.

Your BPO report will detail the repairs, recommendations and include photos to bring the property to marketable condition and qualify for FHA financing at a minimum. Any conditions that affect the health and safety of others must be addressed.

Make Three Lists for Repair Costs

- One with all of the obvious cosmetic repairs such as wall damage, carpet, paints, etc.
- The second list of all repairs that you cannot see with their naked eye (i.e.: roof and water damage, faulty plumbing or electrical fixtures, pests, mold, etc.
- Deferred maintenance

Property in Poor Condition - If the subject property is in such poor condition that it may be cost prohibitive or impractical to bring it up to meet minimum finance requirements, the BPO Specialist should reject the property and contact their asset manager before continuing with the assignment.

Interior Inspection - In some cases all or some of the appliances may be missing and there may be damage to the floor or wall. Depending upon the magnitude of the damage, the BPO Specialist should treat the damage to the home as deferred maintenance and reflect such in the conclusion of market value.

Missing appliances must be addressed, particularly when the comparable sales included a full complement of working appliances. In cases where appliances are missing and minor repairs may also be needed, make recommendations in marketing the property with the financing of the FHA Streamline 203(k) loan product or FHA Energy Efficient Mortgage which has no minimum repair cost threshold and is designed to cover such improvements/replacements. BPO Specialist need to familiarize themselves with lender "livability" condition and what constitutes a lender required repair(s).

- Cosmetic repairs are not required; however, they are to be considered in the overall condition rating and valuation of the property
- Required repairs will be limited to necessary requirements i.e. anything that affects the livability of the home

Exterior Inspection - Homes should blend in with other community properties. Recommendations should be mentioned in the BPO report regarding repairs and revisions such as peeling paint, broken windows, damaged roofs, doors, water ponding near home and poor curb appeal.

Deferred Maintenance - "Deferred maintenance" is maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period. Deferred maintenance may result in physical damage, lack of efficiency and other negative effects. For purposes of this standard, maintenance is described as the act of keeping fixed assets in acceptable condition. It includes preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it continues to provide acceptable services and achieves its expected life. Maintenance excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, those originally intended.

Look For

- Broken window glass, unsecured doors
- Missing, curled up, damaged roof shingles/tiles
- Peeling paint, defective wood, possible termites
- Lead based paint on homes built before 1978
- Broken or detached gutters
- Discoloration on interior/exterior walls, possible mold or mildew
- Non-working appliances, light fixtures
- Are there any items that require immediate attention

Include a work plan and an itemized cost of repairs to bring property to average marketable condition for the neighborhood. The repair list should not include cleaning, extermination costs, entrepreneurial profit, and hidden items like structural, mold or would require a construction expert to determine extent of correction.

Insurance Claims - Certain types of damage may qualify for an insurance claim i.e. flooding, hail damage to exterior or vandalism.

COMMENT - RECOMMENDED REPAIRS

Needs extensive clean up and or repairs. Repair costs and opinion reported herein are subject to future revision based on new repair estimates and evaluations by a licensed building contractor. Repairs are required to place the property in a marketable condition and to qualify for FHA financing.

Inspections Recommended	Illegal Units?	<input type="checkbox"/> Yes <input type="checkbox"/> No		Water Source	<input type="checkbox"/> Public <input type="checkbox"/> Well
	Waste Disposal?	<input type="checkbox"/> Public Sewer <input type="checkbox"/> Septic		Zoning	
	Termite	<input type="checkbox"/> Yes <input type="checkbox"/> No		Well	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Roof	<input type="checkbox"/> Yes <input type="checkbox"/> No		Septic	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Mechanical	<input type="checkbox"/> Yes <input type="checkbox"/> No		Pool/Spa	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Structural	<input type="checkbox"/> Yes <input type="checkbox"/> No		Other	<input type="checkbox"/> Yes <input type="checkbox"/> No

REPAIRS/IMPROVEMENTS (Broker Estimate)

Investor Buyer/Cash (As-Is Sale)	Trash Out \$ _____	Init. Pool Preservation \$ _____	Other Health & Safety \$ _____
	Init. Clean \$ _____		
	Init. Yard \$ _____		
Property Repairs	Estimated \$	Description	Repair Type
Carpet	\$ _____	<input type="checkbox"/> Repair <input type="checkbox"/> Replace	<input type="checkbox"/> Restoration <input type="checkbox"/> Normal Wear/tear
Vinyl	\$ _____	<input type="checkbox"/> Repair <input type="checkbox"/> Replace	<input type="checkbox"/> Restoration <input type="checkbox"/> Normal Wear/tear
Interior Paint	\$ _____	<input type="checkbox"/> Repair <input type="checkbox"/> Replace	<input type="checkbox"/> Restoration <input type="checkbox"/> Normal Wear/tear
Exterior Paint	\$ _____	<input type="checkbox"/> Repair <input type="checkbox"/> Replace	<input type="checkbox"/> Restoration <input type="checkbox"/> Normal Wear/tear
Heating / Air	\$ _____	<input type="checkbox"/> Repair <input type="checkbox"/> Replace	<input type="checkbox"/> Restoration <input type="checkbox"/> Normal Wear/tear
Plumbing	\$ _____	<input type="checkbox"/> Repair <input type="checkbox"/> Replace	<input type="checkbox"/> Restoration <input type="checkbox"/> Normal Wear/tear
Roof Repairs/Replace	\$ _____	<input type="checkbox"/> Repair <input type="checkbox"/> Replace	<input type="checkbox"/> Restoration <input type="checkbox"/> Normal Wear/tear
Structural	\$ _____	<input type="checkbox"/> Repair <input type="checkbox"/> Replace	<input type="checkbox"/> Restoration <input type="checkbox"/> Normal Wear/tear

Knowledge of the neighborhood not only is important to being able to accurately evaluate the subject property, the accumulation of each neighborhood is important to knowing the overall area that you are serving. The accuracy of your valuations will improve when you factor in neighborhood influences.

Neighborhood Pride of Ownership Ratings

- **Poor** - Evidence of crime and/or abandoned cars and trash on the site. Not all homes are functional.
- **Fair** - Properties has a lot of deferred maintenance. Almost all of the homes are functional
- **Average** - Neighborhood is aging (20+ years) with maintenance taking place. All homes are functional.
- **Good** - Newer neighborhood or an older neighborhood experiencing gentrification. Properties are generally in excellent condition with yards and surrounding areas clean and well maintained.

Neighborhood Trend Ratings

- **Appreciating** - Property values are increasing and buyers may outnumber sellers.
- **Stable** - Property values are stable. Prices are largely related to the quality of the property. New buyers are purchasing existing homes in the neighborhood.
- **Depreciating** - Property values are declining and sellers may outnumber buyers.

Vandalism Risk High Medium Low

Location - Affects a house value in a variety of ways. The perceived value of a house is often related to the popularity of the location. For example, a house that's near a tourist attraction or historical landmark generally holds a higher value than a similar house that's isolated from such a point of interest. Houses in suburban areas usually hold a higher value than houses in rural areas. Besides being compared with the popularity and located on a corner lot usually has a higher value than a similar house located in the middle of a street. Geographic conditions within a location can also affect a house value. Being located in a flood zone can decrease a house's value, while being located lake/ocean side can increase a house's value.

