

Rural Valuation Topic #RVT 7: Sale Confirmation v. Verification

There are two “base definitions” to begin:

1. Confirming is “an act or process of confirming; the process of supporting a statement by evidence” (Merriam-Webster).
2. Verification is defined generally as a synonym to confirmation or “the act or process of verifying” (Merriam-Webster).

However, ASFMRA’s seminars and courses have taught there is significant difference.

ASFMRA Recommend Rural Application

Sale Confirmation: A simple procedure of identifying the historical elements such as:

- a sale has occurred (typically by courthouse records)
- buyer and seller name and address
- legal description
- dates, and
- signatures.
- Sometimes courthouse records state the compensation; however, in many states such information is not in the public record
- Solely relying on information from a local database such as MLS is not recommended.

Sale Verification: The procedure of conducting in-depth research regarding:

- buyer motivation
- possibly the sale price in non-disclosure states
- other properties considered by the buyer prior to the purchase
- was the transaction a trade or exchange (IRS qualifying re-investment) or purchased for legal reasons (access), an add-on or expansion to acquire property with components that enhance the prior owned property, etc.

As markets become more complex with mixed agricultural, recreational, rural residential influences impacting the value of the whole property, the “degree” of confirmation or verification may be different. Knowing the reason why the buyer acted in the purchase and determining whether or not that motivation can be replicated in the competitive market may be key to supporting any opinion of value in rural markets.

