

Condo...not *complicated*



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Learning Objectives

- Define a condo and what makes it unique?
- Discuss condo considerations:
 - Ineligible projects
 - Project status
- Evaluate key sections of a condo appraisal
- Review agency criteria

What is a Condo?

A real estate project where unit owners hold:

- Title to an individual unit in a multi-unit property
- An undivided interest in common areas within project



Project Types

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Condo

- Unit owner owns space inside unit
- Unit owner has undivided interest in common areas

PUD

- Unit owner owns space inside AND outside unit
- Unit owner owns land beneath unit – and possibly land in front/back of unit
- Common areas are owned by an association of unit owners

Co-Op

- Corporation owns the complex
- Owners purchase shares of stock allocated to a specific unit and rights to a long-term lease for occupancy of unit

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Ineligible Projects

Projects not salable to the agencies:

- Excessive single investor concentration
- Excessive commercial space
- Hotel/motel projects (transient in nature)
 - daily, weekly, monthly rentals
- Timeshare projects
- Continuing Care Facilities (CCFs)
- Houseboat projects

Check investor/agency guidelines

Project Status

ESTABLISHED Project – All true

- 100% complete
- Not subject to phasing or add-ons
- % of units conveyed to purchasers:
 - ▣ $\geq 90\%$ * Fannie Mae
 - ▣ $\geq 75\%$ Freddie Mac
- HOA controlled by unit owners

NEW Project – 1 or more true

- Not fully complete
- Subject to phasing or add-ons
- % of units conveyed to purchasers:
 - ▣ $< 90\%$ * Fannie Mae
 - ▣ $< 75\%$ Freddie Mac
- HOA not controlled by unit owners

*See investor guidelines for requirements

Condo Appraisal Forms

- Fannie Mae/Freddie Mac
 - 1073/465 – Interior/Exterior
 - 1075/466 – Exterior Only

Individual Condominium Unit Appraisal Report					File #
The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.					
Property Address	Unit #	City	State	Zip Code	
Borrower	Owner of Public Record		County		
Legal Description					
Assessor's Parcel #	Tax Year			R.E. Taxes \$	
Project Name					
Occupant	<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> Vacant		
Property Rights Appraised <input type="checkbox"/> Fee Simple					
Assignment Type <input type="checkbox"/> Purchase Transaction					
Lender/Client					
Is the subject property currently offered for sale?					
Report data source(s) used, offering price(s).					

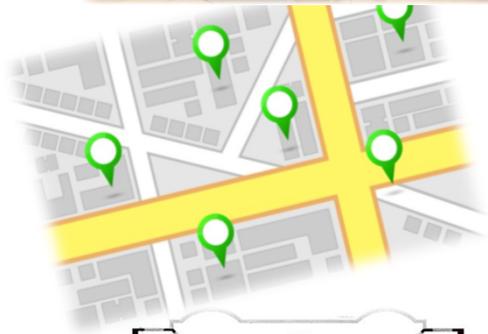
Exterior-Only Inspection Individual Condominium Unit Appraisal Report						File #
The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.						
Property Address	Unit #	City	State	Zip Code		
Borrower	Owner of Public Record		County			
Legal Description						
Assessor's Parcel #	Tax Year		R.E. Taxes \$			
Project Name	Phase #		Map Reference		Census Tract	
Occupant	<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> Vacant	Special Assessments \$	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)						
Lender/Client						
Address						
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Report data source(s) used, offering price(s), and date(s).						

