

# UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

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APPRAISAL STANDARDS BOARD



THE APPRAISAL FOUNDATION

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## 216 ETHICS RULE

217 **An appraiser must promote and preserve the public trust inherent in appraisal practice by observing**  
 218 **the highest standards of professional ethics.**

219 **An appraiser must comply with USPAP when obligated by law or regulation, or by agreement with**  
 220 **the client or intended users. In addition to these requirements, an individual should comply any time**  
 221 **that individual represents that he or she is performing the service as an appraiser.**

222 Comment: This Rule specifies the personal obligations and responsibilities of the individual  
 223 appraiser. An individual appraiser employed by a group or organization that conducts itself in a  
 224 manner that does not conform to USPAP should take steps that are appropriate under the  
 225 circumstances to ensure compliance with USPAP.

226 This ETHICS RULE is divided into three sections: Conduct, Management, and Confidentiality  
 227 which apply to all appraisal practice.

228 **Conduct:**

229 **An appraiser must perform assignments with impartiality, objectivity, and independence, and**  
 230 **without accommodation of personal interests.**

231 **An appraiser:**

- 232 • **must not perform an assignment with bias;**
- 233 • **must not advocate the cause or interest of any party or issue;**
- 234 • **must not accept an assignment that includes the reporting of predetermined opinions and**  
 235 **conclusions;**
- 236 • **must not misrepresent his or her role when providing valuation services that are outside of**  
 237 **appraisal practice;**
- 238 • **must not communicate assignment results with the intent to mislead or to defraud;**
- 239 • **must not use or communicate a report that is known by the appraiser to be misleading or**  
 240 **fraudulent;**
- 241 • **must not knowingly permit an employee or other person to communicate a misleading or**  
 242 **fraudulent report;**
- 243 • **must not use or rely on unsupported conclusions relating to characteristics such as race,**  
 244 **color, religion, national origin, gender, marital status, familial status, age, receipt of public**  
 245 **assistance income, handicap, or an unsupported conclusion that homogeneity of such**  
 246 **characteristics is necessary to maximize value;**
- 247 • **must not engage in criminal conduct;**
- 248 • **must not willfully or knowingly violate the requirements of the RECORD KEEPING RULE; and**
- 249 • **must not perform an assignment in a grossly negligent manner.**

250 Comment: Development standards (1-1, 3-1, 6-1, 7-1 and 9-1) address the requirement that “an  
 251 appraiser must not render appraisal services in a careless or negligent manner.” The above  
 252 requirement deals with an appraiser being grossly negligent in performing an assignment which  
 253 would be a violation of the Conduct section of the ETHICS RULE.

## ETHICS RULE

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254 **If known prior to accepting an assignment, and/or if discovered at any time during the assignment,**  
255 **an appraiser must disclose to the client, and in each subsequent report certification:**

- 256 • **any current or prospective interest in the subject property or parties involved; and**
- 257 • **any services regarding the subject property performed by the appraiser within the three**  
258 **year period immediately preceding acceptance of the assignment, as an appraiser or in any**  
259 **other capacity.**

260 Comment: Disclosing the fact that the appraiser has previously appraised the property is permitted  
261 except in the case when an appraiser has agreed with the client to keep the mere occurrence of a  
262 prior assignment confidential. If an appraiser has agreed with a client not to disclose that he or she  
263 has appraised a property, the appraiser must decline all subsequent assignments that fall within the  
264 three year period.

265 In assignments in which there is no appraisal or appraisal review report, only the initial disclosure  
266 to the client is required.

### 267 **Management:**

268 **An appraiser must disclose that he or she paid a fee or commission, or gave a thing of value in**  
269 **connection with the procurement of an assignment.**

270 Comment: The disclosure must appear in the certification and in any transmittal letter in which  
271 conclusions are stated; however, disclosure of the amount paid is not required. In groups or  
272 organizations engaged in appraisal practice, intra-company payments to employees for business  
273 development do not require disclosure.

