

Common Errors that result in USPAP Violations

- Double Counting and Adjusting livable area, i.e.:
 - Using Gross Livable Area (GLA) from the Multiple Listing Service (MLS) that includes a guest house or lower level and listing these areas as a separate line item as well.
 - Estimated GLA from appraiser measurements vary from public records and using comparables that are the same size as the subject in Assessor records (model match) yet applying a size adjustment.
- Failing to adequately analyze and accurately report comparable information from MLS data. Such as:
 - Property is in need of repairs or completely remodeled, with no condition adjustments or comments;
 - Property sold furnished, with no analysis or adjustment for the personal property;
 - Property sold with a second lot, no site size analysis.
- Failing to analyze purchase contracts, prior sales, and seller concessions.
 - Simply reporting these items does not meet the USPAP requirements to *analyze* all agreements of sale (SR1-5a) and to *analyze* all sales of the subject property that occurred within the 3 years prior to the effective date of appraisal (SR1-5b).
- Relying upon Assessor FCV as support for the opinion of site value.
- Not providing an adequate reconciliation/failing to recognize external obsolescence in the cost approach.
- Not recognizing the relationship between the cost approach and sales comparison approach.
 - Applying adjustments in the sales approach that are inconsistent with cost figures: i.e. adjusting \$30,000 for a pool and using a cost new figure of \$20,000; applying an adjustment for functional utility in the sales grid with no estimate of functional obsolescence in the cost approach; using the same \$/SF cost figure for the main house and a detached guest house and applying GLA adjustments at different rates for this livable area in the sales grid; reporting construction costs of \$250/SF and adjusting for differences in GLA at \$25/SF; estimating site value at \$30/SF and adjusting for differences in site size at \$1/SF.
- Inconsistent market data and failure to analyze time adjustments.
 - MC and neighborhood data reflect increasing or decreasing prices with no discussion or adjustment for date of sale.