BMA FOR VALUE

BMA for Value - The Process

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BMA for Value Order-Most Likely Net Sales Price Form

Broker Checklist for Preparing the BMA for Value – Most Likely Net Sales Price analysis

BMA for Value Review Training

Broker Appeal Template

Most Likely Net Sales Price Analysis
  60 day Market Time Client
  60-90 day Market Time Client
  90-120 day Market Time Client
  Normal Market Time Client
**BMA for Value – Most Likely Net Sales Price: The Process**

BMA for Value is a means of determining the most likely sales price of a transferee's property that saves clients both time and money in the process. The BMA for Value process replaces fee appraisals with a single broker's market analysis, utilizing the same market data methodology as has been traditionally employed in the appraisal process.

The BMA for Value approach has been validated by the Internal Revenue Services based on a Private Letter Ruling obtained by Cendant Mobility in 1995. It has also been proven to be at least as accurate as the appraisal methodology, as measured with clients undertaking the program.

**THE MERITS OF BMA FOR VALUE**

The BMA for Value utilized a Brokers Market Analysis (BMA) in lieu of the two (and often three) appraisals ordered during the traditional home evaluation process. The process offers several benefits over the traditional approach, which is often:

- **Time consuming** - can take up to a month to deliver the offer to the employee.
- **Costly** - can cost the client over $1,200 per file
- **Confusing** - multiple suppliers doing multiple tasks
- **Anxiety-provoking** - due to the uncertainty surrounding the offer and time required to obtain it, and
- **Less focused on marketing**, with the extended time frame delaying property time to market

The BMA for Value process, on the other hand is:

- **Faster** - Target for delivery of the value from broker to Cartus is 5 business days from order being placed. Goal for delivery of offer to customer is 10 days from appointment date.
- **Less expensive** - The cost to determine the value is approximately $277 for the client, an approximate savings of $1,000.
- **Easier to understand** - one broker in the home and inspection on an as needed basis only.
- **Easier on the customer** - shorter waiting time for the offer.
- **More effective** in terms of placing immediate focus on the marketing of the home
The Process

The process flow chart below shows the steps involved in a BMA for Value Analysis:

**BMA for Value – Most Likely Net Sales Price Process**

- **Authorization**
- **BMA For Value Ordered**
- **Written report is received within 5 days and reviewed by Property Evaluation Specialist**
- **Necessary inspections ordered**
- **Value and options presented to transferee**

**IMPORTANT NOTES**

- Only an A Team Agent may do a BMA for Value.

- The broker/agent may make a listing presentation to the employee, but it must be a different agent from the one doing the BMA for Value, and completed after the BMA for Value is delivered to Cartus, unless client policy dictates otherwise. **The BMA for Value agent cannot solicit the listing.**

- Generally, no employee appeals are permitted in the BMA for Value program, eliminating the need for brokers to do additional after-the-fact comparable analysis. Some client programs may allow appeals.

There are several important elements of the BMA for Value Process to be aware of:

**Use of Needs Only Inspections**

Although not a requirement, the use of the Needs Only Inspection Program is strongly recommended to our Clients. Without it, the client runs the risk of frustration over an extended time period to calculate the offer, even with the BMA for Value Approach, because of the numerous inspections ordered.

**Needs Only** inspections require a visual review of the property by the real estate agent. Inspections are only ordered if the agent notes physical, visual damage or legally required to pass title. The agent should also note any improvements done which may require permits, etc.

Research shows that the client physical cost for inspections prior to the advent of the Needs Only programs was 72% higher than the cost of the repairs needed and the inspections added seven to ten days to the process.

Often, inspections done prior to the buyout were repeated later on in the process, duplicating expenses to the client. Any inspections that do not fall into the Needs Only category will be the responsibility of the buyer.
Broker Responsibilities in the BMA for Value

Once the client has authorized Cartus to contact the employee, a broker will be contacted by the Order Specialist with the order. All BMA for Value assignments will be ordered verbally by the Cartus Order Specialist, then followed by e-mailed instructions and faxed assignment form. The instruction sheet will provide the parameters of the assignment including, timeline, payment, and instructions for reporting appointment dates, and sending reports. **The BMA for Value - Most Likely Net Sales Price Form**, to be used for all BMA For Value assignments, will also be included. The Order Specialist will follow up until they receive appointment date and written report from you. Any questions you may have regarding the completion of the report should be directed to the Property Evaluation Department (203) 205-4668. The timing of the next steps is critical to meeting the time sensitive agreement with the client.

The following information should be reported to Property Evaluator as it becomes available:

1. the Relocation Director must notify the order specialist of the assigned agent within 24 hours
2. The agent must verbally discuss the assignment with the Order Specialist within 24 hours of order being placed.
3. Scheduled appointment date
4. E-mail: BMA for Value report to Property Evaluation Department as follows:

   E-Mail: BMAforValue2@cartus.com (security certificate required)
   Fax # (203) 749-5024
   Mail: Cartus
c/o: Property Evaluation Department
   40 Apple Ridge Road
   Danbury, CT 06810

- Schedule the property inspection immediately - within 24 hours of the order.
- Use the **BMA for Value - Most Likely Net Sales Price** form to report the value. Be sure to use the correct form.
- Thorough review and signoff by the Relocation Director or relocation department designee is necessary. This analysis represents the offer price to the transferee and must represent the most probable sale price of the property. Consider and provide supporting documentation for any marketing and financial concessions typical for the market. A sample training document and a review form are found on pages 6-11. Confirm all necessary permits/Certificates of Occupancy are on record.
- Faxed: Mail hardcopy of BMA for Value and photos to Cartus for receipt within 5 days of inspection.
- Document your appointment date and written value within Broker Center notes and task the Service Consultant. **VERBAL VALUES ARE NO LONGER REQUIRED**
- Once Cartus is in receipt of the BMA for Value, a reviewer will contact the Relocation Department, and agent with any questions within 2-3 days from the BMA receipt.
PAYMENT CONSIDERATIONS

A broker can be compensated for performing a BMA for Value in most states. The exceptions are:

- Delaware
- Michigan
- Mississippi
- Nebraska
- Nevada
- New Mexico
- Pennsylvania
- West Virginia

In the state of Kentucky compensation is allowed ONLY if the individual performing the analysis is a licensed appraiser.

There is the potential for a listing opportunity if the property becomes an Inventory Property.

CLIENT SELECTION OF THE BMA FOR VALUE

Cartus is offering the BMA for Value as an option for clients who prefer an alternative to the traditional appraisal process. Those choosing this approach are a small but growing number currently, with significant concentrations of business in some geographic locations.

All Cartus network brokers must be fully versed in the process as detailed in this Section and reinforced through training opportunities with the Broker Services Regional Directors.