274 **An appraiser must not accept an assignment, or have a compensation arrangement for an**  
275 **assignment, that is contingent on any of the following:**

- 276 **1. the reporting of a predetermined result (e.g., opinion of value);**
- 277 **2. a direction in assignment results that favors the cause of the client;**
- 278 **3. the amount of a value opinion;**
- 279 **4. the attainment of a stipulated result (e.g., that the loan closes, or taxes are reduced); or**
- 280 **5. the occurrence of a subsequent event directly related to the appraiser's opinions and specific**  
281 **to the assignment's purpose.**

282 **An appraiser must not advertise for or solicit assignments in a manner that is false, misleading, or**  
283 **exaggerated.**

284 **An appraiser must affix, or authorize the use of, his or her signature to certify recognition and**  
285 **acceptance of his or her USPAP responsibilities in an appraisal or appraisal review assignment (see**  
286 **Standards Rules 2-3, 3-6, 6-9, 8-3, and 10-3). An appraiser may authorize the use of his or her**  
287 **signature only on an assignment-by-assignment basis.**

288 **An appraiser must not affix the signature of another appraiser without his or her consent.**

289 Comment: An appraiser must exercise due care to prevent unauthorized use of his or her signature.  
290 An appraiser exercising such care is not responsible for unauthorized use of his or her signature.

1143 **STANDARD 6: MASS APPRAISAL, DEVELOPMENT AND REPORTING**

1144 **In developing a mass appraisal, an appraiser must be aware of, understand, and correctly employ those**  
 1145 **recognized methods and techniques necessary to produce and communicate credible mass appraisals.**

1146 Comment: STANDARD 6 applies to all mass appraisals of real or personal property  
 1147 regardless of the purpose or use of such appraisals.<sup>34</sup> STANDARD 6 is directed toward the  
 1148 substantive aspects of developing and communicating credible analyses, opinions, and  
 1149 conclusions in the mass appraisal of properties. Mass appraisals can be prepared with or  
 1150 without computer assistance. The reporting and jurisdictional exceptions applicable to public  
 1151 mass appraisals prepared for ad valorem taxation do not apply to mass appraisals prepared for  
 1152 other purposes.

1153 A mass appraisal includes:

- 1154 1) identifying properties to be appraised;
- 1155 2) defining market area of consistent behavior that applies to properties;
- 1156 3) identifying characteristics (supply and demand) that affect the creation of value in  
 1157 that market area;
- 1158 4) developing a model structure that reflects the relationship among the characteristics  
 1159 affecting value in the market area;
- 1160 5) calibrating the model structure to determine the contribution of the individual  
 1161 characteristics affecting value;
- 1162 6) applying the conclusions reflected in the model to the characteristics of the  
 1163 property(ies) being appraised; and
- 1164 7) reviewing the mass appraisal results.

1165 The JURISDICTIONAL EXCEPTION RULE may apply to several sections of STANDARD  
 1166 6 because ad valorem tax administration is subject to various state, county, and municipal  
 1167 laws.

1168 **Standards Rule 6-1**

1169 **In developing a mass appraisal, an appraiser must:**

- 1170 **(a) be aware of, understand, and correctly employ those recognized methods and techniques**  
 1171 **necessary to produce a credible mass appraisal;**

1172 Comment: Mass appraisal provides for a systematic approach and uniform application of  
 1173 appraisal methods and techniques to obtain estimates of value that allow for statistical review  
 1174 and analysis of results.

1175 This requirement recognizes that the principle of change continues to affect the manner in  
 1176 which appraisers perform mass appraisals. Changes and developments in the real property and  
 1177 personal property fields have a substantial impact on the appraisal profession.

1178 To keep abreast of these changes and developments, the appraisal profession is constantly  
 1179 reviewing and revising appraisal methods and techniques and devising new methods and  
 1180 techniques to meet new circumstances. For this reason it is not sufficient for appraisers to  
 1181 simply maintain the skills and the knowledge they possess when they become appraisers.

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<sup>34</sup> See Advisory Opinion 32, *Ad Valorem Property Tax Appraisal and Mass Appraisal Assignments*.

## STANDARD 6

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1182 Each appraiser must continuously improve his or her skills to remain proficient in mass  
1183 appraisal.

1184 (b) not commit a substantial error of omission or commission that significantly affects a mass  
1185 appraisal; and

1186 Comment: An appraiser must use sufficient care to avoid errors that would significantly affect  
1187 his or her opinions and conclusions. Diligence is required to identify and analyze the factors,  
1188 conditions, data, and other information that would have a significant effect on the credibility  
1189 of the assignment results.

