

# Health Care Facility Summary Appraisal Report

SAMA  
 Feasibility (Rehab)  
 Firm

**U.S. Department of Housing  
and Urban Development**  
 Office of Housing  
 Federal Housing Commissioner

Skilled Nursing Facility (SNF)      Intermediate Care Facility (ICF)  
 Board and Care Facility (B&CF)      Assisted Living Facility (ALF)

OMB Approval No. 2502-0029  
 (expires 07/31/2009)

<b>Property Rights Appraised</b> <input type="checkbox"/> Fee Simple <input type="checkbox"/> Other _____	Project Name _____	Project Number: _____
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**Purpose:** FHA Appraisers evaluate the subject property as security for a long-term insured mortgage. Included in the appraisal are the Appraiser's analyses of market need, location, earning capacity, expenses, taxes, and warranted cost of the property. This form summarizes the FHA appraisal analyses and conclusions. **Scope:** The Appraiser has developed, and hereunder reports, conclusions with respect to: feasibility; suitability of improvements; extent, quality, and duration of earning capacity; the value of real estate proposed or existing as security for a long-term mortgage; and several other factors which have a bearing on the economic soundness of the subject property.

### A. Location and Description of Property

1. Street Numbers _____		2. Municipality _____		3. County _____		4. State _____					
5. Type of Project <input type="checkbox"/> Elevator <input type="checkbox"/> 1 Story		6. Gross Floor Area _____		7. No. Bldg./Floors _____		8. No. of Beds or Units SNF _____ ICF _____ B&CF _____ ALF _____		9. Avg. Basic Monthly Charges per bed or per unit \$ _____		10. Avg. Other Monthly Charges per bed or per unit \$ _____	
11. <input type="checkbox"/> Existing <input type="checkbox"/> Rehab <input type="checkbox"/> Proposed		12. Year Built _____		13. Accessory Buildings _____							
<b>Site Information</b>		14. Dimensions _____ ft. by _____ ft., or _____ sq. ft.				15. Zoning (If recently changed, submit evidence) _____					
<b>Building Information</b>		16. Structural System _____				17. Exterior Finish _____		18. Heating-A/C System _____			

### B. Information Concerning Land or Property

19. Date Acquired _____		20. Purchase Price \$ _____		21. Additional Cost Paid or Accrued \$ _____		22. Annual Ground Rent \$ _____		23. <b>Total Cost</b> \$ _____		24. Relationship between Seller & Sponsor (Business, Personal, or Other) _____			
25. Utilities Water <input type="checkbox"/> Public <input type="checkbox"/> Community <input type="checkbox"/> Sewers <input type="checkbox"/> Public <input type="checkbox"/> Community <input type="checkbox"/>		26. Unusual Site Features <input type="checkbox"/> Cuts <input type="checkbox"/> Fills <input type="checkbox"/> Rock Formations <input type="checkbox"/> Erosion <input type="checkbox"/> Poor Drainage <input type="checkbox"/> High Water Table <input type="checkbox"/> Retaining Walls <input type="checkbox"/> None <input type="checkbox"/> Other (specify) _____											
26a. <b>Special Assessments</b> (1) <input type="checkbox"/> Prepayable <input type="checkbox"/> Non-Prepayable				(2) Principal Balance \$ _____				(3) Annual Payment \$ _____		(4) Remaining Term _____ years			

### C. Estimate of Income

Type of Room or Unit	Number of Beds or Units				Estimated Monthly Rate				Est. Monthly Income at 100% Occupancy
	SNF	ICF	B&CF	ALF	SNF	ICF	B&CF	ALF	
Private Pay* (up to 30%)									
Medicaid* (at least 67%)									
Medicare* (up to 3%)									
Other									

\* Jurisdictional Exception: FHA underwriting standards require recognition of the fact that defined percentages of public reimbursement and private pay are sustainable in stabilized operations, and will generally be assumed in Income estimation.

