

BPOSG

BROKER PRICE OPINION **Standards & Guidelines**

Version 5.0

March 22, 2022

BSB – BPO Standards Board



**NABPOP – National Association of
Broker Price Opinion Professionals**



BPOSG

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BPO Standards and Guidelines

Standards and Guidelines:

- Ø BPOSG is a compilation of Standards and Guidelines for the Broker Price Opinion industry. To delineate between Standards and Guidelines, BPOSG is divided into two sections.
- Ø Standards are absolute and must be adhered to without exception.
- Ø Guidelines are best practices and must not be confused with Standards. Guidelines are best practices and procedures that are widely accepted yet allow for flexibility in application. The Guidelines in BPOSG allow for flexibility, and exceptions are entirely acceptable. Commentary is recommended for any situation outside the Guidelines outlined within BPOSG.
- Ø **BPO Customer specifications override the Guidelines outlined in BPOSG.**
- Ø Any instance where a BPO customer's specifications conflict with the Guidelines of BPOSG, the customer's specifications must be observed and adhered to. To achieve maximum communication efficiency, in the absence of customer specifications, the Guidelines of the BPOSG are assumed.
- Ø BPOSG is derived and maintained by the BSB — BPO Standards Board. The BSB is comprised of a diverse group of BPO subject matter experts representing various levels of the BPO industry supply chain. The BSB is facilitated by the National Association of BPO Professionals —NABPOP. The BSB derives, reviews, updates, and maintains BPO standards that are generally accepted throughout the BPO industry.
- Ø To download BPOSG, to request notification of BPOSG updates, or for more information regarding BPOSG and BSB, please visit www.nabpop.org/BPOSG.php
- Ø Comments and suggestions for BPOSG are welcome; please send to the BPO Standards Board — BSB at BSB@NABPOP.org

Standards are must do. Guidelines are should do.

Standards

1. Limitation

A BPO must only be completed, within the scope of assignment as specified by customer specifications, if there is enough data and comparables in the broker/agent's professional opinion to produce a credible and supportable price opinion.

2. Ethics and Conduct

- a. Broker/Agent must have valid licensure and be in good standing within the state the BPO is completed. Broker/agent must be able to provide valid and acceptable documentation of licensure.
- b. Broker/Agent must acknowledge they have personally visited the site, conducted the inspection, taken the photos for field assignments, personally collected the comparables, and submitted the completed BPO form. Broker/agent agrees to take full responsibility for all information submitted upon completion.
- c. Broker/agent must provide analyses and opinions which are objective.
- d. Broker/agent must not discuss the BPO report or analysis subject matter (price or observations) with anyone besides the client or the identified report user except to gain access to the property.
- e. Broker/agent must fully disclose and receive further instructions prior to accepting a BPO assignment or upon becoming aware another broker/agent in the same office is the buyer, listing, and/or seller's broker for the subject property.
- f. Broker/agent must notify the organization who ordered the BPO immediately of any issues preventing access to the property.
- g. Broker/agent must perform duties in a timely, professional, ethical, and competent manner.
- h. Broker/agent will notify vendor/client of any related parties' activities that could be identified as collusion or fraudulent.
- i. Broker/Agent must adhere to all provisions of:

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, which prohibits discrimination in the sale, rental, and financing of dwellings and other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability).

3. Competency

- a. Broker/Agent warrants they are competent to complete the assignment.
- b. Broker/Agent warrants they have sufficient knowledge and experience in the subject property's geographic location and will not accept assignments beyond their normal service area.
- c. Broker/Agent warrants they have independent access to data sources to include but not limited to MLS coverage and other pertinent public records data for the subject market area where such access is available.