1190 (c) not render a mass appraisal in a careless or negligent manner.

1191 Comment: Perfection is impossible to attain, and competence does not require perfection.  
1192 However, an appraiser must not render appraisal services in a careless or negligent manner.  
1193 This Standards Rule requires an appraiser to use due diligence and due care.

### 1194 Standards Rule 6-2

1195 **In developing a mass appraisal, an appraiser must:**

1196 (a) identify the client and other intended users;<sup>35</sup>

1197 (b) identify the intended use of the appraisal;<sup>36</sup>

1198 Comment: An appraiser must not allow the intended use of an assignment or a client's objectives to  
1199 cause the assignment results to be biased.

1200 (c) identify the type and definition of value, and, if the value opinion to be developed is market  
1201 value, ascertain whether the value is to be the most probable price:

1202 (i) in terms of cash; or

1203 (ii) in terms of financial arrangements equivalent to cash; or

1204 (iii) in such other terms as may be precisely defined; and

1205 (iv) if the opinion of value is based on non-market financing or financing with unusual  
1206 conditions or incentives, the terms of such financing must be clearly identified and the  
1207 appraiser's opinion of their contributions to or negative influence on value must be  
1208 developed by analysis of relevant market data;

1209 Comment: For certain types of appraisal assignments in which a legal definition of market  
1210 value has been established and takes precedence, the JURISDICTIONAL EXCEPTION  
1211 RULE may apply.

1212 (d) identify the effective date of the appraisal;<sup>37</sup>

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<sup>35</sup> See Statement on Appraisal Standards No. 9, *Identification of Intended Use and Intended Users*.

<sup>36</sup> See Statement on Appraisal Standards No. 9, *Identification of Intended Use and Intended Users*.

<sup>37</sup> See Statement on Appraisal Standards No. 3, *Retrospective Value Opinions*, and Statement on Appraisal Standards No. 4, *Prospective Value Opinions*.

1213 (e) identify the characteristics of the properties that are relevant to the type and definition of value  
1214 and intended use,<sup>38</sup> including:

1215 (i) the group with which a property is identified according to similar market influence;

1216 (ii) the appropriate market area and time frame relative to the property being valued; and

1217 (iii) their location and physical, legal, and economic characteristics;

1218 **Comment:** The properties must be identified in general terms, and each individual property in  
1219 the universe must be identified, with the information on its identity stored or referenced in its  
1220 property record.

1221 When appraising proposed improvements, an appraiser must examine and have available for  
1222 future examination, plans, specifications, or other documentation sufficient to identify the  
1223 extent and character of the proposed improvements.<sup>39</sup>

1224 Ordinarily, proposed improvements are not appraised for ad valorem tax. Appraisers,  
1225 however, are sometimes asked to provide opinions of value of proposed improvements so that  
1226 developers can estimate future property tax burdens. Sometimes units in condominiums and  
1227 planned unit developments are sold with an interest in un-built community property, the pro  
1228 rata value of which, if any, must be considered in the analysis of sales data.

1229 (f) identify the characteristics of the market that are relevant to the purpose and intended use of the  
1230 mass appraisal including:

1231 (i) location of the market area;

1232 (ii) physical, legal, and economic attributes;

1233 (iii) time frame of market activity; and

1234 (iv) property interests reflected in the market;

1235 (g) in appraising real property or personal property:

1236 (i) identify the appropriate market area and time frame relative to the property being  
1237 valued;

1238 (ii) when the subject is real property, identify and consider any personal property, trade  
1239 fixtures, or intangibles that are not real property but are included in the appraisal;

1240 (iii) when the subject is personal property, identify and consider any real property or  
1241 intangibles that are not personal property but are included in the appraisal;

1242 (iv) identify known easements, restrictions, encumbrances, leases, reservations, covenants,  
1243 contracts, declarations, special assessments, ordinances, or other items of similar nature;  
1244 and

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<sup>38</sup> See Advisory Opinion 23, *Identifying the Relevant Characteristics of the Subject Property of a Real Property Appraisal Assignment*, if applicable.

