

FORSYTHE FLASH

Appraisal Insights for the Real Estate Professional



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Where Do Appraisers Get Their Data for Comparable Properties?

By: Steve Hemrich, Branch Manager – Forsythe Appraisals, LLC - Cleveland

Appraisers obtain their data on comparable properties from numerous sources. Some of the most common are realtors, buyers and sellers, Multiple Listing Services (MLS), county auditor offices or county auditor websites. There are also private data sources available. Driving by and visually viewing the properties from the street is an important source. The best source is always a party directly involved with a particular property, such as a realtor, buyer or seller. They generally have firsthand knowledge of that particular property.

The Multiple Listing Service (MLS) is the primary source for appraisers. The benefit of MLS is that someone (usually the realtor) has been inside the particular property to obtain information. MLS will generally have most of the information an appraiser needs; such as square footage, room, bedroom and bathroom counts, finished or unfinished basements, and amenities. There is usually a description of the property with noted improvements made or deferred maintenance. This gives an appraiser an idea of the overall condition of that property. MLS will include list prices, sold prices, days on market and other valuable information that an appraiser can use.

County assessor offices or websites are a good source to verify MLS data or for data on non-MLS sales. The Assessors' offices will generally provide pertinent data such as square footage, room counts, acreage, sales prices and transfer dates. However, at times, data is not always current regarding the characteristics of the property. County records will not provide the condition of a property. Square footage can be inaccurate due to possible additions to the property that have not been filed with the county. Private data sources are similar to county records. One benefit is that the private provider has compiled the data and made it easier to go to one source for information. Like public records, the information is not always accurate.

A primary source is an exterior inspection of the property. The appraiser can get valuable information just by driving by a property. Some data sources may have omitted a particular feature that is visible to the appraiser. An appraiser can see how that particular property conforms to surrounding properties in that area. An appraiser can also see if there is any external obsolescence for a particular property, such as traffic, power lines and so forth. The appraiser can also see whether there is something superior about the location of that property, such as a lake view or golf course view.

As appraisers, our jobs are to collect, verify and analyze data. With the technology and data sources today, the appraisers' ability to do their jobs has greatly improved.

Frequently Asked Questions

Q: *What is USPAP?*

A: USPAP is an acronym for Uniform Standards of Professional Appraisal Practice. USPAP represents the generally accepted and recognized standards of appraisal practice in the United States and is included in state licensing regulations.

Mortgage Rates As of May 12, 2005

30 Year Fixed: **5.77%**

15 Year Fixed: **5.33%**

1- year ARM: **4.23%**

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