4. Applicability

- a. Whenever possible, the broker/agent must obtain information relating to property characteristics from the MLS, tax records, or other verifiable sources. When this is not possible, the broker/agent must contact the organization who ordered the BPO to obtain the information and/or receive further instructions.
- b. Cite the sources of property data for both subject and comparables. Use verifiable sources whenever possible and cite identification numbers, if applicable: *E.g.*, MLS#, tax#, APN, Doc#, etc.
- c. Comparables should reflect the prevailing forces driving the subject's market.
- d. If a distressed price evaluation is specifically requested for the subject, use distressed comps when available rather than Fair Market transactions to price the subject.
- e. All comparable sales dates are as of Close of Escrow. Market Condition adjustments are made as of the Close of Escrow.
- f. Employ proper grammar and punctuation. Do not enter comments in all CAPS or all lower case. Spell check BPO verbiage.
- g. Any situation that falls outside the Guidelines outlined in BPOSG requires a comment identifying the situation and explaining how it impacted the report and the resolution used by the Broker/Agent.

5. Photo Requirements and Recommendations

Ø Please note the uniqueness of this section. The Photo section contains both standards and guidelines for ease of reference.

Ø For purposes of Standards and Guidelines, a distinction is needed between the photos taken while at the property and photos submitted with the BPO.

BPOSG Standards establish the photos which must be taken while at the property. It is better to take an abundance of photos, even if customer specifications do not call for the photos detailed in the Standards, rather than returning to the property later. All photos taken serve as a record of the property even if not submitted with the BPO report (see also *BPOSG Standards – Records*).

BPOSG Guidelines establish photos recommended to be submitted; however, not all photos need to be submitted. Although the Guidelines are the most commonly accepted practices, photo requirements vary from customer to customer. Customer specifications override the Photo Guidelines outlined in *BPOSG*.

a. Exterior Inspection Photos

i. Front View

Standard — Take at least one front view of the property. Take as many photos as needed to represent the subject property effectively.

Guideline — Submit the best photo. Take the photo at a 45-degree angle (as opposed to straight ahead) and attempt to capture one of the corners of the house.

ii. Street View / Street Scene

Standard — Take at least one front view of the property. Take as many photos as needed to represent the composition of the neighborhood. One photo will suffice if the neighborhood looks the same in all directions.

Guideline — Submit the best photo(s). When neighborhood composition varies by direction from the subject, 3 street scene photos are preferred (one in each direction and one looking directly across the street from the subject).

(Customer specifications override the Guidelines outlined in *BPOSG*)

iii. Street Sign

Standard — Take a close-up of the subject's street sign. Ensure the name of the street is readable in the photo.

Guideline — Submit street sign photo only if requested.
(Customer specifications override the Guidelines outlined in BPOSG)

iv. Address Verification

Standard — Take one address verification photo (a close-up of the subject address if available)

1. On the house, or
2. On the mailbox, or
3. On the sidewalk

Guideline — Submit one photo based on the above standard.

If the address is not displayed at the property, provide photos and commentary using the following recommended method:

- Photos of neighboring property addresses (house to the left, right, and across the road) are preferred. When the above is not available:
- Photo of the subject's street sign. Provide a comment citing the source of verification, *i.e.*, neighbors or postal employee, etc.
- Plat or parcel map

(Customer specifications override the Guidelines outlined in BPOSG)

b. Interior Inspection Photos

Standard — Take photos of ALL rooms. If the angle is difficult to capture or portray, take multiple photos of a room. The floor and at least two walls must be visible. If notating repair items, submit photos of the noted repairs.

Guideline — Submit photos of the main rooms:

- Kitchen
- Living room
- Main bathroom
- Master bedroom
- One other bedroom, if applicable

(Customer specifications override the Guidelines outlined in BPOSG)

c. Exterior, Interior, and Surrounding Neighborhood

Standard — If the following conditions exist, provide commentary and cross-reference photos (when possible). Document anything in and around the property, vicinity, and neighborhood that will influence the property's price - either positively or negatively. See also Comments — the below comments example list is similar to the Comments section paragraph 14.a. with the exception of items which may not be practical to photograph.

