

Kirchmeyer Klips

"A publication for people in the mortgage industry"

Presorted
First Class
US Postage
Paid
Buffalo, NY
Permit 4254

Kirchmeyer & Associates Inc. presents...



March 2004

www.kirchmeyer.com

Issue #67

INSIDE...



1 • Recent Upgrades

2 • Recent Upgrades
• New Builds
(cont. from Feb issue #66)

3 • New Builds (cont.)
• Career Opportunity
• Employee feature

4 • Menu of Services
• Calender of events
• Our web

Publisher...Jim Kirchmeyer / Research...Tom Kirchmeyer SRA
Layout...John Coccia / Printed by...Digicon Imaging, Inc.

Kirchmeyer & Associates Inc. • 40 Gardenville Pkwy • Suite 100 • Buffalo • NY • 14224
Toll free 1 (800) 771-5246 Phone (716) 558-2800 Fax (716) 558-0164

Menu Of Services

- Appraisal Management Services
- Relocation Appraisals
- Construction Appraisals
- FHA Appraisals
- Desk and Field Reviews for Quality Control
- Desktop Analysis
- Estate Valuation
- Home Equity Valuations
- Matrimonial Appraisals
- REO and Loss Mitigation Appraisals
- Broker Price Opinions
- Automated Valuation Services

Complete and Limited appraisals
(throughout the US) for all residential
properties including 1-4 family homes,
condos, PUD's, and co-ops.

Dates to remember...

**Mar 14-17...NATIONAL TECHNOLOGY IN
MORTGAGE BANKING CONFERENCE & EXPO**
Phoenix AZ

**Mar 22-24...NAMB LEGISLATIVE AND
REGULATORY CONFERENCE**
Washington DC

April 22...NYAMB 3RD ANNUAL SCHOLARSHIP GALA
New York, NY

June 5-8- SAT/TUES...NAMB ANNUAL CONVENTION
Salt Lake City, UT



The main purpose of our
website is for our existing
clients to get 24/7 access to
statuses on their open
appraisals.

www.kirchmeyer.com
The Value Is In Our Service !

Recent Upgrades for our clients...

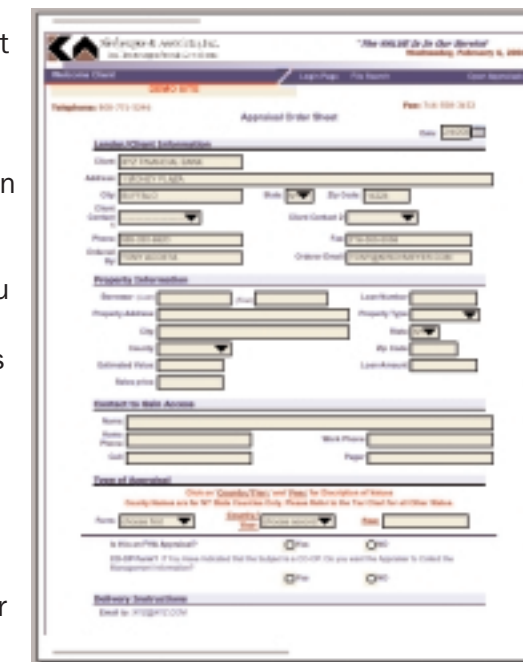
At Kirchmeyer & Associates, we are always looking for ways to make our client's jobs easier. All clients that have access to our secure internet website now have the ability to view the original appraisal report in PDF format, 24 hours a day, 7 days a week. They simply logon using their User ID and Password, view their recent orders, select the ones they wish to view, and the actual original copy of the appraisal opens up where they can view the entire report or print it. All PDF reports are digitally protected so that they cannot be edited. You must have the free Adobe Acrobat Reader installed on your system to view the appraisals. Most of you already have this tool but if you do not, download your free copy from our website at www.kirchmeyer.com (once at our home page, click on Current KA News link).

This feature is great for clients requesting a 2nd or 3rd copy of a report, or if they misplaced the original one we sent them. Kirchmeyer & Associates will continue to e-mail the appraisal as soon as it has passed through our Quality Control Dept.

So if you don't have web access now to our site, you should call us immediately to get set up. All it takes is a phone call to Tony Acosta at 585-330-6620 or e-mail tony@kirchmeyer.com.

We can also set you up for easy online ordering of appraisals. Once you submit an online order, you get immediate confirmation that your order has been entered into our system, and we can begin the appraisal process even faster than if you waited to phone the order into us during business hours, or even faxed it to us. Appraisals are often assigned after business hours and if your order arrives later in the day via online ordering (we know you all work late and on weekends too), we can get a head start on scheduling the appointment.

Once you are set up, you can search any past
(continued on page 2.)



recent upgrades

(continued from page 1.)

or open appraisals you have ordered with us, view their up-to-date status information, e-mail us regarding that appraisal with questions or feedback, and view your fee schedule we have set up with you.

