

How to Increase Your Chance for an Accurate Appraisal

Tips from Appraisers, Realtors and Lenders

- 1. Identify the costs that are over and above the usual.**

The appraiser should take that into account. An appraiser may not be aware of costs. The builder should supply the appraiser with a cost breakdown. A good appraiser will call and ask for a cost breakdown; however, as a whole, most appraisers rely on the market comparable approach. Be sure to add details such as finished lower level, granite countertops and tile flooring. Remember you are creating a picture in the appraiser's mind. The more information you supply the more accurate the appraisal will be.
- 2. Note why a home sold for more.**

If a spec home sells for greater than the list price include a comment in the Multiple Listing Service (MLS) report such as "sold for more because central air and patio were installed."
- 3. Ask the appraiser to walk through the property.**

The chance of success is greater when the appraiser is walking through the house rather than working from plans and specs.
- 4. Request a Re-check.**

A low appraisal can be re-checked to see if something was missed or overlooked.
- 5. Make sure your appraiser is certified.**

A licensed appraiser may not appraise properties over \$250,000. The law requires a certified appraiser if the value is greater than \$250,000.
- 6. Custom homes should be listed in the MLS.**

The Appraisal Institute says it is okay to post new homes in the MLS. The MLS will accept a listing if you sell the consumer both the house and the lot. The MLS prohibits a listing without a transfer of real estate. You must get permission from the buyer to list their home in the MLS book.
- 7. The consumer may deny the choice of appraiser with some lenders.**

The appraisal industry has changed drastically within the past years. The HVACC rules put in place since 2009 have created a federal firewall by restricting the lender from choosing the appraiser. Because appraisers are selected through an electronic pooling system, the lender doesn't know who the appraiser is until the appraisal is completed. Lenders have a list of approved appraisers and should select appraisers locally to ensure they're familiar with the local housing market; however, some bank systems will make a selection based on the lowest cost appraiser on the list. If the appraiser is from out of the area then a consumer may request another appraiser to do the job and it is possible some lenders will re-assign it to a local appraiser.