



The Home Appraisal: A Question & Answer Guide

It might not be the most exciting of topics, but the home appraisal is one of the most important milestones for homebuying, home selling, and refinancing.



A home appraisal is a fair and impartial estimate of how much a home is worth, and is one of the last steps required to getting a mortgage. So yeah, a lot hinges on the appraisal.

But there's much more you should know about this step, so we've outlined the most important questions — and their answers — of what the home appraisal process is all about.

What is a home appraisal used for?

Whether you're buying or refinancing a home, the appraisal is used to determine the current market value of the house and give confidence to the mortgage lender in its lending decision.

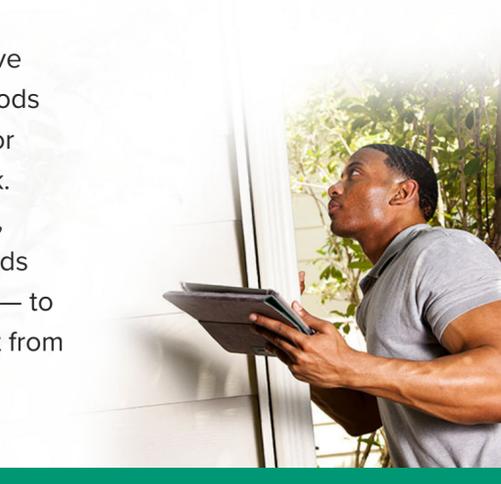


Why do I need an appraisal?

Because your mortgage lender requires one! The lender must ensure the amount of money requested by the borrower is appropriate in minimizing the risk it takes to fund the home purchase or refinance.

Who appraises the home?

An appraiser is an independent, impartial professional who has taken comprehensive and continuous training in valuation methods and techniques. Appraisers are licensed or certified by the state(s) in which they work. They follow state regulations and uniform, industry standards — the Uniform Standards of Professional Appraisal Practice (USAP) — to help ensure that appraisals are consistent from one area to the next.



What are appraisers looking for exactly?

An appraiser is examining the condition of all things generally part of, or attached to, the home. Translation: They don't care about décor or furniture.

The appraisal is focused on:



General features: Age, square footage, lot size, number of rooms, location, etc.



Interior: Walls, floors, windows and doors, appliances, plumbing and lighting, and the functionality and layout of the home.



Exterior: Foundation, roofing, landscaping, decks and porches, and permanent fixtures (like a pool or sprinkler system). Cracks, damages, leaks, and code violations will also be considered here.



Location: Nearby schools, shopping, access to transportation, and conformity of the home to the neighborhood.

How much is an appraisal and how long does it take?

The cost varies depending on the location and type of property, but you should expect to pay between \$300 and \$500.¹ In some cases, the cost of the appraisal may be paid at closing.

The amount of time an appraisal takes depends on the size and complexity of the property, so you should budget a few hours for it. Once the physical appraisal is complete, the appraiser creates a written report of findings and submits the report to the mortgage lender — usually within five to seven days.

Keep in mind:

An appraisal is not the same as a home inspection. Where an appraisal is ordered by the lender, a home inspection is arranged by the homebuyer. A home inspector informs the buyer of the home's condition and major features, as well as identifying any existing and potential problems. Unlike an appraiser, a home inspector is not determining the value of the home.



What are inexpensive ways to improve the home before an appraisal?



Fix blemishes.

Leaky faucets, broken windows, stained walls, cracked ceilings, broken fences, and roof shingles should all be repaired.



Document home improvements.

Note updates you've made over time, the year you did them, and the cost of each. These improvements can range from a remodeled bathroom to a new roof.

At this point, it should be no surprise why an appraisal is such a big milestone for both securing a mortgage and a home sale.

Speaking of which, if you're on the hunt for your next mortgage — look no further than this guide:

[Buying a Home? Compare Your Loan Options.](#)

¹. <https://www.thebalance.com/appraisal-fees-315707>