Condominium Appraisal

- **Page 1**
 - Subject property, contract, neighborhood and project information
- **Page 2**
 - More project detail
 - Subject unit description
 - Prior sales history of subject and comparables
- **Page 3**
 - Comparing subject to comparable sales
 - Sales comparison and income approach
 - Final value
- **Pages 4-6**
 - Official disclosures/disclaimers
 - Appraiser signature/licensure info

Required Exhibits

- Interior sketch of unit dimensions
- Street map of subject & comps
- Exterior photos of subject
 - Front, back and street scene
- Interior photos of subject
 - Kitchen, bathroom(s), main living area
- Exterior front photos of comps



Form 1073 Page 1

Subject ▶

Contract ▶

Neighborhood ▶

Project Site ▶

Project Information ▶



Individual Condominium Unit Appraisal Report File

The purpose of this summary appraisal report is to provide the lender/buyer with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address: _____ Unit # _____ City _____ State _____ Zip Code _____
 Borrower: _____ Owner of Public Record _____ County _____

Legal Description
 Assessor's Parcel # _____ Tax Year _____ R.E. Taxes \$ _____
 Project Name _____ Phase # _____ Map Reference _____ HDA \$ _____ per year _____ per month
 Occupancy: Owner Tenant Vacant _____
 Property Rights Appraised: Fee Simple Leasehold Other (describe) _____
 Assignment Type: Purchase Transaction Refinance Transaction Other (describe) _____

Landlord/Client: _____ Address _____
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report date source(s) used, offering price(s), and date(s): _____

I did I did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. _____

Contract Price \$ _____ Date of Contract _____ Is the property seller the owner of public record? Yes No Data Source(s) _____
 Is there any financial assistance (loan charges, sale concessions, gift or overpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. _____

Neighborhood Characteristics
 Location: Urban Suburban Rural _____
 Build-Up: Over 75% 25-75% Under 25% _____
 Growth: Rapid Steady Slow _____
 Neighborhood Boundaries: _____
 Neighborhood Description: _____

Condominium Unit Housing Trends
 Property Values: Increasing Stable Declining _____
 Demand/Supply: Shortage In Balance Over Supply _____
 Marketing Time: Under 2 mths 2-4 mths Over 6 mths _____

Present Land Use %
 PRICE (per 1000) _____ AGE (years) _____ One-Unit % _____
 Low _____ High _____ Commercial % _____
 Prent. _____ Other % _____

Market Conditions (including support for the above conclusions): _____

Topography
 Specific Zoning Classification: _____ Zoning Description: _____
 Zoning Compliance: Legal Legal Nonconforming - Do the zoning regulations permit rebuilding to current density? Yes No
 No Zoning Illegal (describe) _____
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe _____

Utilities
 Public: _____ Other (describe) _____
 Electricity: _____
 Gas: _____
 Water: _____
 Sanitary Sewer: _____
 Alley: _____
 FEMA Special Flood Hazard Area: Yes No FEMA Flood Zone _____ FEMA Map # _____ FEMA Map Date _____
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe _____
 Are there any adverse site conditions or external factors (assessments, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe _____

Data source(s) for project information
 Project Description: Detached Row or Townhouse Garden Mid-Rise High-Rise Other (describe) _____

General Description	General Description	Subject Phase	If Project Completed	If Project Incomplete
# of Stories	Exterior Walls	# of Units	# of Phases	# of Planned Phases
# of Elevators	Roof Surface	# of Units Completed	# of Units	# of Planned Units
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking	# of Units For Sale	# of Units For Sale	# of Units For Sale
<input type="checkbox"/> Under Construction	Ratio (space/units)	# of Units Sold	# of Units Sold	# of Units Sold
Year Built	Type	# of Units Rented	# of Units Rented	# of Units Rented
Effective Age	Guest Parking	# of Owner Occupied Units	# of Owner Occupied Units	# of Owner Occupied Units

Project Primary Occupancy: Principle Residence Second Home or Recreational Tenant
 Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No
 Management Group: Homeowners' Association Developer Management Agent - Provide name of management company: _____

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? Yes No If Yes, describe _____

Was the project created by the conversion of an existing building(s) into a condominium? Yes No If Yes, describe the original use and the date of conversion: _____

Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? Yes No If No, describe _____

Is there any commercial space in the project? Yes No If Yes, describe and indicate the overall percentage of the commercial space: _____

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Form 1073 – Page 2



Project Information ▶

Project Analysis ▶

Unit Description ▶

Individual Condominium Unit Appraisal Report

File #

Describe the condition of the project and quality of construction.

Describe the common elements and recreational facilities.

