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August 30, 2000

Ms. Kathryn Gearheard
Senior Appraisal Policy Manager
The Appraisal Subcommittee
2000 K Street, NW, Suite 310
Washington, DC 20006

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Dear Ms. Gearheard:

Enclosed please find a draft of my article "Market Valuation Techniques for Subsidized Apartment Use Restrictions and Intangibles". As the title indicates this article presents techniques to estimate the impact on the market value of a subsidized apartment property from its use restrictions and intangibles, such as grants, Low Income Housing Tax Credits, rental subsidies and financing incentives.

I am seeking information and comments about my technique and article. In particular, does the ASC have any guidelines to estimate the market value of use restrictions and intangibles.

Most appraisals of subsidized apartment properties that I have read do a good job of estimating the market value of the property without consideration of the use restrictions and intangibles. However, some of these appraisals ignore the impact on market value of the use restrictions and intangibles, while others used cost or non-market based techniques to estimate their market value. The results are final market value estimates that are substantially understated or overstated.

Sincerely,



T. Richard Miller, MAI

Encl.