

FORSYTHE FLASH



Appraisal Insights for the Real Estate Professional

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Is the Subject Property Rural or Not?

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The number one question when appraising a property in Southern Minnesota is whether or not the subject should be considered to be rural. There are many factors that are included in determining whether or not the property should be considered rural or suburban.

A lender's underwriters are typically consider the property to be a rural home if the comparables are over five miles in distance. It is very common in smaller Southern Minnesota towns that have populations of 200 people or less to exceed this distance.

As a residential appraisers we have to determine that the property is not rural, but in fact should be marked suburban, and even though the property exceeds the distance guidelines to provide the comparables, we do select the three most recent and similar resale's available. Because the comparable is over five miles in distance does not make the subject a rural property. It just means that due to the small population of the subject's town, there were limited resales available as comparables. The appraiser will select similar resales from the closest town with the similar marketability.

As residential appraisers in Southern Minnesota, we determine a property to be rural if it typically has more then one acre of land, has its own private septic system and well, and is located outside the city limits of its mailing address. The process of doing the appraisal is very similar as to a property that would be marked suburban. The difference is that the property would be marked rural on the appraisal.

Frequently Asked Questions:

Q: What is a plat sketch?

A: A plat sketch is a drawing provided by the appraiser of a property's lot to show where the improvements (house and other buildings) are located. This is in reference to the property lines.

A plat sketch is from an appraiser's observation and should not be used in lieu of a professional survey.

Mortgage Rates As of January 12

30 Year Fixed: 6.15%
15 Year Fixed: 5.71%
1- Year ARM: 5.15%

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