Are any common elements leased to or by the Homeowners' Association? Yes No. If Yes, describe the rental terms and options.

Is the project subject to ground rent? Yes No. If Yes, \$ _____ per year (describe terms and conditions)

Are the parking facilities adequate for the project size and type? Yes No. If No, describe and comment on the effect on value and marketability.

Yes No. I did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed.

Are there any other fees (other than regular HOA charges) for the use of the project facilities? Yes No. If Yes, report the charges and describe.

Compared to other competitive projects of similar quality and design, the subject unit charge appears High Average Low. If High or Low, describe.

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser? Yes No. If Yes, describe and explain the effect on value and marketability.

Unit Charge \$ _____ per month x 12 = \$ _____ per year. Annual assessment charge per year per square foot of gross living area = \$ _____

Utilities included in the unit monthly assessment None Heat Air Conditioning Electricity Gas Water Sewer Cable Other (describe)

General Description	Interior	Materials/Condition	Amenities	Appliances	Car Storage
Floor #	Floors	Finishes	Fireplaces #	Refrigerator	<input type="checkbox"/> None <input type="checkbox"/> Garage <input type="checkbox"/> Covered <input type="checkbox"/> Open
# of Levels	Walls	Wood/love(s) #	Range-Oven	Dishwasher	# of Cars
Heating Type	Fuel	Trim/Finish	Deck/Patio	Clap <input type="checkbox"/> Microwave	# of Assigned <input type="checkbox"/> Chained
<input type="checkbox"/> Central AC <input type="checkbox"/> Individual AC	Bath	Wetroom	Storage/Balcony	Washer/Dryer	Parking Space #
<input type="checkbox"/> Other (describe)	Doors	Other	Rooms	Bedrooms	Bath(s)
Finished area above grade contains:	Rooms	Bedrooms	Bath(s)	Square Feet of Gross Living Area Above Grade	Are the heating and cooling for the individual unit separately metered? <input type="checkbox"/> Yes <input type="checkbox"/> No. If No, describe and comment on comparability to other projects in the market area.

Additional features (special energy efficient items, etc.)

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.)

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No. If Yes, describe

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No. If No, describe

Yes No. I did not research the sale or transfer history of the subject property and comparable sales, if not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
Data Source(s)

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.
Data Source(s)

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer					
Price of Prior Sale/Transfer					
Data Source(s)					
Effective Date of Data Source(s)					
Analysis of prior sale or transfer history of the subject property and comparable sales					

Subject Section

MGIC

Project name

Phase #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	12345 Summer Street	Unit #	2	City	Season	State	CA	Zip Code	99999	
Borrower	Smart, John	Owner of Public Record	Smart, John	County	Orange					
Legal Description	TR 9999 LOT 9 UNIT NO. 2, TOGET WITH AN UND 1/99 INT IN LOTS 1-99 INC									
Assessor's Parcel #	999-99-999	Tax Year	2012	R.E. Taxes \$	1,767.00					
Project Name	Sunset	Phase #	1	Map Reference	Fa 999-F9	Census Tract	0123.45			
Occupant	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	0.00	HOA \$	255.00	<input type="checkbox"/> per year <input checked="" type="checkbox"/> per month				
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)									
Assignment type	<input type="checkbox"/> Purchase Transaction <input checked="" type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)									
Lender/Client	ABC Lending, Inc.	Address	123 Anywhere, CA 99999							
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No										
Report data source(s) used, offering price(s), and date(s). Per MLS, the subject property is not currently being offered for sale. Per MLS, the subject property has not been offered for sale within the twelve months prior to the effective date of this appraisal report.										

Unit occupancy

Property rights

HOA fee

Neighborhood Section

Neighborhood Characteristics

Condo Unit Housing Trends

Condo Housing Price and Age

Present Land Use %

Note: Race and the racial composition of the neighborhood are not appraisal factors.

