

## HEY, WHAT'S MY ROLE ANYWAY ?

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According to Evan I Schwartz in his book "Webonomics"(Broadway Books,1997),there is a new Web site appearing every 60 seconds. Each of these new sites is adding information for us to use in performing our duties within the real estate and relocation industries.

One of the most unique sites is that of the Pinellas County, FL Property Appraisers([pao.co.pinellas.fl.us](http://pao.co.pinellas.fl.us)).From the time of the Property Appraiser's first appearance, it has undergone several enhancements. The most recent occurred in May 1998, with the addition of a comparable sales report on each residential property. It is one of several sites that have tried to bring public information about real estate to the Internet. Several government-based sites provide property data, but none delineate comparable sales.

When the site frst appeared, the viewer was presented with several pages of information on the particular property. Page one of the report provided the viewer with:

- the county's estimate of fair market value based on sales up to December 31 of the previous year;
- the property usage,property address and the US Census Tract;
- plat onformation and any recorded sales(The sales are classified as "qualified" or "unqualified." An unqualified sale is a sale at a price less than or more than the fair market value, usually to a family member, or a foreclosure);and
- tax information(This includes the just value, assessed value, and any state homestead exemptions that apply to the property. This section also includes the applicable millage rates on which the taxes are computed.)

The remainder of the page includes information regarding the lot. including size and the county's indicated value for the land only. The page ends with the legal description of the property.

Page two of the report included information refarding :

- the property use code;
- the number of units and a repeat of the property address;
- the building structural elements,including data pertaining to the foundation, the floor system, the exterior wall, the roof, the number of stories in the structure,the floor finish, interior walls, the year the structure was built and it's effective age, heating and cooling, and the number of plumbing fixtures;

- the heated square footahe, the base area, and any garages and/or car ports;and
- residential extras, such as pools, porches, and fireplaces.

The next revision to the site added the ability to view cartographic information regarding the subject property. This included a color coded map for sales over the previous three years. Each sale was displayed on a plat map-like plan that showed the subject property as a cross and each home sold within a one-half mile radius. This revision was followed with the addition of aerial photographs and it's surroundings down to a one-eight of a mile radius, with a cross placed on thesubject property. This became very useful in showing a client the amenities and detrimental characteristics of the property's location.

The newest feature on the site is information backing up the county's estimate of fair market value. The Property Appraiser's design paper dated May 4,1998 says "The comparable sales search feature module allows Internet users to perform comparable sales analysis via the Internet search interface."

The comparable sales search feature provides the user with:

- comparable property addressess;
- the subdivision name;
- the year the property was built;
- the heated square footage;
- the gross square footage;
- the number of outbuildings;
- the number of plumbing fixtures; and
- whether it has air-conditioning, a pool or a fireplace.

Finally, the report also provides the user with the date of sale, the sales price, and where the sale can be found in the county records. The report also provides the user the ability to review the full printout of the comparable.

Two more features soon will follow these additions. The first will be digital color photos of each property, and the second will be a display of the footprint of the property showing external dimensions of the structure.

The implications of the Pinellas County Property Appraiser Web site are far-reaching. Jim Smith,CFA, who created the Property Appraiser says," The brokers and appraisers I have talked with feel that it helps them by centralizing the information that they use in their everyday

process. We deal in mass appraisals, not the specific internal attributes of a particular property. Further, this approach provides them with more tools quicker. It provides a vehicle for the professional to provide value added services by evaluating the public data for the consumer. We feel that we are an extension of the real estate industry and that the real estate industry is an extension of us. The market value information is historical in nature and does not reflect what may be going on in the marketplace today."

According to Smith, the Florida State Department of Revenue is using the Pinellas County site as a model for other counties in the state of Florida. To explore the effect of the evolution of this kind of Web site on brokers and appraisers, I interviewed members of both sides of the picture.

The brokers had mixed reactions. Starting with the negative reactions, some brokers felt that there were three major impacts to the home sale process. First, the availability of this information will give the sellers the ability to twist information to their own benefit. Second, the seller looking at a list of 20 or more comparable sales might develop a preconceived judgement as to which three comparables should be used in the value analysis. The final drawback identified by these brokers was that real estate professionals will be called on more often to defend their choices of comparables and the evaluation process they use in choosing them.

On the positive side, brokers said that, with this much data available, sellers may become more reasonable in setting their prices. Second, having access to so much data clearly will make it possible to establish a basis for detecting price trends in a given area. Third, some brokers believe that the existence of the site will enhance their position, since a professional still will be needed to evaluate the data being presented. Because of the nature of this information, the average person in the market today probably will not understand how to interpret the raw data. Fifth, the brokers felt that they still will be needed for the other stages of the home sale process, such as negotiating offers and reviewing how personal problems might eventually affect the price of the property. Sixth, the availability of this information will enhance the ability of the broker to gain information on For Sale By Owner sales within the area. Finally, at least one of the brokers said that, as the novelty of this wears off, the average citizen will lose interest in taking time to do his or her own research on a property and return to the advice of a professional.

Appraisers were almost evenly split on the benefits and disadvantages of the existence of the site. Looking once again at the negatives first, some appraisers believed that the availability of comparable sales data changed the appraisal process into a statistical function rather than an art of exercising judgment on the attributes of one amenity. Second, the "ERC Relocation Appraisal Guide" makes reference to the use of regression analysis. Using data that could be three or more years old would skew the results of such analysis. The third point made by the appraisers was that the selection of which homes to enter into the report could have a negative impact on the resulting figure for the subject. Fourth, like the brokers, appraisers felt that the presentation of the data in its current format does not take into account the location and condition of each property on the list of comparables. Along with this, the appraisers were concerned with the accuracy of the information. Unlike some states, Florida requires the accuracy of the information to be checked every three years. Sixth, the appraisers were quick to point out that the information presented is no better than the person who interprets it. The final negative comment

was that the availability of this data was going to require appraisers to provide more explanation for their judgments than they already make.

On the positive side, appraisers were quick to point out that an accurate appraisal still will require a professional to evaluate the amenities. Second, because the data is presented for a three-year period, appraisers still will need to narrow the selection. The ERC materials instruct the appraiser to begin looking at the community from a macro point of view. With the data being presented from a statistical, rather than a neighborhood view, the Web site has given appraisers the macro view.

The third observation from the appraisers was that the availability of the data places the appraisal in its proper place within the relocation process. The appraisal becomes the basis for making value-added judgments about the use of available data. One of the most difficult parts of a relocation appraisal is forecasting. The availability of the mass data may provide a clear indication of the direction of the prices of properties in a neighborhood if it contains repeat sales of the same property within the three years. The earlier versus the later sale will give a clear picture as to the direction of prices on the subject.

The final benefit from the availability of this data is that it should assist in making transferees feel as though they are in control of the process of selling their single largest investment.

This data availability is a tool for real estate professionals to do their job easier and quicker. The world we live in is changing every time we turn around. This rapid rate of change will continue to escalate. The efforts of Jim Smith and his staff are one more indication of the power of information technology. Each piece of information on their Web site is available to the public simply by walking into the Pinellas County Courthouse any day of the week. The change is that now, the information is available from the comfort of home. In the long run, it is saving time for both the public and the professional. As we all know, relocation is stressful and, if we can find a way to speed up the process and, thus, reduce stress levels, then we have gone a great distance in helping transferees.

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