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What's the Difference Between an Appraisal & a Broker's Price Opinion?

I am not an appraiser, nor do I want to be. I am a real estate broker. When working for sellers, I am expected to provide sound advice on how to get the highest price for their home, but without overpricing it.

Appraisers, like real estate agents, are licensed by the state after meeting strict educational requirements and passing a state examination. The appraiser usually is hired by a lender for the purpose of objectively determining that a property they are taking as collateral for a mortgage is worth at least what the buyer and seller have agreed to in their contract to buy and sell. Regulations have been instituted to isolate the appraiser from the buyer, the seller, the real estate professionals and even the mortgage lender to avoid any undue influence and possible collusion-related fraud.

The appraiser is given a copy of the purchase contract and will at-

tempt to justify the purchase price based on sold homes which are comparable to the subject property.

The appraiser has little or no interest in what comparable homes are listed for. Only sold homes establish value.

Although I, as a listing agent, want to make sure I don't list a property for a price which will not appraise, my job is to get the house sold, so, unlike the appraiser, I do want to see what comparable homes are listed for. I know

that any buyer who looks at my listing will probably look at comparable listings, and I want those listings to help sell my listing, and not my listing to help sell theirs.

Often I will take a seller to see those competitive listings, especially when he/she is wanting to list their home at a price which will only help to sell the competition.

As a broker, my price opinion is

for a price that will sell, not just for a price that will appraise. I am not interested in listing a home for a wished for or unrealistic price. We're not paid to list homes — we are only paid when they sell. And I'm not willing to list a home just to have my sign in their yard advertising the fact that I list homes which never sell. If, in addition, I believe that a wished for price will not appraise, I suggest that the seller get a full-blown appraisal prior to listing their home.

Appraisers are expected to protect a buyer from paying too much for a home, but, as the buyer's agent, my job is to get the home under contract for the lowest acceptable price. I will give my client an opinion as to what the home is worth, but also as to what I think we can convince the seller to accept. If it doesn't appraise, we can usually force a lower price.

Check out the price reductions on two of my high-end listings at www.CandlelightValley.com. Call me for a showing!

This Week's Featured New Listing:

Downtown Golden Condo on Clear Creek

The Millstone Condos in downtown Golden were built in 2006 to 2008. If you like the idea of living in downtown Golden next to Clear Creek — in walking distance of the Colorado School of Mines and everything that makes Golden a great place to live — then you'll want to check out this 1-bedroom, 2-bath condo. (A den with its private bathroom could make a fine guest bedroom.) From this condo's 300-sq.-ft. patio you have a clear view of South Table Mountain to the east and Mt. Zion with its famous "M" to the west. From the master bedroom, you enjoy a view of the creek and both North and South Table Mountains. Finishes include slab granite countertops, hardwood floors and a gas fireplace. The unit measures 1,115 square feet. Take a video tour on the website, then call for a showing!



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