

Home Appraisals In The Pittsburgh Real Estate Market



Whether you are a buyer or a seller in the Pittsburgh real estate market, the findings of a home appraisal may affect you. What do you need to know?

THE PURPOSE OF A HOME APPRAISAL IS TO ESTABLISH AN ACCURATE MARKET VALUE FOR A PARTICULAR PROPERTY.

The appraiser's unbiased opinion of value ensures the amount of money requested by the borrower is equal to the home's value. The bank is protecting its investment by confirming that the buyer is not overpaying for a home.

Typically, the buyer pays for the appraisal as part of their loan costs. The cost of the home appraisal is dependent on the area of the country where you live. The cost averages between \$350 – \$450 for a single-family residential property in the Pittsburgh area. Several factors go into the pricing of the appraisal, so you will want to verify your lender's cost.

Homeowners may want to refinance or obtain a home equity line of credit, requiring a home appraisal to be completed. Sellers have also obtained a home appraisal if there are not enough comparable homes to establish a fair market value.

A HOME PRICE SET BY A HOMEOWNER DOESN'T ALWAYS ACCURATELY REFLECT THE TRUE VALUE OF THE HOME.

The condition of the house will be a contributing factor to the value. A house that needs repair may not be equal to comparable homes in the neighborhood. The home appraiser will consider the condition, the location, upgrades, and the community. Recently sold homes are another factor considered in the Pittsburgh real estate market.

THE APPRAISER IS A LICENSED PROFESSIONAL WHO KNOWS THE PARAMETERS FOR CORRECTLY DETERMINING YOUR HOME'S VALUE.

The appraiser is required to follow all Pennsylvania state laws related to the appraisal process.

In a home purchase, the appraiser will walk through the home for a thorough assessment. They will verify the number of bedrooms and bathrooms. The appraiser will also take photos and measure the home's square footage. They will do a visual inspection of the interior and exterior.

DEPENDING ON THE TYPE OF LOAN THE BUYER IS OBTAINING, THE APPRAISER MAY BE REQUIRED TO SITE SAFETY ISSUES THAT WILL NEED TO BE CORRECTED AND CONFIRMED BEFORE CLOSING.

After they inspect the property, they will prepare a written appraisal report for submission to the bank. The bank will notify the buyer of the results of the appraiser's findings. The buyer will receive confirmation of the home's value along with any conditions noted that will need correcting before closing.

The buyer and the seller will need to determine who will make the required repairs. Also, determine who will bear the cost of those repairs.

IF THE APPRAISED VALUE DOES NOT MATCH OR EXCEED THE PROPERTY'S SALES PRICE, THE BUYER AND SELLER WILL NEED TO NEGOTIATE TERMS THAT WILL WORK FOR BOTH PARTIES.

Most likely, the buyer will not obtain a mortgage for more than the appraised value. In such a case, the sales price and terms of the home can be re-negotiated. Or the buyer will bring more cash to closing to make up the difference.

IN THE HOT PITTSBURGH REAL ESTATE MARKET, WE HAVE BEEN EXPERIENCING A LOW INVENTORY OF HOMES FOR SALE ALONG WITH HIGH DEMAND FROM BUYERS.

This creates situations where a buyer may offer a substantial amount over the asking price to win the bidding war.

Buyers and sellers should work with an experienced real estate agent in markets such as this. Pricing the home right should be the top consideration when putting your home on the market. A seasoned real estate agent will be able to guide you through the pricing process. Pricing correctly will alleviate appraisal concerns down the road. Accepting an offer well over your asking price may not be in your best interest. An issue can occur if the comparable home sales do not support those numbers. Often, a seller will have to reduce the home price to equal the appraised value.

THE BUYER NEEDS TO UNDERSTAND THE CONSEQUENCES OF OVERPAYING FOR A PROPERTY IN A HOT PITTSBURGH REAL ESTATE MARKET.

You may end up having to renegotiate your offer if the appraisal comes in low. Again, this is where an experienced real estate agent can represent your initial offer's best interests and any renegotiating that may be required.

The lender, the real estate agent, the buyer, nor the seller have any influence over who will be assigned to do the appraisal. A third party service will randomly select the appraiser.

I have over 17 years of experience selling real estate in our region. Over the years, I have gained the knowledge to help buyers and sellers navigate a hot real estate market.