<sup>39</sup> See Advisory Opinion 17, *Appraisals of Real Property with Proposed Improvements*, if applicable.

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1245 (v) identify and analyze whether an appraised fractional interest, physical segment or  
1246 partial holding contributes pro rata to the value of the whole;

1247 Comment: The above requirements do not obligate the appraiser to value the whole  
1248 when the subject of the appraisal is a fractional interest, physical segment, or a  
1249 partial holding. However, if the value of the whole is not identified, the appraisal  
1250 must clearly reflect that the value of the property being appraised cannot be used to  
1251 develop the value opinion of the whole by mathematical extension.

1252 (h) analyze the relevant economic conditions at the time of the valuation, including market  
1253 acceptability of the property and supply, demand, scarcity, or rarity;

1254 (i) identify any extraordinary assumptions and any hypothetical conditions necessary in the  
1255 assignment; and

1256 Comment: An extraordinary assumption may be used in an assignment only if:

- 1257 • it is required to properly develop credible opinions and conclusions;
- 1258 • the appraiser has a reasonable basis for the extraordinary assumption;
- 1259 • use of the extraordinary assumption results in a credible analysis; and
- 1260 • the appraiser complies with the disclosure requirements set forth in USPAP for  
1261 extraordinary assumptions.

1262 A hypothetical condition may be used in an assignment only if:

- 1263 • use of the hypothetical condition is clearly required for legal purposes, for purposes  
1264 of reasonable analysis, or for purposes of comparison;
- 1265 • use of the hypothetical condition results in a credible analysis; and
- 1266 • the appraiser complies with the disclosure requirements set forth in USPAP for  
1267 hypothetical conditions.

1268 (j) determine the scope of work necessary to produce credible assignment results in accordance with  
1269 the SCOPE OF WORK RULE.<sup>40</sup>

### 1270 Standards Rule 6-3

1271 When necessary for credible assignment results, an appraiser must:

1272 (a) in appraising real property, identify and analyze the effect on use and value of the following  
1273 factors: existing land use regulations, reasonably probable modifications of such regulations,  
1274 economic supply and demand, the physical adaptability of the real estate, neighborhood trends,  
1275 and highest and best use of the real estate; and

1276 Comment: This requirement sets forth a list of factors that affect use and value. In considering  
1277 neighborhood trends, an appraiser must avoid stereotyped or biased assumptions relating to  
1278 race, age, color, gender, or national origin or an assumption that race, ethnic, or religious  
1279 homogeneity is necessary to maximize value in a neighborhood. Further, an appraiser must  
1280 avoid making an unsupported assumption or premise about neighborhood decline, effective  
1281 age, and remaining life. In considering highest and best use, an appraiser must develop the  
1282 concept to the extent required for a proper solution to the appraisal problem.

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<sup>40</sup> See Advisory Opinion 28, *Scope of Work Decision, Performance, and Disclosure*, and Advisory Opinion 29, *An Acceptable Scope of Work*.

1283 (b) in appraising personal property: identify and analyze the effects on use and value of industry  
 1284 trends, value-in-use, and trade level of personal property. Where applicable, analyze the current  
 1285 use and alternative uses to encompass what is profitable, legal, and physically possible, as  
 1286 relevant to the type and definition of value and intended use of the appraisal. Personal property  
 1287 has several measurable marketplaces; therefore, the appraiser must define and analyze the  
 1288 appropriate market consistent with the type and definition of value.

1289 Comment: The appraiser must recognize that there are distinct levels of trade and each may  
 1290 generate its own data. For example, a property may have a different value at a wholesale level  
 1291 of trade, a retail level of trade, or under various auction conditions. Therefore, the appraiser  
 1292 must analyze the subject property within the correct market context.

#### 1293 Standards Rule 6-4

1294 In developing a mass appraisal, an appraiser must:

1295 (a) identify the appropriate procedures and market information required to perform the appraisal,  
 1296 including all physical, functional, and external market factors as they may affect the appraisal;

1297 Comment: Such efforts customarily include the development of standardized data collection  
 1298 forms, procedures, and training materials that are used uniformly on the universe of properties  
 1299 under consideration.