Common examples include but are not limited to:

- Non-conforming features
- Upgrades
- Damage/deferred maintenance
- Renovations/construction
- External obsolescence (e.g., airport flight path, railroad tracks, commercial facilities)
- Aerial photos/satellite images - Aerial photos or satellite images can be an excellent resource to identify external obsolescence and positive influences.

Guideline — If a rearview photo is requested, provide a photo of the rear of the structure. Submit a photo(s) based on the above standard.

(Customer specifications override the Guidelines outlined in BPOSG)

d. All Photos

Standard

- Ensure photo orientation is adequately adjusted prior to upload (do not submit sideways or upside-down photos to your report).
- Ensure the date is accurate if dates are on photos.
- All photos must be labeled when form permits.

Guideline

- All photos should have a date stamp.
- Before leaving the property, ensure the photos are clear and usable.
- Once photos are submitted to the client site, they should be reviewed to ensure correct photos were uploaded prior to final submission. People and pets/animals, live or in photos (e.g., family portraits), should not be in any photos.
- Avoid photos that reflect race, creed, religion, or national origin.
- Avoid photos containing inappropriate/graphic content unless required as a component of portraying property damage/required repairs.

6. Records

- a. Retain BPO records for a minimum of 1 year or the amount of time state law requires. Records can be a printout, digital, or a combination of both.

Retain:

- i. MLS printout for each comparable.
- ii. Any document used to establish characteristics of the subject, e.g., tax record.
- iii. All photos of the subject property taken during the inspection.

Ø Although not required, it is recommended to retain the above records for five years or refer to state law for statute of limitations, whichever is greater.

7. Disclaimer

Broker/Agent must be aware of and comply with state laws governing BPO practices.

A disclaimer must appear either preprinted on the BPO form or in commentary form. If a disclaimer is not preprinted on the BPO form or it is not clear that a web-based BPO form includes a disclaimer, provide the following statement in the comments:

“Notwithstanding any preprinted language to the contrary, this is not an appraisal of the market value of the property. If an appraisal is desired, the services of a licensed or certified appraiser must be obtained.”

Guidelines

Ø Customer BPO order specifications override the Guidelines outlined in *BPOSG*. To achieve maximum efficiency of communication between the broker/agent, end customer, and every organization in between, assume the Guidelines outlined in *BPOSG* unless otherwise specified in the BPO order specifications.

Ø The guidelines contained herein allow for flexibility, and exceptions to the guidelines are entirely acceptable. Provide comments when a situation falls outside the Guidelines.

8. Comparable Selection and Utilization

Ø The following comparable factors should be similar to the subject within the stated limits. Please note these are not restrictive limits, *i.e.*, if the comparable is outside the below limitations, the comparable may still be valid, a comment is required, and an adjustment may be warranted where applicable. Define the geographic boundaries of the neighborhood and then provide a compelling justification whenever using market data outside those boundaries. (Customer specifications override the Guidelines outlined in *BPOSG*).

Ø It is necessary to verify the physical characteristics of the subject and comparables in accordance with local building codes and conventions and disclose the information source. If a conflict exists between information sources, *e.g.*, MLS vs. tax records, provide commentary explaining the conflict and provide a copy of the document (if available).

a. Location

The location of the comparables should be as close to the subject as possible when available for SFR properties; comparables inside the subject subdivision are preferred. For condos, comparables inside the subject complex or building are preferred. The following are recommendations and comments are required if beyond these limits:

(Customer specifications override the Guidelines outlined in *BPOSG*)

i. Urban

A comparable beyond ½ mile may be acceptable, but a comment is required as to why the comparable is beyond ½ mile. Include the method/logic on how the comparable was located.

ii. Suburban

A comparable beyond 1 mile may be acceptable, but a comment is required as to why the comparable is beyond 1 mile. Include the method/logic on how the comparable was located.

iii. Rural

A comparable beyond 5 miles may be acceptable, but a comment is required as to why the comparable is beyond 5 miles. Include the method/logic on how the comparable was located.

b. Property Type

Comparables must be the same property type as the subject, *e.g.*, do not compare a multi-family to a single-family detached.

