

Understanding How Appraisers Evaluate Church Real Estate

Before we get in to exactly how appraisers evaluate church real estate, individuals need to understand the basics of an appraisal. In its most simple definition, an appraisal is an estimate made by an unbiased individual as to the current market value for a particular piece of real estate. Certified and professional appraisers, regardless of industry, will inspect the property and take into consideration a multitude of factors that will help create a baseline estimate that offers an indication of what buyers might be expected to pay, or sellers may be expected to receive, for a certain piece of property.

Real estate appraisals, and that goes for church appraisals as well, are performed for a wide variety of reasons, which include but are not limited to refinancing, buying, and expanding the church property. Church real estate appraisals also take into consideration various factors such as local building costs, labor rates, and sales comparisons to evaluate a piece of property. Appraisers also look at the neighborhood, access into and out of the neighborhood, and other types of property available in a given area or neighborhood.

The church real estate appraisal will also address the overall site, as well as the amenities and physical condition of the property. Data taken into consideration will also include square footage, number of bathrooms, seating capacity, kitchen area, recreation halls and so forth, as well as the materials used in the construction of the church like the type of flooring in the facility. Real estate appraisals will involve an inspection of the property in order to determine its condition and layout. Inspectors or real estate appraisers will photograph the church property, measure for square footage, and look for features or defects that enhance or damage the total overall value of the property.

Appraisers will also take into consideration purchases and sales of similar types of properties in a given neighborhood to help create a sales comparison in order to reconcile an estimated market value for the property. An appraisal will also evaluate fair market values, tax values, insurance values and value in use, so it is necessary to be able to define the purpose behind a request for an appraisal.

An appraisal is an important step when attempting to finance a church property. There are many different types of appraisals, such as complete or limited appraisals. The Uniform Standards of Professional Appraisal Practice based on federal requirements standardized the appraisal reports for various types of properties.

Whether you're looking to refinance or obtain financing for construction or expansion needs, an appraisal is a necessary component for many lenders. Realtors, mortgage companies, title companies, and appraisers all work together to help create a well-rounded and informative document that helps to ensure adequate and appropriate values of property so the growth and expansion, purchase, or sale of a church property may be smoothly expedited.

When it comes time to have your church appraised, make sure the appraiser is licensed, certified, professional, and experienced in order to provide an accurate estimate of the value of the church real estate property. Most importantly remember that the appraiser almost always has to be ordered by the lender and not by the purchaser of the property in order for the appraisal to be accepted by the lender. Appraisals on church real estate generally run between \$2,500 and \$5,000 but can be more for a large or complex property.