



We get a lot of calls for help. Sometimes we can't help, because the callers are calling the wrong people. The callers are regularly perplexed and sometimes unfairly annoyed with us. The truth is they are just misunderstanding what we, as real estate and business appraisers, do and don't do. Here's a few examples to explain the situation.

Discussion #1: The caller wants us to tell him how much his \$2 bill, printed in 1976, is worth. Basically, it's worth \$2! Wait, what's the caller asking? Yes, maybe there's a premium paid by numismatists. Apparently, several 1976 \$2 bills can be worth \$10,000's to collectors. But the vast majority are worth \$2. In any case, we are not the type of appraisers who can determine if a \$2 bill is worth more than ... \$2.

Discussion #2: A dinner party guest wants to know how much to insure her new diamond engagement ring for. Again, there are jewelry and gem appraisers and that is its own specialty.

These comical interactions illustrate the misunderstandings of who appraisers are and what they do. There are different types of appraisers. Only some are qualified to appraise a \$2 bill but these appraisers are not qualified to appraise diamonds and neither of these are qualified to appraise real estate or businesses. The difference between the types or appraisers is as large as the differences between an eye doctor and a dentist even though both are doctors.

Discussion #3: At an occasion with friends and family, someone asks, “You’re an appraiser? What’s my house worth?”

This is one of the most common questions we get, once people learn what we do professionally. If an appraiser is already very familiar with the market area and the house in question, he/she may be able to provide a ballpark figure. But that is rare and in all cases is professionally risky as a mistaken opinion could cause substantial financial damage. Proper appraisals require time-consuming research and analysis by a qualified expert. Therefore an impromptu opinion is probably never appropriate.

Discussion #4: The caller wants to know how much it’s going to cost to fix the dent in his fender and if the insurance company didn’t pay him enough. The caller needs an insurance adjuster, not an appraiser.

Discussion #5: A caller from Texas wants to complain about their home’s property tax bill. They want an appraisal to appeal their taxes. They also want to know where the office is in order to hand deliver the tax bill payment. Given that we are in New Jersey, we can’t begin tell the caller where to pay his bill. Further, given the home’s modest value, the caller can’t afford to have a formal, litigation-ready appraisal completed, even if he/she still had time to file an appeal. We feel for the homeowner because they are a long way from finding relief.

Besides appraisers of varying types, there are also adjusters and tax assessors. While related to appraisers, adjusters and tax assessors are substantially different. Adjusters specialize in cost and damages estimating for insurance claims. Tax assessors specialize in appraisals for ad valorem property tax, which have special regulations. These are three different types of professionals.

These are the major categories of appraisal work, and it’s rare to find one appraiser doing more than one category.

Real Estate Appraisers

Residential home appraisers, one to four family properties, generally lower value real estate

[Commercial property](#) appraisers, generally higher value real estate

Personal Property Appraisers

Factory and specialized [machinery & equipment](#)

Cars, trucks, boats, planes, railroad rolling stock

Artworks

Jewelry, Gems

Collector's items

[Personal property](#) and numerous other personal items

Business Appraisers

[Businesses](#)

Copyright, patents

Other [Business Intangibles](#)

[Property Tax](#) Assessors

Insurance Adjusters

The above categories are delineated based on asset type. Each of these categories is again segregated by the purpose and use of the appraisal. Many appraisers who are especially qualified for financing real estate appraisals are not qualified to do real estate appraisals for litigation, condemnation or property tax issues.

Financing

Federal, state, and local income tax

[Property tax](#)

[Litigation](#)

[Condemnation](#)

[Business](#) and [governmental](#) due diligence

Discussion #6: The caller wants his 10 commercial property portfolio appraised by the end of the week for a divorce hearing the following week, and in order to save money wants the appraisal report to be in a 3-page letter format. Yikes!

Appraisers have legal performance standards that mandate the completion of a minimum of research, analysis and reporting. Even if it wasn't for litigation, such as a divorce hearing, an appraisal on one commercial property almost always takes several weeks, and the reporting is most often more than 50 pages.

Please don't get us wrong. The general public is not expected to know all of this. If you have questions, we encourage you to call and we will be glad to work through the appraisal problem and scoping exercise with you. We just ask that you appreciate that in a world of ever-increasing specialization, there is a lot of specialization within appraisal too. We can help with a lot of appraisal questions. If we can't answer yours, we will direct you to someone who is the specialist that you need.

As appraisers who have worked over 37 years in the real estate and business valuation space, Federal Appraisal helps guide our clients to understanding what they need in an appraisal and helps develop a scope of work that is curated for their needs. **Call us at 908-534-3595 for an initial consultation today!**