

“Estimate, Adjust, and Defend©”

A Real Estate CE Course by Melanie McLane

Relevant Characteristics

Known Adjustments

Data:

- ✓ Finding it—multiple sources
- ✓ Organizing it
- ✓ Analyzing it
- ✓ Workfile!

The Sales Comparison Approach

- What sellers do and think
- What buyers do and think
- What agents do and think
- What appraisers do and think

Quality and Quantity of Data

The “Typical Purchaser” means:

Methods to Extract and Support Adjustments:

- Paired sales Analysis
- Income and Expense
- Cost and Depreciation
- Buyer Interviews

Paired Sales

Income and Expense Analysis

Cost and Depreciation

Buyer Interviews

Pros and Cons:

Estimating Land Value

Pros and Cons:

Boilerplate:

Base and Basis:

Appreciation and Depreciation Rates:

- ✓ Fannie Mae newsletter
- ✓ Condition?

Age Adjustments

Energy Efficient Items

Scope of Work

Certifications

Reviews

Common Errors: Top 10

10. Misunderstanding the clients' needs
9. Relying on the clients' interpretation of USPAP
8. Failure to create the proper "scope of work"
7. Not notifying the client of limited expertise or lack of it for an assignment
6. Incomplete research of the subject property
5. Reliance on only one data collection source for comparables
4. Inability to properly explain adjustments and/or final reconciliation

3. Failure to identify zoning/ highest and best use issues
2. Incomplete work files/ unsigned certifications
1. Lack of Geographical Competency

Other common errors:

Biggest issue in disciplinary cases: INCOMPLETE WORKFILE!

Wrap up and Q & A