

APPRAISAL SUBMISSION REQUIREMENTS

Updated: January 30, 2026

Development teams will utilize MHDC approved appraisers to submit an appraisal, and the developer will manage process. MHDC will accept an appraisal as early as application submission or as late as our firm submission process, which is typically a few months prior to construction closing. Regardless of when it is finalized, the proposed site price at application must be supported by the appraisal.

Appraisals should be dated within 45 days of application or firm submission. The appraisals may be on proposed construction, existing improvements to be rehabilitated, or vacant land. Appraisers should not conduct an appraisal for which they completed a submitted market study. Consideration must be given to any contributory value of existing site improvements. The appraisals may be required for general lending purposes or for meeting the standards of specific government loan programs. As such, the appraisal will include:

- a. An opinion of the market value of a given property “as is,” “as complete,” “as stabilized,” and/or “as rehabilitated.”
- b. Various market value conclusions, assuming either a development restricted by subsidy funding agreements or unrestricted (market rate).
- c. The intangible market value of tax credits and/or any below market mortgage financing or other intangible value, and
- d. An opinion of investment value that is comprised of the sum of market value of the property as restricted by subsidy funding agreements, the value of favorable financing (if any), and/or the value of federal and state tax credits.

The reports must be self-contained and signed by a principal of the firm. Any contribution by a staff appraiser needs to be acknowledged by their signing of the transmittal letter and/or certificate of value, or alternatively, by being identified in the certificate of value as someone who made a significant contribution to appraisal development.

In addition, the appraisal development and reporting must conform to the edition of Uniform Standards of Professional Appraisal Practice (USPAP) in effect at the time of the appraisal.

In addition to the USPAP reporting requirements, appraisals must contain the following items, generally in the order shown:

- a. Title or cover page with sufficient identification of the report, including a complete address of the subject property, or an intersection identifier
- b. Letter of Transmittal
- c. Table of Contents
- d. Executive Summary of important data and conclusions
- e. Extraordinary assumptions and/or hypothetical conditions used in the analysis

- f. General assumptions and limiting conditions
- g. Definition of market value, as defined for federally-related transactions
- h. Ownership and sale history, and analysis of any pending or consummated sale and sale price
- i. Description of the subject property both “as is” and “as complete,” including a site description
- j. A real estate tax analysis including “tax comps”
- k. An area analysis (MSA, county, etc.)
- l. A description (including a map) of the subject’s primary market area and its features that may or may not have an effect on the subject property
- m. A description of the subject’s neighborhood and its features that may or may not have an effect on the subject property
- n. Photos of the subject that show its relationship to surrounding properties and land uses
- o. Photos and “write ups” of all comparable properties (including land and improved sales and rentals) which should include pertinent comments in addition to a mere listing of facts
- p. Location maps showing the subject’s linkage to neighborhood features, improved sale comps, rental comps and land sales
- q. Analysis and opinion of the subject’s highest and best use
- r. Cost approach to value (required for all new construction, optional on rehabilitation projects)
- s. Income approach to value (required, using both unrestricted (market) rents and expenses and restricted rents and expenses)
- t. Sales comparison approach (required) which must utilize at least one adjustment of ranking procedure in addition to any other method. The subject’s sale can only be a 4th or 5th comparable
- u. Final reconciliation
- v. Certification(s) of appraisers involved in the appraisal and report development
- w. Appraiser qualifications
- x. Any forms required by the U.S. Department of Housing and Urban Development (HUD) for Risk-Share insurance
- y. Architectural exhibits

Questions can be directed to Alissa Ice, Director of Rental Production: Alissa.ice@mhdc.com.