Estately Draft Training Resources

Leasehold Appraiser Guide

A familiar appraisal process, with a lease to review

Start with fee simple. We'll help you navigate the rest.

Fee simple is a familiar point of reference. Your independent judgment and applicable comparable-selection requirements guide the analysis.

Limited leasehold sales?

For Fannie Mae assignments, use closed sales with similar leasehold interests when enough are available. If too few have the same lease terms and restrictions, consider similar properties with different lease terms or, if needed, fee-simple sales.

Explain why the sales are appropriate and make appropriate sales-grid adjustments for the market's reaction to different terms or rights. Describe the lease's effect, if any, on value and marketability.

A worksheet and transaction allocation can be useful cross-checks; neither alone proves a market adjustment.

Fannie Mae B4-1.4-05: leasehold guidance ↗

Before you accept

Your existing appraisal skills are useful. Not having completed an Estately-specific appraisal alone does not determine competency.

Review the lease, rights being appraised, local market, available data, and assignment and lender requirements before acceptance. Discuss assignment-specific qualifications with the lender.

For Fannie Mae assignments

The lender must select appraisers with the requisite knowledge of the property type and local market, plus knowledge of and access to necessary local data.

Fannie Mae does not allow an appraiser to accept without appropriate knowledge and experience and acquire them during the assignment.

Education or qualified assistance, where permitted, may support preparation. The appraiser and lender consider applicable requirements before acceptance.

Fannie Mae B4-1.1-03: appraiser selection ↗

Your analysis, supported. These resources complement your professional judgment and applicable state, lender and investor requirements.