A real estate appraisal is an independent estimate of the value of a parcel of real estate by an appraiser using approved, standardized methods. In many states, appraisers are required to be licensed. However, appraisals are opinions and will vary with the appraiser. The appraisal report is a detailed listing of the appraisal that is usually done for the lender of the property, or by the owner, usually to establish a selling price. Most appraisal reports are based on preprinted forms, such as the Uniform Residential Appraisal Report Housing benefit by Kemp, Peter, 1992, HMSO edition, in English.

There are benefits for buyers other than just negotiating strength. Paying for a home with cash means you have no mortgage payment to make each month, and the equity in the home provides a sense of security if financial emergencies arise. While market fluctuations can change the value of a home, owners without a mortgage still have 100% equity in whatever that market value is.