

CANADIAN EMPLOYEE RELOCATION COUNCIL RESIDENTIAL RELOCATION APPRAISAL REPORT

Client: _____ Client File #: _____
 Client Address: _____
 Telephone Number: _____ Fax Number: _____
 Home Owner: _____
 Subject Property Address: _____
 Name of Appraiser: _____ Designation: _____
 Appraisal Company Name: _____ Appraiser File #: _____
 Address: _____
 Bus. No: _____ Fax No: _____
 E-Mail Address: _____

Estimated Current Market Value: _____ \$ **Date of Inspection:** _____

Definitions and Guidelines Relating to the Relocation Appraisal

Intended Use and Purpose of the Relocation Appraisal: The intended use of the appraisal is to assist an employer in facilitating the employee relocation process. The intended users of the appraisal are only the appraiser's client and the employee. The purpose of the appraisal is to establish the most probable sales price for a relocating employee's primary residence.

Definition of "The Relocation Appraisal": The most probable sales price of a residential unit using the market approach to value.

Definition of Market Value: The most probable price which a given property should bring, assuming a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is 1) the consummation of a sale as of a specified date and 2) the passing of the title from seller to buyer under conditions whereby the buyer and seller are typically motivated, well informed or well advised and acting in what they consider to be their best interests and 3) whereby a reasonable time is allowed for exposure on the open market and 4) payment is made in terms of cash in Canadian Dollars or in terms of normal financial arrangements comparable thereto and 5) 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

Definition of Forecasting: Forecasting is the process of analyzing historical trends and current market factors as a basis for anticipating market trends. A forecasting adjustment is then applied to reflect any impact these trends will have on the subject property's marketing time and most probable sales price.

Scope of Appraisal: The scope of the appraisal encompasses the due diligence undertaken by the appraiser (consistent with the terms of reference from the client, the purpose and intended use of the report), and the necessary research and analysis to prepare a report in accordance with the Canadian Uniform Standards of Professional Appraisal Institute of Canada. For the purposes of a relocation appraisal, the scope of the appraisal includes an interior and exterior inspection of the subject property, collecting, verifying and analyzing pertinent data; considering market trends; developing an opinion of the subject property's most probable selling price, and communicating these findings in this relocation appraisal report. This appraisal is to be developed utilizing only the Sales Comparison Approach to value, which most accurately reflects the actions of typical buyers and sellers in the market place. This approach must include an analysis of competing properties, resulting in a reliable opinion of most probable selling price. The cost approach and income approach are excluded in this report.

Guidelines:

In developing an opinion of the most probable sales price, the appraiser must observe the following:

1. Consider the property in "as is" condition on the date of Appraisal (inspection) with adjustments made to reflect the reactions from a typical buyer's point of view.

These adjustments should reflect the comparative differences between the the subject property and similar properties which have recently sold in that market. The actual cost to cure may not be the appropriate measure for this adjustment.

Consider the effect on value (positive or negative) of the following items:

- (a) condition (e.g. modernization, restoration, repairs, necessary improvements, etc.)
- (b) appeal (e.g. construction upgrades, personalized décor etc)
- (c) in instances where the appraiser is unable to determine the "as is" condition and appeal for work in progress or suspected adverse physical or structural conditions, notify the client immediately.
- (d) For new construction not completed as of the date of appraisal (inspection), the most probable sales price should be based on the assumption improvements will be completed in a workmanlike manner according to the Description of Improvements, and any construction documentation provided to the appraiser.

2. Develop and support the price the property is anticipated to sell for during its reasonable marketing period, giving particular attention to the analysis of comparable sales and competing properties, supply and demand, availability and terms of financing, location and overall market conditions.
3. The sales prices of the comparables should be adjusted for seller concessions to reflect a cash equivalent price. Dollar adjustments should be made for concessions such as: loan assumption, vendor take back, or any form of preferential financing. This also applies to situations where the sellers pays certain buyer costs such as buy downs, fees or credits.
4. Assume the property is free and clear of all liens.
5. Gross Living Area (GLA) is the calculation of the total living area in the residence, expressed in square footage. This is calculated using exterior measurements (except condominiums and cooperatives) and is generally limited to the above-grade living area only. Basement and attic areas (finished or unfinished) are not included in the GLA. However, they may make a valuable and significant contribution to the property value, and should be calculated and shown separately in the report.
6. When rating the Appeal of the various attributes of the subject property, and using the terms "Excellent", "Good", "Average", "Fair" and "Poor", compare the characteristics to those of competing properties and neighbourhoods (e.g. a luxury, custom-designed home may be rated "average" as compared with competing properties that are also luxury, custom-designed homes). The ratings are defined as follows:
 - Excellent**-the amenity or characteristic is superior to the same characteristics found in competing properties and neighbourhoods.
 - Good**-the amenity or characteristic is better than the same characteristic found in competing properties and neighbourhoods.
 - Average**-the amenity or characteristic is comparable to the same characteristic found in competing properties and neighbourhoods.
 - Fair**-the amenity or characteristic is not as good as the same characteristic found in competing properties and neighbourhoods.
 - Poor**-the amenity or characteristic is inferior to the same characteristic found in competing properties and neighbourhoods.
7. Include the following exhibits:
 - (a) photos of the front, rear and street scene, and interior views of all rooms including bathrooms;
 - (b) photos of the subject property depicting any adverse conditions and inspection concerns.
 - (c) photos of any factors within view of the subject property that significantly affect marketability either favourably or unfavourably.
 - (d) photos of all comparable sales
 - (e) sketch of the dwelling indicating all measurements and calculations necessary to determine Gross Living Area. Also include a floor plan showing room locations.
 - (f) Map depicting locations of the subject property, and comparable sales.
 - (g) Include all MLS listings of sales and active listings utilized in the report.

