

382 **SCOPE OF WORK RULE<sup>2</sup>**383 **For each appraisal, appraisal review, and appraisal consulting assignment, an appraiser must:**

- 384       **1. identify the problem to be solved;**  
 385       **2. determine and perform the scope of work necessary to develop credible assignment results;**  
 386       **and**  
 387       **3. disclose the scope of work in the report.**

388 **An appraiser must properly identify the problem to be solved in order to determine the appropriate**  
 389 **scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to**  
 390 **produce credible assignment results.**

391 Comment: Scope of work includes, but is not limited to:

- 392       • the extent to which the property is identified;  
 393       • the extent to which tangible property is inspected;  
 394       • the type and extent of data researched; and  
 395       • the type and extent of analyses applied to arrive at opinions or conclusions.

396 Appraisers have broad flexibility and significant responsibility in determining the  
 397 appropriate scope of work for an appraisal, appraisal review, and appraisal consulting  
 398 assignment.

399 Credible assignment results require support by relevant evidence and logic. The  
 400 credibility of assignment results is always measured in the context of the intended use.

401 **Problem Identification**

402 **An appraiser must gather and analyze information about those assignment elements that are**  
 403 **necessary to properly identify the appraisal, appraisal review or appraisal consulting problem to be**  
 404 **solved.**

405 Comment: The assignment elements necessary for problem identification are addressed in  
 406 the applicable Standards Rules (i.e., SR 1-2, SR 3-1, SR 4-2, SR 6-2, SR 7-2 and SR 9-2).  
 407 In an appraisal assignment, for example, identification of the problem to be solved  
 408 requires the appraiser to identify the following assignment elements:

- 409       • client and any other intended users;  
 410       • intended use of the appraiser's opinions and conclusions;  
 411       • type and definition of value;  
 412       • effective date of the appraiser's opinions and conclusions;  
 413       • subject of the assignment and its relevant characteristics; and  
 414       • assignment conditions.

415 This information provides the appraiser with the basis for determining the type and extent  
 416 of research and analyses to include in the development of an appraisal. Similar  
 417 information is necessary for problem identification in appraisal review and appraisal  
 418 consulting assignments.

<sup>2</sup> See Advisory Opinion 28, *Scope of Work Decision, Performance, and Disclosure* and Advisory Opinion 29, *An Acceptable Scope of Work*. References to Advisory Opinions are for guidance only and do not incorporate Advisory Opinions into USPAP.



419 Communication with the client is required to establish most of the information necessary  
420 for problem identification. However, the identification of relevant characteristics is a  
421 judgment made by the appraiser that requires competency in that type of assignment.

422 Assignment conditions include assumptions, extraordinary assumptions, hypothetical  
423 conditions, supplemental standards, jurisdictional exceptions, and other conditions that  
424 affect the scope of work.

#### 425 **Scope of Work Acceptability**<sup>3</sup>

426 **The scope of work must include the research and analyses that are necessary to develop credible**  
427 **assignment results.**

428 **Comment:** The scope of work is acceptable when it meets or exceeds:

- 429 • the expectations of parties who are regularly intended users for similar assignments;
- 430 and
- 431 • what an appraiser's peers' actions would be in performing the same or a similar
- 432 assignment.

433 Determining the scope of work is an ongoing process in an assignment. Information or  
434 conditions discovered during the course of an assignment might cause the appraiser to  
435 reconsider the scope of work.

436 An appraiser must be prepared to support the decision to exclude any investigation,  
437 information, method, or technique that would appear relevant to the client, another  
438 intended user, or the appraiser's peers.

439 **An appraiser must not allow assignment conditions to limit the scope of work to such a degree that**  
440 **the assignment results are not credible in the context of the intended use.**

441 **Comment:** If relevant information is not available because of assignment conditions that  
442 limit research opportunities (such as conditions that place limitations on inspection or  
443 information gathering), an appraiser must withdraw from the assignment unless the  
444 appraiser can:

- 445 • modify the assignment conditions to expand the scope of work to include gathering
- 446 the information; or
- 447 • use an extraordinary assumption about such information, if credible assignment
- 448 results can still be developed.

449 **An appraiser must not allow the intended use of an assignment or a client's objectives to cause the**  
450 **assignment results to be biased.**

<sup>3</sup> See Advisory Opinion 29, *An Acceptable Scope of Work*. References to Advisory Opinions are for guidance only and do not incorporate Advisory Opinions into USPAP.