



APPRAISAL MANAGEMENT SERVICES

ABOUT C&W VALUATION

Our Valuation Services Group is one of the largest fully integrated real estate valuation organizations in the world. We act as the foremost valuation advisor to leading institutional investors and lenders on critical equity and debt investment decisions.

We provide appraisal services, highest and best use analysis, dispute resolution and litigation support, along with specialized expertise in various industry sectors. With valuation professionals located in major markets around the world, we are uniquely qualified to undertake large, multi-location portfolio assignments. Thanks to our global reach and knowledge capital, we are able to analyze, evaluate, and report on multiple properties dispersed over large geographic areas, and provide ongoing, real-time updates.

VALUATION SERVICES

- Appraisal Management
- CMBS lending
- Corporate Planning
- Feasibility analysis
- Financing
- Highest and best use analysis
- Litigation support
- Location incentives
- Market studies
- Mergers and acquisitions
- Partial interests
- Portfolio valuation
- Property tax
- Purchase price allocation

GLOBAL FACTS

- 90 offices worldwide
- Over 575 valuation professionals
- 115 MAIs
- 56 RICS
- 19 AACIs
- Valuation technology group
- Dedicated portfolio team
- 16 Specialty Practice Groups
- Over 45,000 assignments per year

GLOBAL COVERAGE

Argentina	Japan
Australia	Mexico
Belgium	The Netherlands
Brazil	Poland
Canada	Portugal
China	Russia
Czech Republic	Singapore
Finland	Spain
France	Sweden
Germany	Turkey
Greece	Ukraine
Hungary	United States
India	United Kingdom
Italy	

APPRAISAL MANAGEMENT SERVICES

Cushman & Wakefield's Appraisal Management Group provides expertise in all facets of appraisal management and administration including; bidding, engaging, and reviewing appraisal reports, compliance, third party appraiser selection, risk analysis and property inspections. Services range from single property appraisal reviews to major portfolio consulting engagements.

Our Appraisal Management Group is known for its high ethical standards, commitment to quality and overall client services. The Group is distinguished by its combination of global coverage, local market insights and extensive industry involvement and experience. In addition, we have the ability to draw upon the diverse resources of Cushman & Wakefield including over 575 valuation professionals around the globe. Moreover; we can access data and resources through our other core businesses including; property management, brokerage, capital markets and research services. No other appraisal management service provider possesses the depth and diversity of experience, technical capabilities, or the vast, firm-wide resources that Cushman & Wakefield can bring to each engagement.

For information regarding our services, please contact:

Clarke Lewis | MAI
Group Leader | Long Island
631-234-5050
clarke.lewis@cushwake.com

DESCRIPTION OF SERVICES

- Provide independence between client and third party appraisal firm
- Complete proprietary appraisal management tracking system and customized reporting
- Third party appraiser selection
- Scheduling of current appraisal assignments and future rotations
- Standardized information flow between client, C&W, and vendor
- Third party appraisal reviews (Standard 3 and Compliance) in a standard USPAP compliant format
- Review of cash flow models (Argus and Dynalease)
- Standardized executive summaries
- Market Rent Studies
- Quarterly valuations

3



DESCRIPTION OF SERVICES (CONTINUED)

- 4 Appraisal management is a central business to Cushman & Wakefield. As one of the largest full service real estate firms in the world we possess qualifications that are unique to the appraisal management industry. C&W has the expertise (over 30 percent of appraisal professionals are MAIs), geographic coverage (an expanding national and international network of offices) and technology (RIMS and CW-One), necessary to provide clients with comprehensive appraisal management services. The group provides a wide range of services for various client types throughout the country. These services can be offered all inclusive or on a deal-by-deal basis.

MAJOR PROPERTY TYPES

- Office Buildings
- Retail properties
- Hotels and motels
- Apartment buildings
- Condominium projects
- Industrial buildings
- Senior housing
- Residential development
- Mixed-use projects
- Medical office buildings

REPRESENTATIVE CLIENTS

- American Financial Realty Trust
- Chevy Chase Bank
- CoBank
- Emigrant Realty Finance
- Fifth Third Bank
- General Services Administration (GSA)
- Integra Bank
- Metropolitan Life
- NCB, FSB
- Northern Trust Bank
- Quantum/G&A
- Teachers Insurance and Annuity Association (TIAA)

CASE STUDIES

INVESTMENT ADVISOR

Challenge—Require independent appraisal, appraisal review, and debt valuation processes that will allow the advisor to be regulatory compliant, consistent across the country, and consistent with the advisor's policies as detailed in various filed statements.

