



Real Estate Times

with Suzanne Dingley

HARDER THAN IT LOOKS

With markets so rapidly changing, it's easy to imagine how property appraisers might sit in a darkened room, waving their hands over a crystal ball, and producing the mysterious and all-powerful document of a home's value. Let's dispel the notion of magical figures and look more carefully at the process.

When comparing against similar properties, it's not just the final price that counts. Appraisers also factor in any "incentives" offered, such as sellers who pay closing costs or remodeling allowances.

Perhaps the most important factor that lenders review in an appraisal is the closing dates of the "comparables" (other homes by which yours is measured). Unfortunately, with today's stricter lending requirements, most "comps" must have sold within the last 60 or even 45 days to carry weight. Markets change so quickly that any sale price

over two months old may be completely irrelevant.

Now a few words about how foreclosures in a neighborhood affect determination of value. Technically, appraisers shouldn't consider them, because they don't fit the Appraisal Institute's definition of "a property reasonably exposed in a competitive market." However, if several area homes have been abandoned, we know the negative effect that can have on a home's "perceived" value.

If you're planning to sell, express your concerns about the appraisal process to your representative, who will offer explanations and suggestions for improving your report's results.

*For responsible service in all your
Real Estate needs, call*

The Suzanne Dingley Team

640-4205

suzannedingley.com

Free consultation

We never stop moving.™

