



## Appraisal News From the Northwest

Fall Edition, 2005

[www.Appraisalone.com](http://www.Appraisalone.com)

### *IMPACT OF GAS PRICES ON APPRAISALS*

Since the founding of Appraisal One, Inc. on June 2, 1990, the company has grown by providing professional appraisal “service by client” rather than “service by area.” Because of satisfied clients, its service area has grown to 11 counties in Western WA.

While service in outlying counties has been provided to its established clientele, the increase in gasoline prices is forcing Appraisal One to re-visit its policy regarding non-established lenders.

It has become apparent with the dramatic increase in gas prices that there are appraisers in the NW who are unwilling to drive beyond a small geographic extension of their neighborhood. Because of Appraisal One’s service area, it is receiving many calls from new contacts regarding service in the outlying counties. These contacts are essentially asking Appraisal One’s appraisers to accept orders that will a) result in greater expense and less take-home income and b) take time away from providing Appraisal One’s timely service to its established clients.

Since new business is always appreciated, Appraisal One remains available to discuss appraisal service with new lenders who would have an interest in hiring our services inclusive of local and outlying counties. To our established clients, a sincere thank you for your loyalty, your trust and for your business, both local and outlying.

### *MORE LOCAL HOMES WORTH \$1,000,000*

This recent headline greeted readers of a local daily paper. The facts presented are:

King County records show over 4,600 homes tax assessed at least \$1,000,000, or 1 out of every 10 homes. The NWMLS reports that there are currently 926 homes marketed at \$1,000,000 and higher. Of these, 613 are on the Eastside of

the county, 238 are in Seattle, 30 are in SE King County, 26 are in SW King County, 13 are in North King County and 6 are on Vashon Island.

The Washington Center for Real Estate Research at Washington State University reported that 325 of the 8,870 homes sold in King County from April through June had a minimum price of \$1,000,000, or 3.7% of the sales. The Center compared this to the 2<sup>nd</sup> quarter of 2000 when only 106 out of 6,188 home sold for that price.

The paper cited a residence on Mercer Island that recently sold for \$1.15 million; the seller purchased it 12 months earlier for \$435,000 and renovated the home. (This same home sold in 1997 for \$215,000.)

It is not uncommon for properties on the Eastside in West Bellevue, Clyde Hill, Medina, Hunts Point, Kirkland and Redmond ( as well as in the City of Seattle) to sell for \$1,000,000 and more and be torn down to clear the site for a new home—and those are not waterfront properties. Additionally, buyers of homes in the above communities get substantially less than buyers of similarly priced homes in south King County. The NWMLS reported the median price of homes and condos in SE King County in August was \$288,175 while the median price on Eastside of the County that same month was \$445,000.

And was there talk of any “bubble” in the article? The Realtors interviewed and sources quoted such as those referenced above could not see this trend as a bubble due to the regional economy and the bases of this economy—which is what Appraisal One reported in July.

#### *NEW WEB SITE SPURS APPRAISAL ORDERS*

Since Appraisal One, Inc. introduced its new-look web site in July, 2005, including an easy-to-order form right in the site, it has recorded a substantial increase in internet-generated appraisal orders. Numbers for August and September both exceeded 120 each.

#### *DID YOU KNOW?*

There is a lot of misunderstanding nationally about whether appraisers have to be licensed or certified. Did you know that FNMA does not require licensed or certified appraisers? Acknowledging that there are 50 states, FNMA has specific provisions for those states that do not have “trainee” licensure or certification. Additionally, Washington State does not require licensing or certification. It is the policy of Washington State Department of Licensing that a trainee can do the appraisal when the trainer deems sufficient experience and that as long as a WA State certified appraiser signs the appraisal in the

supervisory capacity, the appraisal is considered a certified appraisal.

### *SURVEY OF BORROWERS*

An integral part of the quality control process for Appraisal One, Inc. is a survey of the borrower for whom it has completed appraisals. In a recent review of 298 surveys, which included 42 FNMA 2055s w/interior inspection and no measuring, 128 FNMA 2055s w/interior inspection and measuring and 128 FNMA 1004 full appraisals, borrowers responded with the following feedback given the categories of EXCELLENT, GOOD, FAIR and POOR: Appearance of the appraiser—267 Excellent, 31 Good; Friendliness—276 Excellent, 22 Good; Thoroughness—277 Excellent, 21 Good and Professionalism—278 Excellent, 20 Good.

Regarding punctuality, 295 said the appraiser arrived on time; the 3 who did not said the appraiser had called to say they were running late.

Regarding whether the appraiser inspected all the rooms in the home, all 298 responded “yes.”

Regarding how much time the appraiser spent inspecting the property, 42 said 60+ minutes, 150 said 30-60 minutes, 82 said 15-30 minutes and 5 said 1-15 minutes; 19 did not answer.

Given the choice of “Very Satisfied,” “Satisfied,” “Dissatisfied” and “Very Dissatisfied” regarding rating this appraisal experience, 233 answered “Very Satisfied” and 54 answered “Satisfied”; 11 did not answer.

The following comments that borrowers write in the comment section of the survey summarize the overall attitude of the borrowers:

1. “The appraiser conducted themselves in a very professional manner, very courteous, informative and dressed professionally including a smile and being friendly.”
2. “Did great – came next day (within 24 hours) after it was ordered by the bank.”

Appraisal One, Inc always works to be a positive PR extension of its lenders throughout the appraisal process. If this is the type of professional you are looking for, we will always appreciate the opportunity to work for you.

**APPRAISAL ONE, INC.: LARGE ENOUGH TO SERVE YOUR APPRAISAL NEEDS IN WESTERN WASHINGTON STATE; SMALL ENOUGH TO CONTINUE TO GIVE PERSONAL SERVICE AS YOUR REPRESENTATIVE IN THE FIELD.**