Tips for Appraisal Reports during COVID19

Suggested language to be included on all appraisal reports until markets are stable:

COVID-19 was declared a pandemic on March 11, 2020 by the World Health Organization. The financial markets have sustained substantial turmoil which also may affect the fine and decorative art and collectibles markets. Due to the developing situation, it is not currently possible to quantify its long-term or short-term effects on the marketplace overall. The value opinion contained in this appraisal report is based an analysis of market data available to the appraiser at the time of the assignment. (The date used should be modified depending on the market your report addresses). It may be necessary/is strongly suggested that this item be re-appraised at a later date after this situation has normalized. (Depending on the intended use of the appraisal.)

Extraordinary Assumption: (Example)

Data for sales conducted after March 11, 2020 used as comparables in this appraisal are assumed to be correct. It is also assumed the auction results used in the analysis represent completed (fully paid) transactions.

The appraiser used information provided by the client, including but not limited to: photographs, measurements, receipts, invoices, and documents (appraiser to insert variables here). It is assumed the information is reliable and credible for the appraisal assignment.

If the item is not personally inspected:

Appraisals made without having made a personal inspection are referred to as Desktop Appraisals (common for machinery & equipment appraisers). The inability to inspect the property, and the resulting reliance on third-party information, creates limiting conditions for the appraiser and extraordinary assumptions will be required to be made. The appraiser
may rely on inventory lists, prior appraisals, invoices, photographs, videos and other relevant information and materials provided by the client. The challenge with this type of appraisal arises in the appraiser’s ability to determine the existence of the property, as well as sufficient information to be able to properly identify the subject property, including its condition.

A personal inspection is not required by USPAP, however, the appraiser’s signed certification must disclose whether the appraiser has or has not personally inspected the subject property. USPAP 2020-2021 Advisory Opinion 2 (AO-2) offers advice from the Appraisal Standards Board (ASB) regarding Inspection of Subject Property, including Minimum Level of Inspection, Relying on an Inspection Performed by Someone Else and Disclosure Requirements, in addition to offering several illustrations.

Remote inspection:
Guidance on information to requested

- Photographs
- Facetime/Zoom etc. inspection visit with you client
- Measurements
- Invoices
- Prior appraisals
- Old repair receipts
- Insurance documentation
- Client inventories or spreadsheets
  If possible – Stone count (should be stated as approximate based on photograph) is needed
- GIA Certificate(s)
- Model or Serial Number(s)