



## Appraisal Tip from Axis, Your Appraisal Partner

### Unpermitted Space?

The perennial question – whether it be called unwarranted, illegal, unpermitted, finished storage – the question is the same – how should the appraiser treat it?

While the question is the same, the answer varies quite a bit from lender to lender. At Axis, we have worked closely with our lender partners in developing an unpermitted space policy:

The appraiser should fully describe and photograph the space – and answer the following questions:

- Is it completed in a workman-like manner?
- Are there no visible health or safety issues?
- Is it typical and conforming for the area?

If the answers to these questions are yes, and the appraiser can provide similar recent sales with a similar space, the property has the potential for lending.

The appraiser cannot count the space in the overall gross living area, however, and values it on a separate line item. Typically it is given storage to no value, depending upon multiple factors.

### Permit History?

Make sure your homeowner provides a copy of permits to the appraiser upon inspection, especially if from an area where the local jurisdiction does not have permit history or records easily accessible. This can save valuable time in the process!



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