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Values & trends vary increasing need for experienced appraisers

October 11, 2012 - Spotlights

Greetings from Connecticut and The Connecticut Chapter of the Appraisal Institute. Increasingly the news is better for our state, as activity and overall strength in the commercial real estate market have continued to improve. Our members are consistently reporting a greater share of their work from healthy sources, with financing and transactions appearing more consistently on appraisal backlogs. While workout and foreclosure assignments are still very much in the discussion, we seem to be turning the corner economically if the "type" of appraisal activity is any indication of market direction.

As further evidence of recovery, commercial brokers throughout the state are reporting greater activity on both the leasing and investment sale fronts. This quiet tightening of our market has, at least anecdotally, left quality space increasingly scarce. That being said, pricing is still low and we have plenty of room for absorption in the B and C space markets.

Although we are not back to the good times just yet, the appearance of institutional capital is a really good sign. For the prior two years, these investment dollars were focused almost exclusively on barrier markets like New York and Boston. That their investment officers would now consider Connecticut speaks well of the hopes for broader recovery. Here and outside the state, favorable financing opportunities remain a driving force, and thankfully, Connecticut's banks are participating by offering highly competitive rates. Insurance company lenders, including several based in Connecticut, are sourcing deals closer to home.

In conjunction with market trends, the Connecticut Chapter has itself been very active in 2012. At the National level, The Appraisal Institute is rolled out a Society model earlier this year, focusing on designated membership and preparing for the future of the appraisal industry. To that end, in the Connecticut Chapter, we've spent considerable time working to execute that strategy, encouraging Associate Members to register for the program and accept a path (and timeline) to designation.

On the state legislative level, our Chapter was also extremely active, not to mention successful. During the first half of the year, we worked with state law markets to preserve existing legislation that protects consumers through the appraisal process. For the second year in a row, we turned back efforts by the banking industry to soften appraisal standards, thanks in equal parts to our full-time lobbyist and the excellent work of our Government Relations staff.

From the Connecticut Chapter, we wish you the best throughout the balance of the year. Should your real estate activities require the services of a professional appraiser, designated Institute members provide the most educated, reliable source for value opinions. To find members, look to our web site, www.appraisalinstitute.org.

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