

## RESIDENTIAL APPRAISAL REPORT



### 64 FORRESTER STREET SW

<b>Property Location:</b>	64 FORRESTER STREET, SW SQUARE 6239 LOT 59 Washington, DC 20032, DC 20032
<b>Borrower:</b>	D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL
<b>Client:</b>	DC GOV'T - GOVERNMENT OF THE DISTRICT OF COLUMBIA PROPERTY ACQUISITION & DISPOSITION DIVISION WASHINGTON, DC 20018
<b>Effective Date:</b>	SEPTEMBER 09, 2014
<b>Prepared By:</b>	RONALD HUDSON MARKET APPRAISAL CORPORATION MAC REAL ESTATE APPRAISAL & CONSULTANTS



137-B TENNESSEE AVENUE, NE  
WASHINGTON, DC 20002  
202-547-1452

THANK-YOU FOR THE OPPORTUNITY TO DO BUSINESS

# LAND APPRAISAL REPORT

## Appraisal Report

File No. 159/MACRH

IDENTIFICATION	Borrower <u>D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL</u>	Census Tract <u>0098.07</u>	Map Reference <u>47894</u>	
	Property Address <u>64 FORRESTER STREET, SW</u>			
	City <u>Washington, DC 20032</u>	County <u>DISTRICT OF COLUMBIA</u>	State <u>DC</u>	Zip Code <u>20032</u>
	Legal Description <u>SQUARE 6239 LOT 59</u>			
	Sale Price \$ <u>PRESALE</u>	Date of Sale <u>N/A</u>	Loan Term <u>N/A</u> yrs.	Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD
Actual Real Estate Taxes \$ <u>0</u> (yr)	Loan charges to be paid by seller \$ <u>UNK</u>	Other sales concessions <u>NONE NOTED</u>		
Lender/Client <u>DC GOV'T - GOVERNMENT OF THE DISTRICT OF COLUMBIA</u>	Address <u>PROPERTY ACQUISITION &amp; DISPOSITION DIVISION</u>			
Occupant <u>LOT</u>	Appraiser <u>RONALD HUDSON</u>	Instructions to Appraiser <u>TO DETERMINE FAIR MARKET VALUE AS IS</u>		

NEIGHBORHOOD	Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural				
	Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%				
	Growth Rate	<input checked="" type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	<input type="checkbox"/> Slow			
	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining				
	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply				
	Marketing Time	<input checked="" type="checkbox"/> Under 3 Mos.	<input type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.				
	Present Land Use	<u>40% 1 Family</u>	<u>10% 2-4 Family</u>	<u>10% Apts.</u>	<u>5% Condo</u>	<u>5% Commercial</u>		
		<u>5% Industrial</u>	<u>20% Vacant</u>	<u>5% INDUSTRIAL</u>				
	Change in Present Land Use	<input type="checkbox"/> Not Likely	<input checked="" type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)				
		(*) From <u>VACANT</u> To <u>RESIDENCE</u>						
Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<u>3</u> % Vacant					
Single Family Price Range	\$ <u>20,000</u> to \$ <u>250,000</u>		Predominant Value \$ <u>110,000</u>					
Single Family Age	<u>0</u> yrs. to <u>100</u> yrs.	Predominant Age <u>60</u> yrs.						

Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): See attached addenda.

