

2-4 Unit Appraisals

- I. What constitutes a 2-4 unit assignment? (15 min.)
 - a.) Identifying the property characteristics.
 - b.) Verification of zoning compatibility.
 - c.) Developing an appropriate fee.
 - d.) What is considered a reasonable turn-around time?

- II. Defining the assignment. (30 min.)
 - a.) Detailed scope of work that prevents scope creep.
 - b.) Reporting format and ancillary forms.
 - c.) Lender considerations. What are they looking for?
 - d.) Managing client expectations.

- III. Data selection and analysis (30 minutes)
 - a.) Rent comparables and survey parameters.
 - 1.) Leased or month-to-month.
 - 2.) Rent control, HUD Section 8, rent concessions.
 - b.) What to look for when selecting comparables.
 - 1.) Matching characteristics and features.
 - 2.) Search parameters and number of Comps.
 - c.) Develop an adjustment strategy for the market grid.
 - d.) How is a comparative unit analysis used in a 2-4 unit appraisal?

- IV. The Income Approach (30 min.)
 - a.) How does the Income Approach fit into a 2-4 unit appraisal?
 - b.) What to do when the Sale Comps do not disclose income.
 - c.) Making sense of income multipliers.
 - c.) Is capitalization of income an option or necessary?

- V. Summation (15 min.)
 - a.) Final reconciliation of value.
 - b.) Checking for errors and avoiding underwriting/review issues.
 - c.) Case studies and examples (time permitting).
 - d.) Questions & Answers.