

Sample Engagement Letter

[Appraiser Firm Name]
[Appraiser Firm Address]

[Date]

[Client]
[Address]

Re: Appraisal Request
[Brief description of property or assignment]

Dear [_____]:

[Appraisal firm name or appraiser name, if no firm entity] (“Appraiser”) agrees to provide an appraisal of the above-mentioned property according to the following terms. Please refer to the Appraisal Services Agreement and the Terms and Conditions, which are expressly incorporated herein by reference and made a part of this agreement. This Engagement Letter, the Appraisal Services Agreement and the Terms and Conditions shall be collectively referred to as “Agreement.”

1. Specifications of the Appraisal.

Subject Property:	<i>[Property address or legal description.]</i>
Property Type:	<i>[Existing / Proposed / Single family residence / Condominium / Multi family residence - xx units / Manufactured home / Office - xx SF/ Retail - xx SF/ Industrial - xx SF / Vacant land / Subdivision – xx lots/ Agricultural land / Other]</i>
Interest to be Valued:	<i>[Description. For example: fee simple/leased fee/leasehold.]</i>
Additional Property to be Valued:	<i>[None / Furniture, fixtures and equipment / Machinery and equipment / Trade fixtures / Business enterprise value / Housing subsidy / Bond financing / Favorable seller financing /</i>

*NOTICE: Nothing herein shall be construed as legal or professional advice. Parties must retain and consult with legal counsel or obtain other appropriate professional advice in the preparation of these types of documents. The Appraisal Institute does not assume any responsibility or liability for any services performed pursuant to these materials nor does it make any representation or warranty that these materials contain terms and conditions appropriate to any particular appraisal assignment.

Defeasance impact / Tax abatement / Low-income housing tax credits / Other [specify]]

Intended Use: *[To assist Client and intended users in making a lending decision / to assist Client in negotiating a purchase price / to assist Client in establishing an asking price / to assist Client in establishing a value for property tax purposes / to assist Client in tax planning / to assist Client in tax reporting / to assist Client in loan monitoring/ Other]*

Intended User(s): *[Identification of intended user(s) of the appraisal. May be just Client or the Client and/or other parties who are either identified by name or type.]* Appraiser's identification of the intended user(s) of the appraisal is to determine the type and extent of research, analysis and reporting appropriate for the assignment. It is specifically not an acknowledgement or granting of permission by the Appraiser that such parties will or may rely on the appraisal.

Type of Value: *[For example: "As is" market value under the Federal Interagency Appraisal and Evaluation Guidelines.]* The definition of the type of value will be stated in the report.

Date of Value: *[Specific date or description of date – for example: (1) "Date of Appraiser's inspection, specific date to be stated in the report," (2) "Retrospective as of June 1, 2015", or (3) "Prospective as of December 31, 2020." Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.*

Hypothetical conditions, Special/Extraordinary assumptions: *Describe / None anticipated*

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Anticipated Scope of Work:	Appraiser's anticipated scope of work for developing the appraisal will include: <i>[description of scope of work, including approaches to value, whether property to be inspected, description of level of detail of reporting, etc.]</i>
Report Option and Format:	<i>[Examples: "Narrative written report," "Appraisal Report", "Form 2000 Appraisal Review," "Restricted Appraisal Report" or "Appraisal Institute Appraisal Report – Residential with Residential Green and Energy Efficient Addendum."]</i>
Delivery Date:	<i>[Date or XX days after acceptance of Agreement.]</i> Appraiser will use Appraiser's best efforts to deliver the appraisal report no later than such date. Appraiser's delivery of the report is contingent on Appraiser's timely receipt of information and documentation from Client and other parties. In the event of a delay beyond that date, Appraiser will inform Client promptly as soon as reasonably practicable.
Appraiser's Interest In Subject Property or in Client or Other Involved Parties:	Appraiser has no knowledge of any current or prospective interest of the Appraiser in the subject property or in Client or other parties involved in the transaction to which this appraisal relates.
Prior Services Regarding Subject Property (USPAP Disclosure):	Appraiser has not performed any prior services regarding the subject property within the three year period immediately preceding the date of this Agreement, as an appraiser or in any other capacity. <i>[Or, disclose prior services as</i>

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applicable. The statement is currently needed only for appraisals subject to USPAP and need not be included for other assignments unless requested by the client.]

Special Conditions: *[Identify any special conditions relating to the appraisal or unique requirements.]*

Appraisal Fee: \$_____

Payment Terms: *[Example: Client shall pay one-half of the appraisal fee upon acceptance of this Agreement. Final payment for the remaining balance will be due and payable within 30 days of Client's receipt of the report. Appraiser will invoice Client upon completion.]*

- 2. Property Documentation.** Client agrees to provide Appraiser with the documentation required and requested by the Appraiser to complete the appraisal. See Attachment A for the property documentation requested by Appraiser to begin work on this engagement Client agrees to provide contact name and phone number for property access. Client agrees to provide a copy of sales contract if property is under contract for sale. Delays in Appraiser's receipt of requested documentation may result in Appraiser being unable to deliver the appraisal report on the delivery date stated above.

Client: _____

Dated: _____

By: _____

Name: _____

Position: _____

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Billing Address (email or person/address to whom invoices should be sent):

Appraiser: _____

By: _____

Name: _____

Position: _____

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Attachment A

Documents which Appraiser will require prior to beginning work are listed as follows:

- (1) A legal description of the subject property.
- (2) An original survey of the subject property.
- (3) A site plan for the development showing the location of all buildings.
- (4) Commitment for Title Insurance
- (5) Set of building plans, including site plan, floor plans, and elevations
- (6) Operating expense history for the property for the last three (3) years, or an anticipated operating budget.
- (7) Copies of all leases
- (8) Rent roll or lease abstract
- (9) A detailed breakdown of original construction costs for the building, including any recent additions.
- (10) Copies of any environmental reports prepared on the subject property.
- (11) Copies of any deed restrictions, landowner agreements, or development agreements affecting the use of the subject property.
- (12) Copies of any special zoning ordinances or restrictions applicable to the subject property.
- (13) Detailed information on acquisition including prior ownership, date acquired, price, terms of transaction, and any special conditions of sale. Include closing statement or contract of sale, if applicable.
- (14) Copies or abstracts of any ground leases.
- (15) Details of any major capital projects during the term of Client's ownership.
- (16) Name of person to contact for permission to enter and inspect the subject property.

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