

DISCIPLINARY REPORT

November 9, 2023

AB 21-22 On September 21, 2023, the Board approved a consent settlement with a Certified Residential Real Property Appraiser Sean Hollis, R00701 where the Licensee agreed to pay a six (6) month suspension of his license effective October 1, 2023 through March 31, 2024. The Violations in the report are: The appraiser does not analyze or address the four criteria relative to the highest and best use of the property. The appraiser indicates that the market is stable to increasing, however, there is no time adjustment..

- The subject site contains 9,800 SF. All of the comparables have larger sites. There is no support or explanation for the site adjustment or lack thereof. There is no support for site value in the appraisal or the work file.
- There is a difference in bedroom count from the subject to the comparables. There are adjustments for bedroom count with no support or explanation.
- There is a difference in bath count from the subject to the comparables. There are adjustments for bath count with no support or explanation.
- The appraiser indicates that there is no necessary adjustment for room count. However, given the fact that the comparables are 4-bedroom units, an adjustment for unit mix is appropriate.
- The subject contains 4,031 square feet which is larger than any of the comparables. There is an adjustment made with no corresponding support or explanation.
- The appraiser's concluded price per square foot is less than the indicated/adjusted range.
- The appraiser's concluded price per room is greater than the indicated/adjusted range.
- The appraiser's concluded price per bedroom is greater than the indicated/adjusted range.
- The subject site contains 9,800 SF. All of the comparables have larger sites. There is no support or explanation for the site adjustment or lack thereof. There is no support for site value in the appraisal or the work file.
- The appraiser has indicated MVS as the source of the cost for the improvements. However, there is no support in the appraisal or work file.

There is no support or explanation for depreciation. The rentals presented in the appraisal do not match the discussion.

There is no adjustment for the number of bedrooms in the rental presentation. This is typically a major factor in rental properties similar to the subject.

This is an income producing property. Therefore, more explanation is needed for support of economic rent versus contract rent.

In the Replacement Reserve Schedule, the appraiser indicates the replacement of 1,400 yards of carpet. This equates to 12,600 square feet. This is incorrect.

The subject is an income producing property. The appraiser indicates that the Income Approach was included at the request of the client. Properties similar to the subject are

bought and sold based on their ability to produce an income stream. The appraiser provides concluded values for each approach to value.

The appraiser's discussion in the reconciliation indicates that more consideration is given to the Income Approach. However, it appears that the appraiser gives more consideration to the Sales Comparison with support from the Income Approach. However, given the application of units of value outside of the ranges, see Sales Comparison Approach comments, it is not clear why this is the best indicator of value. The price per square foot, the price per room, and the price per bedroom are outside the adjusted ranges. There is 15.79% difference between the Income Approach and the final estimate of value while there is only a 5.85% difference from the final estimate of value to the Cost Approach. Properties similar to the subject are bought and sold for their ability to produce income. The appraiser has not explained or supported the conclusions in the appraisal. More explanation supporting the reconciled final estimate of value is needed.

The appraisal lacks discussion and explanation for adjustments as well as support and reasoning for the reconciled final opinion of value.

The appraisal does not contain a sufficient highest and best use analysis with explanation and support.

STANDARDS RULE 1-3, 1-4, 2-2, USPAP, 2020-2021 Edition.

AB 22-29 On September 21, 2023, the Board approved a consent settlement with Certified General Real Property Appraiser Gilbert P. Johnson, G00144 where the Licensee agreed to pay a \$875 Administrative Fine. The violations in the report are: The licensee's work file did not contain data to support the licensee's opinions and conclusions. Licensee did not research and analyze the difference in the subject property and the comparable sales utilized to accurately determine the differences in the condition of the subject property and the comparable sales. Licensee made several adjustments to the comparable sales used in the Sales Comparison Approach to value without market support or explanation in the report or work file. This makes the sales comparison approach non-credible due to lack of support. This indicates that the licensee did not correctly employ the sales comparison approach to value to produce a credible appraisal. Licensee did not properly research and analyze the data to make credible market adjustments to the comparable sales utilized in the sales comparison approaches to value in the appraisal. Under Site value the licensee does not state where his opinion of value came from or what method was used. Licensee's reporting of data and opinions and conclusions that were not supported by relevant evidence or logic make this report misleading. Licensee's report failed to have sufficient information to support by relevant evidence and logic the licensee's opinions and conclusions and therefore the intended users could not properly understand the report properly. **RECORD KEEPING RULE, SCOPE OF WORK RULE, SCOPE OF WORK ACCEPTABILITY, STANDARDS RULE 1-1 (a), STANDARDS RULE 1-4(a), STANDARDS RULE 1-4(b)(i), STANDARDS RULE 2-1(a), STANDARDS RULE 2-1(b), USPAP, 2020-2021 Edition.**