

## COMMON SALES PROFESSIONALS QUESTIONS

A major factor in **Apella Real Estate Business Solutions** development was derived from real estate sales professions and their needs. From the request of our appraisal and real estate service products to common conversation with our co-professionals about real estate appraisals, home inspections and other topics. The following is some common questions that we hope will provide better understanding to how you may use our products to improve your business and client relationships.

**Apella Real Estate Business Solutions** is committed to enhancing the relationship and communication between real estate sales professionals and appraisers and/or home inspectors. We encourage you to contact us should you have any comments, inquiries or need for additional information.

### Why should I order an appraisal or home inspection?

There are many reasons that you may want to order an appraisal. One reason is for those times when you may need additional tools in your communication with clients about how much to list a property for and why based on market conditions. An unbiased third party educated opinion working to preserve the relationship. Other reasons may be for when you need a negotiation tool on a purchase. Many real estate sales professionals order an appraisal for their client to show that first, they offer better service than their competition, second that they do not work for just a commission but that their agency belongs to serving their client to their best interest and ability ensuring a lessen risk of loss to the client and third to ensure that a competitor does not make claims that are unsupported and steal away your client.

### Thanks anyway but I don't need an appraisal because I give my clients a CMA.

The fact that you provide CMA (Comparative Market Analyses) may be true and **Apella Real Estate Business Solutions** encourages you to continue to do so. First, real estate sales professionals that provide these services tend to hold stronger knowledge about their market and market trends, better serving their clients. Second, there are differences in a CMA and an appraisal, one being that with an appraisal there is the ability to save time in the closing process later down the road. **Apella** helps in this area by ensuring that the data is collected while or just before the property is listed. This step saves time for the closing when the future lender requests an appraisal. Third, by placing an order for an appraisal your client will see that your market analyses is supported and has not been compiled just to ensure that you gain the listing, creditability is vital in any business relationship.

### Why should I order a home inspection before my client list, then I will have to make disclosures?

Honesty is the best policy and preserves the image of the real estate sales industry and its professionals. The additional advantages from ordering a home inspection are that problems or issues with the property's physical state are removed ahead of time or made aware of allowing the home seller to fix before hand or plan on for when negotiations take place with future buyers. **Apella Real Estate Business Solutions** promotes the logical tools of a sale and not the emotional distress that can crash a deal.

### How long is the visit to walk through my house?

Depending on the size of the subject property and amount of time the appraiser spends with the homeowner/entry contact providing customer service, the visit should be on average around 25 to 45 minutes.

### Will I get a copy of the appraisal because I am paying for it?

You will get a copy of the appraisal if you are the party that has placed the order or request for the appraisal (the client) with that appraiser or appraisal company. If the request came from your client or other party, then the appraiser is not allowed to disclose information about the appraisal

or give a copy of the appraisal to anyone other than the party that has placed the order - regardless of who pays for the appraisal. The appraiser can issue a copy to a different party (other than the client) if they receive a written release from the client allowing them permission to do so.

#### Who pays for the appraisal or home inspection?

The decision as for who pays for the appraisal is up to you and your client. Perhaps you will pay for it as an operational cost, or have your client, or even match them.

The payment may be a tool that you will use as an incentive however we do request that you review all RESPA rules and disclaim that you are not owned by or part owner of **Apella Real Estate Business Solutions** nor that you receive compensations for the appraisal or home inspection.

It is important that you communicate that the appraiser's agency is with the party that places the order for the appraisal or home inspection and not the party that pays for the product. The party that places the order is the party responsible for payment for services regardless if the payment is to be made by a third party (homeowner/your client).

Should you want your client to place the order and pay for the appraisal or home inspection report then they will have to issue **Apella Real Estate Business Solutions** a release in order for us to supply you a copy or discuss any items pertaining to the appraisal. Due to the above mentioned fact, **Apella** promotes that you the realtor order the appraisal, and while the party that orders the appraisal is responsible for payment, who actually pays for the product is for you as a business or you and your client to decide.

Please feel free to contact **Apella Real Estate Business Solutions** should you have any questions about agency or payment responsibility.

#### What determines the value of my clients listing?

There is several different ways to do an appraisal. The most common is based upon what is needed or most often used in the lending world that being referred to as a "market history based appraisal". With a history based appraisal the most common method is to look at what has sold within a reasonable amount of time (usually within the last six (6) to twelve (12) months), within a reasonable distance of the subject property and to do so with sold properties most similar (square footage, age, design) to that of the subject property being appraised (comparables). Depending on the "Scope of Work" or reason that the appraisal is being requested determines what methods will be used and ultimately how the value is concluded.

Listing appraisals are a little different in the fact that they show what has sold and what is currently listed (direct competition/competing listings) to the subject property. Listing appraisals will give Days on Market (D.O.M.) and a range to start the listing at and compensation for concessions and list to sell ratios.

#### How Can I communicate to my client what they need to do to improve the condition of the property?

The appraisal or home inspection can be used by you to communicate needed cleaning and improvements to the property owner while still preserving the client relationship and not being insulting or over bearing. The appraisal or home inspection will list such items in detail that you can cover with your client. The product report can also be used to communicate your market and other factors like how does you subject property measure up to the average property in the market, if you are in a market that holds desires for certain amenities, and what the typical buyer in your market is willing to pay for above and beyond (what the market will bare). With a real estate appraiser with experience and geographical knowledge of your market or NACHI home inspector **Apella Real Estate Business Solutions** can help you in your consulting needs and request that you contact us so that we may best be able to supply you with the proper vendor for your needs.

**What is my property worth or what do you think?**

The appraiser will not be able to tell you did not base on the first step of the appraisal process, nor are they allowed giving you a “fill for, range, or guess” without first doing due process in research and reporting of the appraisal.

**Can I use this appraisal for different needs?**

It is not suggested that you do. Each appraisal is custom for the reason that the appraisal was done or requested for. You do not want to use a listing appraisal for a loan and a loan based appraisal for the listing of your house to sell because the appraisals take into account different data, time and other factors. While the value amount may be similar the required structure really is different and also reported differently. Think of it as you would with automobiles. Both trucks and cars are automobiles, have wheels and both will go down the road, but you may not want to use your car for certain things that you would your truck or vice versa.

