

## **Preliminary Analysis For Tax Appeal**

### **LOCATED AT:**

Block: Lot:  
NJ

### **FOR:**

NJ Property Realty Services  
55 Washington St., Suite 300, Bloomfield, NJ 07003

### **AS OF:**

October 1, 2008

### **BY:**

Mr. Dino Ciccotti  
NJ Property Realty Services  
55 Washington St., Suite 300, Bloomfield, NJ 07003

Re: Property: NJ  
Owner:  
File No.:

Dear Mr. Ciccotti:

In accordance with your request for a preliminary analysis of the subject property to estimate if a tax appeal is merited, we have briefly analyzed the above referenced property. The findings of that preliminary analysis are attached.

The purpose of this analysis is to roughly estimate the market range of the subject property, as of October 1, 2008, in unencumbered fee simple title of ownership, as a preliminary step towards a tax appeal.

The value range estimated is preliminary, and should not be construed as a full appraisal. An appraisal has not yet been made on this property, and findings herein are only guidance on the merits of proceeding with a tax appeal.

**As of the valuation date of October 1, 2008 we preliminarily estimate that a tax appeal DOES appear to be merited. Please see attached findings.**

It has been a pleasure to assist you. Please do not hesitate to contact us if we can be of additional service to you.

Sincerely,

Borrower/Client			File No.
Property Address			
City	County	State NJ	Zip Code
Lender NJ Property Realty Services			

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## Carano Appraisal Company

File No.

Borrower/Client			
Property Address			
City	County	State NJ	Zip Code
Lender NJ Property Realty Services			

The subject property is a 3-family dwelling located at XXXX. It is further designated by the township as Block: Lot:

Photos of the subject are attached. The subject is a 3-family dwelling and according to information provided has a 4 bedroom / 2 bath unit, a 3 bedroom / 2 bath unit and a 4 bedroom / 2 bath duplex style unit. The dwelling was built in 1920 according to tax data.

The subject last sold on XXXX for \$XXX,000. per Deed Book: XXX, Page: XXX.

The 2008 taxes on the subject property are \$9,768.

The 2008 assessments are as follows:

Land:	\$39,200
Improvement:	<u>\$164,300</u>
Total:	\$203,500

2008 tax rate:	\$4.80/100.
2008 ratio:	36.39%

Below is a brief list of the sales utilized in this report from 01/1/2008 - 10/1/2008 (with the exception of #5, which sold subsequent to the dates above, yet considered a good indicator of value as it was under contract prior to 10/1/2008) which were considered the best available for comparison and generally similar to the subject. The following sales are of particular interest:

- 1) 225 Livingston Ave., a 2-family dwelling, MIs #XXXX, sold on 01/14/08 for \$500,000.
- 2) 104 Howard Ave., a 4-family dwelling, MIs #XXXXX, sold on 05/29/08 for \$450,000.
- 3) 19 Courtlandt St., a 2-family dwelling, MIs #XXXXX, sold on 05/20/08 for \$450,000.
- 4) 212 Easton Ave., a 2-family dwelling, MIs #XXXXX, sold on 05/16/08 for \$420,000.
- 5) 86 Louis St., a 2-family dwelling, MIs #XXXX, sold on 10/07/08 for \$435,000.
- 6) 26 Wyckoff St., a 2-family dwelling, MIs #XXXXX, sold on 09/12/2008 for \$575,000.

Due to a lack of 3-family dwellings sales it was necessary to use 2 and 4-family dwellings for comparison and adjust based on size of dwelling. Also, sales #3, #4, #5, and #6 are considered to be in a superior location as compared to the subject due to proximity to XXXX University, a major base for rental tenants. Based on our preliminary knowledge of the subject, and our cursory comparison of the subject to the comparable sales, the value

**Carano Appraisal Company**

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which currently seems likely is \$480,000.

### CHAPTER 123 ANALYSIS

**Estimated True Value:        \$480,000.**

**Subject Assessment:         \$203,500.**

**2008 Ratio:                    36.39%**

**Upper Limit:                  41.85%**

**Lower Limit:                  30.93%**

**Assessment divided by 36.39% = \$559,219. = implied value (equalized value).**

**Assessment divided by 41.85% = \$486,260. = value below this indicates taxpayer's relief.**

**Assessment divided by 30.93% = \$657,937. = value above this indicates municipality's relief.**

**Therefore, the estimated true value of \$480,000. DOES indicate taxpayer's relief, and a tax appeal is merited.**

## Subject Photo Page

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### Subject Front

Sales Price	N/A
Gross Living Area	3,337
Total Rooms	17
Total Bedrooms	11
Total Bathrooms	6
Location	Average
View	Average
Site	75 x 73
Quality	Average
Age	88



### Subject Rear



### Subject Street



**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

## STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

**SUPERVISORY APPRAISER'S CERTIFICATION:** If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

**ADDRESS OF PROPERTY APPRAISED:**  NJ

**APPRAISER:**

**SUPERVISORY APPRAISER (only if required):**

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Date Signed: \_\_\_\_\_  
 State Certification #: \_\_\_\_\_  
 or State License #: \_\_\_\_\_  
 State:  NJ   
 Expiration Date of Certification or License: \_\_\_\_\_

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Date Signed: \_\_\_\_\_  
 State Certification #: \_\_\_\_\_  
 or State License #: \_\_\_\_\_  
 State:  NJ   
 Expiration Date of Certification or License: \_\_\_\_\_

Did  Did Not Inspect Property