Nuisances in the neighborhood detract from values. Anything noisy, unsightly, malodorous, or in any way objectionable to the senses makes the locality less desirable for many purposes. Some businesses and manufacturing establishments are considered nuisances, and to a certain degree schools, hospitals and other public institutions. It is of course fair to compare sales prices of property affected by similar adverse conditions, but in making comparisons with property free from defects and detracting influences, due allowance should be made for them.

Location Characteristics - (Your City), located in (County), is a city of 19,000 located (40 miles west of (City)) this property/community is in big trouble and many of the experts are predicting another 30-45% decrease in values. Given the recent national economic trends and pressures on the real estate market, this residential community/property marketplace remains somewhat challenged.

Environmental Issues - Zoning, underground storage and transportations of waste and water, treatment plants, air and water pollution.

Comments

Comments about the local market add to the quality of the BPO. Most people in the industry are well aware of the overall market across the country. Your insights on the market conditions of the state, county, city, zip code, and especially the neighborhood is highly beneficial to everyone that will see your BPO. A big reason why a BPO is ordered is for the knowledge and insights at the **local level.** You know things about the local market that the subject is located in e.g. The freeway being built two miles away, the factory that just had a big layoff, the mall in the vicinity etc... At minimum, include comments for the following local markets: County, City, Zip, and immediate subject market area. Comment on factors affecting the resale, value or marketability, and market appeal of this property. (Environment, parks, view, noise, plant closings, military closings, etc.).

COMMENTS: Close to shopping, dining, schools. Unemployment rate 10.4%, county ranks 2nd in the state for foreclosures. Over 120 bankruptcy filings in county for July. Community has 420 homes with 128 on the market. MLS shows 80 REOs, 42 SS approval, 6 not under duress and 5 for sale by owners. Number of retail and small business closings in the community. Location: Suburban, owner occupant, property values stable, schools good, price range \$138,000 - \$148,000, predominant value \$148,000.

Homeowner Association Fees

\$____/mo. Current? Yes No \$____Unpaid How many months: _____
The Fee Includes: ____Pool ____Tennis ____Insurance ____Landscape ____Reserves Other: ____
Association Contact: Name: _____ Phone: _____

Subject Property Marketability

Where to Research Local Market Conditions

- NAR - www.realtor.org/research
- Realty Times - <http://realtytimes.com>
- Local Chamber of Commerce, city, county, state government
- US Department of Labor
- Your local newspaper, TV
- Your local MLS, real estate boards and associations
- Federal Reserve Bank - www.frbatlanta.org
- RealtyTrac - www.realtytrac.com/trendcenter
- CoreLogic - www.corelogic.com
- PMI Distressed/Declining Market Map - www.pmi-us.com/map

General Data Resources

Federal Housing Finance Agency (www.fhfa.gov): Tracks many markets in the U.S., using appraisals of properties with loans sold to Fannie Mae and Freddie Mac.

National Association of Realtors (www.realtor.org): Provides statistical analysis of sales data from its MLS systems in the U.S.

Standard & Poor's/Case-Shiller Home Price Indices

(www2.standardandpoors.com/portal/site/sp/en/us/page.topic/indices_csmahp/0,0,0,0,0,0,0,0,0,1,1,0,0,0,0,0.html): Tracks the sales and re-sales of the same properties in 20 U.S. cities. Data from this site is often quoted by the media. Appraisers should always read the background data to see the strengths and weaknesses of these analyses.

Subject Marketability - A marketability analysis is a demand and competition study for a specific property. The analysis forms the basis of the subject properties:

- Forecast of a future sale
- Location factors effecting marketability: High tension wires, boarded up homes, commercial, industrial, railroad tracks, highway, busy street, airport, waste facilities, sloped, shopping, dining, walk to school, public transit, medical facility, etc.
- Any financing the subject property will NOT qualify for

Area Market Conditions

Real estate professionals are in the field every day and they know the local housing market better than the people who work in it on a regular basis. Comments about the local market add to the quality of the BPO. When was the last time that you drove around your community?

Keep In Mind

- Markets are seldom all up or all down
- Most markets have general trends, but on any given day, there will be evidence of values increasing, decreasing, and/or remaining stable
- In some areas, it may be difficult to find any evidence of a trend or even any change
- Analysis performed in a market is not transferable to another market nor is it likely it will have a very long shelf life
- Market condition is local and specific surrounding the subject property

Think About the Parameters That Define the Market

- Current market condition, i.e. days on the market, number of active listings, local statistics in bankruptcies, loan defaults, unemployment, high vacancy rates in commercial, property value loss and over supply of inventory contributes to a specific market
- Prices in the subject's market. Find out if they are changing and in which direction
- Search criteria must be defined for comparable properties
- The analysis should be done with properties that would compete for the same buyers if the subject and the comparable were both on the market at the same time
- Review sales, listings, expired, withdrawn in three, six-month and 12 month windows
- Look at all selected comps activity for the last 12-24 months, i.e. true days on the market
- Examine the range of values in the neighborhood
- How many solds are there in the market going back 3 months, 6 months or 12 months?
- How many listings does the market currently have?
- Does the market have any listings with contingent contracts or pending contracts illustrating a stable market?

MARKET AREA INFORMATION

Market:	Values:	Competition:	Vandalism Risk:	Selling Time:	Condo/Co-Op:						
<input type="checkbox"/> Urban	<input type="checkbox"/> Stable	<input type="checkbox"/> Shortage	<input type="checkbox"/> High Risk	<input type="checkbox"/> Under 90 days	<input type="checkbox"/> Earthquake Ins or NA						
<input type="checkbox"/> Suburban	<input type="checkbox"/> Appreciating	<input type="checkbox"/> Balance	<input type="checkbox"/> Med. Risk	<input type="checkbox"/> 90-180 days	<input type="checkbox"/> Solvent Assoc.						
<input type="checkbox"/> Rural	<input type="checkbox"/> Declining	<input type="checkbox"/> Oversupply	<input type="checkbox"/> Low Risk	<input type="checkbox"/> Over 180 days	<input type="checkbox"/> Conf. Fin. Eligible						
Property Usage:	Vacant	Owner Occ.	Undeveloped	Single Fam.	Multi Fam.	Multi-Level Units	Commercial	Residential			
	%	%	%	%	%	%	%	%			
	Condo/Co-op	2-4 Units	Vacant Land	Other							
	%	%	%	%							
Property Type:	Single	2-4 Units	Townhome	Manufactured	PUD	Vacant Land	Condo	Co-Op	Mobile	Condotel	Modular
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
# Active Listings: _____	# Number Sold: _____		Supply/Demand (high or low):		<input type="checkbox"/> High	<input type="checkbox"/> Low					
Estimated # of Bank-Owned Properties in Neighborhood: _____											
Price Range of Active Listings in Neighborhood: From (Low): \$ _____ to (High): \$ _____											

PREVIOUS LISTING INFORMATION

Previously Listed?	First Listed Date		Original List Price	\$ _____	Last List Price	\$ _____
<input type="checkbox"/> Yes <input type="checkbox"/> No						

4 UNIT INFORMATION (if applicable)

No. of Units:	No. of Stories:	Rent Control?	<input type="checkbox"/> Yes	No	Rent Equity Board Registered?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> NA
Fair Market Rental Rate per Month: \$ _____								
Unit Information Comments								

Various Market Conditions

<ul style="list-style-type: none"> • Normal • Stable • Distress 	<ul style="list-style-type: none"> • Declining • Oversupply • Rapid Market
--	---

Normal Marketing Time in the Area ____ Days ____ Months

Marketing time depends on the conditions in your community, but the definition of anticipated sales price indicates "a reasonable marketing period, not to exceed 120 days and commencing on the date of BPO (inspection), is allowed for exposure on the open market."