8. Don't accept an appraisal assignment if there is a conflict of interest (e.g. recently appraised the house for another party, an association with the listing agent/company etc.,) without informing the client and obtaining the client's prior consent.

9. Don't solicit a listing or generate a referral as a result of an appraisal assignment.

10. Don't discuss appraisal opinions or reveal sensitive information to anyone other than the client.

Note: Departure from the Definitions and Guidelines is not permitted without client approval and must be specifically disclosed in this report.

Note: Some Relocation companies have an additional Procedural Guideline section which is specifically tailored to suit their needs and these are normally outlined in their letter of instruction to the appraiser, and should be adhered to.

Note: The Standards Board of the Appraisal Institute of Canada has consistently maintained the stance that the use of any type of form report, and its compliance to Standards, is a matter for each member to be aware of in every assignment. The use of a form report frequently requires additions in order to be in full compliance to Standards. Therefore, the appraiser should be aware to add as necessary to the form when conditions warrant in order to be in full compliance to CANPAP.

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RESIDENTIAL RELOCATION APPRAISAL REPORT**

Client File #: _____
Appraiser File #: _____

New Construction Competition: Yes No Comments: _____

Competing Listings

Number of Listings: _____ Price Range(000): \$ _____ to: \$ _____

Historic Price Trends: Increasing Stable Decreasing

Current Demand/Supply: Under Supply In Balance Over Supply

Comments: _____

Neighbourhood Marketing Time: Under 30 30-120 Over 120

Forecasted Price Trend: Increasing Stable Decreasing

Forecasted Sales Activity: Increasing Stable Decreasing

Subject's Estimated Marketing Time: Under 90 90-180 Over 180

Additional Comments: _____

ANALYSIS ON CURRENT LISTINGS IN THE SUBJECT AREA

ITEM	SUBJECT			COMPETING PROPERTY #1			COMPETING PROPERTY #2			COMPETING PROPERTY #3		
Address												
Have You Inspected												
Proximity to Subject												
Original List Price	\$			\$			\$			\$		
Current List Price	\$			\$			\$			\$		
Last Price Revision Date												
Days-on-market												
Lot Size												
Location												
House Style												
Quality of Construction												
Actual Age												
General Condition												
Room Count	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths
Total Sq. ft. excl bsmt	sq. ft.			sq. ft.			sq. ft.			sq. ft.		
Basement Full/Partial												
Basement Finish												
Functional Utility												
Heating/Cooling												
Garages												
Fireplace(s)												
Other:												

Comments on Listing #1: _____

Comments on Listing #2: _____

Comments on Listing #3: _____

Reconciliation of Market Trend Analysis: Analyze the anticipated trend of market conditions due the Subject property's prospective marketing period:

Competitive List Price Range for Subject Property: \$ _____ to \$ _____

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ANALYSIS OF SUBJECT VERSUS SALES IN THE SUBJECT AREA

ITEM	SUBJECT	COMPARABLE SALE #1		COMPARABLE SALE #2		COMPARABLE SALE #3	
Address							
Have You Inspected							
Proximity to Subject							
Original List Price		\$		\$		\$	
Final List Price		\$		\$		\$	
Sales Price		\$		\$		\$	
Sale Date							
Total Days-on-market							
	DESCRIPTION	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment
Time							
Lot Size							
Location							
House Style							
Quality of Construction							
Actual Age							
Condition							
Room Count	Total	Bdrms		Ttl	Bds		
	Baths			Baths			
Total Sq. ft. excl bsmt		sq. ft.		sq. ft.		sq. ft.	
Basement Full/Partial							
Basement Finish							
Functional Utility							
Heating/Cooling							
Garage							
Fireplace(s)							
Landscaping							
Other:							
Forecasting							
Net Adj. (Total)			<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$		<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$		<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$
Adjusted Sales Price			\$		\$		\$

PLEASE SUPPLY MLS LISTINGS ON ALL SALES AND COMPETING LISTINGS USED IN THIS REPORT.

Comparable Sale #1: _____

Comparable Sale #2: _____

Comparable Sale #3: _____

Reconciliation of Sales Comparison Analysis: _____

The Comparable Sales were exposed to the market an average of _____ days. Accordingly, reasonable exposure time for the subject would be in the range of _____ to _____ days, provided it is listed realistically.