NEIGHBORHOOD	Neighborhood Characteristics			Condominium Unit Housing Trends			Condominium Housing		Present Land Use %	
	Location	Built-Up	Growth	Property Values	Demand/Supply	Marketing Time	PRICE (\$000)	AGE (yrs)	One-Unit	2-4 Unit
	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	275	48	75 %	
	Neighborhood Boundaries: The neighborhood boundaries are considered to be Orange County to the North, Happy Valley to the South, the 99 Hwy to the East and Apple Valley to the West.						205	40	25 %	
	Neighborhood Description: The subject's neighborhood consists of average quality condos, attached homes, single family detached homes and commercial facilities. The subject property is located within a close proximity of all public support facilities. Employment stability and appeal to market is average and typical for the area.									
	Market Conditions (including support for the above conclusions): General marketing conditions in the subject's neighborhood appears stable. Typical financing exists, predominantly consisting of conventional. Marketing/exposure times appear to be similar at this time. An analysis of comparative properties in the area indicate that values are stable/stabilizing and supply/demand appears to be in balance at this time.									

Project Site

Topography: Level		Size: Average		Density: Average		View: All Rec.			
Specific Zoning Classification R-1/Condo		Zoning Description Condominium							
Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming – Do the zoning regulations permit rebuilding to current density?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
<input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)									
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. _____							
PROJECT SITE	Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private	
	Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street Asphalt/Typical	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley Asphalt/Typical	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	FEMA Flood Zone X		FEMA Map # 12345C6789J	FEMA Map Date 12/03/2009		
	Are the utilities and off-site improvements typical for the market area?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.						
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. There were no apparent adverse external factors or site conditions present on the site or in the vicinity of the subject. Please note that the appraiser is not an expert in the field of environmental conditions. Flood determination data for the subject was derived from NDCdata.com, no warranty given/implied. See attached limiting conditions. The subject and all comparables suffer from train noise.							

- View
- Zoning
- Adverse site conditions/external factors

Project Information

Identify the information source(s) for project information: Owner, HOA, Local MLS Services, Public Records and/or Visual Observation.

Data source(s) for project information: Owner, HOA, Local MLS Services, Public Records and/or Visual Observation.

Project Description: Detached Row or Townhouse Garden Mid-Rise High-Rise Other(describe) Condo

General Description	General Description	Subject Phase	If Project Completed		If Project Incomplete	
# of Stories 2	Exterior Walls Stc/Wd	# of Units	385	# of Phases	1	# of Planned Phases
# of Elevators 0	Roof Surface Comp.	# of Units Completed	385	# of Units	385	# of Planned Units
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking 2	# of Units For Sale	2	# of Units for Sale	2	# of Units for Sale
<input type="checkbox"/> Under Construction	Ratio (spaces/units) 2:1	# of Units Sold	385	# of Units Sold	385	# of Units Sold
Year Built 1974	Type Garage	# of Units Rented	198	# of Units Rented	198	# of Units Rented
Effective Age 30-35	Guest Parking Ample	# of Owner Occupied Units	187	# of Owner Occupied Units	187	# of Owner Occupied Units

Project Primary Occupancy: Principal Residence Second Home or Recreational Tenant Occupancy info provided by the HOA 123-456-7899.

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No

Management Group - Homeowners' Association Developer Management Agent - Provide name of management company. Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? Yes No If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium? Yes No If Yes, describe the original use and the date of conversion.

Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? Yes No If No, describe

Is there any commercial space in the project? Yes No If Yes, describe and indicate the overall percentage of the commercial space.

Freddie Mac Form 485 March 2005 Produced using ACI software, 800.254.8727 www.aciweb.com Page 1 of 6 Fannie Mae Form 1073 March 2005 1073_05A 06/09/05

Individual Condominium Unit Appraisal Report File No. Condo 1073

Describe the condition of the project and quality of construction. The subject's project appears to be in average condition and consists of average quality condos of average quality construction. Unit mix and appeal to market is average and typical for condos of this type in this area.

Describe the common elements and recreational facilities. The subject's project common elements and recreational facilities consist of pools, spas, a park/playground, streets and greenbelt areas.

Are any common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.

Is the project subject to a ground rent? Yes No If Yes, \$ _____ per year (describe terms and conditions)

Are the parking facilities adequate for the project size and type? Yes No If No, describe and comment on the effect on value and marketability.