<b>27. Total Monthly Income from Beds and Units</b>		\$ _____
Other Income (List)		\$ _____
_____		\$ _____
_____		\$ _____
<b>28. Total Other Income</b>		\$ _____
<b>29. Total Monthly Income-All Sources</b>		\$ _____
<b>30. Total Estimated Annual Gross Project Income at 100% Occupancy</b>		\$ _____
<b>31. Number of Non-Revenue Producing Units for Employees</b> (not shown above)		\$ _____

**D. Payroll (Salaries)**

Position	No.	Monthly Rate	Total Annual	Position	No.	Monthly Rate	Total Annual
<b>Administrative</b>		\$	\$	<b>Housekeeping</b>		\$	\$
<b>32. Total Administrative</b>			\$	<b>35. Total Housekeeping</b>			\$
<b>Bldg. &amp; Grounds</b>		\$	\$	<b>Nursing Service</b>		\$	\$
<b>33. Total Buildings and Grounds</b>			\$	<b>36. Total Nursing Service</b>			\$
<b>Dietary</b>		\$	\$	<b>Other Salaries</b>		\$	\$
<b>34. Total Dietary</b>			\$	<b>37. Total Other Salaries</b>			\$
<b>38. Estimated Annual Salaries</b> (sum of lines 32 through 37)							\$

**E. Estimate of Operating Deficit**

Periods	Gross Income	Occup. %	Effec. Gross	Expenses	Net Income	Debt Serv. Reqmt.	Deficit
39. 1st	\$	%	\$	\$	\$	\$	\$
40. 2nd	\$	%	\$	\$	\$	\$	\$
<b>41. Total Operating Deficit</b>							\$

**F. Estimated Annual Operating Expenses**

**Administrative—**

- 1. Telephone \$ \_\_\_\_\_
- 2. Advertising \_\_\_\_\_
- 3. Insurance and Liability \_\_\_\_\_
- 4. License or Permit \_\_\_\_\_
- 5. Legal and Audit \_\_\_\_\_
- 6. Miscellaneous \_\_\_\_\_
- 7. Office Expense \_\_\_\_\_
- 8. Total Administrative** \$ \_\_\_\_\_

**Building and Grounds—**

- 9. Decorating-Interior and Exterior \$ \_\_\_\_\_
- 10. Heating \_\_\_\_\_
- 11. Electricity \_\_\_\_\_
- 12. Water \_\_\_\_\_
- 13. Gas \_\_\_\_\_
- 14. Garbage Removal \_\_\_\_\_
- 15. Insurance \_\_\_\_\_
- 16. Supplies \_\_\_\_\_
- 17. Maintenance and Repairs (Bldg. and Realty Items) \_\_\_\_\_
- 18. Ground Expenses \_\_\_\_\_
- 19. Miscellaneous \_\_\_\_\_
- 20. Exterminating \_\_\_\_\_
- 21. Total Building and Grounds** \$ \_\_\_\_\_

**Dietary—**

- 22. Supplies \$ \_\_\_\_\_
- 23. Food Cost \_\_\_\_\_
- 24. Total Dietary** \$ \_\_\_\_\_

**Housekeeping—**

- 25. Supplies \$ \_\_\_\_\_
- 26. Laundry \_\_\_\_\_
- 27. Other \_\_\_\_\_
- 28. Total Housekeeping** \$ \_\_\_\_\_

**Nursing Service—**

- 29. Supplies \$ \_\_\_\_\_
- 30. Drugs \_\_\_\_\_
- 31. Professional Fees \_\_\_\_\_
- 32. Total Nursing Service** \$ \_\_\_\_\_

**Other Expenses—**

- 33. Program and Activities \$ \_\_\_\_\_
- 34. Library \_\_\_\_\_
- 35. Automobile Expense \_\_\_\_\_
- 36. Total Other Expenses** \$ \_\_\_\_\_
- 37. Total Salaries (Line D-38) \_\_\_\_\_
- 38. Repl. Reserve (Realty) (0.0060 x Line H-8) \_\_\_\_\_
- 39. Expenses (Less Taxes)** \$ \_\_\_\_\_

**Taxes—**

- 40. Real Estate Est. Assessed Val. \$ \_\_\_\_ at \$ \_\_\_\_ per \$1000 \$ \_\_\_\_\_
- 41. Personal Prop. Est. Assessed Val. \$ \_\_\_\_ at \$ \_\_\_\_ per \$1000 \$ \_\_\_\_\_
- 42. Employee Payroll Tax \_\_\_\_\_
- 43. Employee Social Security \_\_\_\_\_
- 44. Other \_\_\_\_\_
- 45. Total Taxes** \$ \_\_\_\_\_
- 46. Repl. Res. (Major Movable Equip.) 0.10 x Line H-36 \$ \_\_\_\_\_
- 47. Total Estimated Annual Operating Expenses** (Lines 39 plus 45 and 46) \$ \_\_\_\_\_

**G. Estimate of Net Returns**

- 1. Annual Gross Earnings Expectancy (From C-30) \$ \_\_\_\_\_
- 2. Predicted Occupancy Ratio \_\_\_\_\_ % \*
- 3. Effective Annual Gross Income (Line G-1 x G-2) \$ \_\_\_\_\_
- 4. Est. Total Annual Operating Expense (From F-47) \$ \_\_\_\_\_

\* Jurisdictional Exception: May be limited by FHA Underwriting assumptions.

