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55 YEARS

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A philosophical look at the appraisal industry

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As I plod through 2008 in my role as a real estate appraiser and businessperson, I am reminded of the phrase I heard during my college days "I've been down so long it looks like up to me." The phrase is taken from a novel by Richard Farina with a similar title.

This year has certainly been a roller coaster ride with much of the track on the downside. I've often had to remind myself that the words "business cycle" is a descriptive term for a very good reason, and we happen to be in the down portion of the cycle. That being said, people in general have a way of believing that things will continue in the current direction forever without much promise of a turn-around. However, just as the boom times do not last forever, the doom times will not either.

True, the economy is faltering. Credit is tightening. Unemployment is rising. Gas prices are astronomically high and not anticipated to decrease significantly. The stock market is up, is down, is down, is up, is down again. Car sales are declining. Sales of homes are declining in numbers and prices. The dollar is weakened. The list goes on. In terms of business, billings are down. Intake is down. Fees are down. Client payment delinquency is up. I am aware of one residential appraisal firm located in California that had to reduce its staff from 17 persons down to four. Other firms have just closed their doors. This is not a good thing.

True, the appraisal field has suffered a major setback in that the Appraisal Foundation has significantly increased the amount of education and experience a person needs to become an appraiser, but appraisal fees have not increased to offset the time and cost of becoming an appraiser. As a result, the field is becoming increasingly unattractive as a career option, particularly for younger professionals who have other, more lucrative options for making a living. This also is not a good thing.

So, what is the good news? For those of us still left standing, there should be plenty of work in the future. Also, with economic times so subdued, a pent up demand for housing and new construction is being created which is bound to express itself at some point. I'm not holding my breath, but 30-year mortgage rates did drop a bit this past week, and the housing market does appear to be getting more active after a very quiet July and August. My mantra these days is: It's a business cycle, it's a business cycle.

For those who want to know more, the Farina novel entitled *Been Down So Long It Looks Like Up To Me* was published by Random House on April 28, 1966. The book is about college campus life during the tumultuous 1960s, complete with drugs, sex and rock `n roll. The author is perhaps better known as the Cuban Irish folk musician who was married to Mimi Baez, the younger sister of Joan Baez. He tragically died two days after the publication of his first novel in a motorcycle accident at

the age of 29.

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