Arm’s Length Transactions - Are to be used under normal market conditions. Non-arm’s length transactions should only be used if no other comparables are available.

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- Value adjustments should be made to account for the fact that the comparable is not an arm's length transaction
- Provide comments stating why you used them and the logic of how comparables were located

Comments

General - Normal Market

Example: There are currently 350 single family and townhomes listed for sale in (Your Area). The median home price is (\$000.00). There have been 115 closings YTD which is down 23% from 2010. The median sale price of \$300,000 is down 2% over last year. This information was pulled from the Multiple Listing Service of (Your City) on Wednesday, July 1, 2010.

Example: In (Community) the primary improvements consist of average single family residential structures with a typical mix of multi-family dwellings and commercial support improvements. There are no apparent adverse factors affecting the marketability of this general market area. The turnover rate & employment stability are also normal for this suburban market area. The (Atlanta) transit train/bus is available in the center of town. The area is rapidly growing with several new retail centers & housing projects currently under construction. Parks, schools, and other typical suburban buffers outline the residential streets. (Property City) is an (Your State) certified city and a far western suburb of Greater (City).

Local Markets

Stable Market - Sold comparables should be within 3-6 months

- Stable market equals no more than 3% appreciation or depreciation in the last 6 months
- Use two (2) comparable sales within ninety (90) days and one (1) within immediate neighborhood
- The number of days on market reported for each comparable sale must correlate with your BPO's estimate of marketing time
- One (1) pending sale or two (2) current listing including number of days on market and contract date to illustrate market stability from immediate neighborhood
- Detailed explanation of local market conditions and/or additional pending sales to substantiate value, marketability and stable market

Distressed Market - A distressed home sale is any property that sells enough below fair market value (FMV) that it impacts the value of the surrounding houses. The term distressed may indicate short sales, REOs, divorce, auction and probate issues. Always include a comment to describe the type of sale condition.

If a distressed price evaluation is specifically requested for the subject, distressed comps should be used, rather than a non-arm's length transactions to price the subject. Adjustments are not needed to account for distressed comps in this scenario. Keep in mind when using short sales and REOs comparables, these transactions are apples and oranges. Short sales are listed and sold at a discount below fair market price. REO properties are listed at current market value and large discounts are not approved.

If the subject is located in a distressed driven market, distressed comparables may be used. Comments are required indicating the distressed comparables to include commentary stating the distressed driven market condition.

Markets could be very stable and still have an oversupply of homes. Only measurement of market pricing over time will tell you if values are declining. I would say, should your market analysis show stable prices, what has truly declined is the availability of credit and consumer confidence.

Declining Market - A declining market in real estate is when home values start to drop instead of increasing in any neighborhood, market area and/or region or deterioration in other market conditions as evidenced by an oversupply of existing inventory or extended marketing times.

Oversupply - The supply of properties for sale is far exceeding demand.

Distressed/Declining Markets vs. General/Normal Markets - Comparables used should reflect the prevailing forces that are driving the same market that the subject is located in. Where distressed sales are driving the market, a comment is required.

- Describe the type of comparable being used i.e. REO, short sale, etc. and provide a comment describing the appropriate label of the comparable
- Adjustments are not needed to account for the same type of distressed comparables.

The value of the subject property must be well supported in a distressed/declining market. Include:

- At least two (2) comparable sales that have closed within the last 90 days prior to the effective date of the BPO
- A current listing of a comparable property to demonstrate the subject property's neighborhood is not continuing to decline
- A detailed explanation as to why property values are declining in the area and what affect falling home prices have had on the value and marketability of the subject property

Marketing Time of 180 Days - Does not automatically indicate a declining market, it suggests an oversupply of homes and while the two may often be considered compatible, they are not mutually inclusive.

Rapid Market

- Properties should not be under priced
- Sold comparables should be no more than 3 months old
- Rapid market is more than 3% appreciation or depreciation in the last 6 months
- Comments are always required
- Comments are required if comparables are over 3 months old

Comments

I have considered relevant competitive sold, listings and under contract in performing this BPO and the market trend i.e. financing concessions, declining property values, over-supply and marketing times as of the date of this report and is supported by the comparables selected.

Comment Examples

- Standard comp not available in subject market area
- Market slow - **DOM** longer than 120 days
- Current Employment Conditions: **Declining, Stable, Increasing**
- Market price for this type of property has: **Decreased**, ___ % in the last few months
Increased ___ % in the last few months, **Stable** ___
- Estimated percentages of **owners vs. tenants** in the community and/or neighborhood; ___ % tenant ___ % owners
- There are a **normal supply, over supply, shortage** of comparable listings in the neighborhood

GENERAL MARKET CONDITION

Current market condition:	<input type="checkbox"/> Depressed	<input type="checkbox"/> Slow	<input type="checkbox"/> Stable	<input type="checkbox"/> Improving	<input type="checkbox"/> Excellent
Employment conditions:	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing		
Market price of this type property has:	<input type="checkbox"/> Decreased _____ % in past _____ months <input type="checkbox"/> Increased _____ % in past _____ months <input type="checkbox"/> Remained stable				
Estimated percentages of owner vs. tenants in neighborhood	_____ % owner occupant _____ % tenant				
There is a	<input type="checkbox"/> Normal supply	<input type="checkbox"/> Oversupply	<input type="checkbox"/> Shortage of comparable listings in the neighborhood		
Approximate number of comparable units for sale in neighborhood	_____				
No. of competing listings in neighborhood that are REO or Corporate owned:	_____				
No. of boarded or blocked-up homes	_____				

BROKER MARKETING RECOMMENDATIONS

Property Marketing Condition:	<input type="checkbox"/> As-Is	<input type="checkbox"/> Partial Repairs	<input type="checkbox"/> Full Repairs		
Most Likely Financing:	<input type="checkbox"/> Freddie Mac	<input type="checkbox"/> Conv.	<input type="checkbox"/> FHA	<input type="checkbox"/> VA	<input type="checkbox"/> Cash <input type="checkbox"/> Other: _____
Target Market:	<input type="checkbox"/> First Timer	<input type="checkbox"/> Move-Up	<input type="checkbox"/> Investor	<input type="checkbox"/> 2nd Home	<input type="checkbox"/> Retiree