- 5. Net Return Available for Proprietary Earnings, Realty, and Maj. Mov. Equip. (Line G-3 minus Line G-4) \$ \_\_\_\_\_
- 6. Estimated Net Earnings Attributable to Realty and Maj. Mov. Equip. (Line K-7) \$ \_\_\_\_\_
- 7. Residual Proprietary Earnings (Line G-5 minus Line G-6) \_\_\_\_\_ \$

**H. Estimated Replacement Cost**

- 1. Unusual Land Improvements \$ \_\_\_\_\_
- 2. Other Land Improvements \$ \_\_\_\_\_
- 3. **Total Land Improvements** \$ \_\_\_\_\_
- 4. Structures-Gross Floor Area Sq. Ft. \_\_\_\_\_
- 5. Main Building \$ \_\_\_\_\_
- 6. Other \_\_\_\_\_ \$ \_\_\_\_\_
- 7. \_\_\_\_\_ \$ \_\_\_\_\_
- 8. **Total Structures** \$ \_\_\_\_\_
- 9. General Requirements \$ \_\_\_\_\_

**Fees:**

- 10. Builder's General Overhead at \_\_\_\_\_ % \$ \_\_\_\_\_
- 11. Builder's Profit at \_\_\_\_\_ % \$ \_\_\_\_\_
- 12. Architect Fee-Design at \_\_\_\_\_ % \$ \_\_\_\_\_
- 13. Architect Fee-Suprvr. at \_\_\_\_\_ % \$ \_\_\_\_\_
- 14. Bond Premium \$ \_\_\_\_\_
- 15. Other Fees \$ \_\_\_\_\_
- 16. **Total Fees** \$ \_\_\_\_\_
- 17. **Total for All Improvements** (Lines 3 + 8 + 9 + 16) \$ \_\_\_\_\_
- 18. Cost Per Gross Sq. Ft. \$ \_\_\_\_\_
- 19. Estimated Construction Time \_\_\_\_\_ Months

\* FHA New Construction Underwriting requires that the site be valued assuming that: 1) all off-site improvements are completed and 2) the site will be used for its intended Care Facility use (not necessarily its highest and best use).

**Carrying Charges and Financing**

- 20. Int. \_\_\_\_\_ Mos. at \_\_\_\_\_ % on \$ \_\_\_\_\_ \$ \_\_\_\_\_
- 21. Taxes \_\_\_\_\_
- 22. Insurance \_\_\_\_\_
- 23. FHA Mtg. Ins. Pre. ( \_\_\_\_\_ %) \_\_\_\_\_
- 24. FHA Exam. Fee ( \_\_\_\_\_ %) \_\_\_\_\_
- 25. FHA Inspec. Fee ( \_\_\_\_\_ %) \_\_\_\_\_
- 26. Financing Fee ( \_\_\_\_\_ %) \_\_\_\_\_
- 27. AMPO (N.P. only) ( \_\_\_\_\_ %) \_\_\_\_\_
- 28. FNMA/GNMA Fee ( \_\_\_\_\_ %) \_\_\_\_\_
- 29. Title and Recording \_\_\_\_\_
- 30. **Total Carrying Charges and Financing** \$ \_\_\_\_\_

**Legal and Organization:**

- 31. Legal \$ \_\_\_\_\_
- 32. Organization \_\_\_\_\_
- 33. Cost Certification Audit Fee \_\_\_\_\_
- 34. **Total Legal and Organization** \$ \_\_\_\_\_
- 35. Consultant Fee (N.P. only) \$ \_\_\_\_\_
- 36. Major Movable Equipment \$ \_\_\_\_\_
- 37. **Total Est. Development Cost** (Excl. of Land or Off-site Cost) (Lines 17 + 30 + 34 + 35 + 36) \$ \_\_\_\_\_
- 37a. Depreciation (Line 37 times \_\_\_\_\_ %) \$ \_\_\_\_\_
- 37b. Total Estimated Development Cost less Depreciation (Line 37 minus line 37a) \$ \_\_\_\_\_
- 38. Warranted Price of Land (J-14(3))(\*See note at left) \_\_\_\_\_ sq. ft. at \$ \_\_\_\_\_ per sq. ft. \$ \_\_\_\_\_
- 38a. Off-site Costs (Rehab only) \$ \_\_\_\_\_
- 39. **Total Estimated Replacement Cost of Project as Depreciated** (Add lines 37b, 38, and 38a) \$ \_\_\_\_\_

