

# FORSYTHE FLASH

Appraisal Insights for the Real Estate Professional



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## Island Property Appraisals

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According to the CIA fact book, the coastlines of the United States add up to some 12,383 miles. Along many of these stretches, one will find habitable islands. For some, they offer seclusion from the rigors of our modern world, and for others, they represent an exotic getaway. Increasingly, however, especially for those islands close to metropolitan areas and accessible by ferry, the islands represent a unique and fashionable way of life. As more of these islands are developed, appraisers are more often asked to take on the challenging task of appraising an island property.

First, the appraiser has to get there. Chances are, if the island is inhabited, it has a bridge to it or it is accessible by ferry. This is necessary, simply for the pragmatic reasons that many materials must be transported to the island for home and infrastructure construction and because if the island is of any size, the residents will demand automobile access to get around. There are many islands, however, that are not accessible by automobile, and the appraiser must try out those sea legs and board a charter to get to the appointment.

Once there, a new set of challenges awaits. The bigger islands function much like a small community, and as long as the subject property has typical improvements, there is usually ample data. Still, if the island is small or the property is unique, it can be very difficult to find comparables. Sometimes, one is even forced to utilize comparables from another competing island and whole new set of questions must be answered. Is Island A equal in appeal to Island B? It can be a tricky question to answer. One must consider access, overall demand, the availability of commercial conveniences, and overall quality and condition of the building on the whole of the island, all of which affect appeal of the island.

Often, it is more reliable and accurate to use more disparate comps from the same island, rather than trying to use similar comps from other islands, whose locations may vary widely in appeal. Even if one is lucky enough to find comparables with improvements that are structurally similar, the characteristics of the lots on islands can be divergent. Obviously, there is a higher than typical percentage of waterfront properties, which come with their own set of complications: the grade of the bank, number of feet of frontage, and the depth of the moorage, to name a few. In addition to waterfront, many of the homes on an island will have views, which vary from average territorial views to spectacular water views, sometimes even with a good look at a nearby urban skyline. Even if one can find homes with similar view and/or waterfront, the quality, topography, and size of the parcel must be considered.

Still, despite their inherent difficulties, island appraisals are a challenging and rewarding assignment. One tends to forget about the headaches when cruising down an island back road, looking out over an ocean glittering in the sun. That alone gives one a better idea about what folks are looking for when they go searching for their own piece of an island, separated from the world by water.

## Frequently Asked Questions

### **Q: What is the difference between mobile, manufactured and modular homes?**

**A:** A mobile home is simply a manufactured home with the wheels and axles intact. A manufactured home is a home built offsite in one, two, or three pieces, transported to the site, assembled, placed on a permanent foundation, and connected to utilities. Modular housing is constructed using many different prefabricated pieces which are engineer to fit together easily at the build site. Modular housing is almost indistinguishable from stick-built homes. Manufactured housing, however, has increased its quality and appeal drastically in the last twenty years, and soon it will be hard to tell manufactured from modular and stick-built.

## Mortgage Rates As of March 3rd

30 Year Fixed: **5.79%**

15 Year Fixed: **5.33%**

1- year ARM: **4.14%**

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