



# Go Figure

The Aspen Appraisal Group knows what your home is worth.

by Jeremy Swanson

**T**he home is under contract for six million dollars. The buyer's attorneys order an appraisal, and it comes back at one million under the offered price. "The cost approach tells me that the house should be worth five million dollars, but it's under contract for six. What do I do with that? How do I reconcile that?" asks Randy Gold, an appraiser and owner of the Aspen Appraisal Group. "Have I goofed up in my cost approach? Is there something I'm not thinking about?"

The staff at AAG is used to these kinds of questions that come with the seven- and eight-digit price tags attached to Roaring Fork Valley real estate. Price is subjective everywhere (i.e., a house is worth what you can get for it), but nowhere more so than Aspen. "[The six-million-dollar offer] may influence that appraisal, and it probably does," says Gold. "If there's a willing buyer and a willing seller and they've signed an arm's-length contract—even if it's for more than we possibly think it could be worth—we still need to pay attention to that. The question then becomes, Is there more than one willing buyer at that price? Then you find that there are five backups. Then, I guess, we've got to be wrong and they're right."

Nearly 30 years of appraisal work in this area has taught Gold that appraising is "a very objective approach to something that is inherently incredibly subjective." AAG has honed its approach over the course of 22,000 appraisals—almost entirely in the Valley—since its founding in 1973. A bit more context? There are some 15,000 properties on Pitkin County's tax rolls. If you've got a home here, there's a good chance they've been in it.

"I have admired Randy and his ethics for a long time," says BJ Adams, broker/owner of BJ Adams & Company. "His work reflects his years of experience in Aspen and Snowmass and intense, thoughtful consideration of the facts. I've never known him to do anything 'on the fly.' [He's] not one to be influenced by clients or Realtors trying to make a deal come together. Randy's integrity is unquestionable."

"We try to put ourselves in the shoes of the buyer," says Gold. "Our job is to determine what we think market value is. And market value is the most probable selling price."

For evaluating residential property, the sales-comparison approach is key. Understanding what's important to buyers allows the appraiser to pick the best comparable properties. In other words, an appraiser must ask: Which homes are

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appropriate to compare to the subject home? Which comparable neighborhoods and features would appeal to the buyer? “Understanding what is comparable is critical,” says Gold. “If I’m appraising a house in the West End, I’m not going to be looking for a comp in Starwood or Red Mountain.”

Sales comparisons are always followed by adjustments. No two Aspen homes are exactly alike. Perhaps the subject home has one less garage space and one more fireplace than the comparables. The appraiser then has to assign a value to these features. But it really all comes down to experience. The more years you have, the more houses you’ve seen, the better you’ll do the job. A