

# Commercial Evaluation

Saves time and money when valuing commercial properties—and is fully compliant in all 50 states.

## Overview

With the Commercial Evaluation, Clear Capital has designed a new valuation option for you—one that meets your specific needs. For securing loans of less than \$500K, or valuing commercial properties to be used as collateral on business loans under \$1M, your only option may have been a full appraisal. Now there is a better choice, and one that saves time and money.

## The Clear Capital Commercial Evaluation

The Commercial Evaluation is a data rich report that is easy-to-read, accurate, and in full compliance with the latest state requirements and the Interagency Appraisal and Evaluation Guidelines (IAG Guidelines). When compared to an appraisal, it is a lower cost and more efficient way to value a commercial property for lending and credit decisions.

Our Commercial Evaluation begins with an analysis of sold and listing comparables to derive property value. A separate analysis takes the rental income stream and applies a risk factor, or capitalization rate, to determine a value based on income potential. These values are reconciled to arrive at the final value conclusion.

By concluding an actual value for the property, not a price, our Commercial Evaluation is an appropriate alternative to a commercial appraisal.

## A Fully Compliant Solution

The risk of non-compliance is real, and can cost significant amounts of time and money if challenged. We designed our Commercial Evaluation to be fully compliant with the IAG Guidelines and state regulations in all 50 states.

To achieve compliance, our report format and all processes behind it adhere to each state's specific requirements.

In some states, a broker or agent will complete the entire report. In other states, compliance is achieved when a broker or agent completes the inspection and an appraiser delivers the ultimate value conclusion. Either way, we manage the valuation process to achieve compliance, no matter where your subject property is located.



1. For valuing commercial properties used as collateral on business loans under \$1 million, you now have a better choice: Clear Capital Commercial Evaluations.

### What's in the Commercial Evaluation?

Our Commercial Evaluation presents information on all aspects of a property that affect value. This includes general information about the subject property and local market, analysis of comparables (sold, listing, and rental), maps plotting the subject and comparables, and photographs of the subject and area. These elements are used to support the concluded value.

Property types include office, retail, industrial, multi-family, hotel, vacant land, and special purpose; and our reports include details such as construction quality, site utility, zoning, assessment information, and current and projected use. We also analyze local market trends, including vacancy rates, and a detailed overview of the subject's neighborhood to better grasp the property's positioning within the local market.

Our reports include the analysis of three closed sales, relevant current listings, rental comparables, and income analysis. We show more than 20 items of comparison, including vacancy, market conditions, visibility and accessibility, parking, property amenities, and more. Extensive preparer comments outline the similarities and differences of each comparable to the subject.

A final reconciliation of value includes identification of the most probable buyer, estimated marketing time, and any limiting conditions that impact the final value conclusion. The preparer provides a summary of the analysis, including the search parameters and data sources used to locate the comparables, and commentary to support the value conclusion.

And to ensure our Commercial Evaluations adhere to regulatory guidelines, we include additional information such as the subject's projected use, proper citation of all data sources, an electronic signature of the preparer, and any limiting conditions associated with the market value conclusion.

### Industry Leading Quality Assurance

We've built one of the best trained, and deepest networks of experienced agents, brokers, and appraisers with commercial evaluation education and experience in the industry. This means each valuation report is of the highest quality and reflects local market conditions. With all reports, the onsite inspection, data gathering, analysis, and value conclusion are completed start to finish by our network, and no AVMs are used to replace the data component.

And as with all Clear Capital products, our Commercial Evaluations pass through a rigorous quality control review process by a Quality Assurance Analyst. This final review ensures all comparables, income capitalization analysis, comments, photos, and all other data tell a clear and consistent story in support of the concluded value.



Drive-by, Commercial Real Estate Evaluation  
**0000 Eureka Road, Roseville, CA 95661**

Please Note: This report was completed with the following assumptions: Market Approach: Market Value; Exposure Time: Typical; Important additional information relating to this report, including use and restrictions, is contained in an attached addendum which is an integral part of this report.

<b>Address</b>	0000 Eureka Road, Roseville, CA 95661	<b>Order ID</b>	2012-SAMPLE		
<b>Borrower Name</b>	SAMPLE	<b>Inspection Date</b>	05/11/2012	<b>Effective Date</b>	05/15/2012
<b>Loan Number</b>	2012-SAMPLE	<b>Delivery Date</b>	05/15/2012	<b>APN</b>	1234567
<b>Property ID</b>	1234567				

<b>Tracking IDs</b>		<b>Tracking ID 1</b>		<b>Tracking ID 2</b>		<b>Tracking ID 3</b>	
<b>Order Tracking ID</b>	2012-SAMPLE	<b>Tracking ID 1</b>	2012-SAMPLE	<b>Tracking ID 2</b>	--	<b>Tracking ID 3</b>	--

**Subject Photo**

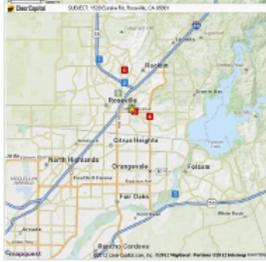


**Value Conclusions**

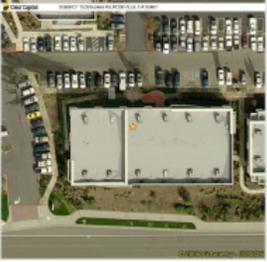
**Final As-Is Market Value**  
**\$2,080,000**

Repaired Value	<b>\$2,080,000</b>
Sales Comparison Value	<b>\$2,040,000</b>
Income Capitalization Value	<b>\$2,080,000</b>

**Subject & Comparables Map**



**Subject Aerial View**



I. Property Overview			
<b>Property Type</b>	Office	<b>Gross Building Area (GBA)</b>	14,900 SF
<b>Current Use</b>	Office-General	<b>Property Condition</b>	Good
<b>Projected Use</b>	Office-General	<b>Estimated Exterior Repair Cost</b>	\$0
<b>Occupancy</b>	Tenant Occupied	<b>Estimated Interior Repair Cost</b>	\$0
<b># of Buildings / Units</b>	1 / 4	<b>Total Estimated Repair</b>	\$0
<b>Year Built</b>	2000	<b>Extent of Inspection</b>	Exterior Only

2. Clear Capital Commercial Evaluations deliver a data-rich report that's easy-to-read, accurate, and in full compliance with the latest Interagency Guidelines (IAG) regulations.

### About Clear Capital

Clear Capital has served as a trusted partner for clients across the mortgage and lending industries, providing loan valuation outsourcing and data analytics for mortgage originators, secondary market institutions, servicers, and resellers for properties across the United States. We use the most progressive technologies available and hands-on analytics to deliver highly accurate and reliable tools, including Appraisals, Value Reconciliations, Broker Price Opinions (BPOs), Property Condition Inspections (PCIs), Commercial Valuations, Automated Valuation Models (AVMs), Home Data Indices (HDIs), Bloomberg/Home Data Index Subscription, and Quality Assurance Services.

We're grateful for your consideration of Clear Capital as a potential partner, and look forward to a long, trusted relationship. For more information about us, please call 530.550.2525 or visit [www.ClearCapital.com](http://www.ClearCapital.com).



To learn more, visit [www.clearcapital.com](http://www.clearcapital.com)  
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