

Do You Know The Top Characteristics of a Good Appraiser?

Published on Jun 25, 2020 by Peoples Company



There may be times when you need to know the value of a farm or business. It typically does not occur often, but when you need to determine a value, selecting a well-qualified appraiser is essential. So, what does it mean to be a good appraiser?

Are they ethical?

This is at the top of the list. Do they stand their ground if a client is not happy with a value they have ascertained? An appraiser's livelihood depends on keeping the client happy and there can be a lot of pressure for an appraisal to meet a certain number. Good appraisers provide the number the data supports, not the number someone wants.

Do they ask the right questions?

A good appraiser asks a lot of questions. Appraisals are more complex than simply coming up with a number. There are numerous ways to consider a valuation, and a good appraiser will drill down the scope of the problem to be solved. A good appraiser knows you cannot provide the correct answer if you do not know

the right question. Further, a good appraiser will ask for details about a sale they are considering using as a comparable. For example, were there any special circumstances that affected the sale? Were there two disgruntled neighbors battling it out during an auction? Did a landowner give their tenant a discount when selling them the farm? These are a few of the things a good appraiser needs to know and asks.

Are they detail oriented?

Sloppy work is a sign of sloppy thinking. Appraising a property is a detailed process of considering an incredible number of data points and analyzing them through the appraisal process to ascertain an answer to the valuation question. One mistake could affect the entire appraisal. A good appraiser checks their work multiple times, and when appropriate, asks others for input.

Are their reports understandable?

While complex, the appraisal report follows a logical process and the work should reflect the appraiser's thought process in developing the valuation. A good appraiser makes it clear how they determined the value.

Are they certified?

There are primarily three organizations that provide certifications for rural appraisers: American Society of Farm Managers and Rural Appraisers, Appraisal Institute, and American Society of Appraisers. Each provides a means by which appraisers are evaluated by their peers and determined to meet the required level of competency for certification. Can an appraiser be good without being certified? Of course, but certification is a way to recognize that an appraiser has met certain standards and qualifications.

Peoples Company seeks and employs well-qualified appraisers to provide our clients the most accurate valuation available in the market. If you have property you would like to have evaluated today, please email us at Appraisal@PeoplesCompany.com or call 855.800.5263.