Project Information – Page 1

warranty given/implied. See attached limiting conditions. The subject and all comparables suffer from train noise.

Return to Project Information: Owner, HOA, Local MLS Services, Public Records, and/or Visual Observation

Project Description Detached Row or Townhouse Garden Mid-Rise High-Rise Other(describe) **Condo**

General Description	General Description	Subject Phase	If Project Completed		If Project Incomplete	
# of Stories 2	Exterior Walls Stc/Wd	# of Units	385	# of Phases	1	# of Planned Phases
# of Elevators 1	Roof Surface Comp.	# of Units Completed	385	# of Units	385	# of Planned Units
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking 2	# of Units For Sale	2	# of Units for Sale	2	# of Units for Sale
<input type="checkbox"/> Under Construction	Ratio (spaces/units) 2:1	# of Units Sold	385	# of Units Sold	385	# of Units Sold
Year Built 1974	Type Garage	# of Units Rented	198	# of Units Rented	198	# of Units Rented
Effective Age 30-35	Guest Parking Ample	# of Owner Occupied Units	187	# of Owner Occupied Units	187	# of Owner Occupied Units
Project Primary Occupancy <input type="checkbox"/> Principal Residence <input type="checkbox"/> Second Home or Recreational <input checked="" type="checkbox"/> Tenant Occupancy info provided by the HOA 123-456-7899.						
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
Management Group - <input type="checkbox"/> Homeowners' Association <input type="checkbox"/> Developer <input checked="" type="checkbox"/> Management Agent - Provide name of management company. Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*						
Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe						
Was the project created by the conversion of an existing building(s) into a condominium? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe the original use and the date of conversion.						

PROJECT INFORMATION

- Detached
- Row or Townhouse
- Garden
- High-Rise
- Other

Project Information – Page 1

warranty given/implied. See attached limiting conditions. The subject and all comparables suffer from train noise.

Data source(s) for project information: HOA, Local MLS Services, Public Records and/or Visual Observation.

Project Description: Detached Mid-Rise High-Rise Other (describe) Condo

General Description	Subject Phase	If Project Completed		If Project Incomplete	
# of Stories 2	Completed	# of Phases	1	# of Planned Phases	
# of Elevators 1	For Sale	# of Units	385	# of Planned Units	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Sold	# of Units for Sale	2	# of Units for Sale	
<input type="checkbox"/> Under Construction	Rented	# of Units Sold	385	# of Units Sold	
Year Built 1974	Guest Parking Ample	# of Units Rented	198	# of Units Rented	
Effective Age 30-35	Type Garage	# of Owner Occupied Units	187	# of Owner Occupied Units	
		# of Owner Occupied Units	187	# of Owner Occupied Units	

Project Primary Occupancy: Principal Residence Second Home or Recreational Tenant Occupancy info provided by the HOA 123-456-7899.

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No

Management Group – Homeowners' Association Developer Management Agent – Provide name of management company. Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? Yes No If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium? Yes No If Yes, describe the original use and the date of conversion.

- Construction status
- Year built
- Parking



Project Information – Page 1

warranty given/implied. See attached limiting conditions. The subject and all comparables suffer from train noise.

Data source(s) for project information: Owner, HOA, Local MLS Services, Public Records and/or Visual Observation.

Project Description: Detached Row or Townhouse Garden Mid-Rise High-Rise Other (describe): Condo

General Description	General Description	Subject Phase		If Project Completed	If Project Incomplete		
# of Stories 2	Exterior Walls Stc/Wd	# of Units	385	# of Phases	1	# of Planned Phases	
# of Elevators 1	Roof Surface Comp.	# of Units Completed	385	# of Units	385	# of Planned Units	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking 2	# of Units For Sale	2	# of Units for Sale	2	# of Units for Sale	
<input type="checkbox"/> Under Construction	Ratio (spaces/units) 2:1	# of Units Sold	385	# of Units Sold	385	# of Units Sold	
Year Built 1974	Type Garage	# of Units Rented	198	# of Units Rented	198	# of Units Rented	
Effective Age 30-35	Guest Parking Ample	# of Owner Occupied Units	187	# of Owner Occupied Units	187	# of Owner Occupied Units	

Project Primary Occupancy: Principal Residence Second home or recreational Tenant. Occupancy info provided by the HOA 123-456-7899.

