

AVMs: Fact or Fiction?

A real estate CE course by Melanie McLane

AVMs are Used By:

- ✓ Lenders
- ✓ Real estate professionals
- ✓ Consumers
- ✓ Other

Pros and Cons of AVMs:

- ✓ USPAP considerations
- ✓ Accuracy
- ✓ Understanding
- ✓ Who sets the algorithms?

Pressure to Use AVMs:

- ✓ Lenders: quick and easy
- ✓ Cheaper than a 'full appraisal'
- ✓ Considered to be 'unbiased'

Issues and problems:

AVMs combined with desktop technology

If the 'system' is suggesting comps, has the appraiser lost independence?

Special situations:

- ✓ Changing markets
- ✓ Unusual properties
- ✓ Relevant characteristics
- ✓ Highest and Best Use