SUBJECT MARKETABILITY

Range of values in the neighborhood is	\$ _____ to \$ _____
The subject is	<input type="checkbox"/> over improvement <input type="checkbox"/> under improvement <input type="checkbox"/> appropriate improvement for the neighborhood
Normal marketing time in the area is:	_____ days
Are all types of financing available for the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No If no, explain _____
Has the property been on the market in the last 12 months?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, \$ _____ list price (include MLS printout)
To the best of your knowledge, why did it not sell?	_____
Unit Type:	<input type="checkbox"/> single family detached <input type="checkbox"/> Condo <input type="checkbox"/> Co-op <input type="checkbox"/> Units # <input type="checkbox"/> Single family attached <input type="checkbox"/> Townhouse <input type="checkbox"/> Modular <input type="checkbox"/> Mobile Home
If condo or other association exists: Fee \$ _____	<input type="checkbox"/> Monthly <input type="checkbox"/> Annually Current? <input type="checkbox"/> Yes <input type="checkbox"/> No Fee delinquent? \$ _____
The fee includes:	<input type="checkbox"/> Insurance <input type="checkbox"/> Landscape <input type="checkbox"/> Pool <input type="checkbox"/> Tennis Other _____
Association Contact: Name: _____	Phone No.: _____

MARKETING STRATEGY

Occupancy Status: <input type="checkbox"/> Occupied <input type="checkbox"/> Vacant <input type="checkbox"/> Unknown <input type="checkbox"/> As-is <input type="checkbox"/> Minimal Lender Required Repairs <input type="checkbox"/> Repaired	Most Likely Buyer: <input type="checkbox"/> Owner occupant <input type="checkbox"/> Investor
--	--

Market Comparison - Comparing one area to another area will help you determine if there are different market forces i.e., “markets” in each area. This technique is recommended if you find it necessary to find non-standard comparables that are outside the subject’s area.

Keep in mind that a market is essentially how buyers and sellers behave, their thought process, etc... It is rare that an entire city has the exact same market throughout. Sub-markets exist in different areas of a city, from zip code to zip code, and there may even be different markets within the same neighborhood. One street may be well kept and maintained where the next street is less maintained. Houses on one street may be larger and more desirable versus the next street with smaller houses. Although it may not be practical and very difficult to isolate one street from the next in a specific neighborhood, it is important to realize this phenomenon.

To compare one market area to another, pull sales data on at least 10 properties for a specific period of time in each area. Start with today and go back one month. Continue to expand the length of time until you have found at least 10 sales in the subject’s area. Once you have located an appropriate number of sales data for the subject area, record:

- Average dollars per square foot \$/sq. ft.
- Average GLA
- Number of sales
- Average days on market

If the above data is similar, you can be relatively certain that the two markets are the same. Below is an example of an acceptable MLS market comparison. These two markets are comparable because the average dollars per square foot, average GLA, number of sales, and average days on market are similar. Should the average dollars per square foot and the days on the market have a large variance, then the markets would not be comparable.

Subject Area - MLS Market Comparison

Date	Zip	Address	GLA	Sale Price	\$/Sq. Ft.	DOM
February 6	30044	4225 Stone Crest St.	2,800	\$520,000	\$185.71	45
February 15	30044	223 Stage Court	2,534	\$460,000	\$181.53	90
February 27	30044	6842 Empire Lane	2,910	\$540,000	\$185.57	80
March 1	30044	721 Scott Street	2,900	\$540,000	\$186.21	30
March 3	30044	9650 Federal Avenue	2,467	\$473,000	\$191.73	300
March 11	30044	915 Killian Road	3,200	\$592,000	\$185.00	120
March 20	30044	4611 Nobleman Point	2,100	\$395,000	\$188.10	100
April 4	30044	5307 Boulder Brook Circle	3,100	\$575,000	\$185.48	95
April 8	30044	1562 Post Oak Drive	2,322	\$430,000	\$185.19	85
April 12	30044	3891 Arcadia Trace	2,815	\$519,000	\$184.37	14
			2,715	\$504,400	\$185.89	96

Comparable Area or Sub-Market

Date	Zip	Address	GLA	Sale Price	\$/Sq. Ft.	DOM
February 3	30044	369 Town Center	2,345	\$435,000	\$185.50	50
February 14	30044	6270 Johns Creek	2,100	\$390,000	\$185.71	85
March 4	30044	3122 Hill Street	2,876	\$530,000	\$184.28	75
March 16	30044	443 W. Oakbrook Drive	2,845	\$528,000	\$185.59	90
March 18	30044	176 Cogan Street	2,810	\$545,000	\$193.95	120
March 27	30044	2608 Sugarloaf Pkwy	3,935	\$555,000	\$189.10	150
April 2	30044	1120 Nestle Trail	3,000	\$590,000	\$196.67	320
April 5	30044	5315 Cruse Road	2,945	\$545,000	\$185.06	90
April 12	30044	141 Cruse Road	2,815	\$440,000	\$156.31	7
April 18	30044	8145 Crooked Creek Road	2,700	\$480,000	\$177.78	14
			2,737	\$503,800	\$183.99	100

Inventory Analysis - An inventory analysis will assist in analyzing important supply and demand factors in order to reach a conclusion regarding housing trends and market conditions to show the volatility of a market. When completing this analysis, you must include the comparable data that reflects the total pool of comparable properties from which a buyer may select a property in order to analyze the sales activity and the local housing supply. One of the tools used to monitor these trends is the absorption rate. The absorption rate is the rate at which properties for sale have been or can be sold (marketed) within a given area.

Absorption Rate - Is the mathematical representation of the relationship between supply and demand. The total amount of available product is divided by the total amount of product sold in the previous month. The resulting number represents the number of months it would take, at that same pace, to sell the entire inventory of product.

Here is an Example

- A community has 252 homes currently on the market
- In the past month, 22 homes sold
- $252 \div 22 = 11.04$ months
- This would be a buyer's market

Normal Market - Conditions exist when the absorption rate is between 3 and 4 months

Sellers' Market - Conditions exist when the absorption rate is lower. (1-4 months)

Buyers' Market - Conditions exist when the absorption rate is higher. (5+ months)

Caution Should Be Taken - Don't think that absorption rate is all you need to look at to determine the condition of the market. In fact, many people misuse or misunderstand the application of this important ratio, and overlook several important factors:

- To have real meaning to you in your practice, you need to look at not the *overall* conditions, but the local, price-range specific conditions
- The ratio reflects a general condition. That is, it is not specific. Specific property features, condition, and price will do more to determine how fast it will *actually* sell than any mathematical formula will.

I recommend calculating the absorption rates in your specific areas, and price-range categories.

