



Appraisal Institute  
of Canada

Institut canadien  
des évaluateurs

## CASE SUMMARY

**Spring-2010-04**

**Facts:**

A complaint was made regarding a CRA member performing an appraisal report for a property that fell outside the scope of practice of a CRA designation.

**Issue:**

The zoning of the property was identified as being agricultural and no further details were provided. The highest and best use analysis in the report made mention of the future development for the property. The supporting argument for the conclusion that the highest and best use for the property was country residential was not adequate.

**Holding:**

After a thorough review of all the evidence, the Adjudicating Committee has decided that the most appropriate discipline to be imposed is one of Practice Sanction.

The member is directed to complete Peer Review. Costs of \$500.00 were awarded.

**Reasoning:**

The highest and best use analysis could be misinterpreted.

The member's work file was not extensive and the member failed to print out information which was considered in electronic form.

The member neglected to print out a signed copy of the report for the investigation.

The highest and best use of the property, a country residential use, fell within the scope of work that could be undertaken by a CRA. Although it was not well explained and supported within the report, the member's conclusion is considered to be reasonable.

However, the calculation of the contributory value of ground lease income is considered to be beyond the scope of work that can be undertaken by a CRA and the presence of this circumstance for the subject property puts it outside the scope of work permitted to be completed by a CRA unless the report is co-signed by an AACI.

**Relevant CUSPAP (2007):**

Appraisal Standard: 6.2.14, Appraisal Standard Comment 7.15.1, Practice Note 12.35

Ethic Standard 4.2.6, Ethic Standard Comment 5.9.1, 5.5.2, 5.5.3