



Center for Innovative School Facilities of Oregon

A Project of Innovation Partnership

The Role of the Appraiser

The following brief was excerpted from the comments of three experts in the field of real estate: Rick Walker of Palmer Gorth & Pietka, Kelly Hossaini of Miller Nash L.L.P. and Sally Eddy of Commercial Appraiser & Consulting Services. Each individual offers his or her own unique point of view on the topic of appraisal. The following brief does not reflect solely on any one perspective but offers a general overview of the different perspectives.

Overview of Who an Appraiser Is

When hiring the proper appraiser, someone who sets value on real estate property, for a project, it is important to make sure to check his or her qualifications. These include checking their certification, for which they usually have a college degree in economics, business or other real estate related fields. The proper appraiser will also have completed state mandated training and they will have been tested as proficient in several professional courses. This process concludes with the appraiser passing a state-administered comprehensive exam. The appraiser will then become officially licensed and will have to maintain their license by continuing to pass education classes to get their bi-annual recertification. This re-certification is crucial when selecting the right appraiser since it shows that the appraiser is continuing to perform at a proficient level. As well, the re-certification will assure that the appraiser is following the mandated written process and ethics rules.

The Appraisal Process

The process of appraisal falls under the guidelines set forth by the Uniform Standards of Professional Appraisal Practice (USPAP). This includes required research needed to develop an appraisal, or opinion of value, and the use of all appropriate analysis. These standards require that specific reporting standards be met so as to not mislead the reader. Most importantly, the standards dictate an adherence to the strict ethics rules.

Services an Appraiser Can Provide

An appraiser can do more than just set their opinion of value on real estate. The list of services that an appraiser can provide includes:

- Acquisitions
- Sales
- Partial interest sales/acquisitions
- Trades
- Rent studies/interim uses
- Long range strategic planning
- Hypothetical “what if’s”

- Reviews of other appraisals
- Permit processing

Markets That Must be Researched, Documented and Analyzed

Any suitable market needs to be properly researched, documented and analyzed before any real estate can be sold or built. These markets must be analyzed both before and after their situations. Before a situation, markets that must be researched, documented and analyzed include:

- Square foot residence on acreage
- Unimproved acreage building sites
- Commercial nurseries
- Dry crop lands
- Irrigate crop lands
- Permanent planning's (orchards)

Examples of after market situations include:

- Public institutions
- Square foot residential/with excess development land
- Multi-family development land
- Commercial development land
- Open spaces, i.e. resource preservations and wetland mitigations

Conclusion

Selecting the correct appraiser for a project includes knowing their qualifications. The State of Oregon provides them with an official license and important bi-annual re-certification, both of which an appraiser must have to do any work. The appraisal process falls under USPAP guidelines that mandate an adherence to strict ethics rules. An appraiser is responsible for more than just setting value on real estate and can provide services such as acquisitions, sales, and permit processing. Markets must be researched, documented and analyzed before real estate can be sold or built. These markets include public institutions, commercial development land and unimproved acreage building sites. An appraiser who is properly licensed and certified can immensely help a school district select the proper real estate. The appraiser can also process permits and construct long range strategic planning. The proper appraiser will research and analyze any potential market, making sure the school district has a proper evaluation of their property. Most importantly, the proper appraiser will practice good ethics and follow the proper standards.