1300 (b) employ recognized techniques for specifying property valuation models; and

1301 Comment: The formal development of a model in a statement or equation is called model  
 1302 specification. Mass appraisers must develop mathematical models that, with reasonable  
 1303 accuracy, represent the relationship between property value and supply and demand factors, as  
 1304 represented by quantitative and qualitative property characteristics. The models may be  
 1305 specified using the cost, sales comparison, or income approaches to value. The specification  
 1306 format may be tabular, mathematical, linear, nonlinear, or any other structure suitable for  
 1307 representing the observable property characteristics. Appropriate approaches must be used in  
 1308 appraising a class of properties. The concept of recognized techniques applies to both real and  
 1309 personal property valuation models.

1310 (c) employ recognized techniques for calibrating mass appraisal models.

1311 Comment: Calibration refers to the process of analyzing sets of property and market data to  
 1312 determine the specific parameters of a model. The table entries in a cost manual are examples  
 1313 of calibrated parameters, as well as the coefficients in a linear or nonlinear model. Models  
 1314 must be calibrated using recognized techniques, including, but not limited to, multiple linear  
 1315 regression, nonlinear regression, and adaptive estimation.

#### 1316 Standards Rule 6-5

1317 In developing a mass appraisal, when necessary for credible assignment results, an appraiser must:

1318 (a) collect, verify, and analyze such data as are necessary and appropriate to develop:

1319 (i) the cost new of the improvements;

1320 (ii) accrued depreciation;

1321 (iii) value of the land by sales of comparable properties;



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- 1322 (iv) value of the property by sales of comparable properties;
- 1323 (v) value by capitalization of income or potential earnings - i.e., rentals, expenses, interest  
1324 rates, capitalization rates, and vacancy data;

1325 Comment: This Standards Rule requires appraisers engaged in mass appraisal to take  
1326 reasonable steps to ensure that the quantity and quality of the factual data that are collected  
1327 are sufficient to produce credible appraisals. For example, in real property, where applicable  
1328 and feasible, systems for routinely collecting and maintaining ownership, geographic, sales,  
1329 income and expense, cost, and property characteristics data must be established. Geographic  
1330 data must be contained in as complete a set of cadastral maps as possible, compiled according  
1331 to current standards of detail and accuracy. Sales data must be collected, confirmed, screened,  
1332 adjusted, and filed according to current standards of practice. The sales file must contain, for  
1333 each sale, property characteristics data that are contemporaneous with the date of sale.  
1334 Property characteristics data must be appropriate and relevant to the mass appraisal models  
1335 being used. The property characteristics data file must contain data contemporaneous with  
1336 the date of appraisal including historical data on sales, where appropriate and available. The  
1337 data collection program must incorporate a quality control program, including checks and  
1338 audits of the data to ensure current and consistent records.

- 1339 (b) base estimates of capitalization rates and projections of future rental rates and/or potential  
1340 earnings capacity, expenses, interest rates, and vacancy rates on reasonable and appropriate  
1341 evidence;<sup>41</sup>

1342 Comment: This requirement calls for an appraiser, in developing income and expense  
1343 statements and cash flow projections, to weigh historical information and trends, current  
1344 market factors affecting such trends, and reasonably anticipated events, such as competition  
1345 from developments either planned or under construction.

- 1346 (c) identify and, as applicable, analyze terms and conditions of any available leases; and

- 1347 (d) identify the need for and extent of any physical inspection.<sup>42</sup>

### 1348 Standards Rule 6-6

1349 **When necessary for credible assignment results in applying a calibrated mass appraisal model an**  
1350 **appraiser must:**

- 1351 (a) value improved parcels by recognized methods or techniques based on the cost approach, the  
1352 sales comparison approach, and income approach;

- 1353 (b) value sites by recognized methods or techniques; such techniques include but are not limited to  
1354 the sales comparison approach, allocation method, abstraction method, capitalization of ground  
1355 rent, and land residual technique;

- 1356 (c) when developing the value of a leased fee estate or a leasehold estate, analyze the effect on value,  
1357 if any, of the terms and conditions of the lease;

1358 Comment: In ad valorem taxation the appraiser may be required by rules or law to appraise  
1359 the property as if in fee simple, as though unencumbered by existing leases. In such cases,

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<sup>41</sup> See Statement on Appraisal Standards No. 2, *Discounted Cash Flow Analysis*.