c. Zoning and Use

- Comparables: If any comparable zoning is different from the subject, contact the customer for further instructions.
- Property Use: If the subject's use is non-conforming, *e.g.*, zoned single-family use but with a basement apartment or zoned for business but used as a single-family, contact the customer for further instructions.

d. Size

The size of the comparables should be as similar to the subject as possible. The following are recommendations and comments are required if beyond these limits:

(Customer specifications override the Guidelines outlined in *BPOSG*)

i. GLA

The Gross Living Area of the comparables should be as similar to the subject as possible. The following are recommendations and comments are required if beyond the following limits:

(Customer specifications override the Guidelines outlined in *BPOSG*)

Subject	Comparables
GLA	Comment required if more than:
0-1000 Sq Ft	+/- 25 %
1001-2000 Sq Ft	+/- 20 %
2001-3500 Sq Ft	+/- 15 %
3501-5000 Sq Ft	+/- 10 %
5001+ Sq Ft	+/- 10 %

ii. Lot Size

The Lot Size of the comparables should be as similar to the subject as possible. The following are recommendations and comments are required if beyond the following limits:

(Customer specifications override the Guidelines outlined in *BPOSG*)

Subject	Comparables
Lot Size	Comment required if more than:
<1 acre	+/- 30%
1 - 2.9 acres	+/- .5 acre
3 - 5.9 acres	+/- 1 acre
6 - 10.9 acres	+/- 2 acre
11+ acres	+/- 20%

e. Age

The age of the comparables should be as similar to the subject as possible. The following are recommendations and comments are required if beyond the following limits:

(Customer specifications override the Guidelines outlined in *BPOSG*)

Subject	Comparables	
	Comments Required	
Age	Minimum	Maximum
0-10 years	- 5 years	+ 5 years
11-30 years	1/2 age	+ 10 years
31-50 years	- 15 years	+ 15 years
51-75 years	- 20 years	+20 years
76+ years	- 25 years	+25 years

f. Physical Characteristics

The comps should have the same bedroom count as the subject. (Customer specifications override the Guidelines outlined in *BPOSG*)

A comment is required if the comparable is:

- i. more than +/- 1 bedroom count of the subject
- ii. more than +/- 1 bathroom count of the subject
- iii. more than +/- 3 overall room count of the subject

g. View

Use comparables with a similar view to the subject. Provide commentary if the subject has a different view than a comparable view, which will positively or negatively influence the property's price.

(Customer specifications override the Guidelines outlined in *BPOSG*)

9. Comparable Selection based on Market Conditions

Ø Customer specifications override the Guidelines outlined in *BPOSG*

Ø Distressed Markets vs. Fair Markets. Comparables should reflect the prevailing forces driving the same market the subject is located in (per *BPOSG* Standards). In cases where distressed sales are driving the market, a comment is required that explains the market's distressed condition.

a. Distressed Driven Market

- i. The commentary must indicate if distressed properties drive the market.
- ii. If a Fair Market price evaluation is requested and the subject's location is in a distressed-driven market, distressed comparables are acceptable. Comments are required indicating the distressed comparables to include commentary stating the distressed driven market condition. Adjustments are not needed to account for distressed comparables.
- iii. If the BPO form does not specify the comparable type (Arm's Length Transaction, REO, Short Sale, etc.), provide a comment that appropriately labels the comparables.

b. Fair Market

- i. Sales and listings are characterized by buyers and sellers who are equally motivated and not acting under duress.
- ii. Sold comparables that are not Arm's Length Transactions should not be used. Avoid distressed sales.

- iii. Comments must be provided if a distressed sale is used.

c. **Mixed Markets**

- i. Some distressed sales and some Fair Market exist.
- ii. Distressed sales do not seem to impact the value of Fair Market sales and vice versa.

d. **Stable Market**

- i. Stable Market = no more than 3% appreciation or depreciation in the last six months.
- ii. Sold comparables no more than six months old in a stable market.
- iii. A comment is required if comparable is over six months old.

e. **Rapid Market**

- i. Rapid Market = more than 3% appreciation or depreciation in the last six months.
- ii. Sold comparables no more than three months old in a rapidly moving market.
- iii. A comment is always required if a rapid market exists.
- iv. A comment is required if comparable is over three months old.