We love to cater to our clients and if you ever have a feature that you would like to see implemented on our site, simply let us know. Our full-time programming staff can customize reports to your needs. Please contact Tony today to simplify your job!

(Part 2 continued from our February issue)

Appraiser 'central' to mortgage process on newly built home

By Katherine Salant

Inman News Features

Owners who get past the financing hurdle and go on to build an unusual house may encounter an appraiser at resale, this time brought in by a broker who realizes from the get-go that no one will pay what the owners are asking. The broker hopes that an appraiser's objective evaluation will help them "get real." Mann said she periodically gets calls from brokers who say, "I need you to be the bad cop and the good cop and get objective. The buyers know you are not getting a commission, so talk about the house warts and all.

"They were mad that I gave the observatory so little value, but most buyers are not interested"

"Mann went on to say that the sellers are not always happy with her assessment. In one case, a couple had spent a fortune converting their attic into an observatory, spending \$30,000 just to move the copper dome that housed the telescope into place. "They were mad that I gave the observatory so little value, but most buyers are not interested," Mann said. Sometimes the reason for a lower than expected resale price is not an unusual feature, but unusual

taste. Karen Williams, an appraiser in Raleigh, N.C., recalled the unhappy seller of a house in a subdivision of \$500,000 to \$800,000 houses who was forced to reduce his price by 35 percent. The house was fine, but the owner had selected a blue galvanized metal roof to match the wild blue yonder for his traditionally styled house and "everybody hated it," she said.



Clearly these owners could have avoided a substantial financial loss at resale if they had sought advice before they proceeded with their project. Some appraisers are beginning to do just that-work with architects and lenders to advise owners of their potential risk when a new home project is still in the planning stage.

Alan Hummel, a residential appraiser in Des Moines, Iowa, cited by example an owner who wanted to build a \$3.2 million Frank Lloyd Wright-type house on the Iowa prairie. For a market where the median house price is \$97,000, that is an enormous investment for a house with limited appeal, Hummel said. The architect, builder and lender invited Hummel to apprise the owner of this fact. By the end of the reality-check discussion, the owner was ready to move forward, comfortable with the architect's fee, the contractor's price and the near certainty that on resale he would only realize about 60 percent of his cost.

On a more conventional project, Hummel worked with an architect and a couple who wanted a six-bedroom house for their large family. This is unusual for Des Moines, and Hummel helped them devise an "exit strategy" for resale-positioning the walls so that one of the bedrooms could easily be converted into a master suite sitting area and another could be a master suite walk-in closet.

Segueing from the unusual home buyer to the more typical one who is purchasing a house from a production home builder, what advice do appraisers offer? The builder has a dizzying array of upgrades; do any of them help with resale? The answer is yes. The specifics depend on whether you are at the low, middle or high end of the market, but the overriding principle on choosing upgrades is the same-strike for the middle and don't over or under improve, compared to the other houses in the subdivision. As Williams succinctly put it, "you're best

off to be typical or less of the average of a neighborhood." Though it's easy to focus exclusively on your house, you need to pay attention to what the other buyers in your subdivision are getting because their houses will be your main competition when you sell. If you opt for few upgrades and a Plain Jane approach, your wallflower house won't be as appealing as the one across the street with the to-die-for kitchen. You won't sell yours for as much and you may have it on the market longer.

On the other hand, if you get the kitchen and more of the builder's other upgrade goodies than other buyers did, you will also suffer disappointment at resale. You'll get more money but not that much more, because, as Williams said, "buyers will only pay so much for a house that is wildly above average for a given neighborhood."

Where is that invisible line between not enough and too much? The best way to determine its location is to walk around the subdivision, look at the other houses and talk with people who are already living there, several appraisers said. You should also ask the builder's sales agent, who would certainly know which upgrades were the most popular.

Career Opportunity



or visit our website at www.kirchmeyer.com

AVM guide available soon...

Interested in AVM's?

Interested in AVM's? Real-info has just produced a guide which explains in layman's terms what an AVM is, how the AVM helps the appraiser, broker, lender, and more importantly, how it saves our client's money! If you are interested in this FREE guide, please contact Jim Kirchmeyer via e-mail at jakirch@real-info.com and request one today!

Employee spotlight



David Nantz

WORKS FROM: Baltimore, Maryland Office

PHONE : 410-592-1195
443-829-9119 Cell

E-MAIL: dnantz@kirchmeyer.com

POSITION: Manager of Baltimore Office

JOB DUTIES: Dave is responsible for managing the day-to-day operations of the Baltimore office. His responsibilities include vendor management, hiring and training staff appraisers, assigning new appraisal orders, appraisal review, and resolving value disputes. The Baltimore office encompasses the Maryland, DC, Delaware and Southern Pennsylvania markets.

When not at work, David enjoys: spending time with his family, hunting, fishing, crabbing, riding ATV's, and boating on the Chesapeake Bay.

