

The Appraisers Page

Georgia Real Estate Appraisers Board

October 2013

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Data is King

By D. Scott Murphy

Well if the old saying "*Data is King*" is true then Shane Moxley is the new king of the residential real estate market in the metro Atlanta area. Shane is the founder of CompFlo Valuation Information Systems, an Atlanta based firm which provides data to real estate professionals. He has taken the concept of *Redlink* which was developed by a firm called The Market Data Center, and radically improved and enhanced it. I recently had the opportunity to interview Shane.

What exactly are you doing?

"Simply put we are designing a "best in class" research application for appraisers. I've been a field appraiser in the Atlanta Market for nearly 17 years. We designed this application to provide the best data available and to do it as quickly as possible. Most appraisers I know are in a hurry, including me. Superior data and time efficiencies are what drive our development process. After speaking with appraisers throughout the country, I was able to determine that the Atlanta market was relatively unique in that it featured one of the best contributory databases in the country. This was tremendously helpful to appraisers when trying to evaluate potential comparables for selection in an appraisal report, however, there were issues with the

system we all knew as Redlink. The system itself had become static and there were (in my opinion) regulatory concerns with the submission process. Given that the scope of work for an appraiser has increased exponentially over the last 8 years, my primary objective was to assist the field appraiser in what has become a scavenger hunt for credible data. I think we have succeeded in doing that with the new CompFlo application slated for release on November 1, 2013."

For those outside the metro Atlanta area or outside the appraisal field and are not familiar with the now defunct Redlink product - what exactly are we talking about?

"Redlink was developed in the 1970's as a joint venture with the Appraisal Institute as a way for appraisers to contribute physical data into a database that could be used by all its members. The product was only offered in 2-3 cities nationwide, Atlanta being one. This allowed appraisers access to very detailed and reliable physical data for use in their appraisals."

How is this type of database superior to public records?

"Public records are developed on a county by county basis, each with different nuisances on how they determine gross living area. As a matter of fact - if you look at your tax record it does not specific gross living area but gross building area or gross heated area. These terms vary greatly from the true definition of gross living area used by appraisers. With CompFlo, the data reported is based on a licensed appraiser who personally measuring the subject property using the ANSI measuring standards. Information such as basement size, basement finish, quality and condition are not listed in most tax records but are available to the appraiser through CompFlo"

Many of my readers are real estate agents - how will this help them and will they be able to get access to CompFlo?

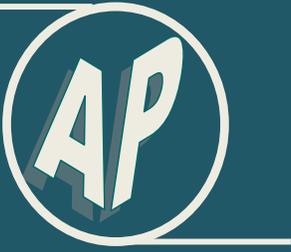
"Well anything that will help improve appraisal quality will help agents. However, we are making provisions for agents to become subscribers. Appraisers have been able to gain access to the multiple listing data for years its only right to create a way for agents to have access to appraiser's data. Furthermore, we want to make it affordable for everyone and the more members the lower the cost."

Tell us about compliance

"From what I can tell most appraisers that were contributing data in the past were not redacting information from the front page that could be considered to be confidential data. Specifically I'm speaking about the contract information and borrower. Since the contract information and borrower names were sometimes not in the public domain, or readily accessible via other sources, its disclosure without precaution could be considered to be a potential violation of USPAP and State Law post 2005. We've spent considerable time and resources in an effort to ensure full compliance with USPAP and the regulatory environment for our contributing users without the inconvenience of manual redaction. After engaging multiple attorneys, a state investigator, and local USPAP instructors we've developed a submission and extraction process that when deployed in conjunction with our confidentiality agreement, ensures that our users can upload data, and remain in full compliance with the regulatory environment."

What's taking us so long?

"We launched the CompFlo Application in August 2012 with approximately 2.4 million records. That was a fine start, however, we found that the extraction of the data was tedious and time consuming. In addition the original system was capable of holding



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approximately 25 points of data. Once the data started to come in, we realized there was a vast amount of non-confidential information that was readily available. So we decided to rebuild the entire system from scratch to accommodate over 260 points of non-confidential data. This decision was made primarily to allow the system to lend itself to export functions and eventually to auto populate the current UAD forms. We've also completely automated the extraction process. Development of this technology has been painfully slow, but it had to be done correctly. We are approximately 6 months behind on this release so I would offer a sincere apology to the appraisers in the field who have waited so patiently. This is why Compflo has remained free of charge for so long. I could not in good conscious charge our users until we could provide a system capable of providing fresh and accurate data in a timely fashion."

What will the new system do?

"The new system is orders of magnitude superior to the old system. It still will remain simple and easy to use. In addition to dimensions maps, deed transfers and tax records some of more notable improvements include the following:

- **Fresh Data:** This had been our primary objective. We have accumulated nearly a million new records that are not in the legacy system. Going forward we can project to add at least 1 million records annually in the northern Georgia region alone.
- **Automated Data Submission:** Data submission now will be completely automated with the extraction and introduction of data into the system with a 24-48 hours period. It should be noted that the submission process is USPAP | state law compliant and is supported by the confidentiality agreement provided to all users who participate in data submission.
- **Data Accuracy:** The data accuracy is coming in above 98%. This is substantially better than the old system that sometimes would move decimals around in the bathroom count or miss data points. Data that is flagged by our user base will be reviewed within 24 hours for accuracy and correction. The old data record will remain in the system; however, it will be moved to a "legacy" database and out of the general pool of data. This is for appraisers who may have to prove their source down the road if they utilized a flagged record.
- **Enhanced search parameters:** Thanks to UAD, users will be able to search for recently submitted records in a much more granular format. Search parameters will include everything from year built and GLA to adverse locations and condition ratings.
- **Enhanced Sketch View:** The old system had trouble picking up sketches and viewing them properly. The new system picks up the sketch over 96% of the time renders the image perfectly. It should be noted that the sketch contribution is optional. For users who do not wish to contribute sketches, they can opt out in preferences, however, they will not have access to sketches.
- **Enhanced Images:** For records submitted after 2005, we are providing an image over 85% of the time. This is a substantial improvement over the current system. "

Why is good data so important?

"I think most appraisers already know the answer to this, but it's important to acknowledge how regulated our industry has become. Appraisals are subjected to field reviews and post closing reviews more than ever before and tax records are notoriously unreliable, especially when it comes to GLA and basement. Inaccurate data can substantially compromise the integrity of an appraisal report thereby subjecting the appraiser and their client to potential liability. When reading the USPAP "Scope of Work rule 3", we know that **"appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal"** and that includes **"the type and extent of data researched"**. **Good data is crucial to credibility of any appraisal report. I think any experienced appraiser would agree with me on that point."**

What's next for CompFlo

"Our primary focus going forward will be to aggregate as much data as possible. The new extraction technology we will be deploying next month will allow us to do this in an unprecedented fashion. In fact, we project a comprehensive statewide database can be built within the next 12 months. In terms of development, we intend to focus on the work file export function to allow for auto population of the UAD forms. In my opinion this is a game changer. Appraisers can expect to shave 45 minutes to an hour from report prep time. This could shave 20-30 hours a month off of a fulltime appraiser's workload. With that said we'll be careful to focus on the core mission of the company to provide superior data in quick and efficient manner. We're not interested in overbuilding the system and providing tools that either do not work or are simply not needed."

For more information on CompFlo you can visit their website at www.CompFlo.com.