



Obtaining The Best Appraisal in Any Market

This has certainly been an interesting ten years for the housing markets. The prices of homes have been anything but stable during the past decade. Early in the decade they were increasing at a frenetic pace. The past few years we have seen a drop in home prices in most areas of the country and this drop has been even more precipitous in those areas that experienced the largest increases earlier.

No one has been affected more by this “housing valuation yo-yo” than the real estate appraiser. Sworn to identify the accurate value of a property to support mortgage loans that are secured by real estate, the appraiser has to deal with a variety of factors. These factors include all parties of the transaction having a vested interest in supporting the sales price—including the seller and purchaser. The factors also include trying to nail down the right data to support the sale which is increasingly difficult when values are changing rapidly, especially in markets where there are distressed sales. Finally, in the era of tighter financial regulations, agencies have made it more difficult for appraisers to communicate with the participants to obtain up-to-date information for fear that the appraiser will be subject to undue influence.

What does this mean? It means that if you want to obtain the most accurate appraisal of your property, you must be proactive in the process. Here are some tips to help you further your goals in this regard.

Be at the property with your real estate agent when the appraiser visits. Don't just be there to greet them, be proactive during the inspection. Stay with the

appraiser every step of the way and point out features that you feel are important. Make sure the appraiser does not miss anything of importance. It is understood that as a homeowner you may not know what is important and what is not important. That distinction does not matter. It is up to the appraiser to decide and if you do not give them all the information, they can't make a good decision.

“Sworn to identify the accurate value of a property to support...”


Ask as many questions as you can. Does the appraiser have the right boundaries of the property and even the right boundaries of the neighborhood? Does the appraiser know distinctive information about your neighborhood that may make it more attractive, such as distance from schools and other amenities? If you have a recent survey of the property that would help.

You should have copies of other important documents ready to give to the appraiser. These might include the latest tax bill and copies of invoices for any major home improvements. While the cost of every improvement does not necessarily add the same amount to the value, knowing the cost will help the appraiser come up with the most accurate value for each improvement.

The real estate agent should play a role in providing information, as well. A great determinant of the home's value will be determined by the use of what is called “comparables.” Comparables are other properties that have sold that will determine the

value of your property. If your next door neighbor sold his/her house for “x” dollars just a few weeks ago and their house is the same model, has the same improvements, is the same size and is in the same condition, you can see why this data would be important. On the other hand, even when everything seems to be the same, there can be differences. Perhaps your neighbor had to sell quickly because of a relocation and that means the price was discounted. With so many distressed sales out there, this fact could be very important.

Many times the information available on comparable sales are not accurate. Going back to your neighbor, perhaps you added an extra bedroom that they do not have, but it shows in the data as having that extra bedroom. Beyond the neighbor, this is why the real estate professional is so important. Your agent should know much about these comparables and should actually be suggesting the best comparables for your property.

When the appraisal does not come in at the agreed sales price, this does not mean that you should accept the value. The appraisal is the property of the lender and the purchaser. Will they provide you with a copy of the document for review? It is important to make sure the value is accurate and the purchaser has a vested interest in determining this as well... 

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