



**Case Summary: 2024-04**

**Adjudicating Sub-Committee Hearing Date: April 10, 2024**

**General Summary**

**File opened:** February 3, 2023

The Report described a one-story single-family residence situated on under 10 acres of land. The under 1000 square foot residence was 25 years old and described as “in average condition.”

The Complainant provided a copy of an Appraisal Report completed on the subject property that was prepared by a Candidate Member and co-signed by a CRA Member. Only the Candidate Member inspected the subject property. Both Members were properly registered in the Candidate Co-Signing Registry.

Prior to the resolution of the complaint, the Candidate Member resigned from the AIC. As a result, the file was resolved by Adjudicating Sub-Committee decision.

**Complainant Allegations**

The complaint contained the following concerns:

1. Geographical competence
2. Incorrect date of report signing in Certification
3. Main residence and outbuilding description errors
4. Incorrect zoning and Highest and Best Use analysis
5. Errors in description of subject and comparable sales in the Direct Comparison Approach
6. Issue with comparability of a sale used in the Direct Comparison Approach with the subject property
7. Incorrectly reported Sales History

**Issues Arising from the Complaint Review**

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

**Adjudicating Sub-Committee Decision dated July 16, 2024r**

**Breaches of CUSPAP 2020:**

**Real Property Appraisal Standard Rule 8.2.3** identify the property and describe its location and characteristics;

**Real Property Appraisal Standard Rule 8.2.4** identify and analyze land use controls;

**Real Property Appraisal Standard Rule 8.2.6** 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** detail the reasoning supporting the analyses, opinions and conclusions of each valuation approach;

**Real Property Appraisal Standard Rule 8.2.14** analyze and comment on:

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

**Ethic Standard Rule 4.2.5** It is unethical for a Member to knowingly complete an Assignment a reasonable Member could not support;

**Discipline**

**Section 5.35.2 Education.** Completion of CPD 132, More than just Form-Filing: Creating Professional Residential Appraisal.

**Section 5.35.3 Peer Review.** A Peer Review is a compliance review of professional services conducted in accordance with the Institute's peer review program.

**Costs**

Costs in the amount of \$500 were levied.

**Other Comments**

The Adjudicating Sub-Committee found:

- The AIC investigation found no support for the complaint allegations related to:
  - Geographical competence
  - Incorrect date of report signing in Certification
- The Report contained errors with respect to the residence and outbuilding and there was no work-file material to support the site area.
- The reported zoning did not permit the existing use.
- The report did not accurately reflect some details about the comparable sales data.
- The Replacement Cost New estimate of the residence was not supported with work-file

data.

- The reported sales history was inaccurate.
- The Report did not conform to the standard of a Reasonable Appraiser.