



RESPONSIBILITIES – REAL ESTATE APPRAISERS

Summary: Real estate appraisers have a broad set of responsibilities to uphold in their day-to-day business practices. Their responsibilities speak to the appraisal standards that must be followed, proper disclosure of licensing status, record keeping and following a client’s lawful instructions. [See: *Real Estate Act Rules*, s.77]

Note: For the purposes of this Information Bulletin, and where the context permits, the term “real estate appraiser” includes all industry members licensed as candidates by the Real Estate Council of Alberta.

Unlike real estate associates and mortgage associates, real estate appraisers do not work under the supervision of a broker or brokerage. Real estate appraisers are responsible for their own record keeping and ensuring that they are carrying out their business practices in compliance with the legislation.

Section 77 of the *Real Estate Act Rules* sets out the specific responsibilities that apply to all real estate appraisers in Alberta. The very first subsection clarifies that all real estate appraisers must perform appraisal assignments with impartiality, objectivity and independence, and without accommodation of personal interests.

Real estate appraisers are responsible for following appropriate appraisal standards in their work, though the precise standard is left to each appraiser based on the standards adhered to by members of the professional appraisal association(s) to which they belong. When performing a real estate appraisal in Alberta, appraisers must adhere to one of the following standards:

- Canadian Uniform Standards of Professional Appraisal Practice;
- International Valuation Standards; or
- Uniform Standards of Professional Appraisal Practice.

Professional appraisal associations in Alberta may require their members to adhere to a specific standard, but for the purposes of the *Real Estate Act* and the *Real Estate Act Rules*, real estate appraisers are simply required to adhere to one of the above standards. And, section 77(2.1)(a) of the *Real Estate Act Rules* does require that, when performing appraisals, appraisers adhere to the standards of the appraiser association for which he or she is a member in good standing at the time of the appraisal.

Other real estate appraiser responsibilities in section 77(2.1) of the Rules that relate specifically to performing appraisals include:

- Selecting comparables consistently and in accordance with date of sale, location, age, building style and size and not ignoring comparables available in proximity of the subject property;
- Maintaining a record of the process used to identify comparables, and all relevant comparables not included in the appraisal report; and,
- Ensuring that the methodology used for the adjustments is consistent within a report and is verifiable through data where data exists.

Record keeping responsibilities

Sections 77(2.2) and 77(4)(a) and (b) relate specifically to real estate appraiser record keeping responsibilities. In providing real estate appraisal services, real estate appraisers must maintain all documentation, data and formulas used to arrive at an adjustment, an opinion of value or a range of value. Additionally, appraisers must ensure proper management and control of documents or records related to licensing, registrations, and related regulatory requirements; and, ensure all documents and records related to real estate appraisal services required under the *Real Estate Act* and the *Real Estate Act Rules* are maintained or made available by the appraiser for the purposes of a review at the registered business office of the appraiser.

Providing services

The remaining responsibilities set out in section 77 of the Rules relate to the provision of appraisal services and adequate disclosure of name and licensing class.

Real estate appraisers and candidates must indicate on their business cards that they are an appraiser or a candidate, as the case may be; they must only provide real estate appraisal services in the name that appears on their appraisal licence; and they must ensure that their name is clearly indicated in the course of providing real estate appraisal services and advertising. For more information about “clearly indicated,” please see RECA Information Bulletin: *Advertising – Clearly Indicated*.

Examples

1. Janie Apprise is a licensed real estate appraiser. All of her marketing materials use the name “Jane Appraise.” Ms. Apprise has previously provided her also-known-as “first” name, Jane, to the Real Estate Council of Alberta for approval. Because it is a derivative of her legal first name, RECA approved her use of the name “Jane” while providing real estate appraisal services in Alberta. RECA, however, does not approve the use of false last names by industry members and as such, Ms. Apprise cannot provide real estate appraisal services using the name “Appraise.” Ms. Apprise may wish to use “Appraise” as an additional moniker in her advertising, which is acceptable provided that her full licensed-as name and licensing class appear in the advertisement and are clearly indicated.
2. Mr. Smith is a licensed candidate. He is hired to appraise rural property just outside of the Calgary city limits. Mr. Smith researches the sales history and property specifics of 10 other similar properties that have recently been on the market. Ultimately, Mr. Smith only includes five comparable properties in his final appraisal report; however, he is still required to maintain a record of all 10 comparables he viewed and considered, and he needs a record of the process he used to identify comparables.