

The Most Common Errors & Deficiencies in Appraisal Reports

The Most Common Errors & Deficiencies in Appraisal Reports is a study compiled in conjunction with the National Association of Review Appraisers & Mortgage Underwriters and the National Association of Real Estate Appraisers. A private survey of over 300 Reviewers was taken and the following were found to be the most common problem areas in Appraisal Reports. It should be noted that results are not in order of frequency as the "errors" varied depending on the type of property and report being made.

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| 1. Contract specifications not followed. | 20. Relying on mathematical exercises, formulas, curves, etc., without relating them on the subject. |
| 2. Typing, grammatical and punctuation errors. | 21. Failure to follow through in the analyst of data in the factual presentation. |
| 3. Mathematical errors. | 22. Values derived on the assumptions not consistent with. |
| 4. Poorly reproduced copies of supporting data and reports | 23. Inconsistencies between cost, market, and income approaches remaining, economic life, depreciation, net returns. |
| 5. Poor exhibits - quality and relevance. | 24. Making unsupported adjustments for time. |
| 6. Poor overall format. | 25. Using techniques and procedures not appropriate to the problem. |
| 7. Appraisers failing to understand the client's requirements or procedures. | 26. Capitalization rates not current or adequately supported from the market. |
| 8. Loading the appraisal with "Chamber of Commerce" type data without relating factual data on subject. | 27. Lack of clarity or explanation of the appraiser's reasoning or procedures. |
| 9. Inadequate history of property. | 28. Photographs of the subject do not adequately show the property. |
| 10. Errors in land area or building site. | 29. Report missing neighborhood data trends of the subject area. |
| 11. Failure to properly consider zoning or potential zoning. | 30. Appraiser utilizing inexperienced staff personnel without adequate supervision. |
| 12. Failure to properly consider easements on property. | 31. Failure to state why an approach to value has not been used. |
| 13. Inadequate discussion of "Highest & Best Use." | 32. Overall report is too short to adequately cover the property. |
| 14. Not adequately searching market for sales and leases. | 33. Positive or negative features of property not mentioned. |
| 15. Using comparables too far afield in size and use. | 34. Failure to deliver report in a reasonable time or meet deadlines. |
| 16. Failure to fully analyze and adjust all comparable. | |
| 17. Abundant sales or rental data with little or no discussion relating it to the subject. | |
| 18. Not using the same methods of measurement between comparables and subject. | |
| 19. Inconsistent adjustment patterns. | |



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