

## A Message from the President of the Youngstown Columbiana Association of REALTORS®

### WHAT BUYERS NEED TO KNOW ABOUT THE APPRAISAL PROCESS

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The Home Appraisal Process Is an Important Step Toward Securing a Home Loan.

It can also be one of the more confusing steps in the process for buyers. Whether you're going through the process for the first time or you've been there before, understanding what to expect from your appraisal, why it's important, and how it works will make life much easier when the time comes.

- **Your Home Appraisal Guide**

When you apply for a home loan, the lender needs to determine the home's exact value before they will offer a loan. A home appraisal is an unbiased review of the value of the home, which the lender uses to make sure that the value of the loan matches the real value of the home. This is a crucial step because the home acts as collateral for the loan, and the lender needs to protect itself in the event of a foreclosure.

- **How Does a Home Appraisal Work?**

The appraiser plays an important role in the home buying process and serves as an impartial observer to establish a fair, accurate value for your home. The appraiser should be licensed or certified with a deep understanding of your local real estate market. Your lender will normally take care of the details for arranging the appraisal. You will be responsible for the cost.

The actual appraisal process doesn't require much input from the buyer until the end. The appraisal allows you to understand how the appraiser established the home's value, and see whether you disagree with any aspects of the appraisal. You will not be dealing with the appraiser directly, so it's important to be prepared to review the final report of value.

- **How Is the Value of the Home Determined?**

The home appraiser will determine the value of your home based on a few factors, which will likely be familiar to anyone shopping for a home. The size of the home both indoors and out, along with the number of bedrooms and bathrooms, the condition of the home, the neighborhood where the home is located, and the value of comparable homes sold in the area. The final report of value accounts for all of these factors, to provide a comprehensive picture of the home's value.

- **This Sounds a lot Like a Home Inspection**

And there are indeed many similarities! However, a home inspection is used to determine whether any

repairs are needed for the home, and how much those repairs will cost. The appraisal is a deeper look at the home, with a specific focus on establishing value.

- **What If I Don't Like the Results?**

As a buyer, a lower-than-expected appraisal can actually be a valuable negotiating tool, as you can request that the seller lower the asking price to match what the lender will offer. If you believe that the appraiser made a mistake or miscalculated the home's value, you can request another review with a different appraiser.

Getting through the home appraisal process is a key milestone in purchasing a home, so it's great to be prepared when the time comes. If you have specific questions about your home appraisal, speak with your real estate agent or lender to learn more.

**County Totals:**

Mahoning: 409 on the Market, 639 Sold, 213 Average Sold Each Month, 1.92 Months of Inventory left, 156.23% Chance of selling your home in 90 days

Columbiana: 176 on the Market, 223 Sold, 74.33 Average Sold Each Month, 2.37 Months of Inventory left, 126.70% Chance of selling your home in 90 days

Trumbull: 293 on the Market, 524 Sold, 174.67 Average Sold Each Month, 1.68 Months of Inventory left, 178.84% Chance of selling your home in 90 days

*Dennis Gonatas is the 2022 President of the Youngstown Columbiana Association of REALTORS®*