

Appraising in Uncertain Times

Published on Jun 30, 2020 by Peoples Company



With ongoing speculation about how COVID-19 is ultimately going to impact the economy, appraisers are tasked with the continuing challenge of determining property values in an unstable market.

Though we cannot see into the future, we can remain informed regarding current market conditions and reporting requirements to provide accurate property valuations.

Due Diligence and Collaboration

Working alongside appraisal peers, brokers, county officials, and realtors to research the local and national market conditions can lead to an appraisal that may be more effective for communicating the overall view of the market.

With so much data available online, it is possible to gather a large *quantity* of information without ever talking to another person. But *quantity* does not equal *quality*. A conversation with a local farmer cannot be replaced by the click of a button. Discussing rental rates with a broker or farm manager can far exceed a generalized study of the broader region or an algorithm. Reaching out to appraisal peers and industry leaders can lead to more clarity than a random Google search result.

Tracking [industry news](#) through a variety of reputable sources can provide insight and perspective.

Clear and Effective Reporting

Regardless of the diligence in research and expert testimony gathered, it is still the appraiser's responsibility to communicate the limitations of a report. Depending on the reporting requirements of the client, this could result in a statement that reminds the client and intended users of the significance of the effective date of the report and highlights the pertinent issues in the current market.

- The analyses and value opinions in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value.
- Any relevant factors should be included in the discussion surrounding market conditions.

Due diligence in analysis and reporting, consulting industry experts, and clear communication of the limitations of the report are all critical when appraising in uncertain times.

Additional Information on COVID-19 and Appraising:

[NCREIF: Appraisal Disclaimers, Disclosures, and Material Uncertainty Clauses in Appraisal Reports](#)

[ASFMRA: COVID-19 Resources](#)

[Appraisal Institute: COVID-19 Update](#)

Peoples Company has an experienced team of certified appraisers across the country that specialize in the appraisal of agricultural properties. To inquire about having an appraisal conducted or retaining the services of a licensed professional consultant, contact Peoples Company at [855.800.5263](tel:855.800.5263) or email Appraisal@PeoplesCompany.com for additional information.