**I. Remarks**

**J. Project Site Analysis and Appraisal**

- 1. Is Location and Neighborhood acceptable?  Yes  No
- 2. Is Site adequate in Size for proposed Project?  Yes  No
- 3. Is Site Zoning permissive for intended use?  Yes  No
- 4. Are Utilities available now to serve the Site?  Yes  No
- 5. Is there a Market at this location for the Facility at the proposed Rate Charges?  Yes  No

- 6.  Site acceptable for type of Project proposed under Section 232.  
 (If checked, acceptance subject to qualifications listed below.)
- 7.  Site not acceptable for reasons stated below.

Date of Inspection \_\_\_\_\_  
By \_\_\_\_\_

8. **Value Fully Improved**      Location of Project \_\_\_\_\_      Size of Subject Site \_\_\_\_\_ **Sq. Ft.**

Comparable Sales Address	Date of Sale	Sales Price	Size Sq. Ft.	Price per Sq. Ft.	Adjustments (%)							Total Adjustment Factor	Adjusted Sq. Ft. Price	Indicated Value by Comparison
					Time	Location	Zoning	Plottage	Demolition	Pilings	Other			
1.														
2.														
3.														
4.														
5.														

Remarks \_\_\_\_\_

**9. Value of Site Fully Improved \$** \_\_\_\_\_

10. **Value "As Is"**

Address	Ft./Acres	Price per Sq. Ft.	Size Sq. Ft.	Price	Time	Location	Zoning	Plottage	Demolition	Pilings	Other	Total Adjustment Factor	Adjusted Sq. Ft. Price	Indicated Value by Comparison

**11. Value of Site "As Is" by Comparison \$** \_\_\_\_\_

12. **Acquisition Cost** (Last Arms-Length Transaction)

Buyer	Address
Seller	Address
Date	Price
Source	\$

14. **Value of Land and Cost Certification**

- (1) Fair Market Value of land fully improved (From "9" above)      \$ \_\_\_\_\_
- (2) Deduct unusual items based on line H-1      \$ \_\_\_\_\_
- (3) Warranted price of land fully improved (Replacement Cost items excluded) (Enter on line H-38)      \$ \_\_\_\_\_

For Cost Certification Purposes—

- (3a) Deduct cost of demol. \$ \_\_\_\_\_ and required off-sites \$ \_\_\_\_\_ to be paid by Mtgor. or by special assessments \_\_\_\_\_ \$
- (4) Estimate of "As Is" by subtraction from improved value      \$ \_\_\_\_\_
- (5) Estimate of "As Is" by direct comparison with similar unimproved sites (From "11" above)      \$ \_\_\_\_\_
- (6) "As Is" based on acquisition cost to sponsor (From "13"above)      \$ \_\_\_\_\_
- (7) Commissioner's estimated value of land "As Is" (The lesser of [4] or [5] above)\*      \$ \_\_\_\_\_

13. **Other Costs**

- Legal Fees and Zoning Costs \_\_\_\_\_
- Recording and Title Fees \_\_\_\_\_
- Interest on Investment \_\_\_\_\_
- Other \_\_\_\_\_
- Acquisition Cost (From "12" above) \_\_\_\_\_
- Total Cost to Sponsor \$ \_\_\_\_\_

\*Where land is purchased from LPA or other Governmental authority for specific reuse, use the lesser of 4, 5, or 6.

**K. Estimate of Value by Capitalization**

1. Estimated Remaining Economic Life \_\_\_\_\_ Yrs.  
 2. Capitalization Rate Determined by:  Overall Rate From Comparable Projects  
 Cash Flow  Rate From Band of Investment (Add Recapture)  
 3. Rate Selected \_\_\_\_\_ %

4. Value of Leased Fee (if any).  
 Ground Rent \$ \_\_\_\_\_ divided by CAP.  
 Rate \_\_\_\_\_ % = Value of Leased  
 Fee \$ \_\_\_\_\_

**5. Net Return to Realty and Major Movable Equipment based on Leased Care Facility data (Excluding Proprietary Income)**

