

Term

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| Absorption Rates | The absorption rate is the rate at which available homes are sold in a specific real estate market during a given time period |
| Adjustments | This is the dollar value or percentage amount added to or subtracted from the sales price of a comparable property to arrive at an indicated value for the property being evaluated |
| Appraisal | an expert estimate of the value of something |
| BPO | BPO is an acronym used extensively for “Broker Price Opinion”, which is an estimate of the probable selling price of a property generally done for a third party such as a lender |
| BPO Elements | Market area info Previous listing info Value and market recommendations Listing comparable Sales comparable Broker comments Photos |
| BPOs and CMAs must be prepared by | Licensed Real Estate Brokers Licensed Agents Sales Individuals Registered/certified appraiser |
| CMA | Comparative Market Analysis, is also an opinion of a property’s price but done either for sellers to determine at what price they should list their property or for buyers to help them determine what price to offer. |
| Cost | The total spent to acquire or build. May or may not reflect value. |
| Distressed Loans | Defaulted loans are the primary reason for performing a BPO for a lender. A lender may want to determine whether to do a loan modification or to proceed with a foreclosure |
| Elements of BPO & CMA | They include an inspection of the subject property Neighborhood analysis Local and Regional Market Information Description of Comparable Properties |
| Externalities | Property is affected either positively or negatively by influences outside the property lines |
| Gross Living Area | Gross living area (GLA) is the total finished, habitable, above-grade space, measured along the building’s outside perimeter |
| Two Types of BPOS | Exterior & Interior |