

Bid Comparison Checklist for Convenience Store Appraisal Orders

The following is a list of relevant questions you should ask any appraisal firm before engaging an assignment for a retail petroleum facility. Convenience stores are very different from other commercial real estate and frankly most appraisers don't get it. Does yours? Bold face criteria are critical success factors for reliable and credible market value estimates. Of course there are many other technical requirements for a credible appraisal, but in our experience these are the ones most often overlooked when appraising retail petroleum facilities.

Appraisal Criteria:	USPAP/FIRREA Required ¹	PetroVal, Inc 770-736-6112		
Going Concern Value, Business Value, and Equipment Value Defined	YES 1-2c, 9-2b	YES		
Detailed Retail Petroleum Industry Overview	YES 9-4b(ii)	YES Value added		
25 page unrelated regional overview	NO ² 1-2e	NO		
2-4 pages of relevant regional data	YES 1-2e	YES		
Neighborhood Data Includes Relevant Competitor Data and Valuation Factors	YES 1-2e	YES		
Feasibility Study for Proposed Construction	YES 1-4h(iii)	YES		
Proper Identification and Separate Valuation of All Equipment	YES 1-2e(iii), 1-4g	YES		
Improved Sales Verified with Relevant Gross Profit Data from the Business	YES 9-4b(v)	YES		
Gallonage Multiplier Used in the analysis (This type of analysis is misleading ³)	NO 1-1a	NO		
Hose Multiplier Used in the Analysis (This type of analysis is misleading)	NO 1-1a	NO		
Valuation of the Going Concern based on Economic Data from the Subject	YES 9-4b(i), (iii)	YES		
Reasonable Segregation of the Real Estate, Equipment, and Business Values	YES 1-4g	YES 3 methods		
Use of an Document Request Form which Requests the Correct Information Going In	YES 9-4b(i), (iii)	YES		
How Many Retail Petroleum Properties Have They Appraised?		5,000+		
Overall Appraiser Reliability/Competence				
Fee Quoted		\$	\$	\$
Turn Time		Days	Days	Days

PetroVal is a service-oriented firm that strives to make competitive bids through operational efficiencies created by specialization. If not the absolute lowest bid, take the difference between PetroVal's bid and the lowest bid and divide that by your loan amount. Is the savings worth it? Feeling lucky or more like prudent banker?

¹ USPAP requirements for Complete Self-Contained Appraisal Report

² PetroVal does not pad its reports with unnecessary blather and extraneous information that has no bearing on value

³ These are unfortunately widely used techniques that can result in too low a value estimate (you lose a good deal) or too high a value estimate (you get a bad deal from the start).