	Subject	Data	Predictors	Algorithms	Delivery
AVM	User decision	Programmer fixed	Programmer fixed	Programmer fixed	Number + FSD
Evaluation	User decision	Appraiser or not	Valuer judgment	One to three approaches	Number & judgment
Part non-appraiser	User or appraiser	Partial non-appraiser	Partial appr. judgment	Three approaches	Number & 'reconcile'
Appraiser	Client or appraiser	Appraiser judgment	Judgment or 'pairing'	Three approaches	Number & 'reconcile'

Two important results of this table

1. It reflects the *universality* of the valuation process
2. Lacks *reliability measure* by all valuation products
3. *Judgment elements* are relatively hidden by all products

UNIVERSALITY

The analysis for each and every product follows a standard path from data selection, predictor identification, and predictive 'adjustment' methods.

Each method uses different names for the same process. For example, in appraisal -- predictors are called "elements of comparison." "Scope of Work" for AVMs is a choice of vendor. In AVMs, data selection is a secret process, called "picking comps" in appraisal.

The bottom line is that AVMs are black box proprietary secret algorithms, while appraisals are grey matter mysteries.

One is objective, but a secret. The other is subjective, but obscure.

One measures its accuracy with its own secret accuracy measurer. The other focuses on "worthy of belief" credibility.

Neither provides what the industry really needs: A transparent, reproducible, risk-scored analysis – free of both analytic bias and human bias

RELIABILITY/RISK MEASURE LACK

The three types of user/client needs may be generalized as: collateral risk, investment potential, and equitable result. Each requires a measure of current probability distribution and forecast future values. Measurement of such risk must comprise the reliability of each of the parts in the table, including imparting the risk/reliability to the user/client.

JUDGMENT ELEMENTS ARE OBSCURED

For AVMs, judgment elements are either discarded (from a 'no hit' or algorithmically 'bad' result). For appraisals, judgment elements are rather gross in 'picking comps' to 'making adjustments' to reconciling in words why things didn't match up!

All other products in between (evaluations, broker price opinions, inspections, and waivers) involve some level of non-appraiser involvement, and subjectivity.

A SIMPLE, CONSISTENT SOLUTION

The public trust deserves something better than secret algorithms and 'trust me' credibility standards.

We have discovered that the intermesh of "five frictions" to valuation modernization restrict change.

And that the five frictions create a vacuous circle of inertia.

Only one of those frictions can get us out of the box. A box of crabs, each wishing for something better, but pulling the other back into the box.

Only one.

And that one is a only a fresh, equitable, regulatory structure. A structure which is bias-aware, fair, transparent, and universal to all valuation/risk industries. All.

The *Analogue Blog* question for next week is: Is there a universal solution for the valuation conundrum?