SITE	Dimensions <u>101.05 X 37</u> = <u>3,739</u> Sq. Ft. or Acres	<input type="checkbox"/> Corner Lot
	Zoning classification <u>R5A-LOW DENSITY APARTMENT</u>	Present Improvements <input type="checkbox"/> do <input checked="" type="checkbox"/> do not conform to zoning regulations
	Highest and best use <input type="checkbox"/> Present use <input checked="" type="checkbox"/> Other (specify) <u>DEVELOPMENT OF SINGLE FAMILY DWELLING PRICE RANGE OF \$200,000- \$350,000</u>	
	Elec. <input checked="" type="checkbox"/>	Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private
	Gas <input checked="" type="checkbox"/>	Surface <u>CONCRETE</u>
	Water <input checked="" type="checkbox"/>	Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private
	San. Sewer <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Curb/Gutter
	<input checked="" type="checkbox"/> Underground Elect. & Tel.	<input checked="" type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Street Lights
		Topo <u>VARIES FROM MODERATELY TO STEEPLY HILLY</u>
		Size <u>TYPICAL OF NGHB</u>
	Shape <u>RECTANGLE</u>	
	View <u>RESIDENTIAL HOMES</u>	
	Drainage <u>APPEARS ADEQUATE</u>	
	Is the property located in a HUD identified Special Flood Hazard Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): THE SUBJECT SITE, ONCE HAD A 2,592 SQFT. 4 UNIT BRICK DWELLING WHICH HAS BEEN RAISED, THERE IS A BRICK RETAINING WALL THAT REMAINS. THE ONLY ADVERSE CONDITION NOTED AT TIME OF INSPECTION WAS LARGE NUMBERS OF VACANT AND BROAD-UP FOUR UNITS LOCATED ON SUBJECT'S BLOCK. NO ADVERSE EASEMENTS OR ENCROACHMENT.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

MARKET DATA ANALYSIS	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
	Address	<u>64 FORRESTER STREET, SW Washington, DC 20032</u>	<u>4225 Wheeler Rd SE Washington, DC 20032</u>	<u>3RD STREET SE WASHINGTON, DC 20032</u>	<u>1675 W St SE Washington, DC 20020</u>
Proximity to Subject		<u>1.21 miles NE</u>	<u>0.41 miles E</u>	<u>3.03 miles NE</u>	
Sales Price	\$ <u>PRESALE</u>	\$ <u>39,950</u>	\$ <u>120,000</u>	\$ <u>75,000</u>	
Price	\$	\$ <u>6.33</u>	\$ <u>4.56</u>	\$ <u>11.72</u>	
Data Source	<u>INSPECTION</u>	<u>SITE INSPECTION</u>	<u>SITE INSPECTION</u>	<u>SITE INSPECTION</u>	
Date of Sale and Time Adjustment	<u>DESCRIPTION</u>	<u>DESCRIPTION</u>	<u>+(-)\$ Adjust.</u>	<u>DESCRIPTION</u>	<u>+(-)\$ Adjust.</u>
	<u>N/A</u>	<u>C:10/13 S:03/14</u>		<u>C:04/14 S:06/14</u>	<u>C:03/14 S:04/14</u>
Location	<u>CONGRESS HEIGHTS</u>	<u>CONGRESS HEIGHTS</u>		<u>CONGRESS HEIGHTS</u>	<u>ANACOSTIA</u>
Site/View	<u>RESID/LOW DEN APT.</u>	<u>RESID/SINGLE FAMILY</u>		<u>RESID/LOW DEN APT.</u>	<u>RESID/SINGLE FAMILY</u>
SIZE	<u>3,739 SQFT 101.05 X 37</u>	<u>6,305 SQFT. 154 X 41</u>	<u>-4,000</u>	<u>26,341SQFT</u>	<u>-8,600</u>
.TOPOGRAPHY	<u>ROLLING MIDDLE</u>	<u>LEVEL</u>	<u>-1,500</u>	<u>LEVEL</u>	<u>-1,500</u>
ZONE	<u>R5A</u>	<u>R5A</u>		<u>R5A</u>	<u>R5A</u>
LANDSCAPING	<u>FLAT-CLEAR</u>	<u>TRESS/SHRUBBERY</u>	<u>+2,000</u>	<u>TRESS/SHRUBBERY</u>	<u>+2,000</u>
Sales or Financing Concessions	<u>NONE NOTED</u>	<u>CASH-DOM/69</u>		<u>CASH-DOM/608</u>	<u>CASH-DOM/34</u>
	<u>NO CONC RPT</u>	<u>NO CONC RPTD</u>		<u>NO CONC RPTD</u>	<u>NO CONC RPTD</u>
Net Adj. (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-3,500</u>		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-8,100</u>	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-7,500</u>
Indicated Value of Subject		<b>Net 8.8 %</b> \$ <u>36,450</u>		<b>Net 6.8 %</b> \$ <u>111,900</u>	<b>Net 10.0 %</b> \$ <u>67,500</u>