- Calculate based on subdivision, neighborhood, zip code
- Calculate based on school district figures
- Calculate based on price range
- Calculate based on county-wide figures
- Calculate based on municipality figures

Marketing Plan Comments - MLS, internet, social networking, virtual tour, open house, flyers, local advertising, newspaper, magazines, home warranty, staging, creative financing

Comparables (Comps)

Properties do not necessarily have to be similar to the subject - If you are having difficulty finding sales in the same area as the subject, the houses you choose do not necessarily have to be in the same neighborhood or area as the subject; as long as the area you choose is similar to the area of the subject and the two houses in the analysis are in a close proximity to each other.

The important thing to remember is that the two houses have to be similar to each other in as many ways and features except for the feature that you are analyzing. In a normal market, similar properties are usually available for this type of analysis, especially in subdivisions where the same models of homes are prevalent.

Assuming the two properties are similar to each other except one has a pool and the other one doesn't; the difference in the sales prices should be attributed to the pool. The accuracy of this analysis will increase by using more properties in the analysis. Recommend at least 10 properties, but using up to 20 will increase the accuracy. In this example, several properties are used from different areas that have similar neighborhoods and markets. Two very similar properties except for a pool were evaluated at a time. Some properties were eliminated because there were other differences besides a pool and those differences besides a pool, and those differences may affect the sale price of the property and skew the results.

Selection of Comparables - The sales comparison approach compares the price of similar properties recently sold in the marketplace. Comparable properties similar to the subject are selected, examined and the sale prices adjusted to account for differences between the comparables and the subject determining market value of the subject property.

Many factors go into determining which properties can really be considered comparables:

Location	Amenities
Condition	Property characteristics
Style and use	Terms, condition of sale
Size	Date of sale

Active comparable listings and sold comparables must be carefully analyzed for differences and similarities with the subject property. To ensure an accurate and supported value, the BPO Specialist bases the analysis and adjustments to the comparable sales, on the market data for the particular neighborhood and for competing locations.

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The subject property is the standard and comparables sales must be adjusted to equal the subject property. Use comps between 3-6 months old from the subdivision. If comps are older than 6 months, please explain and list comps in order of comparability. List your comparables in the order of comparability. Pending sales can be used as an active listing comp.

Three sold comparables should be substantially equivalent to the subject property. If equal sold comparables are not available adjustments and comments for superior, approximately equal, and inferior properties must be included.

- Comparable sale date is the contract binding agreement date
- When the subject property is in poor or fair condition, then comparables that are in good condition or excellent can be used to determine an "As Repaired Value". Comments must be provided.
- If there has been a change in the market condition/prices between the comparable sold dates and the BPO submission date, adjustments may be necessary. Comments must be provided

Good Comparable Comments Should Address

- Seller concessions
- The relevant differences between the subject and comparable that are not readily apparent from comparing the physical characteristics for the subject and comparable cited in the BPO report
- Subtle differences between the subject and comparables neighborhoods travel is necessary for comparables
- Dollar adjustment is being made for any significant variance of 100 sq. ft. between the subject and the comparable
- If your BPO form does not allow for adjustment line items, a detail explanation of adjustments and amounts should be mentioned in the comment area

Lack of Comparables - If comparables are not available in the neighborhood, expand search criteria one at a time starting with the least impact on value. Please note that value will differ from market to market. Search criteria example:

Distance by zip code, school district	GLA, square footage
Date of sale	Room count
Age	Concessions
Lot size	

Search Parameters

Radius Search - The radius search is an excellent method for finding comps. Map a center-point, the subject property address, for the search and then select a radius. Start with ¼ mile then ½ mile etc.

Subdivision - Using the subdivision name is an excellent method to locate comps. A subdivision usually has similar architectural styles and properties are typically within the same price range.

Street Name with Address Number Range - Using the street name with a range of addresses is a good method to locate comps provided you use a good range of addresses. A Street can go the entire distance of a city and further.

Area Search - The area search corresponds to MLS map areas and are usually large areas, normally too large of an area to find similar comps to the subject.

Zip Code Search - A zip code is usually too large of an area to find comps similar to the subject. The zip code search method is useful for various other types of analysis such as determining appreciation rates.

Property Status - There are a few property statuses that you will deal with.

Active - AKA Active Listing - Used for finding competing properties that are currently listed for sale
Active/Contingency - Use only if there are not enough active listing comps

Pending - Pending sales are treated as active listings when enough sold comps are not available, pending sale can be used in lieu of a sold comp, but only after prior approval

Sold - Used for finding comparable sales if enough sold

Equal Comparable - If one comparable is more similar to the subject than the others, more weight should be placed on that comp. Determine an order to which the comparables are most like the subject. Normally, the least amount of adjustments comparable needs is probably the most similar to the subject. You will price the subject property reasonably close to the comparable property that most resembles it.

Averaging Adjusted Values - Averaging the prices together is certainly a method, but should only be considered if the comparables are very similar to the subject. To simply average the prices is to say that each comparable has equal weight which may not be likely.

	Adjusted Sale Price
Comp 1	\$341,000
Comp 2	\$345,000
Comp 3	\$346,000
AVERAGE	\$344,000

Subject Property Age - The age of the comparables should be as close to the subject as possible. The following are recommendations and comments are required if beyond the maximum limits "1/2 age" implies that the comparable can be 1/2 the age of the subject e.g. if the subject is 20 years old, the comparable can be 10 years old.

Subject	Comparables (difference from subject)			
	Recommend Age		Comments Required	
AGE	Minimum	Maximum	Minimum	Maximum
0-10 years	- 5 years	+ 5 years	-5 years	+ 5 years
11-30 years	1/2 age	+10 years	1/2 age	+ 5 years
31-50 years	-15 years	+15 years	1/2 age	+ 20 years
51-75 years	-20 years	+20 years	1/2 age	+ 25 years
76+ years	-25 years	+25 years	1/2 age	+ 30 years

Distance between Subject and Comparable - Measured in blocks, miles or increments of miles. This is one area of the BPO that you will be evaluated on. Please use Map Quest, Google Map, or www.StreetandMaps.com for calculating distance.

Proximity to Subject

<ul style="list-style-type: none">• Same block• Across the street• Within 1 block• Within 2 blocks• Within 4 blocks	<ul style="list-style-type: none">• Within 8 blocks• Within 1 mile• 1 to 5 miles• 6 to 10 miles• Over 10 miles
---	--

Location Comparison

- Less desirable
- Similar
- More desirable than subject property location

BPO Format - Competitive Listings

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3			
Address							
Proximity to Subject							
Current List Price	\$	\$	\$	\$			
Current List Date	\$	\$	\$	\$			
Original List Price	\$	\$	\$	\$			
Original List Date							
Days on Market							
VALUE ADJUSTMENTS (Use the following codes for the adjustments: S=Superior E=Equal I=Inferior U=Unknown)							
DESCRIPTION	DESCRIPTION	DESCRIPTION	ADJ	DESCRIPTION	ADJ	DESCRIPTION	ADJ
Above Grade Room Count	Total # of Rooms Bdrm Baths	Total # of Rooms Bdrm Baths		Total # of Rooms Bdrm Baths		Total # of Rooms Bdrm Baths	
Gross Living Area	Sq. Ft.	Sq. Ft.	Code	Sq. Ft.	Code	Sq. Ft.	Code
Location							
Site/Lot Size							
Design and Appeal							
Age (number of yrs. Since house was built)							
Overall Condition							
Garage/Carport							
Porch, Patio Deck, Pool, Fence							
Overall Rating/Est. \$ Value of Adjustments							
Indicate Property Most Comparable to Subject (Check One)		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
COMMENTS:							

