

The SAMCO Bulletin Board



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Eliminate ‘Additional Comparable’ Requests

Don't you hate it when you get a Request for Revision that says find another comparable? I know it would be "nice" or possibly "convenient" for everyone looking over the appraisal report to just trust that you located the "best" comparable sales. And that is your job, to PROVE that the comparable sales chosen were the best available. .

You prove your comparable sale selection (and ultimately the Estimate of Value) by making the search parameters straight forward and easily understood. That is accomplished by providing your proof in the following format. Providing in a narrative explanation may still be confusing to a reader of the report, and omission mistakes may happen. Search Parameters and Results **must be done** with every report where an Appraisal Standard is not met or in the case of an Estimate of Value not meeting the purchase price. It is easily completed during your comparable search process.

Example:

Search #1

Parameters: Sale date 1 year, 1 mile radius, 1500 to 2500 GLA, 1955 to 1975 yr built

Results: 2 sales

Used: 1 sale used for comparable #2

Not Used: 1 sale not used due to bank owned sale

Comments: The sales in this rural village are limited. In order to find comparable sales the search will be extended to other rural villages in Blank County.

Search #2

Parameters: Sale date 1 year, 20 mile radius, 1500 to 2500 GLA, 1955 to 1975 yr built, lots under 1 acre

Results: 13

Used: 2 sales used in similar villages to bracket age

Not Used: 8 sales not used due to superior condition (which would exceed net and gross adjustments), or being outside of village limits. 3 sales not used due to being bank owned.

Comments: In order to limit rural sales the lots under 1 acre was included in this Search's criteria. GLA was unable to be bracketed with available sales. Another search to find dated sales to bracket GLA needs to be done and used for support in the 4-6 grid.

Search #3

Parameters: 1 to 2 year sale date, 20 mile radius, 1500 to 2500 GLA, 1955 to 1975 yr built, under 1 acre

Results: 8

Used: 1 because within subject's village limits

Not Used: 7

Comments: This listing will bracket GLA and be placed in the 4-6 grid since it is not acceptable for the 1-3 grid.

Note: Including the Search Parameters and Results gives the reader of the report **confidence** in your comparables. Define for the reader of the report what you have determined to be ‘comparable’ to the subject. Detail ranges for the ‘relevant measurable items’ (design/style, square footage, year built, acreage etc.). Then explain for the reader the radius searched, and how many sales were found within the parameters used. Finally, explain any additional sales found but not used. This search should be able to be duplicated, avoid using parameters that are subjective (condition, quality of construction etc.) Be transparent in this process. It lends to credibility.

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