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Appraisers deal with multiple versions of the truth - by Shaun Fitzgerald

December 11, 2020 - Spotlights

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Many years ago, before the advent of sophisticated computerized data bases, there was concern about what was called multiple versions of the truth. Computer systems of old were not updated simultaneously, so for example, the billing address and the shipping address were not cleanly organized. The folks at the Sears Roebuck catalogue might send our purchase to our parent's address because that's the original address that they had for us. We wouldn't get the product, but we got the bill; they were always good about getting that address right. If by chance they sent the bill to the wrong address, they'd move heaven and earth to find your new place. Pretty soon, they had an address in the order entry system, one in the billing system, one in the bad account collection system and probably one in the new catalogue delivery system. And all those addresses were essentially correct – so, multiple versions of the truth.

Now, our very sophisticated database systems have pretty much the opposite problem. In the old days, all that data resided in different computer files in different systems, and the systems couldn't coordinate which piece of data was the most current, the most accurate, the most likely to be needed. Today, the coordination takes place very, very well. The processes are so sophisticated that errors can just keep repeating themselves. It's an appraiser's responsibility to research all the information about the subject property, the comparable properties, the income and expense rates and things like interest rates, capitalization rates and gross rent multipliers. That information might be available in multiple sources. As an example, the lot size might be found in the multiple listing system, the assessors' records and the county registry deeds and plans. Information from each of those sources might differ and it is the responsibility of the appraiser to determine which is correct and why the data from the different sources differ.

These days, appraisal reports – residential form reports in particular – get reviewed by computers. The computer systems that do the reviews are quite sophisticated. When the lot size in the appraisal report differs from the lot size that is in the reviewing computer system, the difference is flagged as an error. But it may not be an error. Unfortunately, the information in the reviewing computer system

might be wrong!

That incorrect data may be in the system because the computer system obtained that info from the MLS or the assessors' database. Once it is in there, the computer system believes that it has the correct data and that all else is wrong. To make matters worse, each time another appraiser uses that property info in a comparable description, the computer system convinces itself that it has the correct lot size. Pretty soon, the appraiser who has done the whole job – and done the whole job correctly – must defend use of the correct information. Those appraisers who rely on the most easily obtained data are probably wrong, but will never be called out for this alleged error.

I'm a big fan of computerized data bases. They make all kinds of processes easier and faster. On the other hand, I'm aware that the systems and the data can be flawed; the computer is not always right! So, as always, it is the appraiser's responsibility to not only collect the information, but to verify it and to properly report it. Computers can't do our job; but they should make it easier.

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