Comments on Market Data: COMP SALE #3 HAS A MORE DESIRABLE LOCATION VS SUBJECT SITE=MADE LOCATION ADJ;SUBJECT SITE CONTAINS LESS SQFT. VS ALL (3) COMP SALE=MADE SIZE ADJ.;SUBJECT HAS INFERIOR TOPOGRAPHY ROLLING TO STR. VS ALL SALE LEVEL TO STR. MADE ADJ; SUBJ SITE LANDSCAPE CLEAR VS TREES,SHRUBBERY VS SALES #1 & #2 MADE ADJ; ALL COMP'S WERE ADJUSTED BASED ON MARKET CONDITIONS AND COMP'S NOT INCLUDE IN THIS REPORT...

Comments and Conditions of Appraisal: THE SUBJECT PROPERTY IS A HILLY VACANT LOT. LOCATED IN A NEIGHBORHOOD WITH HIGH NUMBER OF BROAD-UP FOUR UNIT BUILDINGS IN CLOSE PROXIMITY, COMPARBLES USED IN THIS REPORT REPRESENT THE BEST AVAILABLE LAND SALE IN THE SUBJECT MARKET AREA. ALL ADJUSTMENTS WERE BASED ON THIS APPRAISER'S ANALYSIS OF THE MARKET PLACE. ALL COMPARBLES UNITIZED IN THIS REPORT ARE TRUE VACANT LOTS.BASED UPON THE ABOVE ANALYSIS, ADJ S PRICE PER SQFT RANGE (LAND) \$4.25 TO \$10.54. GIVEN THE SALES AS QUANTIFIED, THE MOST WEIGHT IS AFFORDED SALES (S) #1 & #2 DUE TO

Final Reconciliation: ZONING & LOCATION FURTHER, \$5.00/SF X 3,739 SF = \$18,695, \$18,700 (ROUNDED) SUBJECT VALUE, IT ZONING REQUIREMENT WILL PERMIT ANY USE THAT WILL SUPPORT MARKETABILITY. THE HIGHEST AND BEST USE FOR THE SITE FOR CONSTRUCTION OF MULTI-FAMILY DWELLING.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF SEPTEMBER 09, 20 14 to be \$ 18,700

THE SUBJECT SITE IS GIVEN VALUE CONSIDERATION BASED ON MARKET SALE OF SIMILAR LOTS IN SUBJECT MARKET AREA.

Ronald Hudson  
RONALD HUDSON  
Appraiser(s)  Did  Did Not Physically Inspect Property

Review Appraiser (if applicable)

### Subject Photo Page

Borrower/Client	D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL				
Property Address	64 FORRESTER STREET, SW				
City	Washington, DC 20032	County	DISTRICT OF COLUMBIA	State	DC
Lender	DC GOV'T - GOVERNMENT OF THE DISTRICT OF COLUMBIA				
				Zip Code	20032



