



Real Estate Appraisal News

Lanier Appraisal Service
Mary Thompson-Certified
Appraiser

NOVEMBER, 2014

In This Issue

Quick Links

[BUILDING PERMIT
REQUIREMENTS - HALL COUNTY](#)

[BUILDING PERMIT
REQUIREMENTS -Forsyth County](#)

[Lake Lanier Water Levels](#)

[How to Prepare for an
Appraisal](#)

[Benefits of a Pre-Listing
Appraisal](#)

[Letter to Seller about
Pre-Listing Appraisals](#)

So you have a home with an addition. Was it Permitted by the County?

How will the lack of a building permit affect the Appraisal and The Home's Value?

You will be happy to know that they are NOT required by HUD or for Conventional Loans....However.....there is a caveat.

When the Appraiser inspects the home, if the addition or finished basement or enclosed Garage, etc. has not been completed in a Workmanlike, Professional Manner this condition WILL be noted in the report. Then it is

[Join Our Mailing List](#)

up to the Underwriter to determine if further inspections or investigations into the addition or finish work is required OR if they will decline the Loan all together.

So what does Workmanlike mean to an Appraiser? It means the addition must blend or flow well with the remainder of the home and it must not look "thrown together" or finished off in an inferior way, with inferior materials or with an inferior foundation, etc. As a Realtor, you KNOW what I am talking about. If you think the addition or finish work is marginal or sub-standard, so will the Appraiser.

One IMPORTANT thing to note, MOST Appraisers will NOT inquire about Permits for Finished Basements or Bonus Rooms over Garages. It is quite common for Homeowners to Finish these areas without getting a Building Permit, even though many Counties require one whenever Plumbing or Electrical work is involved. Some Counties require permits for Decks and Fences and again, most appraisers will not even ask if a Permit has been pulled for this type of addition. Some will not ask about permits for enclosed Garages, it depends upon how it was finished off and how it compares in quality and condition to the rest of the home.

The work should conform to building codes and standards in place at the time of the addition or finish work. Since Appraisers are not building inspectors and do not have the building codes handy they will typically include a disclaimer in the appraisal report stating there was an addition, it has been completed in a workmanlike, professional manner and it is assumed that the work conforms to all current building codes and standards at the time of the addition. Then we will supply plenty of photos for the Lender to Review.

The Key is how do these additions or finished space CONTRIBUTE to value? The Appraiser will review sales of homes with similar additions and total square footage to determine how much added value there is and make adjustments accordingly. It most likely will not get same value per square footage as the remainder of the home.

Basements as many of you know are valued lower per square footage as dictated by the market. Enclosed Garages in most cases command less per square footage in the market. HOW much Less? That depends on the area, the price range, the quality of the enclosed space, etc.

If the addition or finish work in basements or enclosed Garages is sub standard, little to NO value will be given. In the Case of FHA Loans, the Lender may require the Appraiser give NO value to the finished space and they May also decline lending on that property. It is their call to make. We just report what we see and provide photos to help them make their decisions on the Loan.

If you have any questions about Building Permits and additions, contact me and we can help.

**** CHECK OUT LINKS TO THE LEFT OF THIS ARTICLE FOR HALL & FORSYTH COUNTY BUILDING PERMIT REQUIREMENTS .**

About Us

Lanier Appraisal Service
5747 GARDEN WALK
Flowery Branch, Georgia 30542
770-967-0753
[Visit Our Website](#)

[Forward this email](#)



This email was sent to lakelanierappraiser@gmail.com by lakelanierappraiser@gmail.com | [Update Profile/Email Address](#) | Rapid removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).



Lanier Appraisal Service | 5747 GARDEN WALK | Flowery Branch | GA | 30542