



AN OPINION WITHOUT SUPPORT IS NOT AN APPRAISAL – IT’S SPECULATION

Would you be alarmed if your doctor took your temperature by placing a hand on your forehead?
“Oh, yes, you feel hot. I’ll give you a prescription.”

Would you keep the CPA who told you that you owe the IRS an approximate amount?
“Write ‘em a check for around \$10,000. It’ll probably be less than that, so they’ll send back what they don’t use.”

We have an expectation that professionals will not provide an opinion or conclusion without first collecting, verifying, and analyzing relevant data. Those who employ appraisers have the same expectation of us. However, many appraisers produce appraisal reports which are based, in whole or in part, on unsupported conclusions.

These reports look identical to the ones that are supported. They contain professional-looking language, commentary, and limiting conditions. They even express, in the signed certification, something along the lines that the result is subsequent to their “professional analyses, opinions, and conclusions.”* Many well-meaning appraisers have been working this way for so long that *they believe* what they’re saying. They believe that, just by driving through a neighborhood and appraising the occasional property in it over the years, they *know* what the market trends are. They need no statistical research. They have been using the same line-item adjustments in the Sales Comparison Approach for so many years, without complaints, that they *must* be right.

In fact, their reported market trends may be accurate; their adjustments to the compared sales may be appropriate. Unfortunately, without “support by relevant evidence and logic”,** the report is not credible. In fact, it is misleading because the appraiser hasn’t done the work. The “professional analyses” were not performed.

The difference between speculating and appraising is profound. One is the result of guesswork while the other requires careful examination. It’s usually not known which an appraiser is doing unless a complaint is filed with the state board. In a typical complaint investigation, the appraisal workfile is examined to determine if it contains the information that supports the appraisal report. A comprehensive workfile, whether paper or digital, will contain the information that the appraiser has collected, verified, and analyzed.***

I'm always impressed by the appraisers who hire me for a *USPAP Check-Up*. These are professionals who don't have a complaint with their board. They want to make sure their everyday work is up to standards should the day come when some buyer or seller suffering from sour grapes files against them.

Please go to <https://www.appraiserconsult.com/uspap-check-up-1.html> if you would to have me go over your work with you.

* *2014-2015 USPAP Edition* © The Appraisal Foundation, page U-26, line 816

** "Credible assignment results require support by relevant evidence and logic, to the degree necessary for the intended use" is found not once, but twice, in *USPAP 2014-2015 Edition* ©The Appraisal Foundation; page/line U-2/66 and U-13/402.

*** I'm aware that the Record Keeping Rule includes in the fourth bullet on line 322 of page U-10 of the current USPAP edition the clause, "or references to the location(s) of such other documentation." Trust me on this. If you get a complaint, *now's* the time to retrieve this documentation and send it into the board.