#### VIEW OF SITE

64 FORRESTER STREET, SW  
Sales Price PRESALE

Location CONGRESS HEIGHTS  
View RESID/LOW DEN APT.  
Site



#### VIEW OF SITE



#### VIEW OF STREET

### Comparable Photo Page

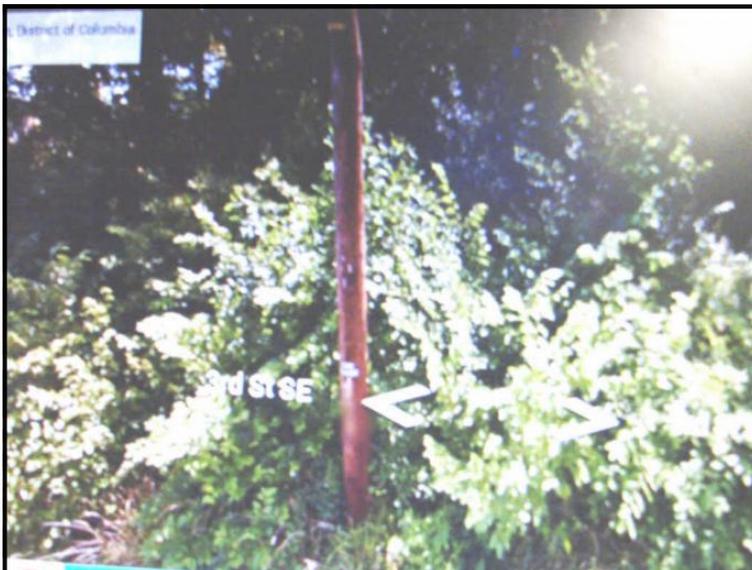
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#### Comparable 1

4225 Wheeler Rd SE  
 Prox. to Subject 1.21 miles NE  
 Sale Price 39,950

Location CONGRESS HEIGHTS  
 View RESID/SINGLE FAMILY  
 Site 6,305  
 Quality  
 Age



#### Comparable 2

3RD STREET SE  
 Prox. to Subject 0.41 miles E  
 Sale Price 120,000

Location CONGRESS HEIGHTS  
 View RESID/LOW DEN APT.  
 Site 26,341



#### Comparable 3

1675 W St SE  
 Prox. to Subject 3.03 miles NE  
 Sale Price 75,000

Location ANACOSTIA  
 View RESID/SINGLE FAMILY  
 Site 6,400

# Zoning Map

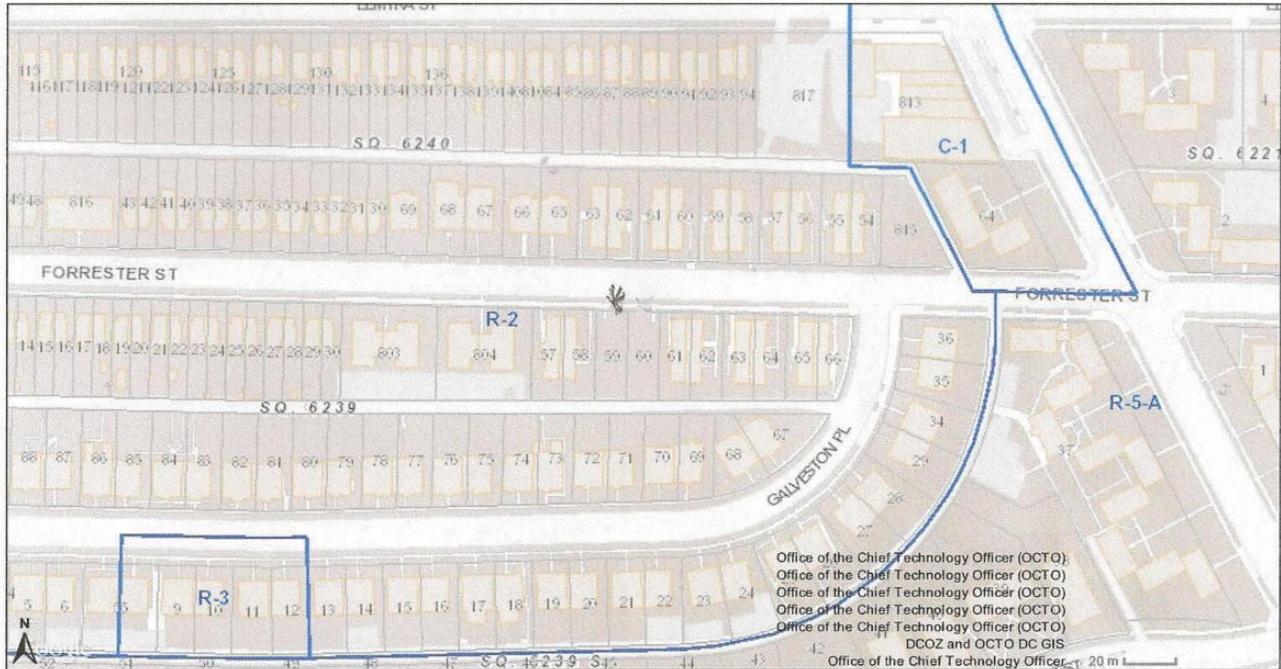
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9/8/2014