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No

Management Group: Homeowners' Association Developer Management Agent – Provide name of management company. Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? Yes No If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium? Yes No If Yes, describe the original use and the date of conversion.

Indicators for level of review:

- Number of phases
- Complete/incomplete
- Number for sale, sold, rented

- Project status
- Established
- New

Project Information – Page 1

Project Primary Occupancy
 Principal Residence
 Second Home or Recreational
 Tenant
 Occupancy info provided by the HOA 123-456-7899.

Home Development/Advisor in Control of the Homeowners' Association (Very Rare)
 Yes
 No

Management Group
 Homeowners' Association
 Developer
 Management Agent – Provide name of management company.
 Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project?
 Yes
 No
 If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium?
 Yes
 No
 If Yes, describe the original use and the date of conversion.

Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)?
 Yes
 No
 If No, describe

PROJECT

- Project occupancy
 - Ineligible
- Who is in charge of HOA?
 - Project status
 - Established
 - New
- Does any single entity own > 10% of units?
 - Ineligible project?
 - Freddie Mac 25%
 - Fannie Mae 20%*

*See investor guidelines for exceptions

Project Information – Page 1

PROJECT INFORMATION	Project Primary Occupancy <input type="checkbox"/> Principal Residence <input type="checkbox"/> Second Home or Recreational <input checked="" type="checkbox"/> Tenant Occupancy info provided by the HOA 123-456-7899.
	Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Management Group – <input type="checkbox"/> Homeowners' Association <input type="checkbox"/> Developer <input checked="" type="checkbox"/> Management Agent – Provide name of management company. Bay View Management 123-456-7899. *The appraiser is not aware of any project litigation.*
	Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe
	Was the project created by the conversion of an existing building(s) into a condominium? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe the original use and the date of conversion.
Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe	

- Is the project a conversion?
- Are all common elements complete?

- Project status
- Established
- New

Project Information – Page 1

Is there any commercial space in the project? Yes No If Yes, describe and indicate the overall percentage of the commercial space. _____

- Is there any commercial space?
 - Agencies will allow up to 35%*

□ Ineligible project?

*See investor guidelines for specific calculations

Project Information – Page 2



Individual Condominium Unit Appraisal Report File No. Condo 1073

PROJ INFORMATION

Describe the condition of the project and quality of construction. The subject's project appears to be in average condition and consists of average quality condos of average quality construction. Unit mix and appeal to market is average and typical for condos of this type in this area.

Describe the common elements and recreational facilities. The subject's project common elements and recreational facilities consist of pools, spas, a park/playground, streets and greenbelt areas.

Are any common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options. _____

Is the project subject to a ground rent? Yes No If Yes, \$ _____ per year (describe terms and conditions) _____

Are the parking facilities adequate for the project size and type? Yes No If No, describe and comment on the effect on value and marketability. _____

I did not create the condominium project budget for the purposes. (Include the results of the analysis of the budget (debt service, fees, reserves, etc.) analysis on this page.)

- Condition & construction quality of project
- Common elements & recreation facilities – any leased?
- Is project subject to ground rent?
- Are parking facilities adequate?

Project Analysis

I did did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed. **The subject's Condo Project Budget for the current year was not reviewed by the appraiser as it was not provided to the appraiser for review. This information is typically not made available to appraisers. It should also be noted that the typical appraiser is not an expert in this field. *The appraiser is not aware of any project litigation.***

Are there any other fees (other than regular HOA charges) for the use of the project facilities? Yes No If Yes, report the monthly facility charges and describe. _____

Compared to other competitive projects of similar quality and design, the subject unit charge appears High Average Low If High or Low, describe. _____

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?
 Yes No If Yes, describe and explain the effect on value and marketability. **There are no apparent special or unusual project characteristics based on a visual observation of the subject property by the appraiser. The Condo Documents were not reviewed by the appraiser as this information is typically not made available to appraiser.**

- Was condo project budget analyzed?
- Any fees other than HOA fees for use of project facilities?
- Are HOA fees in line with competitive projects?
- Anything special or unusual about the project?

