

# Appraisal Requirements

## APPRAISER DESIGNATION

Appraisers must have one of the following designations:

- Appraisal Institute of Canada (AIC): AAIC or CRA




## CLIENT DETAILS




|                          |   |
|--------------------------|---|
| Client & Authorized User | Magenta Capital Corporation General Partner         |
| Address                  | 100 King Street West, Suite 3050, Toronto ON M5X1A9 |
| Email                    | documents@magentacapital.ca                         |
| Purpose                  | To estimate market value                            |
| Intended Use             | First or Second Mortgage finance                    |
| Requested By             | Mortgage Broker Name                                |

## GENERAL APPRAISAL REQUIREMENTS

- Indicate the purpose of the appraisal in the report, including 1st or 2nd mortgage financing
- Appraisal reports are to be sent to [documents@magentacapital.ca](mailto:documents@magentacapital.ca)
- Must include a physical inspection by the appraiser of the interior and exterior of the property within the last 120 days prior to funding
  - Appraiser must be able to enter all rooms in the property and provide supporting photos
- Confirm if any adverse external factors which may impact the marketability of the property exist
- Describe the neighbourhood characteristics, including any positive or negative factors which may impact marketability
- For secondary units, confirm the unit is self-contained and is in line with the applicable municipal zoning requirements
- Confirming zoning and if subject conforms, nonconforming or illegal
- 3-year sale and listing history of the subject to be included

## CONNECT WITH US!

 [magentacapital.ca](http://magentacapital.ca)  
 [brokers@magentacapital.ca](mailto:brokers@magentacapital.ca)  
 888-267-1744

 [magenta\\_capital](https://www.instagram.com/magenta_capital)  
 [Magenta Capital Corporation](https://www.linkedin.com/company/magenta-capital-corporation)  
 [magentamortgage](https://www.facebook.com/magentamortgage)



# Appraisal Requirements

## COMPARABLES

- Comparables must be listed and closed MLS transactions within 90 days of the date of appraisal. If unable to meet this requirement, appraiser must provide appropriate rationale
  - Comparables to be similar style, size, room count, etc.
  - Report to include MLS number, listing and location map of comparables, including distance to the subject property
- At least 2 comparable sales must meet the following proximity/neighbourhood requirements:
  - Urban properties: Comparable properties should be located within 5km of the subject property and be homogeneous for housing market and property type
  - Rural properties: comparable properties should be located within 20km of the subject property and be similar to the subject property
  - Condos: at least 1 comparable is to be located outside of the subject property's building
- Adjustments should be no more than 10% Net & 20% Gross; Adjustments in excess of the established tolerance are to be supported with rationale



## IMPROVEMENTS




- Appraiser is to comment if any deferred maintenance is known or observed, along with the estimated scope and cost to remediate; supporting pictures are to be provided
- Structural Integrity is to be inspected, including details on foundation cracks, water seepage, staining, etc.; supporting photos are to be provided
- All properties are to be 100% complete and to include "As Is" value based on the main house + 5 acres (outbuildings not considered)
- Properties with 97% completion or greater must include comments from the appraiser indicating the outstanding items to achieve 100% completion
- Highest and best use to be as improved and residential property
- Any environmental risks are to be noted in the report

## PHOTOGRAPHS

- Exterior photos: minimum of 3 photos of the exterior including front and rear of subject property, street view, outbuilding if applicable
- Interior: minimum of 1 photo of each room including basement and utility areas such as furnace, electrical and laundry facilities
- Condition: any photos of deferred maintenance, deterioration, or recent upgrades

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-  888-267-1744

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