10. Lack of Comparables

Ø Customer specifications override the Guidelines outlined in *BPOSG*

If comparables are not immediately available, expand the search criteria one at a time, starting with the most negligible impact on value. Please note that value will differ from market to market. The following are common criteria that can be expanded (in no particular order):

- Concessions
- Lot Size
- Age
- GLA
- Room Count
- Date of Sale
- Radius

11. Comparable Application

- a. At least three sold comparables. Make every attempt to locate sold comparables equal to the subject in size, features, location, etc. If equal sold comparables are not available, make every effort to bracket the subject by finding a superior, approximately equal, and inferior property.
- b. Sold comparables must be adjusted (based on changes in market conditions) as of the Close of Escrow, where available, through the BPO submission date if there has been a change in market conditions/prices. Provide a comment indicating you made market condition adjustments.
(Customer specifications override the Guidelines outlined in *BPOSG*)
- c. Provide an adjustment for each amenity difference that impacts the price (BPO form permitting). Comments are required when the BPO form does not enable adjustments. The following list is examples of amenities that should be considered:
(Customer specifications override the Guidelines outlined in *BPOSG*)

- The same number of bedrooms
- The same number of bathrooms
- General condition

- Same style of house
 - Quality of construction
 - Terms of sale/financing
 - View amenity
 - Site amenities (pool, outbuildings, etc.)
- d. A comment is required if the comparable is not the same as the subject:
- i. General condition
 - ii. Same style of house
 - iii. Quality of construction
 - iv. Terms of sale/financing
- e. If active listing comparables are requested, three active listings (and/or pending — when permitted) comparables are to be used. Additionally, an adjustment should be considered for Sales-to-List-Price ratio.
- f. If the subject property is in poor or fair condition, provide at least one comparable which is similar in condition to establish the "as-is" price. Comparables in average or good condition are appropriate to determine a repaired price for the subject — provide a comment.

12. Photo Requirements and Recommendations

Ø See Photo Requirements and Recommendations in the *BPOSG — Standards*

13. Basement and Below-Grade Floor Area

Ø The following are guidelines. Observe local building codes and conventions when determining a price.

- a. If the house has any areas below the natural grade, this area is considered below-grade and is not included in GLA. Even if the below-grade areas are fully finished, they are not part of the finished floor area and GLA. This area should still be noted and valued, but not as part of the GLA. If there is no space on the BPO form for a below-grade area, annotate in the comments section.
- b. If the subject has a basement and below-grade floor area, comparables should be sought which have similar construction, *i.e.*, a basement.
- c. See also Guidelines — Definitions (paragraph 16.I.i), Basement and Below-Grade Floor Area.

14. BPO Commentary and Applicability

Ø BPO form comments are vital. Comments are the best way to paint a picture for everyone who will see the BPO. Additionally, each link in the chain of people who see the BPO report may question or ask the previous link for clarification(s). The more descriptive the comments are, the fewer questions or clarifications are needed.

Ø The use of local terms and conventions may confuse anyone who is not from the area. Use generally understood terms or explain the local term if needed. If local conventions, building codes, etc., deviate from generally understood conventions, building codes, etc., provide commentary explaining the difference.