Obstacles—Lack of familiarity with USPAP, lack of internal systems capable of transferring and storing large amounts of data indefinitely, lack of understanding of best practices utilized within the industry.

Solution—C&W Appraisal Management Group

- C&W Appraisal Management Group maintains a list of approved appraisers throughout the country capable of handling both complex and non-complex assignments. These appraisers are considered the best and most appropriate within their respective markets.
- C&W handles all aspects of the portfolio including when a property is appraised (valuation calendar), type of appraisal ordered (self contained/summary), bidding and engaging of appraisal reports, managing data flow from asset managers to appraisers, reviewing appraisal reports, issuing appraisal reviews consistent with USPAP and the client's internal requirements, invoicing, and acting as the independent third party.

- C&W uploads all data (reports, reviews, Argus files, etc.) to CW-One (internal platform) to make it available to asset managers and all others the client deems necessary. This platform is utilized by asset managers to monitor their specific properties, portfolio managers, and potential new investors to perform due diligence on the portfolio and make investment decisions within a short time frame.
- C&W reports values on a monthly basis that the client reports to investors. Buy/hold/sell decisions are made based on these value estimates.

Conclusion

- The client is provided an independent valuation expert that is responsible for all aspects of the appraisal process. While all parties (asset manager, portfolio manager, appraiser, etc.) are involved in the process, valuation independence is achieved.
- All regulatory requirements are met and consistency with filed documents is maintained.
- Industry wide best practices are utilized throughout the entire process.



CASE STUDIES (CONTINUED)

6

FINANCIAL INSTITUTION

Challenge—Desire an independent appraisal process that will allow the institution to be regulatory compliant, consistent across the country, and competitive with other lenders in the marketplace.

Obstacles—No internal appraisal department, lack of familiarity with FIRREA, lending relationships throughout the country, no budget.

Solution—

- C&W Appraisal Management Group bid out the appraisal request through electronic system to multiple approved appraiser firms (local) on C&W approved appraiser list.

- C&W sent a fee quote to the client in 24 hours and appraisal was engaged.
- C&W uploaded all property specific information to the web-site and it was immediately available to the selected vendor.
- Appraisal report was completed and delivered (electronically) from vendor on time and consistent with all of client's internal requirements along with USPAP and FIRREA requirements.
- C&W completed and delivered (electronically) a Standard 3 review consistent with USPAP requirements.

Conclusion

The client is able to make a sound lending decision under a tight time frame. The process followed is regulatory compliant and consistent with internal credit policy.



CASE STUDIES (CONTINUED)

MID TIER FINANCIAL INSTITUTION

Challenge—Aid the institution in determining a sell/hold decision on various single family homes that either have recently been foreclosed upon by the institution or will be in the near future. The homes are located throughout the country.

Obstacles—No formal methodology existed to determine investment value for single family homes. A reliable disposition strategy was needed to help maximize the client's return on the assets in this portfolio.

Solution—

- C&W Appraisal Management Group along with the client developed a standardized process and methodology to determine the investment value of the assets to the institution.
- The investment value was then compared to the current market value determined by recent appraisals.
- The process involved engaging local residential appraisers to inspect the property (some external only) and determine the current market value of the asset.

- The residential appraisers also performed a market rent study to form the basis of the forecast market rent of each asset.
- C&W then provided an investment value for each asset by analyzing data obtained in the residential appraisal, client-supplied data, and unbiased third party statistical information.

Conclusion

The client is able to make an empirically-derived sell/hold decision for each asset in their portfolio of foreclosed homes.

The institution has a rational, formal process for determining investment value that they can present to investors, auditors, regulators, and others.

The institution is forecast to realize approximately \$35.0 million in incremental revenue based on liquidating the appropriate assets and holding the remainder.

Industry wide best practices were utilized throughout the entire process.



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