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President's message: MA, RI and ME Chapter! - by John Drew

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I am writing to you this month to let you know that I am no longer the 2021 president of the MA-RI Chapter of the Appraisal Institute. Instead I am proud to declare that I am now the 2021 president of the newly merged Massachusetts, Rhode Island, and Maine Chapter of the Appraisal Institute. After months of meetings, discussions, and writing/re-writing on the local level, the Appraisal Institute's National Board of Directors approved the merger of the two chapters, effective March 1st.

First, I would like to thank George Demopoulos, SRA and Tina O'Connell, MAI as 2020 presidents of the MA-RI and Maine Chapters, respectively, who had the vision to explore and initiate a merger of the two chapters. Further, I believe the members of the steering committees should also be recognized for moving the ball forward, and getting the merger done. In addition to the chapter presidents, the committee included Edward Bowler, MAI, SRA; Zach Bowyer, MAI, and Joseph Comperchio, MAI, SRA from the former MA-RI Chapter, as well as Russ Barrows, SRA; Kevin King, SRA; Mark Plourde, MAI; and Paul Linehan, MAI, AI-GRS from the former Maine Chapter.

The new Massachusetts, Rhode Island and Maine Chapter, with almost 400 AI professionals, is the largest Appraisal Institute chapter in New England. The merger will enhance the education and membership strength of the Massachusetts and Rhode Island Chapter with the addition of an active group of AI professionals from Maine. Recent developments in communication technology, and continuing education policies, has bolstered our ability to conduct meetings and course offerings virtually, replacing much of the need for travel across large geographic areas. The new chapter's territory now includes the states of Maine, Massachusetts and Rhode Island.

Christina O'Connell, MAI, outgoing Maine Chapter president said, "While this merger closes the books on the Maine Chapter, it opens many new opportunities in education as well as networking, connectivity, and professional development for appraisers in all three states. I want to personally thank all of the appraisers that have been part of the Maine Chapter for their contributions over the years. The merged chapter will continue to include educational and professional development

offerings in each of the three states, expanding on the diversity of resources while also continuing to provide local options. In short, the merger is a positive change for appraisers across all three states.”

The merger of the two chapters will solidify the Appraisal Institute as the region’s leader in educational programming for commercial and residential real estate appraisers. The combined chapter will enhance the benefits of AI membership by expanding the range of ideas, practices, and geographic expertise. Further, the users of our services will benefit from the increased collaboration and diverse knowledge base resulting from the merger. I look forward to working with all of our AI professionals in taking advantage of the opportunities that this merger presents.

One such opportunity was the Economic Outlook and RE Trends in 2021 held virtually on Feb. 23rd. The program featured a seasoned, four person panel of market experts providing their unique insights into 2021 market dynamics. Moderated by Brad Hevenor, MAI, the discussion kicked off with Ryan Severino, CFA, chief economist for JLL. Severino emphasized that the quickest path out of the final stages of this current economic crisis is through vaccinations. Although he believes the risk in the recovery is concentrated over the next six months, he was clear that the United States GDP stacks up well with other world economies, the Boston-Worcester-Providence market will continue to benefit from a young, educated workforce, and his overall outlook for commercial real estate is positive.

The next featured panelists included executive VP Heather Brown and executive VP Douglas Jacoby, MAI of CBRE’s Capital Markets Team. Brown and Jacoby provided detailed presentations of commercial market activity in the greater Boston area, focusing not just on the uncertainties, but also on the changes in how capital transactions are scrutinized by lenders (e.g. detailed tenant/lease analysis) and the pockets of strength, particularly in the industrial and warehouse markets. According to data provide by Jacoby, the Greater Boston Industrial vacancy rate is at an all-time low, with supply shortage continuing to loom over a market bursting with demand.

The final presenter of the day, 2021 MAR president Stephen Medeiros had concerns with shortages as well. He painted a picture of a Massachusetts for sale market that continues to see strong buyer demand, and rising prices, in a low interest rate environment. However, the future of the market remains unclear, as sales declined by over 60% with a limited supply inventory of only 0.7 months. According to Medeiros, the market will continue to face challenges moving forward, including housing affordability, high subdivision start-up costs, and the red tape surrounding zoning & permitting.

The take-away from this year’s Economic Outlook and RE Trends event is that “yes” we do continue to face challenges in our fight against the COVID-19 pandemic, but there remains optimism and strong demand in a variety of markets that will likely help buoy an improving economy heading into latter half of 2021.

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