

American Society of Farm Managers and Rural Appraisers

Grading Sheet - Appraisal Report

Applicant:

Date:

Grader:

The following are the Mandatory Requirements which must be met to receive a passing grade. The grader should check the appropriate box to indicate the required element is present or is not included in the report. Failure to include a mandatory requirement will result in failure of the report.

Mandatory Requirements	Included	Not Included
USPAP Compliance - including but not limited to the following:		
- Impact of Assumptions		
- Impact of Hypothetical Conditions (if any)		
- Scope of Work		
- Definition of Value		
- Effective Date		
- Property Rights Appraised		
- Legal Description		
- History of the Subject Property		
- Exposure Time		
- Certification		
Subject Buildings with Contributory Value		
Building structures are described		
Highest and Best Use Analysis		
Cost Approach		
- Two (2) sources of cost new for the primary building		
- Source of cost new on secondary buildings		
- Market based depreciation estimates		
- Breakdown method of depreciation analysis employed		
- Functional or external obsolescence analyzed		
Income Approach		
- Comparable market rent data		
- Rent data analyzed		
- Source of two (2) expense items provided		
- Going-concern value addressed (only if owner-operator)		
- Capitalization rate is based on market data		
Sales Comparison Approach		
- At least two (2) market derived adjustments		
- Building mix adjustment on an individual sale basis		
- Land mix adjustment explained		
- If land mix adjustment not used, explain why		

Grading Categories	Points	Deductions	Grade
Preface and Introduction (Max Deduction of 5 Per Topic)			
Title Page			0
Letter of Transmittal			0
Table of Contents			0
Summary of Salient Facts			0
Qualifications of the Appraiser			0
Area/Neighborhood Analysis			
Physical	5		5
Social	5		5
Economic	5		5
Governmental	5		5
Discussion of the Appraisal Process	5		5

USPAP			
- Impact of Assumptions	4		4
- Impact of Hypothetical Conditions (if any)	4		4
- Scope of Work	4		4
- Definition of Value	4		4
- Effective Date	4		4
- Property Rights Appraised	4		4
- Legal Description	4		4
- History of the Subject Property	4		4
- Exposure Time	4		4
- Certification	4		4
Total Deductions	65	0	65
Property Description			
Land			
Location Map*	5		5
Location, Access, Land Use & Tenure	5		5
Land Features Map*	5		5
Terrain & Topography	5		5
Soils Map*	5		5
Soils Description	5		5
Vegetation	5		5
Water Rights, Irrigation, Carry Capacity, Yields	5		5
Utilities	5		5
Taxes & Assessments	5		5
Hazards & Detriments	5		5
Zoning, Easements, Restrictions	5		5
Land Photos	5		5
Land Improvements			
Fences, Wells, Corrals, Windmills, Pumps, Dams, etc.	5		5
Buildings			
Description	10		10
Building Photos	10		10
Economic life and Functional Utility	10		10
Total - Property Description	100	0	100

*Suggested location only. These items may appear elsewhere in the report.

Highest and Best Use - As Vacant			
Definition and Explanation of Highest and Best Use	5		5
Uses for which the property is adapted	5		5
Legally permissible uses	5		5
Financially feasible uses	5		5
Maximally productive use	5		5
Total - Highest and Best Use - As Vacant	25	0	25
Highest and Best Use - As Improved			
Uses for which the property is adapted	5		5
Legally permissible uses	5		5
Financially feasible uses	5		5
Maximally productive use	5		5
Total - Highest and Best Use - As Improved	20	0	20

Cost Approach			
Cost New & Definition of Cost Used	2		2
Source of Cost Data (2 sources are required for the primary bldg.)	2		2
Calculation of Cost New	4		4
Estimate of Depreciation			
Physical Depreciation Defined	2		2
Physical Depreciation Explained	2		2
Depreciation Indication by Market Data	15		15
Functional and External Obsolescence Defined	2		2
Functional and External Obsolescence Explained	2		2
Functional and External Obsolescence Calculations	15		15
Tabular Analysis of the Indicated Contributory Value	4		4
Estimate of Land Value			
Comparable Sales Presentation	5		5
Analysis of Market Data	15		15
Development of land value	20		20
Indicated Value by the Cost Approach			0
Tabular analysis and presentation (incl. calculations)	5		5
Discussion of Value by Cost Approach/Validity	5		5
Total - Cost Approach	100	0	100
Income Approach			
Income Estimate			
Comparable rental data or crop share or yield & price data	10		10
Analysis of rental data	10		10
Conclusion of Gross Income	10		10
Expense Estimates			
Itemized Expenses	10		10
Source of Two (2) expense items*			
Explanation of Expenses	10		10
Expense Conclusions	10		10
Market Rate Selection			
Comparable Sales Presentation and Calculations	10		10
Tabular Analysis & Rate Derivation	10		10
Conclusion of the Market Rate	10		10
Value by the Income Approach and Validity	10		10
Total - Income Approach	100	0	100
Sales Comparison Approach			
Comparable Sales Presentation			
Analysis & Allocation	20		20
Sale to Subject Comparison			
Selection of Variables and Value Factors	15		15
Explanation of Adjustments	30		30
Two (2) Market Derived Adjustments	10		10
Discussion/Analysis of Land Mix Ratio	5		5
Tabular Comparison Presentation	10		10
Value by the Sales Comparison Approach and Validity	10		10
Total - Sales Comparison Approach	100	0	100

Reconciliation			
Cost Approach Discussion	5		5
Income Approach Discussion	5		5
Sales Comparison Approach Discussion	5		5
Final Conclusion	5		5
Total - Reconciliation	20	0	20
Market Data Presentation			
Market Data Location Map	5		5
Courthouse Data	5		5
Price, Terms, Verification	5		5
Description			
Physical Features	5		5
Plat Maps	5		5
Photographs	5		5
Description of Rent Comparables	10		10
Total - Market Data Presentation	40	0	40
Clarity, Readability, Professionalism			
Format & Organization	10		10
Grammar, Punctuation & Spelling	10		10
Sentence Structure & Writing Style	10		10
Total - Clarity, Readability, Professionalism	30	0	30

Total Points

600 100%

Regardless of the overall score, a report must also attain a score of 75 percent including a minimum of 75 percent (75 points out of the 100 allotted) for each of the three approaches to receive a passing grade. A grade below 75 percent in any one approach or failure to include a mandatory requirement results in the failure of the report.

Based on the grading sheet, the point distributions are as follows:

Mandatory Requirements	All Required
Preface, Introduction & USPAP Presentation	65 Points
Property Description Section	100 Points
Highest and Best Use	45 Points
Cost Approach	100 Points
Income Approach	100 Points
Sales Comparison Approach	100 Points
Reconciliation	20 Points
Maps, Photos, Exhibits	40 Points
Clarity, Readability & Professionalism	30 Points
TOTAL	600 Points
PASSING GRADE	450 Points