Other Questions

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Data and /or Verification Sources				
Sales or Financing Concessions				
Days on Market and Date on Market				
Leasehold/Fee				
Room / Bed / Bath	/ /	/ /	/ /	/ /
View				
Qualify of Construction				
Basement & Finished Rooms Below Grade	<input type="checkbox"/> Fin. <input type="checkbox"/> Unfin. Sq. Ft.	<input type="checkbox"/> Fin. <input type="checkbox"/> Unfin. Sq. Ft.	<input type="checkbox"/> Fin. <input type="checkbox"/> Unfin. Sq. Ft.	<input type="checkbox"/> Fin. <input type="checkbox"/> Unfin. Sq. Ft.
Functional Utility				
Heating/Cooling				
Energy Efficient Items				
Fireplace, Other				
Check Property Most Comp to Subject		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BPO Format - Competitive Sales

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3			
Address							
Proximity to Subject							
Current List Price	\$	\$	\$	\$			
Current Price When Sold	\$	\$	\$	\$			
Sales Price	\$	\$	\$	\$			
Sales Date							
Days on Market							
VALUE ADJUSTMENTS (Use the following codes for the adjustments: S=Superior E=Equal I=Inferior U=Unknown)							
DESCRIPTION	DESCRIPTION	DESCRIPTION	ADJ	DESCRIPTION	ADJ	DESCRIPTION	ADJ
Above Grade Room Count	Total # of Rooms	Total # of Rooms		Total # of Rooms		Total # of Rooms	
	Bdrm Baths	Bdrm Baths		Bdrm Baths		Bdrm Baths	
Gross Living Area	Sq. Ft.	Sq. Ft.	Code	Sq. Ft.	Code	Sq. Ft.	Code
Sales or Financing Concessions							
Location							
Site/Lot Size							
Landscaping							
Design and Appeal							
Age (number of yrs. since house was built)							
Overall Condition							
Garage/Carport							
Porch, Patio Deck, Pool, Fence							
Overall Rating/Est.\$ Value of Adjustments							
Indicate Property Most Comparable to Subject (Check One)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMENTS:							

Other Questions

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Data and /or Verification Sources				
Sales or Financing Concessions				
Days on Market and Date on Market				
Location (City/Rural)				
Lot Size				
Leasehold/Fee				
View				
Quality of Construction				
Basement & Finished Rooms Below Grade				
Functional Utility				
Heating/Cooling				
Energy Efficient Items				
Fireplace, Other				

Additional BPO Details

View/Location (Exceptional) - Golf course, lake view, ocean view, water front, busy street

Site/Lot Size - Steep hill, cul-da-sac, curb appeal, parcel size and the site rated as good, average, fair or poor

Landscaping - Good, fair, average

Design and Appeal - The style of houses should follow the rule of conformity and the design should be compatible with that of others in the neighborhood

Quality of Construction - If not the same as or equivalent to the subject property, quality of construction will be a major adjustment. Example: Brick vs. vinyl

Comparable Condition - The overall condition of each property should be noted as good, average, fair or poor. An adjustment would be indicated if the comparable were in better or worse condition than the subject.

Functional Utility - The home's overall comparability with its intended use as defined in the market place should be noted. This category included design, features, layout and room size that are currently desirable. Older homes 30+ years had smaller bathrooms and closets than homes today.

Energy Efficiency - Include high R-factor insulation, solar heating units or other energy conservation features should be noted

Porch, Patio, Deck, Fireplace(s), etc. - Porch, Florida room, pantry, pool or other living or recreation area not part of the primary house area is included here. An adjustment factor is indicated if either the subject property improvement that adds to or subtracts from value amenities. Example: Fireplace, whirlpool bathtub, luxurious finishing material (marble, granite, wood parquet etc.) Ordinarily would add to a home value.

Adjustments

The subject is the standard and no adjustments to the subject are ever made.

To affect total adjustments accurately, you should make adjustments in sequence with those affecting the overall property value being made first, followed by those only affecting only individual property features. Once you locate and decide on the comps that you will use for your evaluation, you must make all the comparable properties equal to the subject by adjusting the value of their features that differ from the subject property.

Determine what the comparable(s) might have sold for if it required similar repairs or features i.e. lacked a garage or has an extra bedroom to be equal to the subject property.

Even if the BPO form does not have a space to include adjustments, adjustments are recommended to complete an accurate market value price evaluation and can be referenced in the comment area. The only time that adjustments are not warranted is if you find comparable sales that are exactly the same as the subject that was sold before any market conditions have changed.

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Superior - When a comp is more desirable (more GLA, lot size, more rooms etc.) and/or has a feature that the subject does not have, subtract the value of that feature from the overall value of the comparable.

Inferior - When a comp is less desirable and/or does not have a feature that the subject has, added the value of that feature to the comp's overall price. This may seem counterintuitive, but the objective is to make the comps equal to the subject.

Make adjustments for every feature that, in your professional opinion has any impact on the overall value of the comp AND is different than the subject. The cost and/or price of a feature are not necessarily the same as the value of a feature. Line item adjustments are rounded to the nearest \$100. Final market value should be round to the nearest \$1,000.

Typical Adjustments

	Location Site size Gross living area Construction	Date of sale Age Condition Bedrooms and baths	Garage/car storage Basement Creative financing Sales concessions				
	Subject	Comp 1	Comp 2	Comp 3			
Features	623 Maple St.	4225 Stone Crest St.	Adjustments	223 Stage Ct. Adjustments	6842 Empire Lane Adjustments		
Rooms	3br/2 bath	4br/2 bath	- 2,500	3br/2 bath	0	4br/3 bath	-4,000
View	Golf course	Golf course	0	None	+10,000	Lake & Golf	-6,000
Pool	Yes	Yes	0	No	+ 9,000	Yes	0
Fireplace	No	No		Yes	- 2,000	Yes	-2,000
Car Garage	3	2	+ 2,500	2	+ 2,500	4	-2,500
Net Adjustments		0		+19,500		- \$14,500	
	Equal			Inferior			Superior

In the above example the values for each individual feature of the comps were adjusted. The inferior property's value was brought up by **adding** the value of the features that it was lacking relevant to the subject; and the superior property's value was brought down by **removing** the value of the features that it has and the subject is lacking.

As a rule of thumb, if the adjustments made to the comparable are greater than 25% of the overall sell price of the comp, then the comp may not be "comparable" to the subject. Consider replacing with other comps.

You may use a variety of adjustment methods, including both percentage and dollar valuations.

Special or Creative Financing Adjustment - Adjustments to comparables must be made for special or creative financing or sales concessions, i.e. buydown, cash. No adjustments are necessary for those costs which are normally (customary in the area) paid by sellers as a result of tradition or law in a market area.

