

MARKET CONDITIONS ADDENDUM TO THE APPRAISAL REPORT

File # 00000005

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address _____ City _____ State _____ Zip Code _____
 Borrower _____

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current -3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				Increasing	Stable	Declining
Absorption Rate (Total Sales/Months)				Increasing	Stable	Declining
Total # of Comparable Active Listings				Declining	Stable	Increasing
Months of Housing Supply (Total Listings/Ab.Rate)				Declining	Stable	Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current -3 Months	Overall Trend		
Median Comparable Sale Price				Increasing	Stable	Declining
Median Comparable Sales Days on Market				Declining	Stable	Increasing
Median Comparable List Price				Increasing	Stable	Declining
Median Comparable Listings Days on Market				Declining	Stable	Increasing
Median Sale Price as % of List Price				Increasing	Stable	Declining
Seller-(developer, builder, etc.) paid financial assistance prevalent?				Declining	Stable	Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Cite data sources for above information.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

MARKET RESEARCH & ANALYSIS

If the subject is a unit in a condominium or cooperative project, complete the following: **Project Name:** _____

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current -3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				Increasing	Stable	Declining
Absorption Rate (Total Sales /Months)				Increasing	Stable	Declining
Total # of Active Comparable Listings				Declining	Stable	Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				Declining	Stable	Increasing

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

CONDO/CO-OP PROJECTS

APPRAISER

Signature _____	Signature _____
Appraiser Name _____	Supervisory Appraiser Name _____
Company Name _____	Company Name _____
Company Address _____	Company Address _____
State Certification Number _____ State _____	State Certification Number _____ State _____
Email Address _____	Email Address _____