District of Columbia Office of Zoning EXTRACTED ZONING MAP



**District of Columbia Office of Zoning**  
**EXTRACT OF THE DISTRICT OF COLUMBIA ZONING MAP**  
 September 8, 2014



<b>Zoning Layers</b>	Zone Districts	Overlays Districts	TDRs
	Pending Zones	Pending Overlay Districts	Pending PUDs
Historic Districts	Campus Plans	Active PUDs	

To certify zoning on any property in order to satisfy a legal requirement, contact the Office of Zoning at (202) 727-6311.

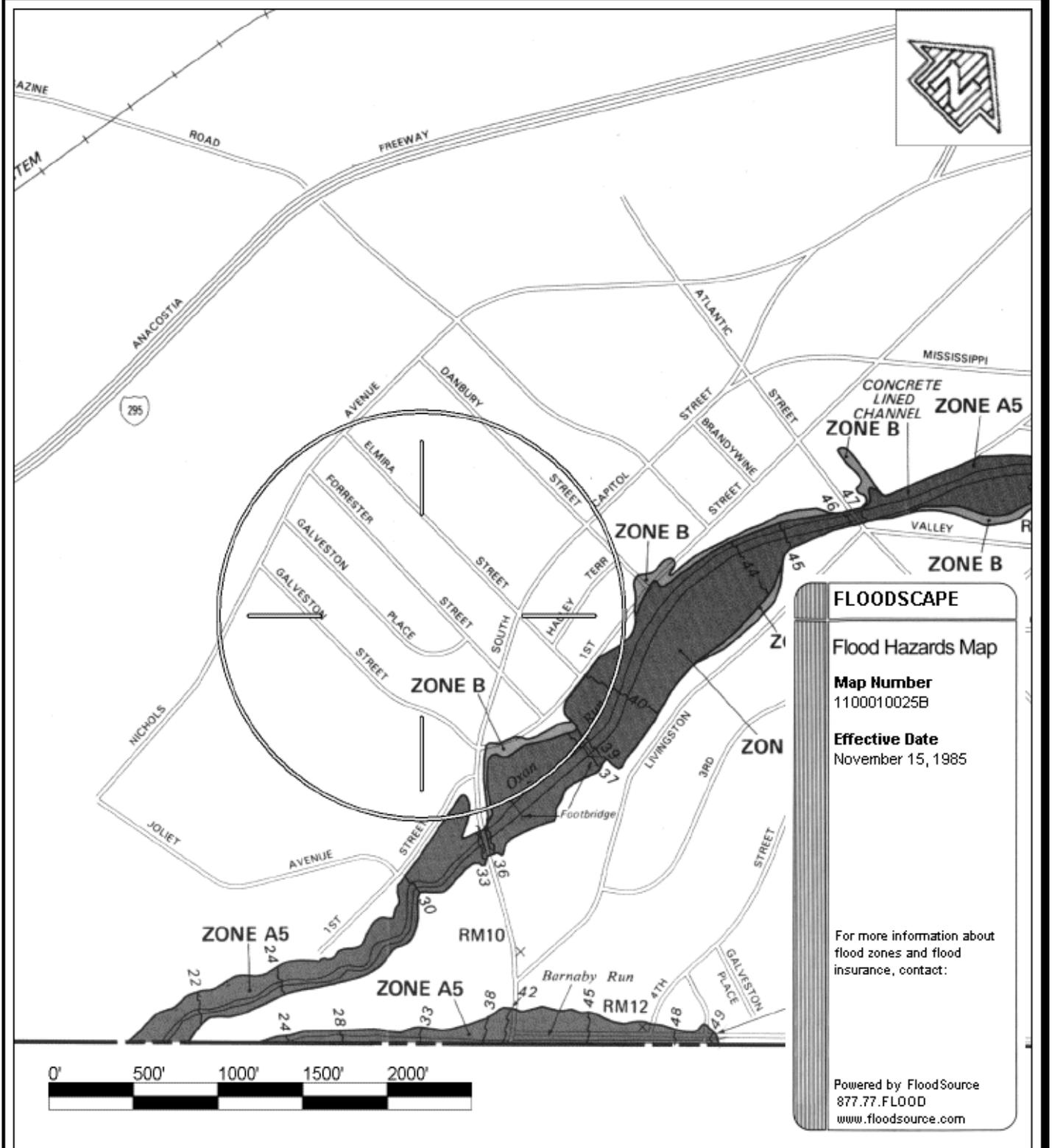
- Air Quality Zone
- Balist Index
- CEA

### Flood Map

Borrower/Client	D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL			
Property Address	64 FORRESTER STREET, SW			
City	Washington, DC 20032	County	DISTRICT OF COLUMBIA	State DC Zip Code 20032
Lender	DC GOV'T - GOVERNMENT OF THE DISTRICT OF COLUMBIA			



**Prepared for:**  
 Market Appraisal Corp.  
 64 FORRESTER STREET, SW  
 WASHINGTON, DC 20032



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**Supplemental Addendum**

File No. 159/MACRH

Borrower/Client	D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL						
Property Address	64 FORRESTER STREET, SW						
