

DISCIPLINARY REPORT

July 28, 2022

AB-20-22 On May 26, 2022, the Board approved a Consent Settlement Order with a Certified General Real Property Appraiser on a commercial appraisal report. The appraiser agreed to a private reprimand, to pay an administrative fine of \$1,375.00 and to complete a 15 hour USPAP course with proctored exam. The violations in the report were: In the sales comparison approach, Licensee utilized sales of property that do not appear to be arms length transactions. The properties were purchased by a government entity or its agent for redevelopment. Most of the sales were improved properties that that were not on the market. A search of the market revealed that there were other vacant land sales closer in proximity and more comparable to the subject property with sales prices significantly less than the sales used by Licensee. It was also noted that the licensee ignored at least five sales of vacant commercial land tracts that sold in the time period of this assignment for a much lower value than the licensee's opinion of value. The licensee also used a direct sales approach to take sales of improved commercial properties that were not similar to the subject property and without support, valued the land and subtracted this land value from the sales price to arrive at a contributory value of the improvements and then without support, apply a value to the subjects' improvements which was then added to the inflated site value to arrive at the opinion of value. The licensee also utilized an income approach to value but did not follow accepted appraisal practices to develop the opinion of value. The licensee utilized rental data from the client without supporting documentation as the basis of potential gross income. Licensee did not do the research and analysis of comparable income and expenses to use in his estimate of potential gross income and expenses and Licensee had no comparable date to use in his estimate of potential gross income and expenses which makes this opinion non-credible or not worthy of belief. The licensee did not correctly employ the recognized the method and technique of the sales comparison approach. Licensee utilized sales that did not meet his definition of market transactions. These sales were purchases by a government or their agent for redevelopment and due to the motivation of the buyer, (government wanting property for redevelopment) and the condition of the sales, (property not exposed on the market by owner for a reasonable time, and government's eminent domain powers) these factors were not in the Licensee's definition of market transactions. Licensee had no support in using these sales. This makes the sales comparison approach non-credible due to lack of support. The licensee also utilized an income approach to value but did not follow accepted appraisal practices to develop his opinion of value. The licensee utilized rental data from the client without supporting documentation to base his potential gross income on. Licensee had no comparable data to use in his estimate of potential gross income and expenses which makes this approach non-credible, not worthy of belief. Licensee made at least 12 errors from misstating the type of appraisal being performed, the type of appraisal report produced, to inaccurate proximity of comparable sales to the subject property. Licensee states in the Scope of Work section of the report that Market data was researched and analyzed but there was no support for the adjustments made in the sales comparison approach to value and the report does not contain data to support the statement that market date was researched

fully. There was no summary of the information analyzed and the reasoning that supports the analyses, opinions, and conclusions in the report. **Violations: Ethics Rule, Conduct; Scope of Work Rule, Standards Rules 1-1(a), 1-1(b), 1-1(c), 1-4(a), 1-4(c)(i), 1-4(c)(ii), 2-1 (a), 2-2 (a)(vii), 2-2(a)(viii), USPAP 2018-19 Edition.**