

Anxious Buyer Can Raise Value Actions Determine Appraisal

We are all appraisers whether you realize it or not.

Each time you look at a person or object, you form an opinion. Sometimes it is the correct opinion, sometimes it is not. The possibility of its being a correct opinion is measured directly by the amount of knowledge you have to support your opinion.

In the appraisal of real estate this same principle applies. A real estate appraiser has the knowledge of the various characteristics of a property that cause it to have value. Appraisers do not determine value. They estimate value based on the actions of people.

People like you and me make value. We make value by wanting a property so quickly that the supply is temporarily out of balance or we all want a certain property so badly in a particular location that the demand is greater than the supply. Any time there are more buyers of anything than there are suppliers, the price increases.

You, the people, make value. We the appraisers, then find the value that you made by application of certain appraisal principles, by training in appraisal schools, and by relying on sound judgment.

For a better understanding of the appraisal problem, let us assume that you are interested

in changing homes. You wish to know how much you can expect to receive from your present home. Then how much should you pay for the home you plan to buy.

Some people add all the payments since they bought their present home, add this to their unpaid mortgage balance and say that is what they want for their home. They never once consider deterioration, obsolescence (out of date), or the fact that the house is in a dying neighborhood.

Then they are disturbed when no one buys their home. At the beginning they should have consulted an appraiser (all real estate men aren't appraisers, no more than all real estate men are mortgage brokers or insurance salesmen).

The appraiser then would have advised the correct selling price. The property would have sold and they would have saved hours of frustration and money. Conversely, when you buy another home you should not pay more than it is worth because if you do, you have no guarantee that someone else will buy it from you at its unrealistic price.

One of the biggest deterrents on the decision of the property owner to have an appraisal made, is the fear of the charge of the appraiser. Appraisers, as well

as all other professional men, are always happy to discuss their fees before furnishing the service.

One should not necessarily employ an appraiser just because he has a lower fee than some other appraiser. He should always employ the appraiser that has the knowledge and the ability to perform the desired service.

There are no cut and dried appraisal fees, no more than are doctors' visits the same price or all lawyers' fees the same. The fee charged is usually predicted upon the difficulty of the appraisal.

A real estate appraiser is a person who has been trained to find the value of your property. He approaches the problem in a similar manner as your doctor finds your physical trouble. The appraiser gathers the facts, checks their authenticity, applies his skill in appraising, then arrives at an opinion.

This opinion, as I mentioned in the beginning, is the appraisal and this is what you pay for.

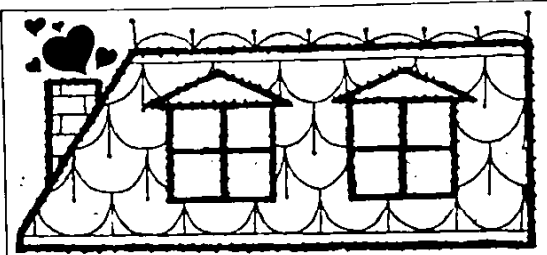
The appraiser cannot always tell you every minute step he took to arrive at his opinion. That would take too long and you would not be willing to pay him for his time. Therefore, if you have chosen the right appraiser, accept his report as being cor-

rect, and be governed accordingly.

Appraisers are listed in the yellow pages, the city directory

and are generally known to attorneys and financial institutions.

The next time you have a valuation problem, call one of them.



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