

The SAMCO Bulletin Board



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Apples to Apples

Fact One: Appraising in rural areas can be difficult.

Fact Two: When an appraiser is armpit deep into an appraisal, confusion can happen.

Below are three ‘real life’ photographs of properties located in the same rural market, all on 1-3 acres. At a glance, which 2 of these properties are comparable to each other? I think most would say unquestionably it’s the first one, and the third one. Do you agree?

Often it’s just that simple, but here is where many appraisers become confused. The first 2 are very close in distance to each other and literally have **identical** square footage, bed/bath count, and acreage. So does that make them ‘comparable’? No. The first is an old-style farmhouse; the second is a brick ranch from a vastly different building era. Enough said, forget the rest. The first two properties below are the very essence of “**apples and oranges**”. Regardless of the measurables, you can’t change what the subject is!

1



#2



#3



Comparable selection is perhaps the most fundamental skill an appraiser must possess. It seems simple enough, yet when poorly done, significantly confuses and discredits a report. You are looking for **defensible representations** of the subject property. A **precedent** set in the market to which you can point to prove the subject's value. It has got to make sense! Keep it simple, stick to comparing **“apples to apples”**.

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