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President's message: 2015 real estate appraisal outlook

January 15, 2015 - Connecticut

As we bid 2014 adieu and welcome in the New Year, there is reason for optimism among Connecticut real estate professionals when surveying the local landscape. Although activity has been sluggish in many areas and additional time will be needed to achieve full value recovery from the height of the market in 2006, many sectors are experiencing a degree of stability with respect to values, interest rates have remained extremely affordable for a period of time longer than anyone would have imagined and fatter wallets due to falling gas prices have put a smile on everyone's face contributing to a level of consumer confidence not felt in the past five to seven years.

Valuation of real property, both residential and income producing, has been extremely challenging during this period, as limited sales data, an infusion of not-at-arm's-length sales in the form of REOs and short sales and governmental mandates to lenders and appraisers alike needed to be addressed and dealt with. The good news is, we dealt with it professionally and successfully. When I look at the Connecticut appraisal community at this juncture, I am ever confident that the level of services provided by conscientious appraisers who have dedicated their lives to unbiased valuations serves, and will continue to serve, the best interest of their clients and the public at large. Well developed, unbiased property appraisals which conform to the Uniform Standards of Professional Appraisal Practice are the bedrock of prudent lending decisions, municipal acquisitions and dispositions, amicable litigation and familial estate and marital settlements.

The Appraisal Institute, recognized nationally as the most highly regarded professional society of real estate valuation professionals, is served locally by its Connecticut Chapter, which numbers 295 strong, including 131 actively engaged designated members who hold the MAI, SRPA, SRA, AI-GRS or AI-RRS designations, in addition to semi-retired and retired members who generously share their time and knowledge with fellow colleagues. In addition, 75 non-designated appraisers and 23 candidates for designation are affiliated with the chapter. The Appraisal Institute is the recognized leader in real estate appraisal education services, providing a wide array of in-classroom courses and seminars, webinars and synchronous educational offerings covering a wide range of topics from basic principles and practices, USPAP, appraisal law, ethics and standards and topics dealing with specific issues such as green building design and technology, environmental issues, etc., to name a few. The Connecticut chapter provides localized AI educational offerings, open to both members and non-members alike and has developed several home-grown, locally sponsored seminars in recent years designed by local members to further educate the statewide appraisal profession on select topics, often calling upon professionals from other disciplines to speak. It has been our good fortune for many years to welcome Edward J. Deak, PhD., Professor of Economics, Emeritus, Fairfield University to our January membership meeting to present his in depth outlook on the national and statewide Economies, and I am pleased to say he has agreed to speak to us once again on January 26th (joint meeting with the Connecticut Chapter of the ASA). Individuals not

affiliated with our organization, but who are interested in learning more about the Appraisal Institute are welcome to attend.

The Appraisal Institute's most recent initiatives include the Candidate for Designation Program, designed to promote and assist appraisers in earning their AI designations and the adoption of the two latest designations (AI-GRS and AI-RRS), which recognize expertise in reviewing commercial and residential appraisal reports. During 2014, the chapter was proud to award six new member designations, including three review designations. Several local chapter members serve as advisors to the candidates seeking designation, giving of their time and recognizing the importance of fostering the continued level of professionalism the various Appraisal Institute designations hold and their inherent benefit to the industry and public in general. The local chapter is fortunate to have had a team of highly dedicated, selfless professionals over the years who have donated generously of their time and talents in steering the direction of our organization, with Rocco Quaresima, MAI serving most recently as president in 2014.

To quote Louis Pasteur: "Chance favors the prepared mind." I look to 2015 with optimism and renewed energy, with goals of improving the stature of the appraisal profession statewide and attracting new members to our organization, while being a part of a team of dedicated professionals who continue to provide timely quality education to the state's 1,600+ licensed and certified appraisers. The Connecticut Chapter of the Appraisal Institute has been a staunch supporter of appraisal standards over the years and has proudly served as a voice in Hartford for the profession, and will continue to do so. Much happiness, health and success in the new year.

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