<sup>42</sup> See Advisory Opinion 2, *Inspection of Subject Property*.

- 1360 market rent would be used in the appraisal, ignoring the effect of the individual, actual  
1361 contract rents.
- 1362 **(d) analyze the effect on value, if any, of the assemblage of the various parcels, divided interests, or**  
1363 **component parts of a property; the value of the whole must not be developed by adding together**  
1364 **the individual values of the various parcels, divided interests, or component parts; and**
- 1365 Comment: When the value of the whole has been established and the appraiser seeks to value  
1366 a part, the value of any such part must be tested by reference to appropriate market data and  
1367 supported by an appropriate analysis of such data.
- 1368 **(e) when analyzing anticipated public or private improvements, located on or off the site, analyze**  
1369 **the effect on value, if any, of such anticipated improvements to the extent they are reflected in**  
1370 **market actions.**
- 1371 **Standards Rule 6-7**
- 1372 **In reconciling a mass appraisal an appraiser must:**
- 1373 **(a) reconcile the quality and quantity of data available and analyzed within the approaches used and**  
1374 **the applicability and relevance of the approaches, methods and techniques used; and**
- 1375 **(b) employ recognized mass appraisal testing procedures and techniques to ensure that standards of**  
1376 **accuracy are maintained.**
- 1377 Comment: It is implicit in mass appraisal that, even when properly specified and calibrated  
1378 mass appraisal models are used, some individual value conclusions will not meet standards of  
1379 reasonableness, consistency, and accuracy. However, appraisers engaged in mass appraisal  
1380 have a professional responsibility to ensure that, on an overall basis, models produce value  
1381 conclusions that meet attainable standards of accuracy. This responsibility requires appraisers  
1382 to evaluate the performance of models, using techniques that may include but are not limited  
1383 to, goodness-of-fit statistics, and model performance statistics such as appraisal-to-sale ratio  
1384 studies, evaluation of hold-out samples, or analysis of residuals.
- 1385 **Standards Rule 6-8**
- 1386 **A written report of a mass appraisal must clearly communicate the elements, results, opinions, and value**  
1387 **conclusions of the appraisal.**
- 1388 **Each written report of a mass appraisal must:**
- 1389 **(a) clearly and accurately set forth the appraisal in a manner that will not be misleading;**
- 1390 **(b) contain sufficient information to enable the intended users of the appraisal to understand the**  
1391 **report properly;**
- 1392 Comment: Documentation for a mass appraisal for ad valorem taxation may be in the form of  
1393 (1) property records, (2) sales ratios and other statistical studies, (3) appraisal manuals and  
1394 documentation, (4) market studies, (5) model building documentation, (6) regulations, (7)  
1395 statutes, and (8) other acceptable forms.
- 1396 **(c) clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical**  
1397 **conditions, and limiting conditions used in the assignment;**

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- 1398 **Comment:** The report must clearly and conspicuously:
- 1399           • state all extraordinary assumptions and hypothetical conditions; and
- 1400           • state that their use might have affected the assignment results.
- 1401 **(d) state the identity of the client and any intended users, by name or type;<sup>43</sup>**
- 1402 **(e) state the intended use of the appraisal;<sup>44</sup>**
- 1403 **(f) disclose any assumptions or limiting conditions that result in deviation from recognized methods**
- 1404 **and techniques or that affect analyses, opinions, and conclusions;**
- 1405 **(g) set forth the effective date of the appraisal and the date of the report;**
- 1406 **Comment:** In ad valorem taxation the effective date of the appraisal may be prescribed by law.
- 1407 If no effective date is prescribed by law, the effective date of the appraisal, if not stated, is
- 1408 presumed to be contemporaneous with the data and appraisal conclusions.
- 1409 The effective date of the appraisal establishes the context for the value opinion, while the date
- 1410 of the report indicates whether the perspective of the appraiser on the market and property as
- 1411 of the effective date of the appraisal was prospective, current, or retrospective.<sup>45</sup>
- 1412 **(h) state the type and definition of value and cite the source of the definition;**
- 1413 **Comment:** Stating the type and definition of value also requires any comments needed to
- 1414 clearly indicate to intended users how the definition is being applied.<sup>46</sup>
- 1415 When reporting an opinion of market value, state whether the opinion of value is:
- 1416           • In terms of cash or of financing terms equivalent to cash; or
- 1417           • Based on non-market financing with unusual conditions or incentives.
- 1418 When an opinion of market value is not in terms of cash or based on financing terms
- 1419 equivalent to cash, summarize the terms of such financing and explain their contributions to
- 1420 or negative influence on value.
- 1421 **(i) identify the properties appraised including the property rights;**
- 1422 **Comment:** The report documents the sources for location, describing and listing the property.
- 1423 When applicable, include references to legal descriptions, addresses, parcel identifiers,
- 1424 photos, and building sketches. In mass appraisal this information is often included in property
- 1425 records. When the property rights to be appraised are specified in a statute or court ruling, the
- 1426 law must be referenced.

