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55 YEARS

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Recap of the New England Appraisers Expo held October 21st

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The New England Appraisers Expo took place October 21st at the Four Points Hotel in Norwood. This was sponsored by the MBREA and the MA/RI Chapter of the Appraisal Institute. The attendance was the highest since 2006 and included speakers on the economy, green building, and the direction of the appraisal profession with separate programs for both residential and commercial appraisers.

Economist Paul Willen, from the Federal Reserve Bank of Boston, spoke of the economic forecasting that took place over the past few years. He showed us charts and all kinds of information that support the past forecasts and then confirmed that they have not been, shall we say, on the money. He also noted that the expectations and ramifications for incorrectly forecasting the economic picture were not career ending. It is what economists do. The honesty and humorous presentation was enjoyed by everyone as far as I could see. As noted by Steve Elliot later in the day, economists may be one of the best jobs out there.

Basically, there is no real way to predict the future. In my career as an appraiser, broker, and assessor I can state this one fact; real estate valuation is a moment in time. Factors that drive the market include buyer's confidence, buyer's preferences, borrowing rates, current events, and economic forecasting.

As a residential broker, I realized that each market was different. There were years when an in-ground pool was a good thing, oil was the way to go, cathedral ceilings and large open areas were desirable. It is all what the buyer perceives as having value and then personal choice. Appraiser's have to measure that and adjust accordingly. As an assessor, mass appraising is another ballgame. Sale prices go up and down. Tax rates rise and fall. Over the past 10 years there have been really large fluctuations in value. Each year, you step back and review and make the adjustments necessary based on the historical data you have analyzed.

Economist's base their forecasts on historical data. Our profession is also based on gathering historical data, knowing the current market, analyzing and reporting. As long as your data is correct when you give your opinion of value, as with economists, there will be no career ending moves on our part.

This brings me to the last residential presentation of the day. MBREA member, Rich Goulet, MRA, moderated a panel of experts who showed the audience how to retrieve data that is reliable and forms the basis for an informed opinion of value. The key is in obtaining the correct information and performing an analysis using the professional skills an appraiser acquires over time. The final step is to communicate not only the results of your analysis, but also telling the reader of your report the thought processes that went into reaching your conclusion.

Paula Wolfe is the 2013 president of MBREA, Dedham, Mass.