Ø Comments should be concise and objective to include local market conditions and trends of the:

- County
- City
- ZIP
- Subject market area

- a. Document with photos and comments; anything in and around the property, surrounding neighborhood, and the vicinity that positively or negatively influences the property's price. Provide commentary and cross-reference photos. See also Standards — Photo (paragraph 5.c.). The the below comments example list is similar to the photo section except for items that may not be practical to photograph). Common examples include but are not limited to:
- Non-conforming features
 - Upgrades
 - Damage/deferred maintenance
 - Renovations/construction
 - Functional obsolescence (*e.g.*, insufficient bath count relevant to bedroom count, poorly located bedrooms)
 - External obsolescence (*e.g.*, airport flight-path, railroad tracks, location in proximity to commercial facilities)
- b. If the subject is currently listed and a listing history is not requested, include a comment to identify current and cumulative days on the market.
- c. Document any exterior and interior repairs needed with photos and comments. The cost to cure should be assessed at estimated contractor rates to bring the property up to a move-in condition — unless customer instructions specify otherwise.
- d. Do not use subjective terms such as gang activity, high drug use, crack-house, etc., when commenting on the subject neighborhood.
- e. Unless specifically asked, do not include verbatim MLS comments. Instead, read the comments to understand the general condition of the comparables and adjust for any differences in the comparable grid.
- f. Round final prices to the nearest \$1,000, and all line item feature/amenity adjustments to the nearest \$100.

15. Rating House / Neighborhood / Appliances

[Click here for Rating House/Neighborhood/Appliances Guidelines](#)

Rating Property/Neighborhood/Amenities					
	Excellent	Good	Average	Fair	Poor
 House	New property up to 5 years old and is well maintained	Property 5 - 20 years old and is well maintained	Property that is over 20 years old and is well maintained	Property that is over 20 years old and lacks maintenance	Virtually uninhabitable, siding/shingles missing, dilapidated, overgrown landscaping
	Financeable	Financeable	Financeable	Repairs needed	Uninhabitable
	Property 5 - 20 years old with upgrades and is very well maintained	New property up to 5 years and lacks some maintenance	New property up to 20 years and lacks maintenance	New property up to 20 years old and lacks significant maintenance	Condemned, Boarded up
	Any property age that is completely upgraded and is very well maintained	Property that is over 20 years old with some upgrades and is well maintained			Property that is over 20 years old and significantly lacks maintenance
Neighborhood	Predominantly the houses that adhere to the House standard for Excellent	Predominantly the houses that adhere to the House standard for Good	Predominantly the houses that adhere to the House standard for Average	Predominantly the houses that adhere to the House standard for Fair	Predominantly the houses that adhere to the House standard for Poor
Appliances	Appliances must be conveyable and not considered personal property to be considered for valuation purposes.				
	Up to date and is of high quality. Many upgrades. Modern	Up to date and is good quality not high quality.	Adequate functionality	Out of date but functional	Out of date with suspect functionality

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16. Definitions

Ø The following are guidelines. The definitions outlined in BPOSG are definitions that are commonly used and understood. When determining a price, **observe local definitions, building codes, and local conventions** as they may differ from *BPOSG*. If utilizing universal definitions and conventions is impossible, explain instead the local definitions and conventions used.

