

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
REAL ESTATE APPRAISAL REPORT CONTENT
(Reference RFQ/P #2020-RFQ/P-084)**

All real estate property appraisals conducted for the New Jersey Economic Development Authority must comply with applicable USPAP Rules, Code of Professional Ethics and Standards of Appraisal Practice and state rules and/or regulations and include the following:

1. A full explanation of any assumptions used to prepare the appraisal
2. Property information should, at minimum, include the following:
 - A. Street address
 - B. City, state, zip code
 - C. County
 - D. Block and lot
 - E. Current zoning designation and definition from zoning code
 - F. Existence of any redevelopment plans affecting the property
 - G. Current year tax assessment (land and building) and the current tax rate
 - H. Lot size (acres or square feet)
 - I. Building description
 - J. Photos of the property
 - K. Map of the property
 - L. If the property is income producing and its cash flow will be used to determine its value, provide a detailed explanation of how the income, expenses and other assumptions were determined to:
 - i. Create the operating proforma and determine net operating income
 - ii. Create investment measures (discount rate, capitalization rate, loan rates, terms and amortization periods, and the owner's investment rate)
3. Information related to the valuation of the property should, at minimum include the following:
 - A. Explain why any approach to value is excluded as a valuation method
 - B. When using the Sales Approach to value, the report should include the following:
 - i. At least 2 comparable sales, but ideally 5 comparable sales properties
 - ii. For each comparable sale property, include the information listed in 1 above
 - iii. Comparable property sale date
 - iv. Comparable property sale price
 - v. Seller name
 - vi. Buyer name
 - vii. Explanation of how any adjustments to the sale price were determined
 - viii. A map including the location of the comparable sale properties
 - C. When using the Income Approach to value, the report should also include the following:
 - i. If the property is income producing and its cash flow will be used to determine its value, provide a detailed explanation of how the income, expenses and other assumptions were determined to:
 - a. Create the operating proforma and determine net operating income
 - b. Create investment measures (discount rate, capitalization rate, loan rates, terms and amortization periods, and the owner's investment rate)
 - ii. Explanation of how the investment rate, discount rate and capitalization rate were determined for the analysis
 - iii. Include an explanation of how the income, vacancy, expenses and the operating period (i.e., holding period) were determined
 - iv. Include the complete operating cash flow with notes, if any, as an exhibit or attachment
 - D. When more than one approach to value is used, the appraiser shall explain their valuation conclusion and reconcile the two valuation methods