

Real Estate Appraisers Consumer Fact Sheet

Board of Registration of Real Estate Appraisers

Real Estate Appraisers, through their contracts with clients, provide land and commercial and residential property appraisal services.

The Board of Registration of Real Estate Appraisers licenses and qualifies professional appraisers in compliance with the mandates of Title XI, Federal Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989. The Board insures the integrity of its licensees through fair and consistent enforcement of the statutes and regulations.

Real Estate Appraiser

A real estate appraiser is an impartial, independent third party who provides an appraisal - an objective report on the estimate of value of real estate. The appraisal is supported by the collection and analysis of data.

A real estate appraiser values real property (land, houses, buildings, etc.), not personal property (cars, jewelry, furniture). The appraiser determines the physical characteristics of the property to be appraised and estimates value based upon three common approaches to value:

1. Sales Comparison Market Approach
2. Cost Approach
3. Income Capitalization Approach

A state licensed real estate appraiser meets nationally established standards for education and experience, and successfully passes a comprehensive examination. A state licensed appraiser conforms to national ethical and professional standards called the Uniform Standards of Professional Appraisal Practice (USPAP), which establish the standards for ethics, competency and confidentiality governing professional appraisal practices.

When to Use a Real Estate Appraiser

You will likely need the services of a real estate appraiser whenever an estimate of the value of real estate is required. Most commonly, this occurs when you apply for a real estate loan, either to purchase or refinance your

home. You may also need a real estate appraiser to assist in the appeal of your property tax assessment, for insurance purposes, for probate and estate settlements or other reasons.

Usually the appraisal is part of a loan application where real estate is being used as collateral or security for a loan. The lender needs an accurate estimate of value, which can be used in the loan application process.

Your Property's Worth

It is common for the owner to ask the appraiser this question as soon as the appraiser has inspected the property. The truth is at that time the appraiser doesn't know what the property value will be. The inspection is the first step of many that the appraiser must complete before a value is determined. As a matter of fact, the inspection of the property is the shortest step in the appraisal process.

The appraiser measures the house from the outside to determine square footage. The appraiser takes notes concerning the features of your house such as room layout, number of bedrooms, baths, etc. The appraiser also makes a determination of the general condition, appeal and functional layout of your house. All of these items are taken into consideration in the appraisal report.

Consumer Tips

When having real estate appraised, just like having other property appraised, it is important to retain a knowledgeable, educated individual with experience in the all aspects of the field. The following is a list of basic requirements for professional real estate appraisers:

- Formal education in real estate.
- Training in principles of valuation.
- Experience in buying and selling real estate.
- Knowledge of levels of value and how the market is affected from source to consumer.
- Knowledge of property values.

Like many other professions, the industry of Real Estate Appraisers has seen the proliferation of professional designations.

How Long Does an Appraisal Take?

The physical inspection of a typical property usually takes about twenty to forty-five minutes. Sometimes an inspection can take longer if the house is difficult to measure or has some unique features that require additional investigation by the appraiser.

After the initial inspection of the property the appraiser spends time examining or analyzing the neighborhood or area. The purpose of this is to search for other properties that are similar to the property being appraised that have sold recently and examine neighborhood influences. When the fieldwork is finished, the appraiser completes the report at his office.

What the Appraiser Needs to Know

To help the appraiser complete the appraisal, the owner, purchaser or Realtor can provide some information that is helpful to the appraiser. Please tell the appraiser of any previous sale on the property within the last 12 months. Indicate if there is a pending contract to purchase on the property. Does the property have any right of way or other easements? Is there structural damage, or water leakage in the house? Is the property in a flood zone? Basically, inform the appraiser about any hidden features or detriments to the property.

Choosing an Appraiser

Although federal and state laws usually require that the lender must hire the appraiser when the appraisal is to be used for a real estate loan, some lenders will allow you to select an appraiser from their list of approved appraisers. For all other appraisals, you are allowed to select your own appraiser.


Licensed real estate appraisers can be found on our website on the [Locate a Professional](#) section or by talking to your friends who have previously used an appraiser. Be sure to interview the appraiser carefully to determine if he or she is licensed and experienced in appraising your type of property.

Most licensed appraisers will provide an advance estimate of the cost to perform the appraisal, and many will commit to a fixed fee for the appraisal. It is always wise to obtain a written contract for services which includes a description of what is to be appraised, the scope of the assignment, the anticipated delivery date, the fee and terms of payment.

Filing a Complaint

While the majority of licensees conduct themselves as true professionals, the Division of Professional Licensure will take action against those who fail to maintain acceptable standards of competence and integrity.

In many cases, complaints are made by dissatisfied consumers - but, dissatisfaction alone is not proof of incompetence or sufficient grounds for disciplinary action.

If you have a serious complaint against a licensed real estate appraiser, call or write the Division's Office of Investigations and ask for a complaint form. Or download a copy of the [complaint form](#)  .

Division of Professional Licensure
Office of Investigations
1000 Washington Street, Suite 710
Boston, Mass. 02118
(617) 727-7406