

What's New

As with previous editions, this 7th edition of *Appraising Personal Property: Principles and Methodology* is packed with changes which improve clarity and expand discussions. Changes also include loads of new material— much of which focuses on frequently-encountered issues that have proven to be confusing to appraisers. In addition, since this book is USPAP-centric, it necessarily reflects changes incorporated by The Appraisal Foundation's Appraisal Standards Board (ASB) into the 2016-2017 edition of USPAP which is in effect from January 1, 2016 through December 31, 2017.

All major changes made since the preceding 6th edition of this book are highlighted and easy to locate. Just look for this "Updated!" icon:



Thumb through this book to see all the many expanded discussions and new topics, some of which include:

- Appraisal reviews
- Mass appraisals
- Scope of work
- Extraordinary assumptions
- Ordinary assumptions
- Exposure time
- Marketing time
- Loss of value
- Physical attributes
- Collectibles insurance policies
- Disputes
- Donating similar items
- Donee acknowledgement of contribution
- Donor-created artistic property
- Estate tax exemption amount
- State inheritance tax
- Collateralized loan appraisals
- Post-Value Date Comparable Sales
- Explaining exclusion of approach(es) to value
- Identifying the client
- Maintain your website
- Your online presence
- Assignment workfiles
- African Elephant Conservation Act
- IRS Form 8283
- Depreciation
- Draft reports
- Using photographs
- Federally related transactions
- Minimum Qualification Criteria
- Redacting appraisal results
- Use of term "USPAP Certified"
- Web search tools
- Descriptive headers

In addition to the above, updates resulting specifically from changes incorporated by the ASB into the 2016-2017 edition of USPAP can be found sprinkled throughout this book in the relevant locations. The changes that were made to the 2016-2017 edition of USPAP include the following:

- **Revisions to the RECORD KEEPING RULE:** Edits to the RECORD KEEPING RULE were made for clarity purposes. Specifically, replacing the word "any" with "all" clarified that the appraiser must retain true copies of **all** written reports. In addition, language was added to make it clear that, in addition to documentation, other types of supporting data and information may also be included in a workfile by referring to its location elsewhere.
- **Revisions to STANDARD 3:** The requirement to identify and report the effective date of an appraisal review was deleted because the ASB felt that the effective date of an appraisal review added confusion and is unnecessary in an appraisal review assignment. The ASB also recognized that there were some issues in STANDARD 3 that were handled differently than they are in other Standards. The Board revised the language STANDARD 3 to bring it more in line with the language in other Standards. This led to the several edits to the various sections of STANDARD 3 as well as to the addition of Standards Rule 3-5(j).
- **Revisions to the Definition of “Assignment Results” and to the Confidentiality section of the ETHICS RULE:**
 - Changes were made to the definition of “Assignment Results” which will ensure that an appraiser is able to share non-confidential information with other appraisers to facilitate higher-quality appraisals by allowing the exchange. An example would be the sharing of the physical characteristics of a property. Such information is not considered to be “assignment results.”
 - Two paragraphs were added to the Confidentiality section of the ETHICS RULE dealing with protecting confidential information within the appraiser’s office. The first addition recognizes that employees or contractors have access to confidential information as part of a normal working environment. The second addition requires the appraiser to ensure that anyone who may have access to that information is made aware of its confidential nature of this information.
- **Revisions to Reporting Standards:**
 - Standards Rules 2-2, 8-2 and 10-2 were amended to reflect the requirements of SMT-9 as to what must be stated in a report in those instances when the client wishes to remain anonymous. Specifically, the appropriate Standards Rules were changed to now require a notice in the report that the client’s name was omitted based on a request by the client.
 - Changes were also made to clarify that intended users may be identified by name or type.
 - Language regarding examples of types of intended users was made to the Comment sections of SR 8-2(a)(i) and 10-2(a)(i).
 - In addition, edits to Standards Rules 2-2(b)(i), 8-2(b)(i), and 10-2(b)(i) were adopted to address those situations in which clients have requested that their identity be withheld from a Restricted Appraisal Report.
- **Reasonable Exposure Time:** A revision was made to the Comment at the end of Standards Rules 1-2(c) and 7-2(c) to note that the focus is on **reasonable** exposure as opposed to an exposure time that is **not** considered to be “reasonable.”
- **Retirement of all STATEMENTS ON APPRAISAL STANDARDS:** The STATEMENTS (SMT) are no longer considered necessary since Standards-related issues that were included in

the SMT are now covered elsewhere in USPAP, and SMT issues relating to guidance regarding appraisal methods and techniques were reissued in the form of new Advisory Opinions (AO).

Accordingly, all the remaining SMT have been retired including:

- SMT-2: Discounted Cash Flow Analysis;
 - SMT-3: Retrospective Value Opinions;
 - SMT-4: Prospective Value Opinions;
 - SMT-6: Reasonable Exposure Time in Real Property and Personal Property Opinions of Value;
 - SMT-9: Identification of Intended Use and Intended Users
- **Adoption of Four New Advisory Opinions:** The valuable guidance contained in the above-listed newly-retired SMT has been transferred (with edits as necessary that better reflect current practices and terminology) into four newly-adopted Advisory Opinions including:
 - ADVISORY OPINION 33: Discounted Cash Flow Analysis;
 - ADVISORY OPINION 34: Retrospective and Prospective Value Opinions;
 - ADVISORY OPINION 35: Reasonable Exposure Time in Real and Personal Property Opinions of Value;
 - ADVISORY OPINION 36: Identification and Disclosure of Client, Intended Use, and Intended Users
 - **Revisions to ADVISORY OPINION 7:** Edits regarding marketing time opinions were made to more clearly differentiate between exposure time and marketing time.

All these updates makes this 7th edition of *Appraising Personal Property: Principles and Methodology* the only complete and up-to-date course book and how-to guide for the personal property appraiser.