

Relationships

By Greg Lane

Complete Real Estate Appraisal

This contract, made and entered into this day is developed by a contractor, appraiser, and individual buyer. In the event of a firm or corporation, the contract is developed by the

By now, most REALTORS® have resolved that the days of choosing their favorite appraiser are over... or are they? It never hurts to mention an appraiser's name to a lender; a REALTOR®'s recommendation can go a long way in maintaining our reputation with a client. However, the final choice these days is now typically left up to the lender's rotation system or an appraisal management company.

But not all appraisals are for a lender; in fact, an increasing percentage of appraisals these days are ordered for estate purposes, for listing purposes, divorce, etc. We

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must spell out the intended user(s) of the appraisal in the report, but the intended user does not have to be a lender—it can be a buyer or seller, a REALTOR®, an attorney, or others. Remind your buyers and sellers that a report ordered independently is for the client's use, and in most cases will not be able to be used again for the underwriting of a buyer's loan.

For most loans, lender clients will typically require their own appraisal ordered in compliance with the Home Valuation Code of Conduct and with their own corporate policy. But you may never get to the loan origination phase if you don't have the home listed competitively to begin with. For this reason, we have been noticing a sharp increase in top producing REALTORS® who require sellers

to get an appraisal before they begin the listing process. And of course, this is so much better than waiting months, after the home has become a "stale" listing and there is desperation and frustration in the air. Sometimes, the CMA just isn't enough to give you a comfort level, and it is time to have that talk with your sellers about taking the next step. And lately, there seems to be less hesitation on the part of sellers to pay for an appraisal which could save them time, money, or in some cases from losing the home altogether.

The key is to form a relationship with an appraiser from day one, to work with an appraiser who understands the local market and who can effectively communicate the report to you and your client. Aside from "listing" appraisals, there is also a growing trend of ordering an appraisal at the "eleventh hour." Increasingly, cash buyers are requesting an appraisal before they are ready to seal the deal. They don't have to have an appraisal to close, but to make a cash decision in this market, they may not close without a third-party professional opinion. An appraisal is not always necessary, and we might be the first ones to tell you so. But there may come a day when you need our services, so don't hesitate to call on your appraiser members of the local Tallahassee Board of REALTORS®.

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