

How to Prepare for the Appraiser's Visit

By: Chip Wagner, SRA, SCRIP

The Real Estate Appraisal is the linchpin to buying or selling a home. It allows the property transactions to occur among the buyer, seller, real estate agent and mortgage lender. This article explains what the appraiser does, and suggests things you can do to prepare for the appraiser's visit. While all appraisers may not necessarily employ the process, this is how appraisers working at A.L. Wagner Appraisal Group will complete your appraisal.

By law, an appraiser must be *state licensed* to perform appraisals prepared for federally related transactions. Our appraisers have higher level certifications and professional designations, many which require significantly more education and experience beyond basic licensing. Upon arrival, the appraiser will be professionally dressed, and will offer you the courtesy of providing their identification and credentials – usually a business card.

To facilitate the appraisal process, it is beneficial to have these documents ready for the appraiser:

- **List of Updates & Improvements** – This is the single most important document appraisers at my firm request for all appraisal assignments. This “brag sheet” lists the major and minor home improvements and upgrades to your home. If possible, provide the approximate date of their installation and their cost (for example – Central Air Conditioning in Sept. 2016 - \$2,450)
- **Plat of Survey** – If readily available, this document shows the legal description, as well as the house and additional structures on the site, along with dimensions. It also notes the size of the lot with dimensions, as well as property setbacks and easements. Surveys may also note any encroachments on or off the site (driveways, fences, etc.). The appraiser will personally measure the home to check that the survey is accurate. In most cases, we have access to the site dimensions through public records. Having a copy available for the appraiser to take with is helpful, but not necessary. Do not fret if you cannot locate your survey, the appraiser can work around it. NOTE: Some lenders require the appraiser to provide the complete legal description on the appraisal, so if you cannot locate your survey, the appraiser will need to verify your Legal Description from your Title Policy or Deed.
- **Floor Plans/Blueprints** – If readily available, sharing with the appraiser any documentation showing the floorplan layout of your home is helpful. Every appraisal will require the appraiser to provide a floorplan showing the interior layout and room locations. Again, do not fret if you cannot locate these documents, or you were never provided with these documents. The appraiser will sketch your home's layout.
- **Title policy** – If there are potential issues with the home, this document will be necessary to better understand any of the encroachments or easements, whether they may be adverse and detrimental, or typical.
- **Tax Bill** – Some appraisers may request this, but in the areas that our firm is active (in the Chicagoland area), we have access to all property tax information through County and Assessor websites.

- **Inspection Reports** – Again, this is optional to share with the appraiser if it is available. Recent home inspections or other reports (such as for well and septic systems, or EIFS/Synthetic Stucco) are helpful documents for the appraiser to understand any potential issues that require repair or have been corrected.
- **List of Proposed Improvements** – If some improvements are planned, or have been started but not completed at the time the appraiser visits your home, details as to what is being done will be necessary. The appraisal is typical based on the “as-is” condition and appearance on the date of the appraisal inspection. Ultimately, it will be the client’s decision as to if these proposed improvements will be considered in the final valuation.
- **Homeowner Associations** – Your appraiser will need to know details if your property is governed by a mandatory homeowners association. The appraiser will need to know the monthly or annual dues and what it includes, as well as the contact information of the HOA and/or management company. Also, if there are any current or planned special assessments, this information will be helpful. If your property is a Condominium or Townhome/PUD, the appraisal cannot be completed without this information.
- **Previous Purchase Price** - The appraiser will be verifying what your home previously sold for. By law, the appraiser needs to document all sales transactions completed within the previous 3-year period. During their visit, your appraiser will confirm with you what is recorded in public records. Occasionally, we have found public records may be incorrect, or inconsistent between different sources. If so, documentation on your original purchase price will be needed – this can be found on the HUD-1 form provided to you at closing.
- **Comparable Sales Data Worksheet** – Many Relocation Companies offer a worksheet to be completed for the appraiser. If the homeowner is aware of any comparable sales or listings that they would like the appraiser to consider in the valuation of their home, they should feel comfortable sharing this information with them. Often times this information can be completed by your listing agent. This information, whether used or not used in the final appraisal, will be considered and addressed in the final report. This is the homeowner’s opportunity to get involved in the process and help the appraiser.

The Appraiser’s Visit

Once your appraiser has arrived, typically the visit will begin with a brief interview going through the things outlined on this list. The owner (or their representative – such as your Realtor, family member, or friend) should be available to answer questions about your property and willing to point out any improvements. On some occasions, if it is more convenient for all parties, the appraiser may access the home through the Realtor’s lockbox. If this is the case, the appraiser will want to spend time with you on the telephone to make sure all of their questions are answered, as well as your questions.

The appraiser will walk through the residence, spending time in each room measuring, taking notes and pictures. This process may take as little as 30 minutes and occasionally more than 2 hours. This is generally dictated based on the size and complexity of the home. The average home typically takes 45 to 60 minutes to walk through.

It is imperative that all areas are accessible to the appraiser. Both the relocation industry and the lending industry require interior room photos in all appraisal reports. If a private party appraisal is being completed for you, the appraiser typically takes photos to help document the interior features and condition of your home. These photos may or may not be included in the final report, and are not shared with anybody other than the client.

As far as housekeeping, appraisers see hundreds of homes a year and will look beyond clutter. Their camera does not show dust, and your appraiser is trained to look at your home through the eyes of the potential buyer. While the perfectly staged home is not mandatory, a good impression may maximize your appraised value.

