

General Requirements for Appraisal Reports.

Unless otherwise directed in an Appraisal Order, the Appraiser must provide the following information as part of each Appraisal Report:

- a. A summary entitled "Appraisal Report for The Chicago Housing Authority and (the Name of the Requesting Agency)" which should include the following:
 - i. the Authority project name and number, if applicable;
 - ii. the Date of the Appraisal Report, date of valuation and permanent index number (PIN);
 - iii. the parcel number, address of the property, brief identification of all interests in the property appraised, and the name of the owner(s) including names of all tenants and parties in possession;
 - iv. the Date(s) of the Appraiser's inspection of the property with the owner(s) or the owner's designated representative, including the name of each owner or owner's representative who accompanied the Appraiser during his/her inspection, along with a statement of the interest in the property or the representative capacity held by each such person;
 - v. the Appraiser's opinion of the fair market value of the parcel and/or the fair rental value or other property interest as identified;
 - vi. the limiting conditions of the appraisal, which may include assumptions
 - (i) that the title is good and marketable,
 - (ii) (ii) that no responsibility is assumed by the Appraiser for legal matters, especially those affecting the title to the property,
 - (iii) (iii) that the legal description of the property and the interest in the property to be appraised, furnished to the Appraiser by the Authority is correct; and that no survey of the property has been made, if applicable. Any other appropriate assumption or limiting condition may be added **only** if it has been specifically approved in writing by the Authority;
 - vii. certifications of the employee of the Appraiser performing the Appraisal, (1) that the employee personally made a thorough inspection of the property (2) that, to the best of such employee's knowledge and belief, everything contained in the report is true, and no relevant and important fact has been omitted, (3) that neither the employees employment nor compensation is contingent on the valuation reported, and, (4) that such employee has no past, present or prospective interest (including as a real estate agent or broker) in the property, the parties involved, or any other interest that would conflict in any way with the employee's performance of the Appraisal Services in an impartial manner; and
 - viii. the signature of the Appraiser and statement of all pertinent license numbers, including State of Illinois license number and MAI designation number, if applicable.
- b. The name, telephone number and address of the property owner, and the name of any other party known or believed to hold a separate compensable

interest in the property. The Appraiser must, to the extent practicable, ascertain the names and rights of all parties in possession, and the terms or conditions of their tenancy or possession, and note for consideration all factual information and comments furnished by the owner or their representative relevant to the appraisal. The Appraiser must give the owner or their designated representative an opportunity to accompany the Appraiser during the inspection. If the owner of a compensable interest in the property or a representative of the owner does not accompany the Appraiser during the inspection, the Appraiser must include in the Appraisal Report a copy of the notification to the owner of the opportunity to accompany the Appraiser, and evidence of the owner's receipt of such notification, or a statement that the owner could not be located despite diligent effort.

- c. Off-record title information, if ascertained, concerning interests or instruments that affect title, but are not of record, such as leases, options to renew a lease, contracts of sale, and other interests or rights of parties in possession.
- d. The street address and an accurate description of each parcel and all interests in the parcel appraised. In addition, the Appraisal Report should contain all basic property data, including pertinent information with respect to, but not limited to: (1) the environment and location of the property, (2) the zoning and any restrictive covenants, conditions, or servitudes affecting the available use or occupancy of the land, (3) the assessed value of the real property, the amount of current annual real estate taxes, and the name of taxpayer (4) the use and occupancy of the property at time of appraisal, (5) the public improvements, services and utilities serving and providing access to the property, (6) the character, topography, dimensions, and area of the land, (7) any special hazards or deleterious conditions upon the property, if known or observed, including environmental hazards, (8) the current rental and rental history of the property, if known, (9) the estimated annual costs of ownership and for operation and maintenance of the property, if applicable, and (10) a description of the buildings, structures (including outdoor advertising signs), type of business, tenants, and other improvements, if any, including relevant information about the type of improvements, designed use, construction materials and finish, equipment, dimensions, floor area, age, condition, space or room arrangement, functional utility or obsolescence on any other characteristics or attributes of the improvements germane to the value of the real property.
- e. The Appraisal Report must contain the legal description of the parcel and a general sketch plat showing the shape and dimensions of the land, the location of the principal improvements on the land, the location of any easements in the land, and the abutting streets, alleys, or other public rights of way must be attached to and made a part of each report. The Appraisal Report must also include a tax plat, neighborhood map or aerial, and photographs, each clearly identified, as may be appropriate to be furnished to the Authority, in the sole discretion of the Using Department.