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<sup>43</sup> See Statement on Appraisal Standards No. 9, *Identification of the Intended Use and Intended Users*.

<sup>44</sup> See Statement on Appraisal Standards No. 9, *Identification of the Intended Use and Intended Users*.

<sup>45</sup> See Statement on Appraisal Standards No. 3, *Retrospective Value Opinions*, and Statement on Appraisal Standards No. 4, *Prospective Value Opinions*.

<sup>46</sup> See Statement on Appraisal Standards No. 6, *Reasonable Exposure Time in Real Property and Personal Property Opinions of Value*. See also Advisory Opinion 7, *Marketing Time Opinions*.

1427 (j) describe the scope of work used to develop the appraisal;<sup>47</sup> exclusion of the sales comparison  
1428 approach, cost approach, or income approach must be explained;

1429 Comment: Because intended users' reliance on an appraisal may be affected by the scope of  
1430 work, the report must enable them to be properly informed and not misled. Sufficient  
1431 information includes disclosure of research and analyses performed and might also include  
1432 disclosure of research and analyses not performed.

1433 When any portion of the work involves significant mass appraisal assistance, the appraiser  
1434 must describe the extent of that assistance. The signing appraiser must also state the name(s)  
1435 of those providing the significant mass appraisal assistance in the certification, in accordance  
1436 with Standards Rule 6-9.<sup>48</sup>

1437 (k) describe and justify the model specification(s) considered, data requirements, and the model(s)  
1438 chosen;

1439 Comment: The appraiser must provide sufficient information to enable the client and  
1440 intended users to have confidence that the process and procedures used conform to accepted  
1441 methods and result in credible value conclusions. In the case of mass appraisal for ad valorem  
1442 taxation, stability and accuracy are important to the credibility of value opinions. The report  
1443 must include a discussion of the rationale for each model, the calibration techniques to be  
1444 used, and the performance measures to be used.

1445 (l) describe the procedure for collecting, validating, and reporting data;

1446 Comment: The report must describe the sources of data and the data collection and validation  
1447 processes. Reference to detailed data collection manuals must be made, as appropriate,  
1448 including where they may be found for inspection.

1449 (m) describe calibration methods considered and chosen, including the mathematical form of the  
1450 final model(s); describe how value conclusions were reviewed; and, if necessary, describe the  
1451 availability of individual value conclusions;

1452 (n) when an opinion of highest and best use, or the appropriate market or market level was  
1453 developed, discuss how that opinion was determined;

1454 Comment: The mass appraisal report must reference case law, statute, or public policy that  
1455 describes highest and best use requirements. When actual use is the requirement, the report  
1456 must discuss how use-value opinions were developed. The appraiser's reasoning in support of  
1457 the highest and best use opinion must be provided in the depth and detail required by its  
1458 significance to the appraisal.

1459 (o) identify the appraisal performance tests used and set forth the performance measures attained;

1460 (p) describe the reconciliation performed, in accordance with Standards Rule 6-7; and

1461 (q) include a signed certification in accordance with Standards Rule 6-9.

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<sup>47</sup> See Advisory Opinion 28, *Scope of Work Decision, Performance, and Disclosure* and Advisory Opinion 29, *An Acceptable Scope of Work*.

