

# The Role *of the* Professional Appraiser



## Retain the Services of a Professional Appraiser

In deciding to purchase a home, you've made what may be the single largest investment decision you will make in your lifetime. Of course you want your purchase to be an informed choice. The consulting services that a member of the Appraisal Institute of Canada (AIC) provides can help.

The Institute's mission is to protect the public interest and support our members by ensuring high standards of professional real estate and related property advisory services.

AIC members are professionals you can trust to provide an independent, objective opinion on the market value of any home or property.

AIC's designated members must have met the Institute's standards of rigorous education, experience, and admissions requirements and they must adhere to the Institute's Code of Ethics to obtain one of two prestigious designations conferred by the AIC.

- CRA (Canadian Residential Appraiser)
- AACI, P.App (Accredited Appraiser Canadian Institute, Professional Appraiser)

In the case of a home purchase, a designated appraiser's primary role is

to provide an opinion on the current market value of the property being bought or sold and the value for mortgage or lending purposes.

If your purchase involves a mortgage, the mortgage company will most likely impose a requirement for a professional appraisal.

**If your purchase involves a mortgage, the mortgage company will most likely impose a requirement for a professional appraisal.**

The mortgage company may retain an appraiser and subsequently pass the costs on to you or you may choose to retain the services of an appraiser on your own. Retaining an appraiser on your own does not increase costs because the lending institution will usually accept the report of the AIC appraiser you retained. An appraiser will provide an independent and objective valuation of the property.

The evaluation process involves a thorough investigation of market trends, economic and locational factors, and real estate factors. Knowledge is the cornerstone of an appraisal. It is the best bargaining tool you have in buying or selling real property. An AIC-designated member has years of education and

training and will provide a professional opinion you can trust.

Appraisers may also provide advisory and consulting services on broader issues, at the time of purchase or in the future, depending on client needs.

For example, the scope of an assignment may include:

- future value of property being built;
- value to assist in investment decisions;
- value of assets;
- value of property involved in a legal dispute;
- verification of damage claims;
- value to properly measure property tax assessments, capital gains, and other taxes;
- valuation to determine compensation when property is expropriated;
- consulting: feasibility studies, property management, lease analysis, and highest and best use studies.

The key word is "value." An appraiser may be hired by a company or institution to perform any of these duties, but individuals may also retain the services of an appraiser independently, to obtain an objective opinion on any of these subjects.

Knowledge is the cornerstone of an appraisal. A designated member of AIC has had years of education and training and puts all of it to work for you.

It is the appraiser's professional responsibility to keep up to date with changes in market trends and laws that affect real estate values. Combining knowledge and expertise with a thorough investigation of property in the local area, an appraiser will give you a professional opinion you can trust.

Knowledge is the customer's bargaining tool when buying property.

You want to be sure you pay a fair price, get a good mortgage rate, and receive assurance that the property you get is worth what you pay.

The AIC-designated appraiser is a key member of the team of professional real estate advisors that support a property decision. ▲

**Janice P. O'Brien, CAE**, is Executive Director of the BC Association of the Appraisal Institute of Canada.

Voice: 604 266-8287  
info@appraisal.bc.ca  
www.appraisal.bc.ca

### *Editor's Note:*

#### **The Difference Between Market Evaluations and Appraisals**

- Market evaluations are done by Realtors® looking at recent comparable home sales in the neighbourhood.
- Appraisals are done by professional appraisers using pure numbers and formulas.

An appraisal is a more complex process and final document. For legal proceedings, the Courts will insist on a formal appraisal done by a qualified appraiser, an individual with specific training, knowledge, and certification.

**Rent This Space!**

**Call: 604 985-9250 Fax: 604 985-0900**

**scrivener@notaries.bc.ca**

**Spring Deadline: March 1**