



Case Summary: 2023-14

Sanction Consent Agreement Implementation Date: June 20, 2023

General Summary:

File Opened: March 2, 2023

The Report describes a one-story single-family residence situated on several acres of land. The smaller home residence is 25 years old and described as in “average condition.”

The Member has completed numerous appraisal assignments in the region in which the property is situated.

The Report Date is noted in the report as approximately one year earlier than the Effective Date of the Report.

The Appraisal Report contains errors with respect to the building and outbuilding descriptions. The reported site size is different from other reliable sources but no work-file evidence exists to support the site area.

The zoning was reported as Residential (RUR3) and the permitted uses were expanded upon. The Report states that the subject property does not conform to zoning which does not allow a single family dwelling. The Highest and Best Use of the subject property as though vacant is Residential and the Highest and Best Use as improved is Existing Residential Use (as is). There is no supporting rationale in the Report and the work-file does not contain material about the zoning of the subject property.

Some of the comparable sale descriptions do not reference extensive outbuildings. The Cost Approach was also utilized, and the RCN was sourced through a Manual. However, the work-file does not contain any support for the stated RCN rate.

The Report makes an inaccurate statement about the date of a prior sale of the property.

The Report contains numerous errors. The Report does not conform to the standard of a Reasonable Appraiser. The co-signing Member did not ensure that the report complied with CUSPAP as outlined in the Member Responsibilities of the AIC Co-signing Policy.

Report Details:

Property Type: Single family residence

Purpose: estimating market value

Use: First mortgage financing only

Certification: signed by: Candidate Member Co-signed by: P. App., CRA

Complainant Allegations:

The Complainant identified several concerns, inaccuracies and errors that are related to the following:

- Geographical competence
- Incorrect date of report signing in Certification
- Main residence and outbuilding description errors
- Incorrect lot size
- Incorrect zoning
- Highest and Best Use analysis
- Errors in description of subject and comparable sales in the DCA
- Issue with comparability of Sale 4 with the subject property
- Incorrect reported Sales History

Issues Arising from the Complaint Review:

The Report does not conform to the standard of a Reasonable Appraiser.

Sanction Consent Agreement Terms

Agreed Breaches of CUSPAP 2020:

Reporting Standard Rule 6.2.6 In a Report the Member must identify the date of the Report

Real Property Appraisal Standard Rules 8.2.3 When completing a Real Property Appraisal Report, a Member must comply with the Reporting Standard and must identify the property and describe its location and characteristics;

Real Property Appraisal Standard Rule 8.2.4 When completing a Real Property Appraisal Report, a Member must comply with the Reporting Standard and must identify and analyze land use controls,

Real Property Appraisal Standard Rule 8.2.6 When completing a Real Property Appraisal Report, a Member must comply with the Reporting Standard and must define, analyze and resolve the Highest and Best Use as of the Effective Date of the Report;

Real Property Appraisal Standard Rule 8.2.9 When completing a Real Property Appraisal Report, a Member must comply with the Reporting Standard and must detail the reasoning supporting the analyses, opinions and conclusions of each valuation approach;

Real Property Appraisal Standard Rule 8.2.14 When completing a Real Property Appraisal Report, a Member must comply with the Reporting Standard, and must analyze and comment on:

8.2.14.ii all prior sales of the property, subject to 9.13;

Agreed Discipline:

1. **Section 5.35.1:** Reprimand: entered into the Institute's National Professional Practice Record for a period of five (5) years.
2. **Section 5.35.2:** Education: CPD 132, More than Just Form-Filling: Creating Professional Residential Appraisal Reports to be completed successfully at the Member's expense and must include the successful completion of the final exam not later than 6 months after the date of implementation of the Sanction Consent Agreement.
3. **Section 5.35.3:** Peer Review: A similar appraisal report not more than two (2) years old to be submitted within 30 days of the date of implementation of the Sanction Consent Agreement.

Costs (Section 5.38):

No costs were sought.