

Why Do I Need An Appraisal?

The basic purpose of an appraisal is to help in making a real estate decision. An appraisal could be needed in any of the following situations:

- ✍ Setting a price for buying or selling.
- ✍ Setting collateral value for financing.
- ✍ Assisting in a refinancing decision.
- ✍ Determining just compensation in condemnation proceedings.
- ✍ Assisting in real estate and personal income tax matters.
- ✍ Setting rent schedules and lease provisions.
- ✍ Determining the feasibility of a project.
- ✍ Estimating the price for a corporation's purchase of a transferred employee's home.
- ✍ Assisting in insurance matters.
- ✍ Estimating liquidation value for forced sale or auction proceedings.
- ✍ Determining supply and demand trends in market.

What Is Market Value?

Market value is the most probable price for which the property should sell after reasonable exposure in a competitive market with a willing and knowledgeable buyer and seller and assuming a fair and normal sale with no undue pressure upon either party.

Is There A Difference Between Selling Price And Value?

Sometimes! Every day some properties sell at a price which is above or below the normal market value. A professional appraisal is an unbiased estimate of value which includes an analysis of past and current sale prices.

How Does One Determine Market Value?

Three different methods are generally used in the appraisal process. A brief description of each follows:

Cost approach: This method involves estimating building cost and deducting for wear and tear, design flaws or location problems. Land value is added to this building cost to derive a value estimate.

Sales comparison approach: This method is the most commonly utilized. This approach compares the subject property with somewhat similar properties which have recently sold. Adjustments for differences such as overall square footage, condition and location lead to value indication.

Income approach: This method analyzes the value of the property based on its ability to produce net rental income. The income approach is seldom used in appraisals of single-family residences.

Does The Tax Assessment Indicate Current Market Value?

Not always. There is anywhere from a one to two year time lag between the assessment work and publication of assessed value. Assessors appraise hundreds or even thousands of properties in a year. They are not always able to inspect the property and frequently can spend only a few minutes work on each valuation. While many properties sell at a price above the assessed value, some sell below the assessment.

Does Adding To Or Renovating My Property Increase The Value?

In most cases, when additions are made or renovations take place, the value will increase. However, the cost of adding the item is not always equal to the value that the item contributes to the total property value. It will depend on the area, the market demand, quality of construction, workmanship, etc. Painting and cosmetic repairs generally yield the greatest return on investment.

Do All Property Values Rise At The Same Rate Every Year?

No. There are no two properties and no two neighborhoods that are exactly alike. In one neighborhood, sales may indicate a 15% rise in value in a year, while in another neighborhood the rate of increase may be only 5%. Even within the same neighborhood, different types of properties may show different increases. For example, one-story houses may be more in demand than two-story houses. There are many features to be considered in every property which cause the value to differ. Some of the characteristics which can affect value are location, condition, size, heating type, basement finish, fireplaces, porches, garages, patios, etc.

How Long Is An Appraisal Valid?

Supply and demand and market conditions are constantly changing, causing value to increase or decrease. In a fairly stable market, an appraisal should be valid for 60 to 90 days.

How Can I Find A Qualified Appraiser?

In every profession there are individuals who are recognized as having greater skills and higher abilities than others. In the field of appraising, these are generally individuals who have had extensive training and experience, follow the codes of professional ethics and standards of professional practice and have received professional recognition for their abilities.

Reputation and qualifications are important considerations in choosing an appraiser. Recommendations may be obtained from chapter offices of the appraisal institute, local realtors, and savings and loan and bank representatives.

What Can a Client Expect from Our Firm?

RESPONSIVENESS

We keep in touch during an analysis. We work with your deadlines. Conclusions are reported to you verbally before the report is prepared.

DISCIPLINED APPROACH

With over 23 years of experience in the appraisal field in Puerto Rico, Florida and other countries, we analyze the competitive environment, measure the property's market position, forecast future potential, and apply analytical tools to solve valuation problems. These analyses help assure that we provide you with complete and well-supported conclusions.

CLIENT FOCUS

We understand that every property is unique. Understanding your needs and the requirements of the industry is a part of our professional service.

SOLUTIONS

Ours is a professional staff, trained to stay in touch with the marketplace, anticipate trends, recognize opportunities, and discover solutions. Extensive knowledge and careful consideration are the basis for our solutions.

SERVICE

Our pledge of service means that we will:

- ✍ Explain each factor in the analysis.
- ✍ Explore your data and reasoning.
- ✍ Inform you of our progress or any problems.
- ✍ Adhere to the Uniform Standards of Professional Appraisal Practice.
- ✍ Ask for your assessment of our performance through our Quality Survey.

CONTACT US!

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