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How low will it go? Now is the time to join a professional org.

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The lack of available financing has had a great impact on the overall real estate market. Unfortunately lenders have gone from one extreme to the other in the underwriting of loans. The saying was "if you're breathing, there is a loan of some kind available. Buyers could not walk away from the temptation of having the American dream- which was to own your own home. Unfortunately, the payment structure was not realistic and many are having to say goodbye to that dream. A lot of money was made originating those loans. Now, people who really could afford to buy at the current low prices are having a hard time finding financing. Most of the bank owned properties need work. The mortgage companies, in most cases, can't lend on properties that need repairs. Appraisers continue to be pressured to state that we are in a stable market situation, when in fact, most areas are still declining. They are further pressured to omit comments about the condition of the house, including repairs that are needed, in order for loans to get through. Many of these appraisals are being reviewed and will continue to be reviewed later. Appraisers will be held accountable. The banks who own the properties won't even let the buyers do the repairs before closing. The local savings banks will lend on the properties "as is" or provide construction loan money, but so many people have damaged their credit that qualifying has been a problem. Only buyers with cash or a source of financing a property "as is" are able to buy. Often the properties don't even have the utilities on and soon they will be winterized. The lenders won't finance the properties they are selling. So the end result is that there is a "catch 22" problem with absorbing the foreclosures and bank owned properties.

The existing policies of lenders are contributing to the oversupply of housing that exists. This is driving prices down even further. It is a ridiculous cycle that could be stopped if common sense could prevail, but nothing seems rational in this market. The "recovery plan" will hopefully pump money into the market. Hopefully, money will be available for buyers to get reasonable loans. But these other policies that hinder sales need to be changed and that is unlikely.

Are we at the bottom yet? We will only truly know that after values begin to go back up. Most areas of the market continue to decline at a slight but steady rate. We are going into a slower season which will further add to the decline. The optimists are hoping for a turnaround in the spring but many feel that it may be another year of decline.

This is the time when the best qualified appraisers are needed to keep the system honest. This is the time when appraisers need to get more education and upgrade their license or better yet get a designation. I know my education and designations have served me well over the last 23 years. It is truly a graying profession, especially for commercial appraisals. The existing appraisers are aging and there are not that many new appraisers entering that segment of the profession. It takes many years of education and training for this type of work and a bigger commitment than for residential appraisals. There is real opportunity in the appraisal profession but it takes hard work, commitment

and determination to be successful. But isn't that true of every profession? We are no different. At the very least, one needs to belong to a professional appraisal organization like the Mass. Board of Real Estate Appraisers or the Appraisal Institute.

The New England Appraisal Expo is a great opportunity to network with colleagues and learn something.

Hope to see everyone there.

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