

# Your Guide to **UNDERSTANDING APPRAISALS**





# YOUR GUIDE TO NAVIGATING YOUR HOME LOAN



As fall approaches most farmers find themselves gearing up for harvest time; and here at AgSouth Farm Credit the appraisal team is gearing up for their own type of harvest. Every year between October and December the appraisal team harvests data from the multiple listing services throughout the association's territories and begins to analyze the information to develop their annual Real Estate Value Trends report

that is published each year in the spring. The Real Estate Trend Report investigates and determines the current trend of land values in three classifications: 5-20 acres, 20-75 acres, and 75+ acres; as well as the residential market trends in the regions that constitute AgSouth Farm Credit's 147 county territory.

**Julie Harris**  
*Certified General Appraiser - AgSouth Farm Credit*



# Complete Real Estate Appraisal

This contract, made and entered into this day is developed by the appraiser, contractor, appraiser, and individual buyer, seller, lender, or corporation.

## SO YOU MAY ASK, IF WE HAVE THIS REPORT AVAILABLE, WHY DO YOU NEED AN APPRAISAL?

The reason is three fold:

1. Because of the size of the territory the association covers, this report is a very high level analysis (imagine trying to buy a piece of land with only the view from an airplane).
2. The real estate market is not static; the appraisers are constantly analyzing sales throughout the year to see what the market is doing.
3. Every property is unique. When an appraiser is tasked with appraising a property they will inspect the property for its unique features and search for the most similar, “comparable” sales within the subject’s market. These unique features usually include:
  - **Location** – distance to employment, schools, services & surrounding land use.
  - **Frontage/Access** – amount of frontage, type of road surface & who maintains it?
  - **Quality** – topography, floodplains, site improvements, shape, size & utility.
  - **Easements** – conservation, roadway, utility, etc.

The appraiser then compares the subject and comparable sales, based on these features, to determine how the subject property “fits” within the market and thus utilizes this analysis to determine an opinion of value for the property. The appraiser then submits an appraisal report which provides a description of the property and the real estate market area; and of course, the appraised value.

We know that when our members come to us for a loan; whether it is for a purchase, operating funds, or a construction project, they want to get underway as soon as possible. In order to facilitate this, AgSouth Farm Credit has Certified General

Appraisers on staff to service the appraisal needs of our 147 county territory for most transactions processed by the association’s loan officers. We also contract with a network of dependable independent “fee” appraiser’s to further increase the capacity and efficiency of the appraisal process. Certified General Appraiser Certification requires extensive educational requirements and an “apprenticeship” based training model; this combined with AgSouth Farm Credit’s broad range of agricultural experience and industry specific data, equips our appraisers with the resources and competency necessary to meet the appraisal needs of AgSouth Farm Credit and it’s territory’s agricultural community as a whole.