

## **Edition 5 vs. Edition 4**



### **Major changes highlighted by icons!**



In addition to scores of edits to improve consistency, clarity, and understandability, the following changes have been incorporated into the 5th edition:

- Entire manual edited to ensure conformity throughout with the changes recently incorporated by the Appraisal Standards Board into the new 2012-2013 edition of USPAP
- Added discussion of competency
- Edited discussion of USPAP's definitions of "Client," "Extraordinary Assumption," and "Hypothetical Condition"
- Added discussion of new USPAP definition of "Exposure Time"
- Made revisions to discussion relating to the development and disclosure of exposure time opinion
- Made revisions to discussion of USPAP STANDARDS 7 and 8
- Modified discussion of highest-and-best use as it pertains to personal property
- Added discussion of new USPAP RECORD KEEPING RULE and made related edits to the Conduct Section of the ETHICS RULE
- Updated discussion of the appraiser's USPAP obligations in light of the new RECORD KEEPING RULE
- Updated discussion of USPAP certification to add need to specify present or prospective interest in property or parties
- Added discussion on elements of USPAP certification that require modification
- Added discussions that no label is required for extraordinary assumptions or hypothetical assumptions
- Expanded discussion of "Objectives of Assignments"
- Expanded discussion of Appraisal Process for better understandability
- Significantly expanded discussion of the three approaches to value
- Added discussion of the IRC Section 6695A penalty for misstatements of value
- Edited federal estate and gift tax discussion as per changing regulations regarding unified tax credit amount
- Added discussion of draft/interim reports
- Expanded state estate discussion to include trusts
- Added discussion of corporate financial reporting as an intended use of an appraisal
- Added discussion of endowment effect
- Expanded discussion of depreciation

- Expanded discussion of multiple-use appraisals and multi-value appraisals
- Added discussion of straight-line depreciation vs. accelerated depreciation
- Expanded discussion of using other specialist appraisers and non-appraiser experts to assist with an assignment
- Added discussion of workfile obligations for individuals assisting the appraiser
- Expanded the discussion of appraisal updates
- Added discussion of "team" appraisal assignments
- Added discussion regarding donating business inventory
- Expanded the discussion on providing basis, rationale and reasoning for value opinions, particularly for high-valued items for tax purposes
- Added discussion on valuing motor vehicles for donation purposes
- Added discussion of appraiser-client relationship
- Added discussion of the allowability of the appraiser discussing assignment results with intended users other than the client
- Added discussion of disclosing property appraised in the past or the names of past clients
- Expanded discussions regarding "fair value"
- Added discussion regarding the amount of research to do
- Edited the discussion regarding required content of Self-contained, Summary and Restricted Use reports for clarity
- Updated sample wording examples and sample appraisal reports
- Expanded discussion regarding delivering the report and getting paid
- Added discussion of retainers
- Added discussion of buying or selling an appraisal business and the related issue of confidentiality
- Embedded additional helpful cross-references within the manuscript
- Enhanced Index with many more listings