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SUBJECT NEIGHBORHOOD IS LOCATED IN CONGRESS HEIGHTS A AREA WITH LARGE INFLUX OF MULTI-FAMILY UNIT, SEMI-DET TOWNHOUSE AND ROW DWELLINGS, SOME DWELLINGS ARE BROAD-UP WITH THE TREND ON REMOVE BOARDS AND RENOVATING. THERE IS A DEMAND FOR OLDER RENOVATED PROPERTIES. ROUTE 295 IS A MAJOR TRANSPORTATION ARTERY WHICH IS LEADS TO DOWNTOWN, WASHINGTON, DC . MANY RESIDENTS COMMUTE TO THE WASHINGTON METROPOLITAN DOWNTOWN AREA ON A DAILY BASIS. IN CLOSE PROXIMITY TO HADLEY HOSPITAL, BOILING AIR FORCE BASE AND US NAVAL STATION. SCHOOL ARE ADEQUATE AND BUSING IS NOT REQUIRED, SHOPPING IS LOCAL , WITH MO/ PO RETAIL STORES LOCATED WITHIN WALKING DISTANCE. AS THE NEAREST TOWN CENTER FOR SEROUS SHOPPER WOULD BE "PENN. AVE. TRANSPORTATION IS GOOD WITH A ADEQUATE BUSING SYSTEM AVAILABLE AT SCHEDULED TIME. WITH EAST OVER SHOPPING CENTER IN CLOSE PROXIMITY. SUBJECT SITE IS ZONE R5A, ZONING REGULATION FOR R5A LOW DENSITY APARTMENT HOUSE, 40% OF LOT OCCUPANCY, HEIGHT STORIES 3 FEET 40 AND FLOOR AREA RATIO 0.9. THE HIGHEST AND BEST USE FOR SUBJECT IS FOR DEVELOPMENT OF SINGLE FAMILY DWELLING OR LOW DENSITY APARTMENT.

• URAR :

THIS ADDENDUM IS DESIGNED AS AN ADJUNCT TO THE FNMA FORM 1004 FOR THE REPORTING OF COMMENTS MOST TYPICALLY REQUIRED BY LENDERS TO CLARIFY ASPECTS OF THE APPRAISAL PROCESS. AN "X" IN THE BOX NEXT TO A PARTICULAR PHRASE INDICATES THAT THIS APPLIES TO THE INDIVIDUAL APPRAISAL BEING PERFORMED. PHRASES NOT CHECKED DO NOT APPLY TO THIS INDIVIDUAL APPRAISAL.