Address of Leased Care Facility	No. of Beds	Rent Realty Only PBPA	\$ Lump Sum Adjustment PBPA			Adj. Net Return To Realty and Equipment PBPA
			Return on Equipment			

6. Net Return to Realty and Major Movable Equipment for Subject PBPA \$ \_\_\_\_\_

7. Line K-6 x No. of Beds = Total Return Realty and Major Movable Equipment (Excluding Proprietary Income) (Enter on Line G-6) \_\_\_\_\_ \$

8. Net Return (Line K-7) divided by Overall Cap. Rate (Line K-3) = **Estimated Value of Property by Capitalization**  
 (Excluding Proprietary Income) \$ \_\_\_\_\_

Note: Comparable Leased Nursing Homes in Section K which are HUD insured must include Regulatory Agreement Form HUD-92466 (NHL) in the file. Comparable Leased Nursing Homes in Section K which are **not** HUD insured must include in the file verification by the Appraiser from the lessor or the lessee that there is no identity of interest between lessee and lessor, and that the lease payments for realty and major movable equipment to be paid to lessor do not include proprietary income.

Remarks:

**L. Comparison Approach to Value\***

Address of Comparable Sale	Date	Sale Price	Number Beds	Sales Price Per Bed	Gross Income Per Bed	Gross Income Multiplier	Adjustments			Indicated Price/Bed
										\$
										\$
										\$

9. Subject Gross Income PA \$ \_\_\_\_\_ x GIM \_\_\_\_\_ = Indicated Value of Subject by Comparison \$ \_\_\_\_\_

10a. Or: Number of Beds \_\_\_\_\_ x Indicated Price \_\_\_\_\_ = Indicated Value of Subject by Comparison, Including Proprietary Earnings \$ \_\_\_\_\_

10b. Value by Comparison, Excluding Proprietary Earnings ((Line K-7 divided by Line G-5) times Line L-10a) \_\_\_\_\_ \$ \_\_\_\_\_

Remarks: \* The Appraiser must comment on any prior sale of the subject within three years of the date of this processing.

**M. Appraisal Summary**

11. Capitalization \$ \_\_\_\_\_ Summation \$ \_\_\_\_\_ Comparison \$ \_\_\_\_\_

12. **The Fair Market Value of the Property as of Date of Valuation Is \*\*** \$ \_\_\_\_\_

**N. Reserved**

**O. Total Est. Cost of Off-Site Requirements**

Off-Site	Est. Cost
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
<b>Total Off-Site Costs</b>	<b>\$ _____</b>

\*\* Care Facility property is not necessarily valued for its "highest and best use," but instead for its intended insured use. New Construction is valued prospectively upon completion and Substantial Rehabilitation proposals are valued "After Rehabilitation." Existing facilities being purchased or refinanced are valued hypothetically "Including Repairs" as of the date of the appraisal.

**P. Remarks, Conclusions, and Signatures**

Cost Processor	Date		
Architectural Processor	Date	Architectural Reviewer	Date

**Appraiser's Certification**

I certify that to the best of my knowledge and belief:

- o the statements of fact contained in this summary report are true and correct.
- o the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- o I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- o my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (other than the effects on value caused by FHA underwriting criteria already noted above).
- o my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and HUD Handbooks 4465.1, 4600.1, and 4480.1.
- o I have made a personal inspection of the property that is the subject of this report. (This may not apply to the Valuation Reviewer signing below.)
- o no one provided significant professional assistance to the person signing this report, except for Architectural and Engineering, and Cost Estimation professionals signing above. These professionals' estimations of the subject property's dimensions and "hard" replacement costs have been relied upon by the Appraiser and Review Appraiser.

Appraiser	State Certified General Number	Date (See Note at bottom of page)	
Review Appraiser	Date	Director, Housing /Multifamily	Date

Public reporting burden for this collection of information is estimated to average 114 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This is part of the basic application package for insured mortgages for construction of rental housing projects. This is a requirement under Section 207(b) of the National Housing Act (Public Law 479, 48 Stat. 1246, 12 U.S.C., 1701 et. seq.), authorizing the Secretary of HUD to insure mortgages. The information requested enables HUD to determine the feasibility; suitability of improvements; extent, quality, and duration of earning capacity; the value of real estate proposed or existing as security for a long-term mortgage; and several other factors which have a bearing on the economic soundness of the subject property. The information is required to obtain benefits. The agency may not collect this information, and you are not required to complete this form, unless it has a currently valid OMB control number.

Note: The Appraiser may initial and date only those pages of this report for which his/her signature is authorized.