

## Broker Price Opinions

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### Issue

Summarize North Carolina's law that governs broker price opinions or comparative market analyses.

### Summary

North Carolina law allows anyone with a real estate license ("licensee"), other than a provisional broker, to prepare a broker price opinion or comparative market analysis and charge and collect a fee for the opinion if the (1) person's license is active and in good standing; and (2) broker price opinion or comparative market analysis is in writing and contains the items specified below (see "Required Contents").

A licensee may not knowingly prepare a broker price opinion or comparative market analysis instead of an appraisal when an appraisal is required by federal or state law.

A broker price opinion or comparative market analysis that estimates the value or worth of a parcel of or interest in real estate rather than the sale or leasing price (1) must be deemed an appraisal, (2) may only be prepared by a duly licensed or certified appraiser, and (3) must meet the North Carolina Appraisal Board's regulations. A broker price opinion or comparative market analysis must not be referred to as a valuation or appraisal but may be used in conjunction with or in addition to an appraisal.

*Broker Price Opinion or Comparative Market Analysis is an estimate prepared by a licensed real estate broker that details the probable selling price or leasing price of a particular parcel of or interest in property and provides a varying level of detail about the property's condition, market, and neighborhood, and information on comparable properties, but does not include an automated valuation model ([N.C. Gen. Stat. § 93A-82](#)).*

The North Carolina Real Estate Commission has authority to adopt rules that are not inconsistent with the law ([N.C. Gen. Stat. §§ 93A-82 & -83](#)).

### ***Required Contents of a Broker Price Opinion***

A broker price opinion or comparative market analysis must be in writing and must include:

1. a statement of the intended purpose of the broker price opinion or comparative market analysis;
2. a brief description of the property and property interest to be priced;
3. the basis of reasoning used to reach the conclusion of the price, including the applicable market data or capitalization computation;
4. any assumptions or limiting conditions;
5. a disclosure of any existing or contemplated interest of the broker issuing the opinion, including the possibility of representing the landlord or tenant or the seller or buyer;
6. the effective date of the opinion;
7. the name, signature, and license number of the broker issuing the opinion;
8. the name of the real estate brokerage firm for which the broker is acting;
9. the signature date;
10. a copy of the assignment request for the opinion or comparative market analysis; and
11. the disclaimer shown in the sidebar ([N.C. Gen. Stat. § 93A-83\(c\)](#)).

#### ***Disclaimer***

*“This opinion is not an appraisal of the market value of the property, and may not be used in lieu of an appraisal. If an appraisal is desired, the services of a licensed or certified appraiser shall be obtained. This opinion may not be used by any party as the primary basis to determine the value of a parcel of or interest in real property for a mortgage loan origination, including first and second mortgages, refinances, or equity lines of credit.”*([N.C. Gen. Stat. § 93A-83\(c\)\(10\)](#))

Additional requirements apply if a broker price opinion is submitted electronically or on a form supplied by the requesting party ([N.C. Gen. Stat. § 93A-83\(e\)](#)).

## ***For Whom May a Broker Price Opinion or Comparative Market Analysis be Prepared?***

Under North Carolina law, a broker price opinion or comparative market analysis may be prepared for an existing or potential:

1. seller or buyer of a parcel of real property;
2. lessor or lessee of a parcel of or interest in real property; or
3. lienholder or other third party for any purpose other than as the basis to determine the value of a parcel of or interest in property for a mortgage loan origination.

A broker price opinion or comparative market analysis may also be prepared for a third party making decisions or performing due diligence related to a potential listing, offering, sale, option, lease, or acquisition price of a parcel of or interest in real property ([N.C. Gen. Stat. § 93A-83\(b\)](#)).

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