(X) NO CONSIDERATION GIVEN FOR ANY POINTS, CLOSING COSTS, OR CONCESSIONS GIVEN PURCHASER BY SELLER. POINTS AND/OR CLOSING COSTS PAID BY SELLER ARE COMMON FOR ALL TYPES OF FINANCING IN THIS AREA. NO ADJUSTMENTS FOR FINANCING BECAUSE NO DIMINUTION OF VALUE DISCOVERED IN MARKETPLACE.

(X) EVERY EFFORT HAS BEEN MADE TO USE COMPARABLES THAT HAVE SOLD WITHIN SIX MONTHS OF THE DATE OF THE APPRAISAL. OUR DATA BANK INCLUDES 1 MLS COMPUTER TERMINAL, LUSK REPORTS, APPRAISAL FILES, ETC. AN EXAMPLE OF THIS IS SALE #1,2 & 3.\*

(X) MANY COMPARABLES WERE CONSIDERED AND RELIED UPON BY THE APPRAISER IN THE CONCLUSIONS DRAWN THEREFROM, THE THREE EXHIBITED WERE CONSIDERED THE MOST INDICATIVE AND RELIABLE AVAILABLE SALES. WE DO NOT RECITE SALES OVER 1 YEAR OLD EXCEPT IN EXTREME CASES AND AFTER DISCLOSURE OF COMPELLING REASON. HOWEVER, LIMITING SALES TO WITHIN 6 MOS. OF APPRAISAL DATE CREATES ARTIFICIAL RESTRAINTS NOT FOUND IN THE OPEN MARKETPLACE. THIS APPRAISER WILL NOT PASS OVER THE BEST POSSIBLE COMPARABLE SALE IN ORDER TO USE ONE THAT IS LESS COMPARABLE, THOUGH OF A MORE CURRENT DATE.

(X) "DATE OF SALE" USED IN THE MARKET DATE SECTION IS THE SETTLEMENT/CLOSING DATE UNLESS OTHERWISE NOTED.

(X) SITE IMPROVEMENTS: WITH THE EXCEPTION OF THE STREET, IT IS THE APPRAISER'S EXPERIENCE THAT NEITHER THE PRESENCE NOR LACK OF SITE IMPROVEMENTS HAS ANY EFFECT ON VALUE OR MARKETABILITY.

(X) NO ITEM THAT HAS ANY NEGATIVE EFFECT ON VALUE WAS NOT DISCLOSED ON THE FORM

(X) AS A RESULT OF THE CURRENT FHLBB MEMORANDUM R-41, YOUR APPRAISER HAS NOTED IN THE APPRAISAL REPORT CERTAIN CHATTELS WHICH ARE CONSIDERED NON-REALTY ITEMS. THE CONVEYANCE AND INCLUSION OF THESE ITEMS IS TYPICAL OF TRANSACTIONS IN THIS MARKETPLACE.

(X) THE APPRAISER HAS REVIEWED THE FFLBB MEMORANDUM R-41C, ANND IS THE OPINION THAT THE APPRAISAL OF THE SUBJECT PROPERTY CONFORMS TO THE BANK BOARD MEMORANDUM.

(X) THE INCOME APPROACH WAS DEEMED INAPPROPRIATE AND THEREFORE, WAS NOT CONSIDERED FOR THIS TYPE OF PROPERTY.

CONSIDERED APPROPRIATE AND THE SALES CHOSEN ARE THE BEST AVAILABLE.

A THOROUGH SEARCH FOR COMPARABLE SALES WAS MADE IN AN ATTEMPT TO FIND SALES WHICH BRACKET THE FINAL VALUE ESTIMATED FOR THE SUBJECT PROPERTY SQUARE FOOT PRICE. AFTER CONSIDERATION OF LOCATIONS, DATES OF SALE AND PHYSICAL DIFFERENCES IN THE APPRAISER'S JUDGEMENT, THE COMPARABLES USED ARE THE BEST INDICATOR OF THE SUBJECT'S VALUE.

