



Case Summary: 2023-08

Sanction Consent Agreement Implementation Date: June 16 & 19, 2023

**General Summary:**

**File Opened:** March 11, 2023

The Complainant, an AIC Member, submitted this complaint.

The single Report describes two noncontiguous properties, the first is a parcel of vacant land and the second is a parcel of land that includes a relatively small residence and other site improvements. The inclusion of two noncontiguous properties in one report is not considered to be best practice.

The Report is completed on a Member-created Desktop Report and because no inspection was carried out, contains limited information about the properties.

**Report Details:**

Property Type: Agricultural

Purpose: to estimate current market value

Use: to assist in the purchase of the property

Certification: signed by: Candidate Member Co-signed by: AACI-designated Member

**Complainant Allegations:**

The Complainant identified the following concerns:

- Out of province appraisers (geographical incompetence)
- Wrong legal description and valued the wrong property
- Inconsistent identification of subject properties
- Incorrect zoning for one parcel of land
- Non-arm's length comparable sales selected for parcel of vacant land in the Direct Comparison Approach
- Inappropriate comparable sales for improved property
- Errors and unsupported methodology and adjustments in both valuation approaches

- Omitted listing history for one of the subject properties

#### **Issues Arising from the Complaint Review:**

The following issue arising was uncovered as a result of the AIC review of this complaint:

- The Report does not analyze and resolve the Highest and Best Use of the subject properties.
- The Report does not conform to the standard of a Reasonable Appraiser (Definition 3.58).

### **Sanction Consent Agreement Terms**

#### **Agreed Breaches of CUSPAP 2020:**

**Ethics Standard Rule 4.2.5** It is unethical for a Member to knowingly complete an Assignment a reasonable Member could not support;

#### **Real Property Appraisal Standard Rules**

When completing a Real Property Appraisal Report, a Member must comply with the Reporting Standard [see sections 6, 7], and must:

**8.2.3** identify the property and describe its location and characteristics;

**8.2.4** identify and analyze land use controls;

**8.2.6** define, analyze and resolve the Highest and Best Use as of the Effective Date of the Report;

**8.2.7** describe and analyze all data relevant to the Assignment;

**8.2.9** detail the reasoning supporting the analyses, opinions and conclusions of each valuation approach;

**8.2.14** analyze and comment on:

**8.2.14.i** all Agreements for Sale, options, or Listings of the property, subject to 9.13,

#### **Agreed Discipline – for both Members:**

1. **Section 5.35.1:** Reprimand: entered into the Institute's National Professional Practice Record for a period of five (5) years.
2. **Section 5.35.2:** Education: CPD 123, Adjustment Support in the Direct Comparison Approach to be completed successfully at the Member's expense and must include the successful completion of the final exam not later than 6 months after the date of implementation of the Sanction Consent Agreement.

3. **Section 5.35.3:** Peer Review: A similar appraisal report not more than two (2) years old signed by the Candidate and co-signed by the AACI-designated Member to be submitted within 30 days of the date of implementation of the Sanction Consent Agreement.

**Costs (Section 5.38):**

No costs were levied.