Unit Description

Unit Charge \$ 255.00 per month X 12 = \$ 3,060.00 per year Annual assessment charge per year per square feet of gross living area = \$ 2.89				
Utilities included in the unit monthly assessment <input type="checkbox"/> None <input type="checkbox"/> Heat <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input type="checkbox"/> Cable <input checked="" type="checkbox"/> Other (describe)				
Hot water heating.				
GENERAL DESCRIPTION	INTERIOR materials/condition	AMENITIES	Appliances	CAR STORAGE
Floor # 2-story	Floors Wood/Tile/Average	<input type="checkbox"/> Fireplace(s) # 0	<input type="checkbox"/> Refrigerator	<input type="checkbox"/> None
# of Levels 2	Walls Drywall/Average	<input type="checkbox"/> Woodstove(s) # 0	<input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Garage <input type="checkbox"/> Covered <input type="checkbox"/> Open
Heating Type FAU Fuel Gas	Trim/Finish Wood/Average	<input checked="" type="checkbox"/> Deck/Patio Patio	<input checked="" type="checkbox"/> Disp <input checked="" type="checkbox"/> Microwave	# of Cars 2
<input type="checkbox"/> Central AC <input type="checkbox"/> Individual AC	Bath Wainscot Fiberglass/Average	<input checked="" type="checkbox"/> Porch/Balcony Porch	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Assigned <input type="checkbox"/> Owned
<input checked="" type="checkbox"/> Other (describe) None	Doors Hollow Core/Avg.	<input type="checkbox"/> Other None	<input type="checkbox"/> Washer/Dryer	Parking Space #
Finished area above grade contains: 6 Rooms 3 Bedrooms 1.1 Bath(s) 1,058 Square Feet of Gross Living Area Above Grade				
Are the heating and cooling for the individual units separately metered? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe and comment on compatibility to other projects in the market area.				
Additional features (special energy efficient items, etc.). <u>See attached addendum for subject features.</u>				
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C3;Kitchen-updated-one to five years ago; Bathrooms-updated-one to five years ago;The subject property is of average quality construction and appears to be in average condition with no apparent repairs or modernization needed.				
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe				
There are no apparent physical deficiencies or adverse conditions that would affect the liability, soundness or structural integrity of the subject property.				
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. The subject property does generally conform to the neighborhood in respect to functional utility, style, condition, use, construction, etc...				

UNIT DESCRIPTION

Form 1073 – Page 3

Individual Condominium Unit Appraisal Report

File #

There are comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ to \$

There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ to \$

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3			
Address and Unit #							
Project Name and Phase							
Proximity to Subject							
Sale Price	\$	\$	\$	\$			
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.			
Data Source(s)							
Verification Source(s)							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Size of Financing							
Concessions							
Date of Sale/Time							
Location							
Leasehold/Fee Simple							
HCM No. Assessment							
Common Elements and Rec. Facilities							
Pool Location							
View							
Design (Style)							
Quality of Construction							
Actual Age							
Condition							
Above Grade	Total Bkms Baths	Total Bkms Baths	Total Bkms Baths	Total Bkms Baths	Total Bkms Baths	Total Bkms Baths	Total Bkms Baths
Room Count							
Gross Living Area	sq. ft.	sq. ft.	sq. ft.	sq. ft.	sq. ft.	sq. ft.	sq. ft.
Basement & Finished							
Rooms Below Grade							
Functional Utility							
Heating/Cooling							
Energy Efficient Items							
Garage/Carport							
Porch/Patio/Deck							
Net Adjustment (Total)	\$	\$	\$	\$	\$	\$	\$
Adjusted Sale Price of Comparables	Net Adj. % \$	Net Adj. % \$	Net Adj. % \$	Net Adj. % \$	Net Adj. % \$	Net Adj. % \$	Net Adj. % \$
Summary of Sales Comparison Approach							
Indicated Value by Sales Comparison Approach \$							
INCOME APPROACH TO VALUE (not required by Fannie Mae)							
Estimated Monthly Market Rent \$	X Gross Rent Multiplier	= \$	Indicated Value by Income Approach				
Summary of Income Approach (including support for market rent and GRM)							
Indicated Value by Sales Comparison Approach \$	Income Approach (if developed) \$						
<input type="checkbox"/> This appraisal is made "as is" subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair.							
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$, as of , which is the date of inspection and the effective date of this appraisal.							

