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Appraisal Tips for First-Time Cleveland Home Buyers

What Is an Appraisal?

An appraisal is an unbiased estimate of a home's market value. Your lender requires it to ensure the property is worth the agreed-upon price. It's not a home inspection and should not be viewed or relied upon as one.

Why It Matters

If the appraisal is lower than your offer, the lender may reduce your loan amount. You may need to renegotiate or pay the difference. If it matches or exceeds the offer, you're good to go.

Zillow vs. Reality

Online estimates like Zestimates don't account for recent renovations, local quirks, or property condition. Cleveland's market varies dramatically by neighborhood, even block to block in some areas. Furthermore, Zillow includes the basement's finished square footage in its total square footage. However, basement square footage often contributes a lesser price per square foot than above-ground square footage, which can make Zestimates inaccurate, among other things.

What Impacts Value?

Key factors:

- Size and layout
- Condition and updates
- Lot size and location
- Recent comparable sales nearby
- Market conditions, including sales price changes and inventory levels.

Who Chooses the Appraiser?

The lender selects an appraiser directly through their appraisal department or an Appraisal Management Company (AMC) to keep the process impartial. You can't choose them, but you can ask for a copy.

You can also hire a different appraiser to provide an independent appraisal. The bank will not be able to use that report, except in some cases of PMI removal. If the bank says you qualify for an appraisal waiver, you can always get one anyway for peace of mind about the value of the property you are purchasing.

Low Appraisal? Don't Panic

You can challenge a low appraisal with better comps, fix factual errors, renegotiate the deal, or cover the gap out of pocket.

Bottom Line

Understanding how appraisals work reduces surprises. If unsure about the process, ask your agent or call us.

