

## **WHY WOULD I NEED AN APPRAISAL?**

An appraisal is a document conveying an opinion of value of real or personal property. If you find yourself in any of the following situations, or more importantly, how values may have an effect on your life in the future, you may need an appraisal.

**Taxes** – Appraisals are involved when you pay taxes on your home or business.

**Insurance** – Appraisals determine the value of your property for insurance purposes.

**Financing** - Appraisers work with banks and lending institutions to determine the advisability of bank loans.

**Eminent Domain** – Appraisers determine the value of assets when property may be taken for public works projects

**Estate Planning** – Appraisals are necessary when a principal of a company dies or transfers ownership of his interest to a relative, partner or an Employee Stock Ownership Plan, or donates such to a tax-exempt institution or charity. Preparation of tax returns and in the analysis of these returns by the IRS.

**Mergers, Acquisitions and Divestitures** – Appraisals define values for both the buyer as well as the seller.

**Bankruptcy or Divorce** – Appraisals are required for the equitable division of assets.

Taken from an article in the APPRAISER News letter by John Gabalis