<sup>48</sup> See Advisory Opinion 31, *Assignments Involving More than One Appraiser*.

## STANDARD 6

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### 1462 Standards Rule 6-9

1463 Each written mass appraisal report must contain a signed certification that is similar in content to the  
1464 following form:

1465 I certify that, to the best of my knowledge and belief:

- 1466 — the statements of fact contained in this report are true and correct.
- 1467 — the reported analyses, opinions, and conclusions are limited only by the reported  
1468 assumptions and limiting conditions, and are my personal, impartial, and unbiased  
1469 professional analyses, opinions, and conclusions.
- 1470 — I have no (or the specified) present or prospective interest in the property that is the  
1471 subject of this report, and I have no (or the specified) personal interest with respect to  
1472 the parties involved.
- 1473 — I have performed no (or the specified) services, as an appraiser or in any other capacity,  
1474 regarding the property that is the subject of this report within the three-year period  
1475 immediately preceding acceptance of this assignment.
- 1476 — I have no bias with respect to any property that is the subject of this report or to the  
1477 parties involved with this assignment.
- 1478 — my engagement in this assignment was not contingent upon developing or reporting  
1479 predetermined results.
- 1480 — my compensation for completing this assignment is not contingent upon the reporting  
1481 of a predetermined value or direction in value that favors the cause of the client, the  
1482 amount of the value opinion, the attainment of a stipulated result, or the occurrence of  
1483 a subsequent event directly related to the intended use of this appraisal.
- 1484 — my analyses, opinions, and conclusions were developed, and this report has been  
1485 prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- 1486 — I have (or have not) made a personal inspection of the properties that are the subject  
1487 of this report. (If more than one person signs the report, this certification must clearly  
1488 specify which individuals did and which individuals did not make a personal  
1489 inspection of the appraised property.)<sup>49</sup>
- 1490 — no one provided significant mass appraisal assistance to the person signing this  
1491 certification. (If there are exceptions, the name of each individual providing  
1492 significant mass appraisal assistance must be stated.)

1493 Comment: The above certification is not intended to disturb an elected or appointed assessor's  
1494 work plans or oaths of office. A signed certification is an integral part of the appraisal report.  
1495 An appraiser, who signs any part of the mass appraisal report, including a letter of transmittal,  
1496 must also sign this certification.

1497 In an assignment that includes only assignment results developed by the real property  
1498 appraiser(s), any appraiser(s) who signs a certification accepts full responsibility for all  
1499 elements of the certification, for the assignment results, and for the contents of the appraisal  
1500 report. In an assignment that includes personal property assignment results not developed by  
1501 the real property appraiser(s), any real property appraiser(s) who signs a certification accepts  
1502 full responsibility for the real property elements of the certification, for the real property  
1503 assignment results, and for the real property contents of the appraisal report.

1504 In an assignment that includes only assignment results developed by the personal property  
1505 appraiser(s), any appraiser(s) who signs a certification accepts full responsibility for all  
1506 elements of the certification, for the assignment results, and for the contents of the appraisal  
1507 report. In an assignment that includes real property assignment results not developed by the

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<sup>49</sup> See Advisory Opinion 2, *Inspection of Subject Property*.

1508 personal property appraiser(s), any personal property appraiser(s) who signs a certification  
1509 accepts full responsibility for the personal property elements of the certification, for the  
1510 personal property assignment results, and for the personal property contents of the appraisal  
1511 report.

1512 When a signing appraiser(s) has relied on work done by appraisers and others who do not sign  
1513 the certification, the signing appraiser is responsible for the decision to rely on their work.  
1514 The signing appraiser(s) is required to have a reasonable basis for believing that those  
1515 individuals performing the work are competent. The signing appraiser(s) also must have no  
1516 reason to doubt that the work of those individuals is credible.

1517 The names of individuals providing significant mass appraisal assistance who do not sign a  
1518 certification must be stated in the certification. It is not required that the description of their  
1519 assistance be contained in the certification, but disclosure of their assistance is required in  
1520 accordance with Standards Rule 6-8(j).<sup>50</sup>

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<sup>50</sup> See Advisory Opinion 31, *Assignments Involving More than One Appraiser*.