Sales Comparison ▶

Summary ▶

Income ▶

Reconciliation ▶

Sales Comparison Approach

- **Established projects:**
 - Comparable sales within project
 - If comparable sale outside; explanation required



Sales Comparison Approach

- **New projects:**
 - One comparable sale from inside project
 - One comparable sale from outside project
 - Third comparable sale from inside or outside project

 - If no closed sale(s) inside project:
 - 2 contract sales + 3 closed sales from outside project
 - If no contract sales
 - 3 closed sales from outside project

Sales Comparison Approach

Value Adjustments:

Date of Sale/Time	06/17/2017	06/17/2017	06/18/2007	06/18/2007
Location	N;Res	N;Res	N;Res;	N;Res;
Household/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
HOA Mo. Assessment	\$255.00	\$235.00	0 \$254.00	0 \$255.00
Common Elements and Rec. Facilities	Pool/Spa Common Area	Pool/Spa Common Area	Pool/Spa Common Area	Pool/Spa Common Area
Floor Location	2-story	2	0 2-Story	2 0
View	N;Res;	N;Res;	N;Res	N;Res
Design (Style)	Condo/Avg.	Condo/Avg.	Condo/Avg.	Condo/Avg.
Quality of Construction	Q4	Q4	Q4	Q4
Actual Age	39	42	0 39	35 0

APPROACH

- HOA monthly assessment
- Common elements/Recreation facilities
- Floor location

Sales Comparison Approach cont...

View	N;Res;			N;Res;			N;Res			N;Res			
Design (Style)	Condo/Avg.			Condo/Avg.			Condo/Avg.			Condo/Avg.			
Quality of Construction	Q4			Q4			Q4			Q4			
Actual Age	39			42			0 39			35			
Condition	C3			C3			C3			C3			
Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	
Room Count	6	3	1.1	5	3	1.0	+2,000	6	3	1.1	5	3	
Gross Living Area	1,058 sq. ft.			864 sq. ft.			+4,000	1,057 sq. ft.			1,011 sq. ft.		
Basement & Finished Rooms Below Grade	0sf			0sf				0sf			0sf		
Functional Utility	Average			Average				Average			Average		
Heating/Cooling	FAU/None			Fau/None				Fau/None			Fau/None		
Energy Efficient Items	None Noted			None Noted				None Noted			None Noted		
Garage/Carport	2 Car Garage			2-Garage				2-Garage			1-Gar/1-Space		
Porch/Patio/Deck	Porch/Patio			Porch/Patio				Porch/Patio			Porch/Patio		
Misc.	None			None				None			None		
Built Ins	Built Ins			Built Ins				Built Ins			Built Ins		
Additional Items	None			None				None			None		

- View
- Parking
- Additional items; boat docks, etc.

Did the appraiser:

- ✓ Complete all required sections of the appraisal?
- ✓ Provide appropriate narrative to sections that required an explanation?
- ✓ Use comparable sales from inside project?
- ✓ Use comparable sales from competing projects and appropriate adjustments?
- ✓ Include all supporting documentation (photos, street map, building sketch)?

And, in the end...

Did the appraiser provide an
opinion of market value
based on market data,
logical analysis & judgment?



Summary

- Defined what is a condo and why it's unique
- Discussed condo considerations:
 - Ineligible projects
 - Project status
- Evaluated key sections of a condo appraisal
- Reviewed agency criteria

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**Thank you
for your business!**