

# THE FORSYTHE APPRAISALS FLASH

Appraisal Insights for Real Estate Professionals

## Demystifying Appraisal Acronyms

By Alan Hummel, SRA, SVP/Chief Appraiser

From classified ads (4BR 2BA W/WO BSMNT & 3 ATT, \$425K OBO) to text messages (U make me LOL or I'm ROTFL), it seems like you just can't escape acronyms! We not only encounter them in social settings (I ask my kids to help me with understanding text messages), but we also see them frequently in technical and professional reports, especially within the appraisal industry. In an effort to enlighten some of our readers, we have included a few common acronyms that you may find in an appraisal report along with their definitions:

**BPO** - Broker's Price Opinion, the report of a real estate broker's opinion of the price of a property. Also known as a **CMA** - Comparative Market Analysis, which a broker prepares to compare properties that are available in the market that would compete with the subject.

**SCGA** - State Certified General Appraiser, an appraiser licensed by the state to appraise a wide variety of property types and **SCRA** - State Certified Residential Appraiser, who is licensed to appraise residential properties.

**GRM** - Gross Rent Multiplier, which is a multiplier developed through market analysis which, when multiplied by market rent, gives an indication of a properties value.

**HBU** - Highest and Best Use, which is how the property should be used to maximize its value, after considering all of the possible physical and legal uses of the property.

**HVAC** - Heating, Venting and Air Conditioning, typically meaning all systems necessary to heat and cool a property.

**LUST** - Leaking Underground Storage Tank, especially dangerous when the tank has been used to store toxic materials and in an area that could enter a water stream.

**RCN** - Reconstruction Cost, New, the estimated cost of a structure, regardless of its age, if it were to be built today.

**SCA** - Sales Comparison Analysis, which is the study an appraiser conducts by comparing properties that have sold in the same market as the subject property, and, after making adjustments to the sales for differences, gives an indicated value for the property being appraised.

**USPAP** - Uniform Standards of Professional Appraisal Practice, which are the rules a professional appraiser will follow in order to arrive at a credible opinion, and are required to be abided by state and federal appraisal and lending regulations.

If you have a question about an acronym that has stumped you, please e-mail us as [alanh@forsytheappraisals.com](mailto:alanh@forsytheappraisals.com).

*Do you have any suggestions for future articles you'd like to see?  
Please e-mail Deb deLambert at [debd@forsytheappraisals.com](mailto:debd@forsytheappraisals.com).*



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