

Appraisal Requirements

Timeline

Inspection Type	Timeline to Contact Homeowner/Agent to Arrange Inspection Time	End to End Timeline (Acceptance to Delivery)
Full Appraisal Reports*	N/A	Within 1.5 business days of accepting order

*Narrative Appraisal Reports are not accepted

Appraiser(s)

The assigned appraiser for purposes of completing an appraisal report for Haventree Bank must have one of the following designations:

- AACI, CRA, DAR, DAC, EA, or OEAQ

Reports completed by candidates must be jointly signed by an approved designated member of either the AIC or CNAREA.

- Please address the report to Haventree Bank

General

- Ensure the report is CUSPAP/USPAP compliant, meets the minimum requirements outlined in this engagement document and meets any special instructions contained within the order
- Ensure the report is written and submitted in English for all provinces except Quebec where the report must be written and submitted in French
- Produce the report in a manner consistent with all applicable provincial requirements
- The report must be dated within 90 days of the closing date.
- The report must include a current market value

Approach to Value

- The appraiser should have access to all rooms in the interior of the property and so indicate on the report
- The appraiser must confirm that there are no adverse external factors that may affect the marketability of the property
- If the appraiser does not include the cost approach to value, he/she must provide an explanation supporting the facts within the report
- Rural properties should clearly indicate if it is accessible from a publicly maintained road and have adequate sewage, water and utilities
- Working farms are not acceptable
- Properties that house livestock for personal use only. Farming/business operations are not acceptable
- The appraiser should derive the value based on the house and a maximum of 5 acres, and not include outbuildings in the value



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Appraisal Requirements

Approach to Value (Continued)

- Provide an 'As Complete' value for new construction properties, stating the percentage complete
- Properties undergoing upgrades or renovations must have an 'as-is' and 'as complete' value
- New construction must be at least 97% finished when indicating a completed value.
- Market rents for properties with a second unit
- Basement suites must be self-contained with a separate entrance. Any exception to this requirement should be noted on the appraisal report

The report must contain a current street map showing the exact location of the subject and comparable properties as well as the location of other properties mentioned within the report as affecting the value of the subject;

Location Map

State the location and proximity of comparable sales in terms of kilometers;

- i. Urban areas: Comparable sales should preferably be within 3 or 4 blocks or 1 kilometer from the subject property
- ii. Rural/Remote areas: Comparable sales should preferably be within 10 kilometers

If you include comparable sales from other neighborhoods, provide justification of the reasons for obtaining comparable sales outside the subject neighborhood within the narrative comments. If the comparable sales are outside of the required proximity, provide justification of the reasons for obtaining comparable sales outside the requirement within the narrative comments

Photographs

The report must contain current, clear and well-framed color photographs of the following:

- Front of subject property
- Rear of subject property
- Examples of physical deterioration and wear and tear
- Street scene
- Outbuilding exterior

Interior photos, including:

- Kitchen (required)
 - Family/Living room (required)
 - Main bathroom (required)
 - Main bedroom (required)
 - Basement (required) – if an accessible crawlspace forms part of the basement, this too is required to be photographed and inspected
 - Garage (required, if converted)
 - Oil tank (if present)
 - Examples of physical deterioration (if present.)
 - Examples of recent updates (For example: restoration, remodeling and renovations, if present)
 - Front views of all comparable sales used within the report
 - Interior of all outbuildings
 - Front views of all comparable sales used within the report
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Comparables

- Use a minimum of 3 comparable sales from the immediate area
- Comparable sales should reflect arm's length transactions and occur within 120 days of the closing date. Older comparables may be considered if the value has been adjusted for time otherwise, justification of the reasons for obtaining older comparables must be provided within the narrative comments
- Comparable sales must have closed and be available from MLS
- All comparable sales must include the list price
- Provide MLS photos and listing information in the appraisal report
- Clearly explain subjective adjustment(s) in the report (For example: views, appeal, condition, location ratings)
- For condominium properties, choose at least one condo unit comparable sale from an outside but comparable condo building
- Provide the listing price and the length of time to sell for each of the comparable sales
- The final adjusted sale price of the comparable sales, after dollar adjustments, should not exceed 15% of the original sale price of the comparable; include supporting details if the adjustments exceed 15% gross or net
- Maximum days on market = 90 Days; If longer than 90 days, an explanation must be included in the narrative comments

Timelines and Communication

As an appraiser partner of Haventree Bank we rely on continuous proactive communication. Therefore, by accepting our orders, appraisers agree to the following:

- Providing timely status updates
- Notifying Haventree Bank of any issues regarding appointment scheduling or report completion.
- Notifying Haventree Bank of any unexpected delays

Acknowledgement



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Name of Appraiser

Signature

Date