Care should be made to repair maintenance items, minor things such as: lights that work, fixing leaky faucets, replacing missing door handles and trim, etc. State of Illinois law requires the home to have functioning smoke detectors and CO2 detectors in the home. The appraiser may also need to have access to your attic and/or crawlspace. The appraiser is not a trained home inspector – again, they are viewing the property through the eyes of the potential buyer of the home. If the home is in a market where FHA/VA financing is prevalent, certain minimum standards must be met for the buyer to get the mortgage.

After viewing the interior of the home, your appraiser will spend a few minutes on the outside, walking the site, measuring the home, and taking exterior photos.

At the end of the appraiser's visit, they will not be prepared to offer the value of your home to you. There are two reasons for this.

- First of all, if the client is a lender, corporation or Relocation Company, confidentially laws require to the appraiser to only share assignment results with the appraiser's client. (If you engaged/hired the appraiser, be assured that all sensitive information will be held in strict confidence.)
- Secondly, the appraiser is not yet ready to offer a value. Understand that the visit to your home is only the second step in the process (the first being the preliminary research that the appraiser does prior to arriving at your home). Much work still needs to be done prior to arriving at your home's value. After visiting your home, the appraiser will then spend time driving through your neighborhood and immediate area viewing the comparable sales and listings being considered in the appraisal report.

Once collecting the details and information on your property and the comparable properties "in the field," further research back at the office takes place. This may include speaking with Realtors to further confirm the details of the comparable properties being compared to your home. This is not generally done up front, because the appraiser needs to see your home to help narrow down comparables for consideration to your home. This is often a differentiating point between appraisers – the level of research and verification completed on every appraisal

assignment. Taking the time to verify critical details can ultimately impact the final value opinion. We do not cut corners.

Once the thorough research is completed, the appraiser begins to write the appraisal report. The following is a general timeframe to complete the appraisal from start to finish.

- **Preliminary research – 5%**
- **Property Inspection – 15%**
- **Drive Comparable Properties – 10%**
- **Office Research – 20%**
- **Report Preparation – 50%**

These percentages do not include the travel to and from your home. The actual time to complete the appraisal will depend on the type of appraisal as well as the size and complexity of the home being appraised which will dictate the appraiser's necessary scope of work. For example, an appraisal to purchase or sell a home will be written differently than a lending appraisal, an appraisal for IRS/Estate Tax, a relocation appraisal, or an appraisal that involves litigation (divorce included) which may eventually undergo the scrutiny of attorneys, judges and juries.

This process may take anywhere from 3 hours to over 20 hours. The typical appraisal assignment takes between 6 to 8 hours, from start to finish.

By law, you are entitled to receive a copy of the completed appraisal report from your lender. Most relocation companies and/or employers will share the relocation appraisal with you – check you're your relocation consultant that you are working with.

Please understand that your appraiser will probably not be able to have the value to you within the next 24 hours. Depending on scheduling issues and the appraiser's workload (conflicts, volume, deadlines, etc.), the typical appraisal is completed in 4 to 5 business days, but in some circumstances may take 2 weeks or longer. If your appraiser is experienced with a strong reputation, the demand for their services is likely to be high, and therefore is likely to be busy with work. Be cautious of the appraiser who can offer same-day, or 24-hour turn times.



*About the Author: **Alvin "Chip" Wagner III, SRA, SCRP** is a third generation appraiser that has been actively appraising residential properties for over 30 years. Based in Naperville, IL, Chip specializes in corporate relocation appraisals and complex residential properties throughout the northeastern Illinois region. For more information, please visit www.WagnerAppraisal.com or call us at (630) 416-6556*

CHECKLIST FOR THE APPRAISER'S VISIT

- **List of Updates & Improvements**
 - “Brag sheet” listing the major/minor home improvements and upgrades to your home.
 - If possible, provide the approximate date of their installation and their cost
- **Plat of Survey**
 - If you cannot locate your survey, the appraiser will work around it.
 - The appraiser will personally measure the home to check survey accuracy.
 - In most cases, we have access to the site dimensions through public records.
 - Having a copy available for the appraiser to take with is not necessary.
- **Floor Plans/Blueprints**
 - Every appraisal requires a floorplan showing the interior layout and room locations. Without this, the appraiser will sketch your home’s layout.
 - If you do not have these documents, the appraiser will work around it.
- **Title policy**
 - The appraiser may or may not ask for this.
 - If there are potential issues with the home, this document will be necessary to understand encroachments or easements.
- **Tax Bill**
 - Optional - we have access to all property tax information through County websites.
- **Inspection Reports**
 - This is optional to share with the appraiser if it is available.
 - Recent home inspections or other reports (such as for well and septic systems, or EIFS/Synthetic Stucco)
- **List of Proposed Improvements**
 - If some improvements are planned, or have been started but not completed at the time the appraiser visits your home, details as to what is being done will be necessary.
- **Homeowner Associations**
 - Monthly or annual dues amount, and what it includes
 - The contact information for the HOA and/or management company.
 - Verification of current or planned special assessments
 - If a Condominium or Townhome/PUD, the appraisal cannot be completed without it.
- **Previous Purchase Price**
 - By law, the appraiser needs to document all sales transactions completed within the previous 3-year period.
 - The appraiser will confirm with you what is recorded in public records.
 - Occasionally public records may be incorrect, or inconsistent between different sources.
 - Documentation can be found on the HUD-1 form provided to you at closing.
- **Comparable Sales Data Worksheet (for Corporate Relocation Appraisals)**
 - If the homeowner is aware of any comparable sales or listings that they would like the appraiser to consider in the valuation of their home
 - This is the homeowner’s opportunity to get involved in the process.