



# RURAL RESEARCH SYMPOSIUM

 Freddie Mac

11.5.2019 | AN **ALL FOR HOME** EVENT

#RuralHousingResearch



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# Appraisal Challenges: The View From the Field

## Rural Market Data Access Challenges

- Sales - Less Frequent & More Diverse
- Rural County Assessor Offices
  - Data Repositories Often Not Online
  - Dated & Inconsistent Data; County-Wide Property Re-Inspections are Typically a Low Political Priority
  - Access to Sales and Assessment Data Varies Significantly by Location
  - Inconsistent Data Sharing Policies



# Appraisal Challenges: The View From the Field



## Rural Market Data Access Challenges

- Multiple Listing Services
  - The exception rather than the rule
- Listings with the Local Broker
  - Typically wears multiple hats in the rural community
  - May not be inclined to share data consistently with appraisers
- Auction Sales
  - Most common transactions in some areas
- For Sale By Owner - FSBOs



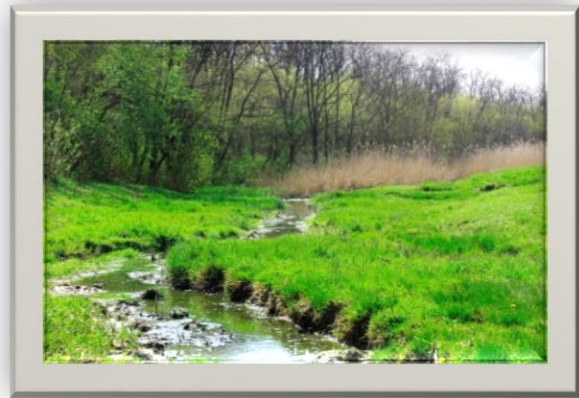
# Appraisal Challenges: The View From the Field

## Rural Market Data Access Challenges

- Resulting Comparable Sales Data Obtained by the Appraiser
  - **Often Super-Verified:** Through the multiple verification sources required, physical characteristics of the rural property and financial characteristics of the transaction are usually well known by the appraiser
  - **Longer Applicability and Use:** The limited number of sales requires older, well-verified sales to be utilized in appraisals for longer periods of time



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## Rural Markets – Key Takeaways

- Based on These Realities, **the geographic competence of the appraiser** takes on even greater significance in the development and reporting of a rural residential appraisal than an appraisal in an urban or suburban market area
- Additionally, the appraiser's **basic appraisal skills proficiency** is paramount to measure the market's reaction to elements of comparison that are specific to rural residential properties



# Appraisal Challenges: The View From the Field

Focused trainings with integrated case studies to improve the proficiency of residential appraisers

- Appraisal of Manufactured Homes: Featuring Next Generation Manufactured Homes

Premiered April 16, 2019 in Dallas, TX

- Rural Area Appraisals: Freddie Mac Guidelines and Property Eligibility Requirements

Premiered Oct. 4, 2019 in Rapid City, SD



# Appraisal Challenges: The View From the Field



Focused trainings with integrated case studies to improve the proficiency of Residential appraisers

- The Cost Approach: Unnecessary or Vital to a Healthy Practice?

Premieres Dec 2, 2019 in Nashville, TN

## A Practitioner's Wish List

- Capture the appraiser's confidence level in each rural comparable sale
- Measure the efficacy of the new 2019 advanced trainings for residential appraisers, particularly those that serve rural areas



# Rural Research Symposium