- f. The Appraisal Report should report any condition or occupancy of the property that the Appraiser believes may be a violation of law, or that may affect the value of the property; however, Appraiser is not required to undertake any environment assessment or testing.
- g. The Appraiser's opinion about the highest and best use of the property. The highest and best use determination must be based on the property's economic potential, qualitative values (social and environmental) inherent in the property itself, and other utilization factors controlling or directly affecting land use, (i.e., zoning, physical characteristics, private and public uses in the vicinity or neighboring improvements). Projections should not be remote, speculative, or conjectural. Projections should be consistent with the legal standards set forth by the Illinois courts, and federal regulations if the source of funding is federal. If the highest and best use of the property is other than as developed, then the Appraiser will be required to contact and inform the Authority of this conclusion prior to completion of an Appraisal Report. The Appraiser should be prepared to demonstrate expertise in support of any projections made for the property that defines a "highest and best use" that is other than the current use of the property. Appraiser will not assume a change in zoning in forming such opinion without the approval of the CHA Office of the General Counsel.
- h. The Appraiser's opinion about the fair market value of the property and/or the fair rental value. The Appraisal Report must state the basis for the opinion of value, and all data and analyses needed to explain and support the opinion. The fair market value and/or the fair rental value is deemed to be the probable price, in terms of money, that the property would bring in an open and competitive market under all the conditions requisite to a fair sale or rental, all parties acting prudently, knowledgeably, and with the assumption that neither party is under duress. The supporting data and analyses furnished in the appraisal report should include, but not be limited to the following:
 - i. Any sale of the subject property that has occurred within the last five years, or any comparable rental that has occurred within the last six months, and sales and/or the fair rentals of comparable properties considered by the Appraiser;
 - ii. Information about sales or other dispositions of comparable properties considered by the Appraiser in estimating the fair market value and/or the fair rental value of the property for the designated use. In making these comparisons, appropriate allowance should be made for all differences pertinent to the desirability for the proposed new use or uses of the property and the properties with which it is compared. Information about comparable properties must include identification of the grantor and grantee. These comparisons should also take into account other factors such as the existence or absence of structural improvements on the property, location of the property, its surroundings, distance from business centers, location of improved streets and roads, location of industries, conditions and appearance, and other relevant

factors. The income producing potentialities of the property when redeveloped for a proposed new use or other uses should also be considered where applicable;

- iii. All other information and analyses that the Appraiser considers relevant to the fair market value of the property;
- iv. If the property appraised is part of a larger parcel in the same ownership or is less than the entire interest of the ownership in the property, the Appraisal Report must contain the Appraiser's opinion of the market value for the part taken and any damages to the remainder as a result of this taking. The foregoing opinions must be supported in the report by the data and analyses by which the Appraiser formed these opinions;
- v. All maps, plats, photographs, or other exhibits, as necessary to explain or illustrate the Appraiser's analyses. For all self-contained and summary reports, Appraisers must supply photographs of the subject property and all comparable properties used in the analysis, and supply a map indicating the relation of subject property to the comparable properties. Appraisers must also supply tables that summarize the pertinent characteristics, in description and of the transaction, of the comparable properties. The report must include identification of the grantor and grantee of each comparable transaction. Originals of these materials will be required on all copies of each Appraisal Report.
- vi. The Appraisal Report must include a list of all items of personal property considered to be part of the real property ("irremovable equipment").
- vii. A summary of special assessments for public improvements, if any, and a statement of the real estate taxes for the current year, if such can be ascertained.