Adjusted Sales Price - Is an estimate of a property's sales price, after adjustments have been made to account for differences between it and another comparable property.

Foreclosure and short sales should be utilized only when nothing else is available, or when such sales are a dominant force in the market. REOs and short sales are apples and oranges. They are not comparables; however they can be used as compensating factors in the market. You should attempt to include at least one “as repaired” sale to support the “as repaired” value estimate.

Subject Property Market Value

Property Market Value is the most probable price, at which an asset would pass from a willing seller to a willing buyer, assuming that both buyer and seller are acting rationally, at arm's length, in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. Other factors:

- Buyer and seller are typically motivate
- Both parties are well informed or well advised, and each acting in what he considers his own best interest
- A reasonable time is allowed for exposure in the open market
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale

Market Value Estimate				
Value Category	Number of Estimated Days to Sell Subject	Market Value	Suggested List Price	Estimated Repairs, Description and Comments
Quick Sale Value - "As Is"	30	\$	\$	
Market Value - "As Is"	120	\$	\$	
Market Value - "Repaired"	45	\$	\$	

Different Value Types

- **Anticipated Sales Price** - The price the property is anticipated to sell for in a competitive and open market, assuming an arm's length transaction
- **Liquidation Value** - The likely price that a property would bring in a forced sale (foreclosure, short sale or tax sale)
- **60, 90 versus 120 Days** - A reduced sales time (fewer DOM) may require lowering the list price
- **Short Sale** - The sale of property in which the proceeds fall short of what the owner still owes on the mortgage
- **Loss Mitigation** - Strategies to reduce losses on a loan and determine the final dollar value of those losses
- **Mortgage Insurance** - Insurance for the lender in the event the borrower defaults on the loan

Establishing Market Value - The last step in establishing a market value price is to review all facts and data. In this process consider and check the following:

- Marketing value opinion and reliability of the data collected
- Relevance and similarities of each comparable to the subject
- Consistent use of criteria for all comparables

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- Logic and values used for adjustments
- Mathematical accuracy of all calculations

Final Market Value Price - Enter final prices to the nearest \$1,000 and line item adjustments to the nearest \$100. For example, if your final price is \$125,325 then you would round the price opinion to \$125,000. A line item adjustment that is \$780 would be rounded to \$800.

Common Value Categories

“As Is”, “As Repaired” - After you have reconciled and arrived at a price, there are a few categories of price that you may have to report on. There are no hard and fast rules to arrive at these prices. “As Is” and “Repaired” prices only apply and will differ only if there are repairs that are needed. There are several methods to reconcile the adjusted sale prices of the comparables. One or any combination of these methods may be used.

If the subject property does not have any apparent damage or in need of repair, the “As Is” value will be the same as “As Repaired”.

Theoretically, the prices for each comparable should be the same after adjustments are made; however, this will rarely occur. It is necessary to reconcile the prices of each comparative to arrive at a price for the subject. No formula exists for reconciling the indicated prices of the comparables. This involves the application of careful analysis and judgment for which no mathematical formula can be substituted.

The BPO assignment or form may call for costs to repair the property; this is a separate consideration and should not be confused with the price of the subject. Remember that the cost of repairs may or may not increase the value by the same amount.

“As Is” Value - This is the price that you would give to the property without making any changes or repairs to the property. Essentially, this is the price that you arrive at without any further consideration. If there is apparent damage to the property or repairs is needed, it is important to price the property at the price a potential buyer would pay for the property “as is”; not by deducting the repair cost from the base price.

“As Repaired” Value - In instances where repairs are needed, the common practice of adding the cost of a repair to the value of a property will lead to an inaccurate valuation. The most accurate approach to determine a repaired value of a property is to evaluate the property as if the repairs have been made. If the subject property is in poor or fair condition, then comparables that are in good condition can be used to determine a repaired price for the subject.

Commentary must be provided if the:

- "As Repaired" is the amount the subject would sell for in repaired or top condition
- "As Repaired" should reflect competition. If the highest value in the local market is \$250,000 and "As Is" is \$220,000 with repairs estimated at \$50,000, you cannot necessarily expect an "As Repaired" price of \$270,000. Readjust your "As Is" to reflect what is possible after repairs.
- The "As Repaired" value should not change from the Drive By BPO to the initial REO, provided the REO value is completed within 120 days

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“Quick Sale” Value - This is the price that you would need in order to sell the property “as is” quickly. This price will be noticeably lower than market price. Supply and Demand is an important factor to determine this price. In a balanced market, a property with a normal asking sales price of \$125,000 may need to be listed at \$115,000 in order to get a quick sale. In a market with high demand, the same property would get a quick sale if it was listed at \$120,000; whereas in a market with high supply, the property may need to be listed at \$100,000 to get a quick sale.

“Quick Sale” Value of 30 days "As Is" Sales Price - The discounted price that will result in the successful sale of the subject as it currently exists without repairs or updates. The price positions the property to sell faster than other properties that may be in better or worse condition than the subject. Depending upon market conditions, this price may be significantly discounted to reflect its condition and/or decreased demand due to housing inventory.

“Quick Sale” Value of 30 Days "As Repaired" Sales Price - The discounted price that will result in the successful sale of the subject in top condition. The price positions the property to sell faster than other properties in top condition.

“As Is” Probable Sale Value - The anticipated sales price if sold "As Is" within 90 days or the current market period. "As is" value is the value of the subject as if currently exists without repairs or updates. "As is" takes into consideration the property's condition and the value are discounted to reflect needed repairs and updates.

“As Is” Suggested List Price Value - Based upon your opinion, the correct list price for the subject in its current "As Is" state without any repairs or updates and selling within 90 days or the current market period.

“As Repaired” Suggested List Price Value - Based upon your opinion, the correct list price for the subject in top market condition selling for the highest possible list price within 90 days or the current market period.

“As Repaired” Probable Sale Value - The anticipated sales price if sold within 90 days or the current market period in top market condition at the highest possible price.

Estimated List Price Estimated Sales Price Probable Sales Price	As Is	As Repaired	Cash
	\$ LOW	\$ LOW	\$ LOW
	\$ HIGH	\$ HIGH	\$ HIGH

Provide Excellent Comments

Comments will alert your client any differences between the comparables and the subject.

Land Only Value - Many factors determine "Land Only" value including location, uses allowed by the zoning, the types and values of properties in the vicinity and market appreciation or depreciation. Location is important - it's the single thing about the subject you can't change. It's the land that gives the property its location, the house. Your local tax commissioners are charged with the duty of estimating the value of land for taxation purposes are guided in their work by certain rules and principles and are aided by maps and records.

A **land site** is a parcel of land that is finished and ready for use under the standards prevailing in its area. It might have the necessary public utilities in place, like gas, electricity, water, telephone and sewer, with streets, sidewalks drainage and grading completed. In markets where this is not available or accurate, you may estimate value based upon local market conditions and trends.

Price Range of Competing Properties - Competing comparable properties are those actively listed through MLS that reside within the immediate area (typically several blocks away).

