

There Is No Such Thing as an “Update”

A new valuation date is a new assignment

It does not matter who the appraiser is, who the client is, or how little time has passed — and the savings the client is after are real, but they are somewhere else.

THE SHORT VERSION



Exhibit 1 — The request, and the answer.

The word is common in conversation and it does not exist as an assignment type. A request for a value as of a different date is not a continuation of the old work, not an extension of it, and not a refresh of it. It is a new assignment, and it has to be developed like one.

WHY — AND IT COMES DOWN TO ONE WORD

Value is always as of a date. That date is not a detail on the cover page. It is the single most significant driving force in the whole assignment, and it reaches everything you do — every piece of data you gather, every analysis, every adjustment, every reconciliation, every depreciation estimate. Every everything!

Change the effective date and you have not adjusted the assignment. You have replaced it. The market on the new date is a different market. The property may be a different property. The tenants may be different tenants. The old work answered a question about a moment that has passed, and that answer cannot be stretched forward.

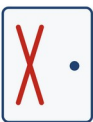
The profession’s guidance says this in as many words. Advisory Opinion 3 addresses exactly this situation, and its answer is flat: regardless of what anyone calls it, when a client wants a more current value of a property that was the subject of a prior assignment, that is not an extension of the old assignment. It is simply a new assignment.

THE THREE ESCAPE HATCHES

People reach for three arguments to make the old work carry forward. All three are worth knowing, because each one sounds reasonable and none of them survives contact with the guidance.

THREE ESCAPE HATCHES, NONE OF THEM OPEN

Each one sounds reasonable. None survives contact with the guidance.



"But I did the original one myself."

NO EXCEPTION FOR

WHO THE APPRAISER IS

Your own prior work, done for a different assignment with a different effective date, is not development of THIS assignment.

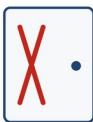


"But it is the same client."

NO EXCEPTION FOR

WHO THE CLIENT IS

The client did not change the assignment by being familiar with the last one.



"But it was only a few months ago."

NO EXCEPTION FOR

HOW MUCH TIME HAS PASSED

A short gap may mean the market barely moved. That is a finding, reached by looking — not a reason to skip the looking.

Same appraiser, same client, short interval, all three at once — still a new assignment.

The effective date changed. That is the whole analysis.

Exhibit 2 — Three reasonable-sounding arguments, and why none of them works.

Notice what the three have in common. Each one points at something outside the assignment — a person, a relationship, a calendar — and asks it to do the work. None of them touches the thing that actually changed.

WHAT A NEW ASSIGNMENT ACTUALLY REQUIRES

It requires the appraiser to do the work, as of the new date, and to stand behind it.

WHAT THE NEW ASSIGNMENT ACTUALLY REQUIRES

Four things, as of the new date. The third is the one that gets skipped.

1 Identify the problem again

Client, intended users, intended use, type of value, effective date, property, rights. All of it, freshly.

2 Decide the scope of work again

What this assignment, on this date, requires. Not what the last one required.

3 Verify the facts — as of the new date

An inspection made for the prior assignment is an inspection of the property as it was THEN. It does not become current by sitting in the file.

4 Certify honestly

If the certification says an inspection was made, an inspection has to have been made — for this assignment.

Tenants move. Roofs fail. Anchors go dark. Roads get widened.

The whole reason the client wants a new date is that things change — and then the appraiser assumes they did not.

Exhibit 3 — Four requirements. The third is the one that gets skipped.

The third one deserves the emphasis it is given. An inspection performed for the prior assignment is an inspection of the property as it was then. It is not an inspection of the property as of the new effective date, and it does not become one because it is sitting in the file. The file may be full while the current assignment is still empty.

A SHORTER REPORT IS ALLOWED. A SHORTER APPRAISAL IS NOT

None of this means starting from a blank page and pretending the prior work does not exist. There is real flexibility, and it is worth knowing precisely where it lives.

WHERE THE REAL SAVINGS ARE

The flexibility is in the reporting. It is not in the development.

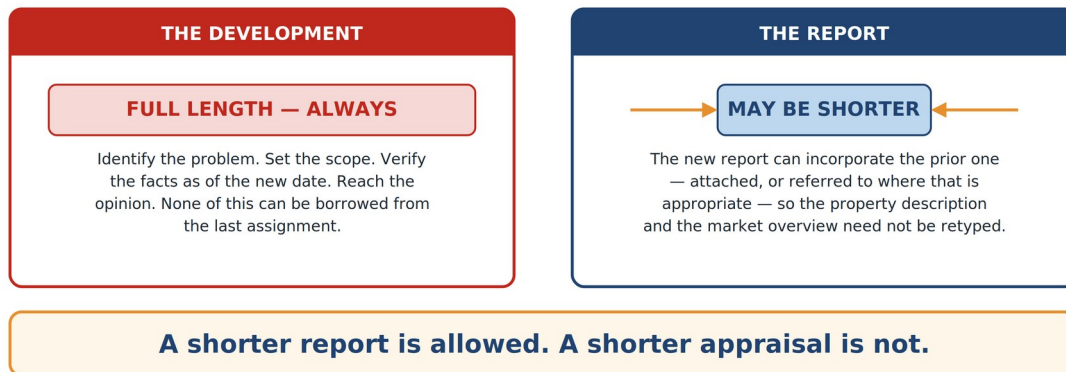


Exhibit 4 — One of these can be shortened. The other cannot.

The flexibility is in the reporting, not in the development. A new report can incorporate the prior report — by attaching it, or in the right circumstances by referring to it — so that the appraiser does not have to retype the property description, the market overview and the boilerplate. That can genuinely save the client time and money. What cannot be shortened is the analysis.

THE COUSIN: YOU CANNOT JUST CHANGE THE NAME EITHER

A related request arrives just as often. A report was prepared for one client; a second party now wants to rely on it, and asks the appraiser to reissue it with their name on the cover.

The answer is the same, and for the same reason. The intended users are part of the assignment, and they are identified before the work is done — not after. A different client is a different assignment. Readdressing a finished report to somebody it was never written for is not a clerical act. It is a misrepresentation of what was done and who it was done for.

THE QUESTION TO ASK

If you are the one receiving the work: what did the appraiser actually do as of the new date? Not what he did two years ago. Not what he is willing to assume is still true. What did he verify, inspect, read and confirm — for the date he is now giving you an opinion about?

If the honest answer is “nothing, really — it is an update,” then what you are holding is not an appraisal as of the new date. It is an old appraisal wearing a new cover.

Read this one alongside Identification of the Problem, which sets out the assignment elements this paper turns on — and shows why moving any one of them asks a different question.

General information, prepared for anyone who wants a plain-English handle on the subject — clients, students, and appraisers alike. It is a starting point, not a substitute for reading the source material and thinking it through for the assignment in front of you. Every assignment is different. Reach your own conclusions and own the work.

