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## **This is an article for appraisal reviewers and appraisal users**

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This is an article for appraisal reviewers and appraisal users. If you are a banker, third party reviewer, attorney, or other consumer of appraisals, read on. If you are a real estate appraiser, you don't have to read any further.

I have some observations and comments to share with you about recurring issues that I and other reviewers have noticed in many appraisals. (I can speak freely since no appraisers have read this far. If they were to read this, they would see the following.)

1. The reviewer should not be the second person who reads the report. The report should be a distillation of carefully honed reasoning, thinking, and analysis, not a trial run at writing a report. Reviewers are not editors.
2. Grammar and presentation count. Correct grammar, syntax, punctuation, formatting, consistency are givens. Some appraisers believe that bad grammar, run-ons, sentence fragments, incorrect verb-tense agreement, misspellings aren't USPAP violations. At some point they are. Bank examiners actually pay attention to report quality as an indication of credibility.
3. Proofreading is more than running spelling/grammar check. See #2 above.
4. Editing. The definition of editing: Arranging, revising, and preparing written [including appraisals], audio, or video material for final production or publication.
5. Software. Understand how to operate the software. Whether it's Argus, Excel, Word, Adobe, CoStar, or proprietary software, part of competency is to understand how to operate software, as well as understanding how the software got the answer.
6. Relationship of Cost, Time & Quality. USPAP makes no distinction between price, the amount of time to do the work, and quality. A compliant product must result no matter the fee or the time crunch.
7. Boilerplate/Overwriting. Too many mistakes result from the overwriting of old reports. Many reviewers read, with great mystification, reports that are written today but speak eloquently about what happened in the great Real Estate Depression of the 1990's. Bankers struggle to comprehend why an industrial market overview appears in an appraisal of a residential subdivision.
8. Appraisal is not filling in a Template. Forms and formats do not replace critical thinking. As reviewers and readers, we struggle with appraisal problems and data forced into forms or formats, with incomplete analysis, disconnected discussions, and multiple fonts.
9. Zoning, Highest and Best Use, Market Analysis. Understand the zoning of a property is key in real estate analysis. This is done through research and consultation with zoning experts, such as town officials. Highest and best use is not boilerplate but a fundamental activity. Market analysis is required under USPAP SR 1-3.
10. Extraordinary Assumptions/Hypothetical Conditions. These are confusing to be sure. Extraordinary Assumptions convey uncertainty. Hypothetical Conditions presume that something is

true when it isn't. Appraisers don't always understand when or where to use them. They must. They are central to an understanding of their value opinions. (By the way, appraisers don't have "estimates of value," they have "opinions of value.")

11. Reporting. USPAP is clear that the level of detail in a report is related to the intended use. When in doubt, explain. You know more than your reader. Show it. A Summary Report is not an exercise in minimalism.

To reviewers, underwriters, lenders: reviewing is an interactive process. Take the time to understand the appraisal being reviewed before jumping to conclusions. There are many ways to get to the same endpoint.

To appraisers, on behalf of reviewers and clients: If you felt your ears burning a little reading this (even when you weren't supposed to!), it's not too late, change is good. If not, congratulate yourself, remain vigilant, and pass this onto a colleague.

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