



Tuesday's Appraisal Tip from Axis, Your Appraisal

Appraisal Practices Board is Requesting Feedback on a Guidance Document Regarding Appraising in a Declining Market

Many appraisers and users of appraisal services have raised important questions regarding appraisals prepared in declining markets, such as:

- How should an appraiser define a declining market?
- What databases or publications should be utilized in determining market trends?
- When labeling a market, should the appraiser limit the criteria to an area equal to the neighborhood or should a market study include a larger or smaller area?

This document attempts to provide guidance to these as well as other questions. It asserts that, **when appraising during a period of declining markets:**

- It will be incumbent upon the appraiser to develop a definition for a declining market, and support a conclusion of that decline.
- Numerous definitions of value exist besides market value and one or more may better describe the nature of competitive transactions in the relevant marketplace and meet client's needs.
- Adjustments can and should be made, with support, where necessary for conditions of sale adjustments in declining markets; and
- Statistical methods may offer a way to support a variety of adjustments.

To read the full document click [here](#)

To provide comments, interested parties are encouraged to comment in writing to the Board before December 5, 2011 to:

Appraisal Practices Board
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005

OR

APBcomments@appraisalfoundation.org

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