Average Marketing Time in Neighborhood - The average number of days it currently takes to sell a home. Include all homes that have sold over the past 6 months.

Most Likely Buyer - Based upon your experience, describe the most likely buyer type:

- First time buyer
- Move up buyer
- Investor
- Senior
- Foreign investor
- Government
- Non-profit

Photos

BPO companies require you to personally visit the property site, conduct a visual inspection, and take the pictures. Take pictures of anything that would affect the property from being marketable and qualifying for financing.

Tip - The first picture you take should be the street sign where the subject property is located. This will help keep your pictures organized and separate. No windows, mirrors, people or dates in the photo. Notice details and don't rush. A general photography rule of thumb is the closer the subject, the better the photo.

In close areas take a few steps back or using a wide-angle lens. Exterior photos should include trees, shrubs, sunlight and amenities, i.e., pools.

The "Drive By" BPO requires full front view, full right and left side view plus a street view. "Full Interior" BPO requires pictures of all rooms. Comparable sales and listings require only the front view. Take pictures of anything that will influence the price of the property. Photos should be crisp, clear and show the subject and comparables in their current condition.

Always take pictures of the subject property even if the BPO assignment does not call for pictures. At minimum, pictures can be used as visual notes at a later time to complete the inspection and BPO forms. Retain the pictures in your files as proof of inspection or in case of questions in the future.

Exterior Photos Can Be Taken From the Curb of the Property

<ul style="list-style-type: none">• Non-conforming features• Upgrades• Damage and repairs needed i.e. roof leaks, broken windows• Renovation/construction• Backyard• Common area	<ul style="list-style-type: none">• Front entrance• Special features• Street sign• Address verification• Neighborhood issues• Water frontage• From balcony of all condos
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Interior Photos - Take photos of all rooms. If the angle is difficult to capture or portray the room, take multiple photos of a room. The floor and at least two walls must be visible. Take pictures of upgrades, renovations, outstanding features, additions, conversions, swimming pool, etc.

Submit Photos of the Main Rooms

<ul style="list-style-type: none">• Kitchen• Living room• Dining room• Bath rooms	<ul style="list-style-type: none">• All bedrooms• Stairwell• Damage and repairs needed• Basement
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Comp Photos - You may use comp photos in MLS if allowed, however it may be outdated. Pull comps prior to going to the property in order to be able to check the comps in the same trip that you are inspecting the subject. Inspecting comps will also give you a good feel for the neighborhood.

Aerial Maps/Satellite Maps - Use of aerial maps or satellite maps of the subject and surrounding neighborhood add to the quality of the BPO. Google maps <http://maps.google.com> is an excellent resource to provide aerial maps. Include two aerial maps with BPO submissions, one zoomed in as close to the subject as possible (street view) and one that includes the surrounding neighborhood (200 – 500 ft. on the index scale) that show neighborhood amenities (parks, recreation areas etc..) and businesses (shopping, restaurants etc.) in the vicinity. Use of a hybrid view (aerial map with street labels) is recommended.

www.streetandmaps.com

www.faststone.org - An image converter / re-sizer intended to enable users especially digital camera owners to convert, rename, resize, crop, rotate, change color depth, add text and watermark to images in a quick and easy BATCH mode.

Completing Your BPO Report

Begin with one client to "test the waters" will help you develop a seamless process, keeping in mind that each client or outsourcer manages assets in different styles, interpretations and dictates special handling. Each client's policy, procedures, timeline and forms will be different. Other details:

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- BPOs must not be completed if there is not enough data and/or comparables to arrive at a market price opinion
- Failure to complete the BPO on time will cause your order to be reassigned and you risk having your name removed from the vendor database. BPOs submitted with errors will be returned for correction. Do not leave any blanks.
- Send supporting documents and explanation by email if necessary
- When working on more than one report in the same area please make each report unique by providing different comments and comps whenever possible and be realistic
- Do not limit your search to a value range based on the tax assessed or a “pre-determined” value. If you are unable to comply with these guidelines, please provide a reasonable and thorough explanation. Do not use “*used best comps available*”. It is NOT a valid explanation.
- If you experience problems gaining access, locating the property, inclement weather, etc., notify your asset manager for an extension prior to the due date
- Double check your form for completeness. Print it out and read it. Use spell check.
- BPO’s missing due date may incur a payment reduction
- You should expect to get paid within thirty to forty five days of BPO submission

Your BPO Client Will Evaluate Your Performance On

- Timeliness of tasks
- Accuracy of suggested value from the BPO to the ultimate sales price
- Overall days on the market
- The friendliness and competence of you and your staff

Safety in Performing BPOs

- Never visit the property alone. Let the office manager know where you are going and when you will be back. Have a prearranged distress signal when calling your office.
- Carry pepper spray or mace in your pocket. Always carry your cell phone.
- Always be aware of your surroundings. Trust your instincts. Never assume you are safe.
- Have a business card and a copy of your real estate license handy
- Wear professional attire and name tag. Carry yourself with confidence.
- If approached use professional language
- Never conduct an interior inspection alone
- If you feel in danger call 911
- Never reveal your client’s name or the BPO purpose
- Don’t get blocked in with your car. Keep your keys with you.
- Beware of dead-end streets
- Be aware of possible escape routes
- Leave doors open
- Be wary in attics and basements
- Take a self-defense training course
- If you strike, mean it

NAR's Code of Ethics - Article 11 of NAR's Code of Ethics prohibits REALTORS® from undertaking “to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client.” Standard of Practice 11-1 then explains that REALTORS® are permitted to provide opinions of value or price to third parties provided certain information is included as follows:

When REALTORS® prepare opinions of real property value or price, other than in pursuit of a listing or to assist a potential purchaser in formulating a purchase offer, such opinions shall include the following unless the party requesting the opinion requires a specific type of report or different data set:

- Identification of the subject property
- Date prepared
- Defined value or price
- Limiting conditions, including statements of purpose(s) and intended user(s)
- Any present or contemplated interest, including the possibility of representing the seller/landlord or buyers/tenants
- Basis for the opinion, including applicable market data
- If the opinion is not an appraisal, a statement to that effect

Disclosure Statement

“This opinion is not an appraisal of the property and should not be considered the equivalent of an appraisal. This report is an opinion of value of price or a comparative market analysis. It is intended only for the benefit of the requesting party for the purpose of assisting the requesting party in deciding the listing, offering, sale, exchange, option, lease or acquisition price of the real property and not for any other purpose, including, but not limited to, obtaining financing. In making any decision that relies on my work, you should know that I have not followed the guidelines contained in the Uniform of Professional Appraisal Practice of the Appraisal Foundation. If an appraisal is desired, the services of a licensed or certified appraiser must be obtained.”

Free Virtual Tour

- www.virtualltourcafe.com - Automated marketing tools
- www.flyinside.com
- www.classifiedflyerads.com/free-virtual-tours.php
- <http://youvr.com>
- www.firsthometour.com/general/why_u.s.asp
- www.slide.com

Thank you for attending today's class!

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Notes: