THE ASTUTE HOME ADVISOR

FREE GUIDE · BUYERS & SELLERS

# The Home Appraisal Guide

What an appraisal is, how it works in a DFW sale, and what to do if the value comes in low.

**Michael D. Chatman**

The Astute Home Advisor · Refind Realty · DFW

*You deserve the Astute Life.*

WELCOME

When a buyer uses a mortgage, the lender needs an independent opinion of the home's value before it lends money. That opinion is the appraisal.

Appraisals can affect price, financing, and whether a deal closes on time — so it helps to know how they work, whether you're buying or selling.

## Appraisal vs. Other Home Values

| Type | Who it's for |
| --- | --- |
| Online estimate | A quick, automated starting point. Not an appraisal. |
| Comparative market analysis (CMA) | A real estate agent's pricing analysis based on local sales. |
| Appraisal | A licensed appraiser's opinion of value, usually ordered by the lender. |
| Appraisal district value | Used for property taxes. Often different from market value. |

## How an Appraisal Works

1. **Ordered**
   After the contract is signed, the buyer's lender orders the appraisal through an independent process.
2. **Inspected**
   The appraiser visits the home and notes size, condition, features, and upgrades.
3. **Compared**
   The appraiser selects recent comparable sales and adjusts for differences.
4. **Reported**
   The lender receives the report and uses the value in the loan decision.

## What Appraisers Look At

- Square footage, bedrooms, bathrooms, and lot
- Overall condition and needed repairs

- Updates and improvements
- Location and neighborhood features
- Recent sales of similar homes nearby

## Sellers: How to Prepare

- [ ] Make the home easy to access on appraisal day
- [ ] Have a list of upgrades with dates and approximate costs
- [ ] Complete small repairs and keep the home clean
- [ ] Tell your agent about recent nearby sales that support your value

## Buyers: What Protects You

In Texas, financing terms in the contract, including the Third Party Financing Addendum, can give buyers certain rights if the property doesn't meet lender approval. Understand your contract terms and deadlines before you sign.

## If the Appraisal Comes in Low

- Ask for a reconsideration of value if there are strong comparable sales the appraiser may have missed.
- Renegotiate the price.
- The buyer brings extra cash to cover part or all of the gap.
- Split the difference.
- In some cases, a buyer may be able to terminate under the contract terms.

### Plan Ahead

In competitive situations, discuss appraisal gap strategy before writing or accepting an offer — not after the report comes back.

## New Construction Note

Builder base prices, lot premiums, and upgrades don't always translate dollar-for-dollar into appraised value. Michael's builder-side experience helps buyers weigh upgrades and incentives against what the home is likely to be worth.

YOUR NEXT MOVE SHOULD START WITH A STRATEGY

# Let's Build Your Plan.

Whether you're buying, selling, building, relocating, or preparing for later, Michael will help you figure out what makes sense for your family before you make the move.

**Book a Strategy Call**

469-258-6651 michael@astutehomeadvisor.com

*You Deserve the Astute Life.*

### Find It.

The right property, community, and lifestyle fit.

### Finesse It.

Price, terms, incentives, and contract strategy.

### Fund It.

Payment, cash to close, and financing coordination.