

SPECIFICATIONS FOR THE GSA ANALYTICAL NARRATIVE APPRAISAL REPORT

GENERAL - In the preparation of this report, the Contractor shall follow current professional appraisal practices giving consideration to three approaches to value, namely, the Cost, Income Capitalization and Sales Comparison Approaches, unless otherwise specified in this contract. Should certain approaches or requirements covered in these specifications not be applicable to the assignment, the contractual obligation can be fulfilled by identifying that approach or requirement together with a brief explanation for its omission (i.e., an appraisal involving land valuation only). Supplementary specifications will be furnished as necessary in the appraisal of specific properties.

FORMAT - The report shall be bound, in book-fashion, in the left margin, in a durable cover with the GSA identification of the property including the control number on the face thereof. The paper used shall be a good grade bond of size 8 1/2 by 11 inches. All pages shall be numbered consecutively, including all exhibits, and each important heading shall be shown in the Table of Contents. To provide uniformity for GSA files, the text shall be divided into four parts as outlined below.

PART I - INTRODUCTION

1. **TITLE PAGE.** This shall include (a) the name, street address and GSA control number of the property, (b) the name of the individual making the report, and (c) the effective date of the appraisal.
2. **TABLE OF CONTENTS.**
3. **LETTER OF TRANSMITTAL.**
4. **PHOTOGRAPHS.** Pictures shall show at least the front elevation of the major improvements, plus any unusual features. There should also be views of the

area, as appropriate, including properties abutting and directly opposite. When a large number of buildings are involved, including duplicates, one picture may be used for each type. Views of the comparables should be included. Except for the overall view, photographs may be bound as pages facing the discussion or description which the photographs concern. All graphic material shall include captions. Each copy of the report shall contain original color photographs.

5. **STATEMENT OF LIMITING CONDITIONS AND ASSUMPTIONS.**

6. **REFERENCES.** If preferred, may be shown with applicable approach.

PART II - FACTUAL DATA

7. **PURPOSE OF THE APPRAISAL.** This shall include the reason for the appraisal, a definition of all values required, and a description of the property rights appraised.

each item or group appraised, and whenever applicable, the repair or replacement requirements to bring the property to usable condition.

8. **LEGAL DESCRIPTION.** This description shall be so complete as to properly identify the property appraised. If lengthy, it should be referenced and included in Part IV.

Any related personality or equipment, such as tenant trade fixtures, which are not attached or considered part of the realty, shall be separately inventoried. Where applicable, these detachable or individually owned items shall be separately valued.

9. **AREA, CITY AND NEIGHBORHOOD DATA.** This data should include such information as it affects the appraised property together with the appraiser's conclusions as to significant trends.

d. **HISTORY** - State briefly the purpose for which the improvements were designed, dates of original construction and major renovation and/or additions; include, for privately owned property, a five-year record as to each parcel, of all sales and, if possible, offers to buy or sell, and recent lease(s); if no sale in the past five years, include a report of the last sale.

10. PROPERTY DATA -

a. **SITE** - Describe the soil, topography, public or private access and utilities, mineral deposits, easements, etc. A statement must be made concerning the existence or nonexistence of mineral deposits having a commercial value.

e. **ASSESSED VALUE AND ANNUAL TAX LOAN.** Include the current assessment and dollar amount of real estate taxes and indicate the tax year together with the market level of taxes for the property on date of appraisal. Future trends or prospective changes in the level of taxes should be discussed. If the property is not taxed, the appraiser shall estimate the assessment, state the tax rate and give the dollar amount of the tax estimate.

b. **IMPROVEMENTS** - This description may be by narrative or schedule form and shall include dimensions, cubic and/or square foot measurements, and where appropriate, a statement of the method of measurement used in determining rentable areas such as full floor, multitenancy, etc.

f. **INSURANCE** - Give the estimated rate per thousand and the annual cost of adequate insurance coverage (not necessarily present coverage).

c. **EQUIPMENT** - This shall be described by narrative or schedule form and shall include all items of equipment, including a statement of the type and purpose of the equipment and its state of cannibalization. The current physical condition and relative use and obsolescence shall be stated for

g. **ZONING** - Describe the zoning for subject and comparable properties (where Government owned, state what zoning might reasonably be anticipated under private ownership), and if rezoning is imminent, discuss further under item 11.

PART III - ANALYSES AND CONCLUSIONS

11. **ANALYSIS OF HIGHEST AND BEST USE.** The report shall include an in-depth analysis of the highest and best use that can be made of the property (land and improvements and where applicable, machinery and equipment) for which there is a current market. The valuation shall be based on this use, which should be found to be physically possible, legally permissible, financially feasible, and maximally productive. The reasoning behind the appraiser's conclusion shall be fully explained.

income; (b) allowance for vacancy and credit losses; (c) an itemized estimate of total expenses including reserves for replacement; and (d) net operating income.

12. **LAND VALUE.** The appraiser's opinion of the value of the land shall be supported by confirmed sales of comparable lands. Differences shall be weighed and explained to show how the sales indicate the value of the land being appraised. Adjustments should be made from the sales to the subject, either in dollar amounts or percentages for all applicable elements of comparison.

Capitalization of net income shall be at the rate prevailing for this type of property and location. The capitalization technique, method and rate used shall be explained in narrative form supported by a statement of sources of rates and factors.

13. **VALUE ESTIMATED BY COST APPROACH.** This shall be in the form of comparative data, arranged in sequence, beginning with reproduction or replacement cost, and shall state the source (book, page and date if a national service) of all figures used. The dollar amounts of physical deterioration and functional and external obsolescence, or the omission of same, shall be explained in narrative form. This procedure may be omitted on improvements, both real and personal, for which only a salvage or scrap value is estimated.

15. **VALUE ESTIMATE BY SALES COMPARISON APPROACH.** This shall include adequate factual data. All sales used shall be confirmed by the buyer, seller, broker, or other persons having knowledge of the price, terms and conditions of sale. Each comparable shall be weighed and explained in relation to the subject property to indicate the reasoning behind the appraiser's value estimate from this approach. Adjustments should be made from the sales to the subject, either in dollar amounts or percentages for all applicable elements of comparison.

14. **VALUE ESTIMATE BY INCOME CAPITALIZATION APPROACH.** This shall include adequate factual data to support each figure and factor used and shall be arranged in detailed form to show (a) estimated gross economic rent or

16. **INTERPRETATION AND CORRELATION OF ESTIMATES.** The appraiser shall interpret the foregoing estimates and shall state his reasons why one or more of the conclusions reached in items (13), (14), and (15) are indicative of the market value of the property.

17. **CERTIFICATION.** This shall include statement that Contractor has no undisclosed interest in property, that he has personally inspected the premises, date and amount of value estimate, etc.

PART IV - EXHIBITS AND ADDENDA

18. **LOCATION MAP(S).***(Within the State, city and/or area)

19. **PLOT PLAN AND TAX MAP.***

20. **FLOOR PLANS.***(When needed to explain the value estimate)

21. **COMPARATIVE DATE MAP.** (Show geographic location of the appraised property and the comparative data analyzed.)

22. **DETAIL OF THE COMPARATIVE DATE.** (Photograph and plat or tax map should be included for each comparable.)

23. **OTHER PERTINENT EXHIBITS.**

24. **QUALIFICATIONS.** (Of all Appraisers and/or Technicians contributing to the report.)

* All maps and plans may be bound as facing pages opposite the description, tabulation, or discussions they concern.