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Expediting the appraisal: Time is priceless

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By Rey Archambault,

Archambault & Associates One of the biggest challenges to appraisers, other than the evaluation assignment at hand, is balancing a workload with scarce time resources. In an age where lenders place like premiums on quality and timeliness, the challenge becomes greater to squeeze extra hours out of a workday while not compromising thoroughness. It is human nature to procrastinate. It is no different for appraisers, who after all, are only human. Speaking for many of my colleagues, I often succumb to temptation to complete a handful of assignments which can be turned out more quickly, and on time, at the expense of the occasional lone assignment which can slow production to a grinding halt.

Don't get me wrong - I enjoy a challenge. Difficult appraisal assignments keep us sharp and engage a level of reasoning which taps into our base of experience and knowledge more so than the average day to day assignments which generally meet societal norms. In such cases, there isn't much that can be done to aid the process - they just take longer to complete. Many otherwise routine assignments can become a time drain if insufficient information is provided to the appraiser at the onset. Everyone has a stake in the game here. Lenders, real estate agents, borrowers, and all of the other trickle down service providers, including contactors, benefit from timely decision making, with the appraisal being an integral piece of the puzzle. Short of doing the appraiser's work for him or her, what can a lender, agent or homeowner do to help expedite the appraisal process? Several things.

Appraisers rely on the best information available from trusted, reliable sources in forming a well documented, supportable opinion of value. Public records are a primary source of data for the appraiser to utilize. Unfortunately, not all communities are uniform in the way they capture and store records. In many communities, trying to find detailed information about an older building, an earlier land subdivision or non-conforming use approval can prove difficult to near impossible. Physical file storage constraints are the primary culprit, or perhaps a survey map was never filed in the land records, though some communities have historically been more adept at records capture and retention.

Data concerning the age of a building addition, building permits secured for updates and renovations, certificates of occupancy or compliance issued following completion of such work, information regarding variances granted and/or changes in the dimensions of a property, sanitary systems, etc., all need to be researched in preparing an appraisal. In many cases, the property owner has this information or is in a position to gather it quickly. Having a list of service providers who maintain mechanical systems, sanitary systems, completed structural work on a building, etc., is another good source. A simple checklist provided by the lender at the time of application, or by the agent at the time of listing, could prove a tremendous time saver to the appraiser, or at least

provide a more expeditious starting point for the appraiser's research. These bits of information or time saving leads truly assist the appraiser in reducing the time needed to complete an assignment, to everyone's benefit.

General information about a neighborhood can be helpful. While many appraisers restrict their service area coverage to more narrow geographic areas and are in a better position to keep up what is going on within different parts of a community, others maintain a wider service area. Although appraisers need to possess adequate knowledge of a market in order to accept an assignment, providing specific information about a new school or park, a recent change to the local business climate, etc., or information about a recent property sale which did not involve MLS can be helpful. Agents timely responses to inquiries by an appraiser regarding seller concessions for recently closed sales, and/or information regarding circumstances of such sales or overall questions about the condition of a property are also important.

Appraiser's need income and expense information in evaluating income producing properties, either residential or commercial/industrial. This information is not available from public sources and is critical to development of the assignment results. Providing the appraiser early on with copies of leases, rent summaries, recent year's expense histories and anticipating questions regarding unusual variances among line items within expense trends during a given period or gaps in tenancy, can save the appraiser a tremendous amount of time. In turn, a thorough summary and a direct access to such information can leave the appraiser with a feeling the property is well managed, a positive attribute in the valuation of such properties.

Follow-up property inspections by appraisers to verify that necessary repairs have been completed are another time consuming element of the appraisal process. While the appraiser is typically compensated by his client for such follow-ups, scheduling these to coincide with tight closing date requirements can be tricky. Often, repairs deemed immediately necessary to correct property flaws, or to bring a property into compliance with FHA or other secondary market regulations, etc., can be anticipated prior to the loan process and addressed in a timely manner, reducing the need for such inspections and saving all parties in the transaction needless angst at the last minute, not to mention saving the borrower additional fees.

In short, while none of these suggestions take a considerable amount of time for the individual lender, agent or borrower to furnish, their availability to the appraiser at the time of inspection can prove invaluable, just as time is priceless.

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