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## *Dave Windsor's 'Alaska Real Estate'*

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# Inflation Also Affects Appraisers

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It seems that everything is going up - and will continue to do so. The minimum fee for a home appraisal in 2022 will be \$900 in Anchorage and \$1,000 in the more remote areas, including Mat-Su.

Of course, that is an appraisal required by your lender when financing your new home purchase. Most Realtors, including myself, can generate a value range of your existing property within 24 hours for much less money and issue a 'Broker's Opinion of Value' (B.O.V.) which is just as accurate for your private purposes, be it a legal matter or just to know what your home or investment property is worth.

Both Appraisers and Realtors work from the data - base of comparable sales ('Comps') but lenders require some 20 pages of details and that is the reason for the high cost.

If I am generating a B.O.V. for you I use the same data but the conclusion is more

easily determined because of my daily interaction with the actual marketplace.

Indeed, in the industry we sometimes have issues with so-called 'Appraised' value, both with bank appraisers and our friends at the Property Appraisal Division of the Municipality.

It has long been my contention that your real estate is worth whatever a buyer is willing to pay, and I have often listed and sold real estate for numbers that exceed a technical appraisal.

Appraisers are just doing their job according to rules set by the Federal Government in some cases (FHA and VA) and by others for Conventional loans.

The Municipality is also acting to the best of its ability with the data it can obtain (which does not include full access to MLS) but, when you receive your green card assessment soon, remember that you can make an objection if it is too

high. If it is low, you are probably wiser to keep that to yourself since your property taxes are based on the MOA appraisal.

Sorry about inflation. In the United States it rose to 14.76% in 1980 and the latest reading in November 2021 was 6.8%. Even the PCE (Core inflation) was 4.7% and way above the Fed's target of 2% per annum.

2022 will likely see your groceries, furniture, gas and other consumer products rising at a rate of 7% to 10% per annum so let's cut the Appraiser a little slack as he too is just trying to make ends meet.

*Dave*

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