- a. **Arm's Length Transaction:** A standard real estate transaction between unrelated or uninvolved parties resulting in a fair market price sale. The buyer and seller are typically:
 - Motivated by self-interest
 - Acting willingly and independently
 - Under no external pressure
 - Knowledgeable of the property's present conditions and future potential, which has been on the open market for a reasonable length of time. No unusual financing or other circumstances exist
 - Have not agreed on any unusual financing
- b. **Deferred Maintenance:** Loss of utility caused by neglected repair or maintenance evidenced by wear and tear. A type of physical depreciation owing to a lack of regular upkeep.
Example: Missing roof shingles, loose railings, chipped paint, holes in the carpet, etc.
- c. **External Obsolescence:** Loss in value from factors outside the subject property. Also known as Environmental or Economic Obsolescence.
Example: High-tension power lines, lack of local jobs, supply exceeding demand, zoning changes, legislation that impairs property rights.
- d. **Fair Market Price:** The most probable price, as of the date of inspection or another specifically defined date, in terms equivalent to cash, unaffected by special or creative financing or sales concessions, for which the property should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale with buyer and seller each acting prudently and for self-interest and assuming neither is under undue duress — also known as Market Price.
- e. **Finished Area:** An enclosed area in a house suitable for year-round use, heated/cooled in the same manner as the rest of the house, embodying walls, floors, and ceilings that are above-grade and similar to the rest of the house.
- f. **Functional Obsolescence:** Defects in the structure that detract from its value or utility, usually the result of layout, design, or other features which are less desirable than the same functions in a newer similar property.
Examples: A six-bedroom house with one bathroom (Superadequacy), physical deterioration, location on a busy road, a bedroom that is only accessible through another bedroom.
- g. **Location**
 - i. **Urban:** Area within a city (or a city itself) with high population and overall density. Typically, buildings in urban areas are situated close together and constructed at heights that exceed those in suburban and rural locations. In terms of population, a location identified as "urban" has a total population greater than or equal to 100,000 people and a density greater than or equal to 2,000 people per square mile, or a location that has a population greater than or equal to 200,000 people in total.
 - ii. **Suburban:** Area in relative proximity to an urban center comprised primarily of residential dwellings. Suburban areas tend to have commercial and business enterprises within their bounds; however, the density of such improvements is not as great as those in urban areas. Areas identified as "suburban" are generally no further than 30 miles from urban areas. Also, these locations typically have a Census Block Group with a density less than or equal to 500 people per square mile and less than 2,000 people per square mile in total.
 - iii. **Rural:** Areas with sparse population counts and are well outside the general bounds of urban areas, characterized by large property sites, some agricultural activity, and a lack of municipal

amenities found in urban and suburban areas (such as city water and city sewer). In terms of population, rural areas tend to have fewer than 500 people per square mile. They may include farmland and small towns situated well outside the range of metropolitan areas.

- h. **Sales-to-List-Price Ratio**: The general sales price divided by the general list price. If the ratio is less than 1, properties sell at a discounted list price. If the ratio is greater than 1, properties sell at a premium of their list price.

i. **Room Count**

- i. Consider as separate rooms areas completely above-grade which:

- Can be used year-round
- Are fully finished
- Effectively divided
- Have utilities such as:
 - Electric outlets
 - Lighting
 - Heating/cooling vents
 - Walls/ceiling/floor which conforms to rest of the house

- ii. In open-style houses, if one can add one or more walls and the separated areas can still maintain their functionality with the above criteria, they are considered separate rooms.

- iii. In general, a room is a:

- Kitchen
- Bedroom
- Living room
- Dining room
- Family room
- Office
- Den
- Sunroom which is heated/cooled, and a finish that conforms to the rest of the house

- iv. The following are not considered rooms and should not be included in the room count but can be included in the description of the house:

- Sunroom which is not heated/cooled
- Loft
- Closets
- Storage rooms
- Foyer
- Hallways
- Laundry room
- Utility room
- Entries

j. **Bedroom**

- i. A bedroom is any room a conventional bed fits. Usually, the local zoning, building, or health codes establish minimum requirements for bedrooms. In general, bedrooms should be at least

90 square feet, with at least one bedroom in the house 120 square feet. Bedrooms should have a window that provides an emergency exit, natural light, and ventilation.

- ii. Bedrooms should have direct access to a hallway, living room or other common area. A closet is required for a bedroom.
- k. **Bathroom**: A full bathroom includes a toilet, a sink, a bathtub, or a shower. In general, a combination bath and shower count as two fixtures. If the bathroom has only three fixtures, it is a 3/4 bath (in general, 3/4 bath is counted as a full bath — local standards apply). If it has only two fixtures, it is a 1/2 bath, and if it has only one, it is a 1/4 bath.

I. Basement and Below-Grade Floor Area

- i. There is a substantial distinction between above-grade and below-grade floor areas. The above-grade floor area is the sum of all finished square footage completely above ground level. The below-grade floor area includes spaces which are wholly or partly below ground level.
- ii. See also *Guidelines 13*) Basement and Below-Grade Floor Area