



real estate  
**matrix**

BEYOND VALUATIONS. BEYOND EXPECTATIONS.



# 5 THINGS YOU MUST KNOW

About IRS Real Estate Appraisals



*Appraisals you can trust. People you can depend on.*

# WHO WE ARE

## Our Clients Come First

In 2003, Real Estate Matrix began with the goal of revolutionizing the speed and quality of commercial real estate appraisals. Our founders **J. Craig Stephens, MAI, MRICS** and **Mario Mazzei** put into place new technologies to eliminate inefficiency, while providing a service to their clients that went way above and beyond.

By focusing on our clients, REM has grown continuously since its founding. Today, REM is one of the Southeast's premier commercial valuation firms and has participated in the valuation of billions of dollars in real property assets.





# 5 THINGS YOU MUST KNOW

## About IRS Real Estate Appraisals

If you ever find your reputation is on the line for your client's property valuation, things could get complicated. **Here are 5 critical points to consider when you have a client in need of a real estate appraisal:**

### 1. The criteria for IRS real estate valuations are different than bank valuations.

**An appraisal firm experienced in performing appraisals for estate tax purposes is familiar with these differences.** When considering an appraiser for estate tax purposes it's imperative to ask if he or she has experience in preparing appraisals to be used by the IRS. If an appraisal prepared by an inexperienced appraiser is rejected by the IRS, one may have to order an entirely new appraisal, which can be very costly, especially for commercial real estate appraisals, which can cost thousands of dollars. Real Estate Matrix appraisers are experienced in the preparation of appraisals for estate tax purposes.

### 2. Does the appraiser meet the IRS criteria for a qualified appraiser?

**A qualified appraiser is an individual who meets certain requirements.** The individual must meet certain minimum education and experience requirements; for real property, the appraiser must be licensed or certified for the type of property being appraised in the state in which the property is located; and the individual must regularly prepare appraisals for which he or she is paid. The individual cannot have been prohibited from practicing before the IRS under section 330(c) of title 31 of the United States Code at any time during the 3-year period ending on the date of the appraisal, and the individual cannot be an excluded individual.



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### 3. The IRS has its own specific definition of Fair Market Value.

Appraisals performed regarding federally related transactions for federally regulated lending institutions must be based on the definition of market value required by the Interagency Appraisal Guidelines; whereas, appraisals performed regarding estate taxes must be based on the specific definition required by the IRS. The IRS may reject an appraisal which does not use its specific definition, and the appraiser may be subject to substantial penalties if the appraisal is rejected.

### 4. The Intended Users for appraisals prepared for IRS use are different from the Intended Users for appraisal reports used by regulated financial institutions.

While the intended user for appraisals completed for federally regulated lending institutions is usually the lender; appraisals for estate tax purposes must name the IRS as an intended user; and typically, there are additional intended users such as the accountants who prepare the tax returns.

### 5. IRS has specific content requirements for a qualified appraisal.

A qualified appraisal is a document that is created, signed and dated by a qualified appraiser in accordance with generally accepted appraisal standards; relates to an appraisal made not earlier than 60 days before the date of contribution of the appraised property; does not involve a prohibited appraisal fee; includes certain required information; and meets the requirements set forth by the Internal Revenue Service (IRS).

# Let's Partner to Make Your Firm More Profitable

When the need arises for a commercial property appraisal there is no need to send your client elsewhere.

**All you need is a partner in the process. This is where we come in.**

Real Estate Matrix appraisers meet the qualifying criteria and are experienced in performing IRS real estate evaluations.

No matter what the property size REM can provide real estate valuations so you don't have to send your clients elsewhere.

**Having a reliable resource for real estate valuations will:**

- Help you to retain clients
- Expand your services
- Grow your revenue

**What if you require an appraiser outside our practice area?** We have connections throughout the country and will be happy to assist you in finding the right appraiser to fit your needs.



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# Contact Us Today & Let Us Know How We Can Help You

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