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## The places you will go when you join the Appraisal Institute

October 07, 2010 - Appraisal & Consulting

A popular book by Dr. Seuss is titled Oh, The Places You'll Go. It got me to thinking about the places I have been and properties I have appraised when I got there. These few might be entertaining.

In the mid-2000's I appraised the country's oldest land grant. This single parcel consisted of a large peninsula jutting into a coastal bay within a desirable residential community. In general terms, hundreds of years ago the land was gifted to the inhabitants of the town with the limitation that its income be directed to the public school. Initially, the land was used for grazing sheep, yet over the many decades it evolved into a cluster of more than 100 cottages, mostly seasonal, with each being assigned a well-defined exclusive use land envelope as well as shared use of common land and improvements. In short, a self-contained seaside neighborhood was formed. Individuals were given one year ground leases and accordingly they built just small cabins. Annual ground rent changed only modestly over the years.

This arrangement and its annual ground lease renewals worked well for many decades until prices of water-oriented real estate greatly increased. Then, some of the workingman cottages evolved into more than cottages as some market participants invested heavily although the land was not theirs. Others sold and profited well beyond the value of their cottage alone. So, when income to the school lagged and there was a major impending capital cost for a utility system, ground rents were increased. The many families that had simply enjoyed their cottages for generations were in a bind. My task was to estimate market ground rents for each cottage site as well as market value of the entirety as it remained a single parcel. Although an idyllic locale, there were many complexities in this assignment and it brought all of my skills to bear.

Then, there was the time I appraised a complex of 1 million s/f of industrial and office buildings on more than 200 acres as part of a tax appeal. I made an exhaustive study for sales and rental data and thought that I had it all. However, I was shocked when in negotiations the revaluation company representative opened a veritable book of rental data that overwhelmed my own and illustrated universally higher rents. How could this be I wondered? Fortunately, he left that book open long enough for me to note some addresses. "Those are owner-occupied properties!" I said.

When it became apparent to the triers of fact that the rents were creations of the revaluation company and not of the marketplace, it was "game over." The abatement was so large it would have absorbed the town's entire abatement reserve budget. Surprisingly, once the new valuation and the abatement was set, and the town agreed they would need to apply better valuation techniques going forward, my client offered to return the entire amount as a gift.

Finally, my client was an accomplished business owner and investor with an idea to invest in a new built to suit 100,000 s/f manufacturing building to be net leased to a single tenant. Based upon my analysis of the plans, this would be one of the best quality manufacturing buildings I had even been in, along with having some special purpose features. The tenant was a fairly young entity and I reported that if they went under, there would be a much lower value in sale versus cost and also between market and contract rent. The investor called from Florida after reading my report. "I'm comfortable, why do I need this?" was his comment. He withdrew. The building was constructed and the tenant vacated 2 years after occupancy. The building experienced a lengthy marketing period and sold at a fraction of its cost. I appraised it for the new buyer.

If any of this sounds appealing, visit the Massachusetts Chapter of the Appraisal Institute's web site. Advance through our educational offerings. Add to your own stories and "get on your way."

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