• URAR :

**PURPOSE & SYNOPSIS**

Since not every subject property can be compared to "ideal" comparable sales, the appraiser has chosen the best sales available from the market search which meet investor underwriting standards and guidelines. Every effort to has been made to conform to FNMA and FHLMC underwriting guidelines and in most bases, to an even stricter interpretation found common to most investors in the secondary market.

The comments in this addendum are intended to expand on what the appraiser feels are areas of most concern to mortgage investor and/or the owner(s) of the appraised property in underwriting an appraisal report. The expanded comments allow the appraiser to provide additional comments where sufficient space is not available on the appraisal form. The market has been thoroughly searched and the sales reported herein are in the appraiser's opinion, the bestsales available that properly weigh the four (4) major elements of comparison. The four (4) major elements of comparison are (1) Location, (2) condition of Sale; (3) Time of Sale; and (4) Physical Characteristics of the subject and the Comparables.

**SCOPE OF THE APPRAISAL**

**Supplemental Addendum**

File No. 159/MACRH

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In order to estimate the subject property's market value, as of the date of the appraisal, a systematic procedure has been followed to reach a logical final value conclusion. Every effort has been made to conform to the code of ethics of the Appraisal Institute. The National Association of Real Estate Appraisers, FHLMC underwriting guidelines and additional requirements of investors in the secondary market. Of the three (3) approaches to value, the sales comparison approach and the cost approach are relied upon most to estimate the subject's market value.

Upon receiving the appraisal order, county assessor's records are researched to obtain basic property information such as the last sale date and price, lot size, zoning assessments, utilities present, real estate taxes, census tracts and other pertinent data as required in the appraisal report. Then the local multiple listing service is consulted to research the subject property. If available, recent sales, contract sales and current available listings in the subject's subdivision and immediate market area that are most similar to the subject property are obtained. An appointment is then set up to inspect the exterior or interior of subject property. The appraiser then visually inspects the exterior of the comparables selected that are most similar to the subject property.

The comparables selected for use in the report are, in the opinion of the appraiser, the best available after investigation of the sales activity in the subject's market area. Adjustments in the sales comparison approach are estimated based on market extraction and/or reaction of a particular item, its effects on value and are not based on cost figures. Negative (-) adjustments in the sales comparison approach reflect items that are superior to those found in the subject property. Positive (+) adjustments reflect items inferior to those found in the subject property. Comparable sales data are adjusted to the subject property, with the subject property as standard in terms of which of the comparable sale properties are evaluated and adjusted. The adjusted sales prices are reconciled to a final indication of the market via the direct sales comparison approach.

Upon completion of the sales comparison analysis, the appraiser develops the Cost Approach, using the Marshall & Swift Cost Handbook, local builder cost and estimate guides, and other pertinent residential cost information to arrive at the reproduction cost new of the subject property. Depreciation is estimated by the appraiser which takes into consideration the effective age of the subject property and its remaining economic life and any functional or external obsolescence extracted via matched pair analyses. Any depreciation is subtracted from the estimated reproduction cost new of the subject property. To this depreciated cost, the value of the site, as if vacant and available to be put to its highest and best use, is added to obtain a value via the Cost Approach.

If enough information is available, the Income Approach is developed using gross rent multiplier analysis (GRM). GRM analysis requires a substantial quantity of reliable, verified data on market sales or comparable properties that were rented at the time of the sale to estimate the market rent. Typically, in this market there is insufficient available information on single family properties to estimate the value by the Income Approach.

After analysis of the three (3) approaches to value, the direct sales comparison approach, reproduction cost new (Cost Approach) and the Income Approach, the appraiser logically reconciles all the approaches to value to arrive at a final estimate of property value (market value) as of the valuation date. It should be the best, most probable figure obtainable under current market circumstances. The final value estimate is rounded appropriately to emphasize the fact that it is an estimate.

### Location Map

Borrower/Client	D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL			
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