

REASONS TO GET AN APPRAISAL

Every year, countless people in the United States buy, sell or refinance their own slice of the American Dream. Most, if not all, of these transactions include a simple line item for an appraisal. It has become an understood and accepted part of a real estate transaction. "Let's bring in the expert and make sure we're not spending too much on this property."

But is this the only reason to get an appraisal? Are there other times when the services of a certified, licensed, independent real estate professional might come in handy? You bet.

PURCHASE OF A HOME

One of the most important issues involved in purchasing a property is developing an opinion of what it's worth so that you can make an informed offer to purchase. A professional appraisal report performed by a qualified, state-licensed appraiser can provide you with an objective, third party opinion of a property's current Market Value. And for the small price of this service, you can give yourself "peace of mind" prior to making an offer to purchase that you're offering a fair price for the property.

REFINANCE OR GET A HOME EQUITY LOAN

If you need to consolidate bills, have a college tuition to pay, or just want to tap into the equity of your home, you'll need a new loan, which oftentimes requires a new appraisal of the property.

PMI REMOVAL

Private Mortgage Insurance or PMI is the supplemental insurance that many lenders ask home buyers to purchase when the amount being loaned is more than 80% of the value of the home. Very often, this additional payment is folded into the monthly mortgage payment and is quickly forgotten. This is unfortunate because PMI becomes unnecessary when the remaining balance of the loan - whether through market appreciation or principal paydown - dips below this 80% level. In fact, the United States Congress passed a law in 1998 (the Homeowners Protection Act of 1998) that requires lenders to remove the PMI payments when the loan-to-value ratio conditions have been met.

Many appraisers offer a specific service for home owners that believe they have met the 80% loan-to-value metric. For a nominal fee, the appraiser can provide you with a statement regarding the home value. Some will even take the next step and help you file a challenge with your mortgage company. The costs of these services are very often recovered in just a few months of not paying the PMI.

DIVORCE SETTLEMENT

A divorce can be a particularly traumatic experience for both parties and is often further complicated by the difficult decision of "Who gets the house?". In most divorce cases, the Court won't usually force the parties involved to "buyout" the other party's interest but it may however order the sale of the home so each party gets an equal share of the equity. Regardless of the situation, it's a good idea to order an appraisal so both parties are fully aware of what the true market value is.

If the parties want to sell the home, they'll have a better idea of what price to set. And on the flipside, if a "buyout" is the chosen option, both parties will feel like they've gotten a fair assessment.

ESTATE LIQUIDATION

The loss of a loved one is a difficult time in life and settling an estate from a death, or probate, often requires an appraisal to establish Fair Market Value for the residential property involved. The ethics provision within the Uniform Standards of Professional Appraisal Practice (USPAP) binds us with confidentiality, ensuring the fullest degree of discretion.

Unlike many wealthy individuals, the majority of Americans do not have dedicated estate planners or executors to handle these issues. Also, in most cases, a home or other real property makes up a disproportionate share of the total estate value.

Here too, an appraiser can help. Often the first step in fairly disposing of an estate is to understand its true value. Where property is involved, the appraiser can help determine the true value. At this point, equitable arrangements can more easily be arrived at among disputing parties. Everyone walks away knowing they've received a fair deal.

RELOCATION

We understand the stress involved with an employee relocation. We take great care in establishing a convenient appointment time for the appraisal inspection. During our thorough inspection, we encourage relocating employees to provide input on the positive attributes of their property along with information about any recent sales or listings in their neighborhood that they want considered.

HOME IMPROVEMENTS TO ADD VALUE

Before you decide to sell your home, there are several decisions to be made. First and foremost: "How much should it sell for?" But don't forget there may be other equally important questions to ask yourself such as "Would

it be better to paint the entire house before we sell it?", "Should I put in that third bathroom?", "Should I complete my kitchen remodel?" Many things which we do to our houses have an effect on their value. Unfortunately, not all of them have an equal effect. While a kitchen remodel may improve the appeal of a home, it may not add nearly enough to the value to justify the expense.

SELLING A HOME

Whether you choose to sell your home on your own or use the assistance of a real estate agent, a professional appraisal can help you make a better educated decision when determining your selling price.

Unlike a real estate agent, an appraiser has no vested interest in what amount the house sells for. It's easy for them to step in and give you the information to help you make your decision. Appraiser fees are based on efforts to complete the report and not a percentage of the sales price. So seeking a professional appraisal can often help homeowners make the best decisions on investing in their homes and setting a fair sales price.