

Broker Price Opinion (BPO) Overview

A Broker Price Opinion (BPO) is an estimate of the probable selling price of a real property under fair market conditions. Estimate is developed by analyzing listing information of comparable properties in proximity of the subject property that are recently sold or that are currently on market and after driving by or interior inspection of subject property. Multiple listing service (MLS) is used for listing information.

Exterior BPO. Most commonly used BPO report is Exterior BPO (also known as Drive-by BPO). It includes 4 photos of the subject property and street view and fairly detailed comparison with 3 active properties and 3 sold properties. It will also include information on subject's neighborhood and prevailing local market conditions. The report will comply with client/BPO company guidelines and provide sufficient explanations/comments.

Selection of comparables. In searching MLS for listings limits are defined to provide meaningful results. Starting with neighborhood boundaries these limits are proximity to subject property (0.5 mile for urban, 1 mile for suburban and 5 miles for rural neighborhoods), similar gross living area (within 20%), similar lot size (within 50%), age of property (within 10 years for newer properties and wider range for older properties), similar #stories, etc. Other limits may be added as appropriate. Also REOs and short sales are selected to match subject's situation or if market has significant or driving influence of these properties. If insufficient number of listings is available then limits are widened to select comparables.

Analyzing results. Selected comparables are analyzed to review marketing time and price levels. Major differences between comparables and subject property are considered and adjusted (either numerically or subjectively). If deferred maintenance items are found they are itemized and repair cost estimates provided. As-is and as-repaired probable sale price and suggested list price are estimated from analysis.

Coverage: The subject property must be in Orange County, West Riverside County, West San Bernardino County, or Eastern portion of Los Angeles County. We will need client to confirm authority to take subject property photos (owner, mortgage lender, creditor, etc.).

Special instructions. Client may provide special instructions with BPO order. These instructions may pertain to analysis process, photo requirements, property access issues, MLS listing search, etc. If property access is gated client is responsible to arrange access although we will make an attempt to gain access from home owner, listing agent, short sale negotiator, or gate guard. Client information and values are kept strictly confidential.

Interior BPO. It will include all items of Exterior BPO and in addition, photos taken during interior inspection, photos of living room, kitchen, dining room, bedrooms, bathrooms, back yard, house rear, garage, furnace, a/c and water heater. Photos of any deferred maintenance and repair items observed and an itemized list of repairs will also be provided.

Desktop BPO. It is prepared without site visit and provides MLS comparables and a value estimate from an automated value model (AVM) source.

BPO and appraisal. BPO 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.

BPO Price (Single Family Residential). Exterior, \$125, Interior, \$195, Desktop, \$40. For a 2-4 unit property, \$30 extra.