QUICK START · HOW-TO 09

Ratings, defects and highest and best use

Where are the calls that stay mine?

1. **Six stops**
   Under The house, after Unit Interior: Functional Obsolescence, Outbuilding, Vehicle Storage, Subject Property Amenities, Overall Quality and Condition, Highest and Best Use.
2. **Functional Obsolescence**
   Tap None, or each issue you see. Every report answers it.
3. **Outbuilding, Vehicle Storage, Amenities**
   Garage Spaces can come off your listing sheet. No storage at all? Tap None. An amenity read off a photo is not in the report until you keep it.
4. **Defects**
   Six sections have a defects box. A defect spotted in a photo shows in teal: Keep it, or tap Not a defect. Soundness and what should be done are yours.
5. **ADDD Review**
   Right under Photos, and in Sections. Every defect in one list, To finish on top. Tap one, and it opens where it lives.
6. **Overall Quality and Condition**
   Your exterior and interior ratings, as you gave them. Overall Quality and Overall Condition stay blank until you tap. Then the reconciliation comment.
7. **Highest and Best Use**
   The question and the four tests are never answered for you. Answer No, and a box asks why.

> THE ONE THING THAT TRIPS PEOPLE UP
> A blank rating is not a mistake. It is waiting for you. Every rating starts blank and stays blank until you tap it, and the left panel counts it as owed until you do.

> ALWAYS YOURS
> Your quality and condition ratings, whether a defect affects soundness and what should be done, and highest and best use with its four tests. The intern drafts the facts around them, never the calls.

Source: UAD Condition and Quality Rating Definitions v1.0 (April 29, 2025), p. 3: "on an absolute basis, not on a relative basis or how a property relates to other properties." Appendix A-1 URAR Delivery Specification v1.4, 1600.0008 (15.010 Reconciliation of Overall Quality and Condition, Required). Fannie Mae, Highest and Best Use Policy FAQs (9.8.26), Q6: "If the present use satisfies all four tests, the appraiser must answer "Yes"".