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## **Critical thinking & templates: Appraisers love their forms and their templates**

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The National Council for Excellence in Critical Thinking Instruction defines critical thinking as " the intellectually disciplined process of actively and skillfully conceptualizing, applying, analyzing, synthesizing, and/or evaluating information gathered from, or generated by, observation, experience, reflection, reasoning, or communication, as a guide to belief and action. In its exemplary form, it is based on universal intellectual values that transcend subject matter divisions: clarity, accuracy, precision, consistency, relevance, sound evidence, good reasons, depth, breadth, and fairness."

Big definition. Big concept. What does this have to do with appraisal?

Many would respond with a shrug of the shoulders, maybe of hint of disdain. Others of you would say, yes, that's what we do as appraisers.

At its very essence, an appraisal is the result of independent, i.e., critical thinking. As appraisers, we are further tasked with provide credible assignment results that must meet the test of being independent, impartial, and objective. The SCOPE OF WORK RULE tells us "credible assignment results require support by relevant evidence and logic." Further USPAP says that the "credibility of assignment results is measure in the context of intended use."

Believe it or not, the appraisal process has evolved over the two decades since licensing has been with it. What we do (and what we write) has changed. Our appreciation of defining and executing an acceptable scope of work has become more refined, our understanding of what is acceptable for a particular intended use has improved. Clients have a better understanding of what to ask for and if what they get is acceptable.

The evolution cuts across appraisal practice areas, whether commercial or residential. We are being asked to provide better justification for our adjustments, for our capitalization rates, for the selection of comparables. We are charged with providing cogent market analysis ( not new, see Standar Rule 1-3), whether for a single family market or for office markets.

Is all fine, then? No, not really. Not every practitioner is on board with the evolution. There's a lot of resistance to change, there's push back from being made to do something that shouldn't be new, but, for many, in fact, is!

The age of moving through boilerplate to get to the "comps" is drawing to a close. Intended users are asking, no, requiring, us to move beyond 30 pages of municipal information, unattributed copy and paste data from the internet, and some generalities about the "market" and to provide strong, specific, and credible for our conclusions.

Residential practitioners have been forced to adjust to the realities. The MC1004 form was created to provide additional market analysis. As imperfect as the form is, it has at least started the

"conversation" about market analysis. On the commercial side, things are a little more free form. All in all, we could probably use some best practice guidance in these regards.

Appraisers love their forms, their templates. As a colleague, no longer with us, used to say, "the form is not the appraisal!" Appraisers develop tunnel vision with overreliance on templates. It's very tempting to see the world from inside a template. In this digital universe that we are in, the pressure is on to reduce everything to a repeatable event, something that fits the fields, go into the database. Without critical thinking, appraisal becomes a template, a series of steps taken because they are next on the list. So much of what we do is due diligence, somewhat repetitive, and the temptation to ignore possible inconvenient factors is great. Without awareness, without a constant vigilance for items outside the template, the possibility of missing something vital is great. In these busy times, don't be tempted by the template. Look beyond the obvious and the ordinary: great insights may be right at your fingertips!

William Pastuszek, MAI, SRA, MRA heads Shepherd Associates, Newton, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540