

# FORSYTHE FLASH



Appraisal Insights for the Real Estate Professional

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## Unique Properties

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Log, geodesic dome, earth, berm, underground, straw bale.....These are descriptions of homes considered to be unique properties or that have construction features that may make them unique. What can truly make these homes unique in an appraisal sense is if there is no active market for their respective construction types. This is true with log homes, for example, because in some markets they are more common and not considered unique at all. Appraisers may see some of these housing types, such as a rammed earth home constructed with recycled tires, but never appraise them, due to the difficulties in obtaining financing.

Lenders are most concerned with whether or not there is an active market for a particular housing type and whether there is enough similar comparable sales data to yield a credible opinion of value. Many lenders will state outright that certain construction types are not eligible for their loan programs while others actively seek out opportunities to offer financing on the very same type homes.

Some homes that were traditionally constructed became “unique” due to alterations or additions. Examples seen in my market include, but are not limited to, applying stainless steel to the entire exterior or creating an addition by attaching a boat. The odds of finding similar comparable sales for these homes are very low.

In some markets earth berm homes, for example, are less common, however, there may be enough earth berm sales, augmented with more traditionally constructed home sales, to yield a credible value opinion. In my market, there are plenty of current log home sales so they are not considered out of the ordinary.

The key to appraising unique properties is locating similar comparable sales to demonstrate that there is an active market for that home type.

## Frequently Asked Questions

**Q:** What is “Marshall Swift”?

**A:** When people refer to “Marshall Swift” when appraising residential property, they are most likely referring to the Marshall & Swift Residential Cost Handbook published by Marshall & Swift, L.P. This service provides real estate industry professionals with current, up to date cost figures on a national basis, with regional adjustments.

## Mortgage Rates As of October 6

30 Year Fixed: **5.98%**  
15 Year Fixed: **5.54%**  
1- Year ARM: **4.77%**

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